



**GSIL**

# **GUJARAT STATE INVESTMENTS LIMITED**

## **32<sup>ND</sup> ANNUAL REPORT**

**2019-20**

Registered Office: 06<sup>th</sup> Floor, H.K. House, Opp. Bata Showroom, Ashram Road,  
Ahmedabad-380 009

CIN. U64990GJ1988SGC010307 web: [www.gujsil.in](http://www.gujsil.in)



**32<sup>ND</sup> Annual Report of**  
**Gujarat State Investments Limited**  
**Financial Year 2019-2020**

**Board of Directors**

Shri Pankaj Joshi, IAS [DIN 01532892]	(w.e.f. 27.12.2019)	Chairman
Shri Milind Torawane, IAS [DIN03632394]	(w.e.f. 04.10.2019)	Managing Director
Ms. Arti Kanwar, IAS [DIN 03535973]		Director
Smt. Shridevi Shukla, [DIN 02028225]	(w.e.f. 04.10.2019)	Woman Independent Director
Shri Yamal Vyas [DIN 01308440]	(w.e.f. 04.10.2019)	Independent Director

**Cessation of Directors**

Shri Arvind Agarwal, IAS [DIN 00122921]	(upto 27.12.2019)	Chairman
Shri Sanjeev Kumar, IAS [DIN 03600655]	(upto 04.10.2019)	Managing Director
Ms. Mamta Verma, IAS [DIN 01854315]	(upto 20.06.2020)	Woman Independent Director
Shri Vasant Raval [DIN03097981]	(upto 20.06.2020)	Independent Director

**Chief Financial Officer**

Shri G. S. Pathak

**Company Secretary**

Shri Sandip Shah

**Statutory Auditors**

M/s Chandulal M. Shah & Co.,  
Chartered Accounts,  
Ahmedabad

**Secretarial Auditors**

Harish P Jain & Associates  
Company Secretary  
Ahmedabad

**Internal Auditors**

M/s J. P. Shah & Co.  
Chartered Accounts,  
Ahmedabad

**Bankers:**

State Bank of India  
ICICI Bank  
HDFC Bank



**GSIL**

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**Gujarat State Investments Limited**

**Regd. Office: - 06<sup>th</sup> Floor, H.K. House, Opp. Bata Showroom,  
Ashram Road, Ahmedabad- 380 009**

**Mail Id: infoatgsil@gmail.com**

**CIN. U64990GJ1988SGC010307**

**(P)-(079) 26586636, 26579731**

**NOTICE**

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of Gujarat State Investments Limited (GSIL) will be held at the registered office of GSIL situated at the 06<sup>th</sup> Floor, H.K. House, Opp. Bata Showroom, Ashram Road, Ahmedabad- 380 009 on, 16<sup>th</sup> Day of December 2020 at 02.30 P.M. to transact the following business:

**Ordinary Business:**

1. To receive, consider and adopt
  - a. the standalone financial statements of the Company for the year ended on 31<sup>st</sup> March 2020 and the Reports of Comptroller and Auditor General of India, Statutory Auditors' and the Directors' Reports thereon.
  - b. the consolidated financial statements of the Company for the year ended on 31<sup>st</sup> March 2020 and the Reports of Comptroller and Auditor General of India, Statutory Auditors' and the Directors' Reports thereon
2. To authorize the Managing Director of the Company to fix the remuneration Statutory Auditor, as appointed by the Comptroller and Auditor General of India, of the Company for F.Y. 2020-21.

**SPECIAL BUSINESS**

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

3. **To approve the appointment of Shri Pankaj Joshi, IAS [DIN: 01532892] as Director and Chairman of the Company.**

**"RESOLVED THAT** pursuant to the provisions of Sections 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Article 79 of the Articles of Association of the Company, The Finance Department, Government of Gujarat vide G.R. No. JNV 10-2011-720764-A dated 21<sup>st</sup> December 2019, Shri Pankaj Joshi, IAS [DIN: 01532892], who was appointed as an Additional Director and Chairman by the Board of Directors of the Company w.e.f. 27.12.2019 and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as a Director and Chairman of the Company."

4. **Appointment of Shri Yamal Vyas [DIN 01308440] as an Independent Director of the Company**



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

**“RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 read with Government of Gujarat letter No. JNV/10/2009/149857/A dated 20th June 2020 Shri Yamal Vyas (DIN 01308440) as Independent Director, w.e.f. 20.06.2020, be and are hereby appointed on the Board of the Company to hold the office for a period of two year upto the conclusion of 34<sup>th</sup> Annual General Meeting of the Company in the Calendar Year 2022 AND THAT who shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** Company Secretary be and is hereby authorized to take steps as may be necessary for the purpose of giving effect of aforesaid Resolution.”

5. **Appointment of Smt. Shridevi Shukla, [DIN 02028225] as a Woman Independent Director of the Company**

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

**“RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 read with Government of Gujarat letter No. JNV/10/2009/149857/A dated 20<sup>th</sup> June 2020, and subject to approval of members, Smt. Shridevi Shukla, (DIN 02028225) as a Woman Independent Directors, w.e.f. 20.06.2020, be and are hereby appointed on the Board of the Company to hold the office for a period of two year upto the conclusion of 34<sup>th</sup> Annual General Meeting of the Company in the Calendar Year 2022 AND THAT who shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** Company Secretary be and is hereby authorized to take steps as may be necessary for the purpose of giving effect of aforesaid Resolution.”

**Registered Office:**

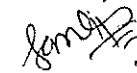
06<sup>th</sup> Floor, H.K. House,  
Ashram Road, Ahmedabad- 380 009

Date : 13.11.2020

Place: Ahmedabad

**By Order of the Board**

**For Gujarat State Investments Limited**



**Sandip shah**

**Company Secretary**

### Notes for Member's attention:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a Member of the Company.
2. The meeting is called for Shorter notice
3. The instrument appointing proxy should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. The proxy form is attached herewith.
4. As per the provisions of Section 113 of the Companies Act, 2013, representative of the Company, authorized by the resolution, is entitled to exercise the same rights and powers on behalf of the Company which he represents as that Company would exercise if it were an individual member.
5. An explanatory statement pursuant to section 102 (2) of the Companies Act, 2013 is annexed to this notice.
3. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.

Explanatory statement pursuant to section 102 of the companies act, 2013 ("the act") relating to special business:

### Items No. 3, 4 & 5

The Board of Directors of the Company considering The Finance Department, Government of Gujarat vide G.R. No. JNV 10-2011-720764-A dated 21<sup>st</sup> December 2019 read with provisions of the Articles of Associations of the Company read with statutory provisions has appointed Shri Pankaj Joshi, IAS [DIN: 01532892] as an Additional Director and Chairman

Except for Shri Joshi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Your Company in terms of the provisions of Section 161 of the Companies Act, 2013, the Board of Directors has upon the Government of Gujarat letter JNV/10/2009/149857/A dated 20<sup>th</sup> June 2020, appointed Shri Yamal Vyas as an Additional Director (Independent Category) w.e.f. 20<sup>th</sup> June 2020 on the Board of the Company for one term which concludes on 34<sup>th</sup> Annual General Meeting of the Company in the Calendar Year 2022. Pursuant Government of Gujarat letter No. JNV/10/2009/149857/A dated 20<sup>th</sup> June 2020, the Board has also recommended their appointment to the Members as an Independent Director, as term decided by your Board.

The Company has received from Shri Yamal Vyas (i) consent in writing to act as a Director pursuant to Section 152(5) of the Act read with Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in terms of Section 164(2) read with Rule 14(1) of Companies (Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified from being appointed as Directors and (iii) a declaration to the effect that he meet with the criteria of Independent Director provided in Section 149(6) of the Act.

Shri Vyas is a Chartered Accountant and Company Secretary with wide experience of working in the media 25 years of experience of handling media relations.

Except for Shri Mehta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Your Company in terms of the provisions of Section 161 of the Companies Act, 2013, the Board of Directors has upon the Government of Gujarat letter JNV/10/2009/149857/A dated 20th June 2020, appointed Smt. Shridevi Shukla as an Additional Director (Independent Category) w.e.f. 20th June 2020 on the Board of the Company for one term which concludes on 34<sup>th</sup> Annual General Meeting of the Company in the Calendar Year 2022. Pursuant Government of Gujarat letter No. JNV/10/2009/149857/A dated 20th June 2020, the Board has also recommended their appointment to the Members as an Independent Director, as term decided by your Board.

The Company has received from Smt. Shukla (i) consent in writing to act as a Director pursuant to Section 152(5) of the Act read with Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in terms of Section 164(2) read with Rule 14(1) of Companies (Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified from being appointed as Directors and (iii) a declaration to the effect that he meet with the criteria of Independent Director provided in Section 149(6) of the Act.

Smt. Shukla is B.A in Economics and has wide administrative and corporate experience. Prior to her retirement. She held various senior positions in various departments of Government of Gujarat Smt. Shukla was also appointed as State Information Commissioner, Gujarat Information Commission from May 2014 to February 2015.

Except for Smt. Shukla, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Details of Directors, seeking appointment/re-appointment, in the forthcoming Annual General Meeting. In pursuance of Secretarial Standards on General Meetings [SS-2]

	<b>Shri Pankaj Joshi, IAS</b>	<b>Smt. Shridevi Shukla</b>	<b>Shri Yamal Vyas</b>
Director Identification Number [DIN]	01532892	02028225	01308440
Category	Non-Executive Chairman	Woman Independent Director	Independent Director
Date of Birth	19/10/1965	28/08/1952	19/09/1958
Date of First Appointment on the Board	27 <sup>th</sup> December 2019	20 <sup>th</sup> June 2020	20 <sup>th</sup> June 2020
Expertise in specific functional area.	Shri Pankaj Joshi, IAS is Non- Executive Director and Chairman on the Board of Directors of the Company. He has done B. Tech in Civil Engineering, M. Tech in Water Resource Engineering, IIT, New Delhi and M. Phil in Defense & Strategic Studies. He has	Smt. Shridevi Shukla has done B.A in Economics. She has wide administrative and corporate experience. Prior to her retirement, she held various senior level positions in Government of Gujarat Departments viz. Industries and Mines,	Shri Vyas is a Chartered Accountant and Company Secretary with wide experience of working in the media 25 years of experience of handling media relations.

	<p>very rich knowledge and wide experience. He has held distinguished positions in the Government of Gujarat in various departments like Land revenue, Personnel and General Administration, Urban Development and Education Department, Energy &amp; Petrochemicals Department. He has also worked with the Union Government in various Departments like Urban Development, Social Justice and Empowerment, Public Transport, etc. He has wide experience at senior level in the public administration and policy in various areas. He has also served as Director on the Board of various Companies and has wide Corporate Experience. Presently he is Additional Chief Secretary, (Finance Department), Government of Gujarat.</p>	<p>Finance, Science and Technology and General Administration etc. Subsequent to her retirement, she was appointed as an Officer on Special Duty (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department from September 2010 to February 2014. Thereafter, she was appointed as State Information Commissioner, Gujarat Information Commission from May 2014 to February 2015.</p>	
Remuneration last drawn	N.A.	N.A.	N.A.
No. of Meetings of the Board attended during the year	N.A.	N.A.	N.A.
Terms and Conditions of reappointment along with remuneration	Appointed as per GoG's Resolution. He will be entitled to Sitting Fees, if any, as per the Government of Gujarat's norms, for attending the Meetings of Board and Committees thereof.	Appointed as Woman Independent Director. She will be entitled to Sitting Fees, if any, as per the Government of Gujarat's norms, for attending the Meetings of Board and Committees thereof.	Appointed as Independent Director. He will be entitled to Sitting Fees, as per the Government of Gujarat's norms, for attending the Meetings of Board and Committees thereof
Shareholding in GSIL.	NIL	NIL	NIL
Board Membership of Companies	<p>1. Gujarat State Fertilizers &amp; Chemicals Limited</p> <p>2. Gujarat State</p>	<p>1. Gujarat State Petronet Limited.</p> <p>2. GSPL India Gasnet Limited</p>	<p>1. Gujarat State Investments Limited</p>

	Petroleum Corporation Limited	3. GSPL India Transco Limited	
3.	Sardar Sarovar Narmada Nigam Limited	4. Gujarat State Investments Limited	
4.	Gujarat International Finance Tec-City Company Limited		
5.	Gujarat State Financial Services Limited		
6.	Gujarat State Investments Limited		
7.	Gujarat State Petronet Limited		
8.	Gujarat Alkalies and Chemicals Limited		
9.	Gujarat Metro Rail Corporation Limited		
10.	Gujarat Narmada Valley Fertilizers & Chemicals Limited		
11.	The Fertilizer Association of India		

**Registered Office:**

06<sup>th</sup> Floor, H.K. House,  
Ashram Road, Ahmedabad- 380 009

Date : 13.11.2020  
Place: Ahmedabad

**By Order of the Board**

**For Gujarat State Investments Limited**

  
**Sandip shah**  
**Company Secretary**



**Gujarat State Investments Limited**  
**Regd. Office: - 06<sup>th</sup> Floor, H.K. House, Opp. Bata Showroom,**  
**Ashram Road, Ahmedabad - 380 009**

**Mail Id: infoatgsil@gmail.com**  
**(P)-(079) 26586636, 26579731**

**CIN. U64990GJ1988SGC010307**  
**web: www.gujsil.in**

**Form No. MGT-11**  
**FORM OF PROXY**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name and Address of Shareholder	Ledger Folio Number	No. of shares held

I/We \_\_\_\_\_ being a member/  
 members of Gujarat State Investments Limited holding \_\_\_\_\_ Equity Shares hereby appoint  
 of \_\_\_\_\_  
 or failing him/her \_\_\_\_\_  
 of \_\_\_\_\_

as my/our proxy to vote for me/ us on my/our behalf at the **32<sup>nd</sup> ANNUAL GENERAL MEETING**  
 of the Company to be held on 16<sup>th</sup> Day of the December 2020 at 02.30 P.M. at the registered office of the  
 Company situated at 06<sup>th</sup> Floor, H.K. House, Opp. Bata Showroom, Ashram Road, Ahmedabad-380 009 and at  
 any adjournment(s) thereof in respect of such followings resolutions,

Resolution No.	Resolutions	For	Against
	<b>Ordinary Business</b>		
1	Adoption of Audited Financial Statements of the Company for Financial Year ended on 31 <sup>st</sup> March 2020 and the reports of Comptroller and Auditor General of India, statutory auditors' and the Directors' Reports thereon.		
2	Authorize Managing Director to fix remuneration of Statutory Auditor		
	<b>SPECIAL BUSINESS</b>		
3	To approve the appointment of Shri Pankaj Joshi, IAS [DIN: 01532892] as Director and Chairman of the Company.		
4	Appointment of Shri Yamal Vyas [DIN 01308440] as an Independent Director of the Company		
5	Appointment of Smt. Shridevi Shukla, [DIN 02028225] as a Woman Independent Director of the Company		

\_\_\_\_\_ Signed this \_\_\_\_\_ day of 20.

Affix Re  
 1/- Revenue  
 Stamp

Signature of Shareholder(s)

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the aforesaid meeting. The Proxy need not be a member of the Company.



## GUJARAT STATE INVESTMENTS LTD.

(Govt. of Gujarat Undertaking)

REGISTERED OFFICE :

H. K. HOUSE, 6th FLOOR, ASHRAM ROAD, AHMEDABAD-380 009

PHONES : 26586636, 26579731 E-mail : infoatgsil@gmail.com

Website : www.gujsil.in

CIN NO. : U64990GJ19885GC010307

### DIRECTORS' REPORT

To,  
The Members  
Gujarat State Investments Limited

The Directors take pleasure in presenting the 32<sup>nd</sup> Annual Report together with the audited financial statements for the year ended on 31.03.2020. The Consolidated performance of the Company and its associates has been referred to wherever required.

### THE HIGHLIGHTS OF THE FINANCIAL PERFORMANCE

#### Standalone Performance as per Ind AS

During the year under review, there is Profit Before Tax (PBT) of Rs.4312.55 Lakhs (Previous year is Rs. 26554.18 Lakhs), Net Profit After Tax is Rs.4170.59 Lakhs (Previous year is Rs. 26378.52 Lakhs), Your Company during the year earned Dividend income of Rs. 6888.79/-lakh (Previous Year Rs. 9184.94/-lakh). Interest Income is of Rs. 399.24/-lakh (Previous Year Rs. 484.18/-lakh), operating Expenses are of Rs. 2858.91/-lakh including depreciation of Rs.6.06 /- lakh (Previous year Rs. 289.22/-lakh including depreciation of Rs. 5.38/- lakh). The total investment made as Inter Corporate Deposit with GSFS is Rs. 1026.36 Lakh (previous year Rs 9192.45 Lakh).

Income Tax liability is of Rs. NIL (Previous year Rs. 950.26 Lakh)

#### Consolidated Performance as per Ind AS

Financial performance on a consolidated basis, during the year under review there is a Profit of Rs. 248820.76 Lakhs (Previous year is Rs. 222100.88 Lakhs).

### OPERATIONS

The Standalone Operating Income of the Company is derived from a mix of dividend, interest income, and other income. The standalone profit before tax for the year under review is Rs 4312.55 Lakhs as against Rs (26554.18) for the FY 2018-19, whereas the profit after tax for the year under review stands at Rs 4170.59 Lakhs as against Rs 26378.52 for the FY 2018-19. The Consolidated profit after tax for the year amounted to Rs 248820.76 Lakhs as compared to Rs 222100.88 Lakhs for the FY 2018-19. The total number of companies held in the equity portfolio of the Company stands at twelve companies as on 31<sup>st</sup> March 2020, out of which six are Listed and six are Unlisted companies.

## **DIVIDEND**

Keeping in view of the present profit-sharing policy, your Directors have not recommended any dividend for the year under review.

## **SHARE CAPITAL**

The Authorized Share Capital of the Company is Rs. 300000 Lakh (285,00,00,000 Equity Shares of Rs. 10 each and 1,50,00,000 Preference Shares of Rs. 100 each) and Paid-up Equity Capital of the company is Rs. 104276.90 Lakh, as on 31<sup>st</sup> March 2020 which has remained the same against the previous year.

## **Brief Highlights of the year**

During the year under review, your company has repaid loans amounting to Rs. 120.00 Crore, i.e. Rs. 60.00 Crore provided for equity participation in GSPCL and Rs. 60.00 Crore provided for equity participation in BECL, to the State Government. The Company also repaid Rs. 141.42 Crore, being unutilized grant amount towards GSPC NCDs serving, to State Government during the year under review.

Your Company has implemented the Government of Gujarat's Directions and filed Scheme of arrangement to the Ministry of Corporate Affairs (MCA). During the year under review, your company has received an order dated 25<sup>th</sup> April 2019 from MCA with respect to the Scheme of Arrangement. Your Company has implemented the instructions issued by GoG read with the Order issued by MCA during the year under review and has also discharged it's obligation towards NCDs interest payout.

## **The state of the Company's affairs**

The Company has been registered with the Reserve Bank of India as a Core Investment Company (CIC-ND-SI). In terms of provisions of Core Investment Companies (Reserve Bank) Directions, 2016 as amended, the Company is categorized as a 'Systemically Important Non-Deposit taking Core Investment Company' a specified NBFC. The Company has not accepted public deposits during the year under review.

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

There have been no material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.



## **ASSOCIATES AND SUBSIDIARY**

Under the year of review, your Company has four associate companies and one subsidiary.

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

Under the Risk Management, various risks relating to operations & maintenance, financial and other organizational risks are assessed, evaluated and continuously monitored for taking effective mitigation steps. Risk, inter alia containing major anxiety areas and action plans for their mitigation and noteworthy risk management activities carried out by the Company, is periodically reviewed by the Audit Committee and the Board of Directors. The Company has adequate internal controls commensurate with the nature of its business and size.

### **Presentation of financial statements**

The financial statements of the company for the year ended on 31<sup>st</sup> March 2020 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and the Companies (Indian Accounting Standards) Rules, 2015 in light of Division III of scheduled III of the Companies Act, 2013.

## **COVID-19 IMPACT ASSESSMENT**

The novel coronavirus (Covid-19) pandemic continues to spread rapidly across the globe including India. The outbreak was identified in China and on March 11, 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization. Covid-19 has taken its toll on not just human life, but business and financial markets too. Various governments have introduced a variety of measures to contain the spread of the virus. The Indian government had announced a countrywide lockdown and subsequently declared an unlock which is continued at present.

In this nation-wide lock-down and unlock period, though all the services across the nation were suspended (except the specified essential services), some establishments including Banks, NBFCs, etc. could operate and were exempted from the lock-down. In line with the complete lockdown announced by the Central Government, the office of the Company was closed from 25 March 2020 and employees were working from home to ensure continuity of operations of the Company.

The management has, at the time of approving the financial statements, have assessed the potential impact of the Covid-19 on the Company. Barring any future Covid-19 related escalations, based on the current assessment, the management is of the view that the impact

of Covid-19 on the operations of the Company and the carrying value of its assets and liabilities are not likely to be material.

### **Consolidated financial statements**

The Consolidated Financial Statements of the Company form part of the Annual Report. The annual accounts of the subsidiary company and related detailed information are available on the website of the Company and at Registered office.

The consolidated financial results reflect the operations of Gujarat State Petroleum Corporation Limited ("GSPCL") (Subsidiary), and the following Associate Companies namely "Gujarat State Fertilizers & Chemicals Limited", "Gujarat Narmada Valley Fertilizers & Chemicals Limited", "Gujarat Alkalies And Chemicals Limited" And "Gujarat State Financial Services Ltd"

A statement containing the salient features of the financial statements of the subsidiary company and associate companies is annexed to the Financial Statements in Form AOC-1 "Annexure A".

### **CREDIT RATING**

Brickwork Ratings assigned and have maintained the ratings of 'AA (SO)' and Acuite Ratings & Research Limited assigned and have maintained the ratings of 'AA (CE)' for the Non-Convertible Debentures (NCDs) of the Company for an amount of Rs.6000 Crore.

### **Secretarial Standards of ICSI**

Pursuant to the approval given on 10<sup>th</sup> April 2015 by the Central Government on Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), as amended from time to time, came into effect from 01<sup>st</sup> July 2015. The Company is in compliance with the same.

### **AUDITORS,**

#### **Statutory Auditor**

Your Company is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013, the Comptroller and Auditor General of India, New Delhi had appointed M/s Chandulal M. Shah & Co. Chartered Accountants, Ahmedabad [Firm Registration No. 0101698W] Chartered Accountants, as Statutory Auditors of your Company for the Financial Year 2019-20.

Your Company has received comments from C&AG mentioning that nothing significant has come to knowledge during C&AG Supplementary audit on Consolidated financial statements, i.e. "NIL Comments" however, on Standalone Auditor's report the C&AG has issued comments. Said comments along with the reply placed at ANNEXURE

#### **Secretarial Audit**

M/s Harish P Jain & Associates, Practicing Company Secretary, was appointed to conduct the Secretarial Audit of the Company for Financial Year 2019-20, as required under section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for F.Y. 2019-20 forms part of the Annual Report as an annexure to this report. *The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks.*

#### **Cost Records and Cost Auditors:**

The provisions of Cost Audit and Records as prescribed under Section 148 of the Act, are not applicable to the Company.

#### **Reporting Fraud:**

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

#### **Extracts of Annual Return and other disclosures under Companies (Appointment & Remuneration) Rules, 2014**

The Extract of Annual Return in the prescribed format, Form No. MGT-9, as per Section 134 (3) (a) of the Companies Act, 2013 read with Rule 8 of Companies Act (Accounts) Rules 2014 and Rule 12 of Companies (Management & Administration) Rules, 2014 is annexed hereto and forms part of this report.

#### **Declaration on Independent Directors**

The independent directors have submitted the declaration of independence, as required pursuant to section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6).

#### **Corporate Social Responsibility:**

The report on CSR Activities, as required pursuant to Section 135(2) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed hereto.

Your company's investment in CSR activities for the year 2019-20 was Rs. 131.67 Lakhs which is 2% of the average profits of the Company for the last three years.

The Annual Report on CSR activities is annexed herewith as "Annexure B".

### **Directors & Key Managerial Personnel- Changes**

As on the date of the Report, the Board of Directors of the Company comprises five Directors including one Managing Director and two Independent Directors.

#### **Appointment:**

Shri Pankaj Joshi, IAS [DIN 01532892] vide Government of Gujarat G.R. No. JNV 10-2011-720764-A dated 21<sup>st</sup> December 2019 has been appointed as Chairman of your Company w.e.f. 27.12.2019.

Shri Milind Torawane, IAS [DIN 03632394] vide Government of Gujarat GR. No. JNV/10/2011/720764/A dated 01<sup>st</sup> October 2019 has been appointed as Managing Director of your Company w.e.f. 04.10.2019.

Shri Yamal Vyas [DIN 01308440] in light of notification no G.S.R. 464 (E) dated 05<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs read with Government of Gujarat's letter No. JNV/10/2009/149857/A dated 20<sup>th</sup> June 2020 has been appointed as Independent Director of your Company w.e.f. 20.06.2020.

Smt. Shridevi Shukla, [DIN 02028225] in light of notification no G.S.R. 464 (E) dated 05<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs read with Government of Gujarat's letter No. JNV/10/2009/149857/A dated 20<sup>th</sup> June 2020 has been appointed as Woman Independent Director of your Company w.e.f. 20.06.2020.

#### **Cessation**

Shri Arvind Agarwal, IAS [DIN 00122921], being transferred from Additional Chief Secretary (Finance) to Chairman and Managing Director, GSFC, and the Government of Gujarat vide G.R. No. JNV 10-2011-720764-A dated 21<sup>st</sup> December 2019 ceases to be Chairman of your Company w.e.f. 27.12.2019.

Shri Sanjeev Kumar, IAS [DIN 03600655], being transferred from Secretary (EA) to Managing Director, GSPC, and the Government of Gujarat GR. No. JNV/10/2011/720764/A dated 01<sup>st</sup> October 2019, ceases to be Managing Director of your Company w.e.f. 04.10.2019.

Shri Vasantkumar Raval [DIN 03097981] in light of terms of appointment due to completion of term ceases to be Independent Director of your Company w.e.f. 20.06.2020.

Ms. Mamta Verma, IAS [DIN 01854315] in light of terms of appointment due to completion of term ceases to be Independent Director of your Company w.e.f. 20.06.2020.

**Key Managerial Personnel (KMP):**

The Company has Shri Milind Torawane, IAS [DIN 03632394], Managing Director and Shri Snadip Shah, Company Secretary and Shri G. S. Pathak, Chief Financial Officer designated as KMP as required under the Companies Act, 2013.

**REMUNERATION POLICY UNDER SECTION 178:**

Your Company paying sitting fess to the Independent Directors as per the G.R. issued by the Government of Gujarat. Your company for Senior Management and their remuneration following the Government of Gujarat's service rules.

**PARTICULARS OF EMPLOYEES OF THE COMPANY**

- a. None of the employees throughout the financial year received remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;
- b. None of the employees for a part of the financial year, received remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;
- c. None of the employee throughout the financial year or part thereof received remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

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

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which may impact the going concern status of the Company and its operation.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The provisions of Section 186 of the Companies Act, 2013 ("Act") pertaining to investment, guarantee, and lending activities are not applicable to the Company since your Company is specified NBFC. During the year under review, your Company has not granted any Loan or given any Guarantees or made any investments that are covered under the provisions of section 186 of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

Your Company is a Government Company, hence as per Section 188 of the Companies Act, 2013 read with notification no G.S.R. 463(E) dated 05<sup>th</sup> July 2015 issued by the Ministry of Corporate Affairs (MCA) said provisions shall not apply to your Company. However, your company being Core Investment Company, all the Related Party Transactions during the year under review, were at arm's length and in the ordinary course of business and the Company did not enter into any material transaction with any related party and hence, Form AOC-2 does not form part of this report.

## BOARD MEETINGS AND Composition of the Board and attendance record of directors for 2019-20

During the financial year under review, 05 meetings of the Board of Directors were held on following dates,

10 <sup>th</sup> May 2019	28 <sup>th</sup> August 2019	27 <sup>th</sup> September 2019
07 <sup>th</sup> November 2019	28 <sup>th</sup> February 2020	

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 read with Secretarial Standard-I.

**Table 1: Composition of the Board and attendance record of directors for 2019-20**

Name of director	Category	Relationship with other directors	Meetings attended	Whether attended last AGM
Shri Arvind Agarwal, IAS [DIN 00122921]	Chairman- Non-Executive	---	04/04	No
Shri Pankaj Joshi, IAS [DIN 01532892]	Chairman- Non-Executive	---	01/01	N.A.
Shri Vasantkumar Raval [DIN 03097981]	Independent Director	---	04/05	No
Ms. Mamta Verma, IAS [DIN 01854315]	Independent Woman Director	---	03/05	No
Ms. Arti Kanwar, IAS [DIN 03535973]	Director- Non-Executive, Promoter	---	01/05	No
Shri Sanjeev Kumar, IAS [DIN 03600655]	Managing Director- Non-Executive, Promoter	---	03/03	No
Shri Milind Torawane, IAS [DIN 03632394]	Managing Director- Non-Executive, Promoter	---	02/02	No

## Meetings and Membership the Committee

### 1. Audit Committee

During the financial year 2019-20, the Audit Committee met 03 times as following dates,

10 <sup>th</sup> May 2019	27 <sup>th</sup> September 2019	07 <sup>th</sup> November 2019
---------------------------	---------------------------------	--------------------------------

**Table 2: Composition of the attendance record of members of the Audit Committee for 2019-20**

Name of director	Category	Relationship with other directors	Meetings attended
Shri Arvind Agarwal, IAS [DIN 00122921]	Chairman- Non-Executive	---	03/03
Shri Vasantkumar Raval [DIN 03097981]	Independent Director	---	03/03
Ms. Mamta Verma, IAS [DIN 01854315]	Independent Woman Director	---	02/03

The present composition of the Audit Committee is as follow,

1. Shri Pankaj Joshi, IAS [DIN 01532892] Chairman of the Committee
2. Shri Yamal Vyas [DIN 01308440], Member (Independent Director)
3. Smt. Shridevi Shukla, [DIN 02028225], Member (Independent Woman Director)

### 2. Corporate Social Responsibility Committee (CSR Committee)

During the year CSR Committee met on 28<sup>th</sup> February 2020 and all members of the Committee were present.

**Table 3: Composition of the attendance record of members of the CSR Committee for 2019-20**

Name of director	Category	Relationship with other directors	Meetings attended
Shri Arvind Agarwal, IAS [DIN 00122921]	Chairman- Non-Executive	---	01/01
Ms. Mamta Verma, IAS [DIN 01854315]	Independent Woman Director	---	01/01
Shri Milind Torawane, IAS [DIN 03632394]	Managing Director and Member of the Committee	---	01/01

The present composition of the CSR Committee is as follow,

1. Shri Pankaj Joshi, IAS [DIN 01532892] Chairman of the Committee
2. Shri Milind Torawane, IAS [DIN 03632394], Member
3. Smt. Shridevi Shukla, [DIN 02028225], Member (Independent Woman Director)

### **3. Nomination and Remuneration Committee (N&R Committee)**

Considering the requirement during the year under review, the N&R Committee meeting was not held.

The present composition of Nomination and Remuneration Committee is as follow,

1. Smt. Shridevi Shukla, [DIN 02028225] Chairman of the Committee (Independent Woman Director)
2. Shri Milind Torawane, IAS [DIN 03632394] Member
3. Shri Yamal Vyas [DIN 01308440], Member (Independent Director)

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the business model of the Company and framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, and secretarial auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

Pursuant to the requirement under section 134(3) (c) and 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



### **Compliance of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has only 6 employees, including employees on deputation and outsourced, as on 31<sup>st</sup> March 2020. There is no female employee in the Company, hence the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable.

### **WHISTLEBLOWER POLICY / VIGIL MECHANISM**

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated a vigil mechanism for Directors and Employees to report concerns.

### **FIXED DEPOSITS**

The Company, being a Non-Deposit taking Systemically Important Core Investment Company, has not accepted any deposits from the public during the financial year under review in accordance with Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014

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

The particulars with respect to the conservation of energy & technology absorption as required to be disclosed pursuant to the provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

During the year under review, the Company did not have any foreign exchange earnings or foreign exchange outgo.

### **ACKNOWLEDGMENTS**

The Board expresses its gratitude and appreciation to the Government of Gujarat, Financial Institutions and Banks, other business associates, promoters and shareholders' and employees of the Company for their continued support.

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

  
**Chairman**

**Date:**

**Place: Gandhinagar**

**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 State Investment Limited, Ahmedabad for the year ended 31 March 2020**

Comments	Management's Reply
<p>The preparation of Standalone financial statements of the Gujarat State Investments Limited for the year ended 31 March 2020 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 Auditor 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 <i>vide</i> their Audit Report dated 30 July 2020.</p> <p>I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the standalone financial statements of Gujarat State Investments Limited for the year ended 31 March 2020 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.</p> <p>Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:</p>	<p>Statement of Fact</p>
<p><b>A. Comments on Auditors Report</b></p> <p><b>1. Independent auditor's report</b></p> <p><b>Paragraph 7 (iii) of Annexure 'A'</b></p>	<p>The Management has received the response from the Statutory Auditor, which is as under,</p> <p>As per Ind AS 37 'Provisions, Contingent</p>

"A reference is invited to Note 29 of the Notes to Standalone financial statements relating to Income Tax matter for Assessment Year 2013-14. CARO Rules 2016 require that in case tax dues are not deposited on account of dispute then the amount involved and the forum where the dispute is pending shall be disclosed. However, the Independent Auditor has not disclosed the disputed amount in its Report. Therefore, the disclosure given in paragraph 7(iii) of Annexure 'A' of the independent auditor report is deficient to that extent.

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

**Sd/-**

**(H. K. Dharmadarshi)**

**Principal Accountant General (Audit- II),  
Gujarat**

**Place: Ahmedabad**

**Date: 12.10.2020**

*Liabilities and Contingent Assets',*

A contingent liability is:

- (a) a possible obligation 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; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

In the above referred tax dispute matter of company, the matter is already decided in the favour of company at the Income Tax Appellate Tribunal level. Income Tax department has preferred an appeal against the same in High court. However, there is no obligation in relation to tax demand which needs to be adhered by the company and at present there is no contingent liability in case of company.

Moreover, as a matter of good practise, the company has disclosed the above matter with a specific reference that there is no contingent liability at present.

Further, as per para 3 of the Companies (Auditor's Report) Order, 2016, the auditor's report on the accounts of a company to which this Order applies shall include a statement on the following matters, namely:-

*"(vii) (b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute)."*

It is to be noted that reporting under the above clause requires the reporting of all dues of income tax or sales tax or service tax or duty of customs or duty of excise or value

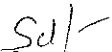
added tax which have not been deposited on account of any dispute.

The important aspect of the above clause is the word 'Dues'. In normal parlance, the word "Dues" would mean an amount which is due and payable i.e. required to be paid either by law or under a contract.

In the above referred case, the matter was already decided in favour of company by the Hon'ble Income Tax Appellate Tribunal by rejecting the appeal filed by revenue against the order of the CIT Appeals. Consequently, there is no present due which needs to be deposited by the company as apparently there is no demand as such at present.

Accordingly, it can be construed that there is no dues outstanding which needs to be deposited by the company and consequently not required to be reported under clause (vii)(b) of the para 3 of the Companies (Auditor's Report) Order, 2016.

**For and on behalf of the  
Gujarat State Investments Limited**

  
**Authorized Signatory**

**Place: Gandhinagar**

**Date:**

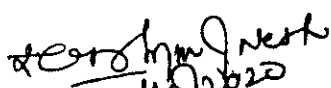
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE INVESTMENTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of consolidated financial statements of **Gujarat State Investments Limited** for the year ended 31 March 2020 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 30 July 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Gujarat State Investments Limited** for the year ended 31 March 2020 under Section 143 (6) (a) read with Section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of **Gujarat State Investments Limited, Gujarat State Petroleum Corporation Limited and Gujarat State Financial Services Limited** for the year ended on that date. Further, section 139(5) and 143(6) (a) of the Act are not applicable to **Gujarat State Fertilizers and Chemicals Limited , Gujarat Narmada Valley Fertilisers Company Limited, Gujarat Alkalies and Chemicals Limited** being private entities for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. 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:

# GUJARAT STATE INVESTMENTS LIMITED

6<sup>th</sup> Floor, H.K. House, Ashram Road,  
AHMEDABAD-380 009  
(CIN:-U64990GJ1988SGC010307)

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## FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. CSR Policy of the Company as annexed hereto
2. The present composition of CSR Committee is as follow,
  1. Shri Pankaj Joshi, IAS [DIN 01532892], Chairman of the Committee
  2. Shri Milind Torawane, IAS [DIN 03632394], Member
  3. Smt. Shridevi Shukla, [DIN 02028225] Member (Independent Director)

The Average Net Profit of the Company for last three financial year is ₹ 65,83,44,358/-

3. Prescribed CSR expenditure (two percent of the amount as in item 3 above) is ₹ 1,31,66,888/-
4. The details of CSR spend during the financial year 2019-20 is
5. Total amount spend for financial year: ₹ 1,31,66,888/-
  - a. Amount unspent : NIL
  - b. The Company being a Government Company has contributed the amount ₹ 1,31,66,888/- to "Mukhyamantri Shri Swachchhata Nidhi Gujarat" towards its CSR contribution

The Committee declares that the amount which has been spent by the Company for CSR Contribution is in compliance with CSR objectives and policy of the Company.

Sd/  
Managing Director

Sd/  
Chairman

Corporate Social Responsibility PolicyGujarat State Investments LimitedPreamble

Gujarat State Investments Limited (GSIL) is a wholly owned Government of Gujarat Company with employee size of total five employee, having regard to the Company's size and scope, for social development contribution in the local area it would not be practical to undertake direct CSR project.

CSR Policy

The Company will focus on activities in areas, excluding those undertaken in pursuance of normal business of the Company, selected from those identified and prescribed under the Companies Act, 2013 with greater participation in the areas of health, sanitation and social welfare, efforts towards reducing child mortality, promotion of education & social responsible behavior, and employment enhancing vocational skills.

The Government of Gujarat, keeping in view of objective prescribed under the Companies Act, 2013, read with CSR Rules, 2014 has formulate CSR Authority, to carry out various CSR Activities.

The Company will transfer, in every financial year, an amount considered appropriate by the Board, inter-alia keeping in view the benchmark of 2% of the average net profits of the Company during the 3 immediately preceding financial years, to the CSR Authority and/trust/society as established by the Government of Gujarat, to fulfill its Corporate Social Responsibilities.

Place:

Date:

**Harish P. Jain & Associates**  
Practising Company Secretaries

**Harish P. Jain**  
(B.Sc., LL.B., FCS)

349/5  
304 Shilp-II, Between Ayakar Bhavan  
and Sales India, Ashram Road,  
Ahmedabad - 380 009.

Phone : (O) (079) 27545524 (R) 26731067

Fax : (079) 27545524. (M) 98253 55626

Email : CS.harishjain@gmail.com

ANNEXURE - A

To,  
The Members,  
GUJARAT STATE INVESTMENTS LIMITED  
CIN: U64990GJ1988SGC010307

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 process 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 process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure 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.

FOR HARISH P. JAIN & ASSOCIATES  
PRACTISING COMPANY SECRETARIES

HARISH JAIN  
PROPRIETOR

FCS : 4203 C. P. No.: 4100

UDJN:- F00403B00033757

Place: Ahmedabad  
Date:





Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**GUJARAT STATE INVESTMENTS LIMITED**  
(CIN: U64990GJ1988SGC010307)  
6<sup>TH</sup> FLOOR, H K HOUSE, ASHRAM ROAD,  
AHMEDABAD, GUJARAT - 380009, INDIA.

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 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:

The Non-Convertible Debentures(NCD) issued by the Company are listed on Wholesale Debt Market of the National Stock Exchange (NSC)

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 March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;



- ii. *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;*
- iii. *The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;*
- iv. *Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable as the Company has not entered in to any transaction falling within the purview of the aforesaid law.)*
- v. *The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-*
  - (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable as the Company has not entered in to any such transaction during the year under review.)*
  - (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable as the Company has not entered in to any such transaction during the year under review.)*
  - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (up to 10<sup>th</sup> November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11<sup>th</sup> November, 2018) - (Not applicable as the Company has not issued any shares / securities during the year under review );*
  - (d) *The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014 - (Not Applicable as the Company has not issued any Shares/ options to the Directors /Employees under the said Regulations during the year under review);*
  - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (The Company has issued Rated & Listed Non-Convertible Un-Secured Redeemable Debenture (NCD) during the year under review and has fully complied with all the Applicable Regulations issued there under).*
  - (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; (The Company has fully complied with all the Applicable Regulations issued there under during the year under review.)*



- 2-5/05
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – (Company's has got its Debenture issued during the year listed at The National Stock Exchange (NSC). The Company has not De-listed its Shares/ Securities during the year under review As there is no other Shares/Securities was listed at any of the Stock Exchange since Incorporation of the Company.;*
  - (h) *The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 –(Not Applicable as the Company has not bought-back any of its securities during the year under review);*
  - iv. *The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)(LODR) Regulations, 2015; (The Company has fully complied with the Rules and Regulations as enshrined under LODR during the year under review to the extent applicable with respect to Debt listing.*

*Based on our observations, we express that the Company has duly complied with the aforesaid provisions of law, wherever applicable during the year under review.*

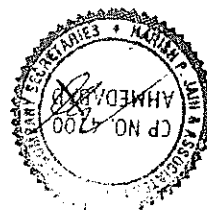
***We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:***

- i. *Following Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time viz.*
  - Secretarial Standard (1) For Convening of the Meeting of the Board of Directors of the Company and*
  - Secretarial Standard (II) For Convening of the General Meeting of the Shareholders of the Company.*
- ii. *The Uniform Listing Agreement entered into by the Company with National Stock Exchange (NSE) and listing obligations and disclosure requirements issued by Stock Exchange from time to time.*

***We further report that-***

*The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Composition of the Board that took place during the year under review were carried out in compliance of the provisions of the Act.*

*Adequate notice is given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining*



31.7/08

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors / Various Committees ( Viz. Audit Committee of the Board of Directors, Remuneration Committee and The Corporate Social Responsibility(CSR))Committee) of the Company were carried unanimously. We were informed that there were no dissenting views of the members on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**We further report that**

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit and compliance certificate(s) placed before the Board Meeting, 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 general laws, rules, regulations and guidelines.

**We further report that:**

The Company is a Non-Banking Finance Company(NBFC) Registered with Reserve Bank of India (RBI) as a Category B Non-Deposit Acceting Core Investment Company (CIC-ND-SI). Company has Complied with all the Applicable Provisions of Law and Rules/Regulations made thereunder through out the year. Compoany has also filed Various Return and Forms with the RBI.

During the audit period under review, the following major activities were carried out by the Company in full Compliance of law viz.

The Company has executed Scheme of Arrangement amongst Gujarat State Petroleum Corporation Limited(GSPC) AND Gujrat State Investment Limited(GSIL) and GSPC NCD Holders under Section 230 of the Companies Act, 2013 and Companies (Compromise, Arrangement and Amalgamation) Rules 2016. The said Scheme was approved by the Central Government through Ministry of Corporate Affairs(MCA) and duly executed by the Company.

FOR HARISH P. JAIN & ASSOCIATES  
PRACTICING COMPANY SECRETARIES

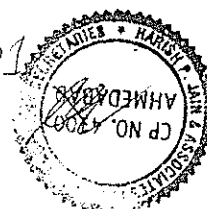
HARISH JAIN  
PROPRIETOR

FCS : 4203 C. P. No.: 4100

Place: Ahmedabad

Date:

UDJN: F004203B000337571



**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2020**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U64990GJ1988SGC010307
2.	Registration Date	29/01/1988
3.	Name of the Company	GUJARAT STATE INVESTMENTS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/ Government Company
5.	Address of the Registered office & contact details	6 <sup>th</sup> Floor, H. K. House, Ashram Road, Ahmedabad-380 009 (P)079-26586636, 26579731 Mail:- infoatgsil@gmail.com
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Investment Company	6430	100%
2			
3			

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

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIA RY /	% of shares held	Applicable Section
1	GUJARAT STATE PETROLEUM CORPORATION LIMITED	U23209GJ1979SGC003281	Subsidiary	69.85%	Section 2(87)
2	GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED	L99999GJ1962PLC001121	Associate	38.63%	Section 2(6)
3	GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED	L24110GJ1976PLC002903	Associate	28.87%	Section 2(6)
4	GUJARAT ALKALIES AND CHEMICALS LIMITED	L24110GJ1973PLC002247	Associate	22.24%	section 2(6)
5	GUJARAT STATE FINANCIAL SERVICES LTD	U65910GJ1992SGC018602	Associate	22.98%	section 2(6)

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

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	De mat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)		1042769000	1042769000	100		1042769000	1042769000	100	NIL
d) Bodies Corp.									
e) Banks / FI									
f) Any other		70	70			70	70		
<b>Total shareholding of Promoter (A)</b>		1042769070	1042769070	100		1042769070	1042769070	100	NIL
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									

<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>		1042769070	1042769070	100		1042769070	1042769070	100	NIL

(ii) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareho lding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumber ed to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumber ed to total shares	
1	Hon'ble Governor of Gujarat	1042769070	100	Nil	1042769070	100	Nil	NIL
2								
3								
4								
5								
6								
7								
8								
9								

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

No Change

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL



V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	N.A.	5,05,00,00,000.00	N.A.	5,05,00,00,000.00
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction		1,20,0,00,00,000.00		1,20,0,00,00,000.00
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		3,85,00,00,000.00		3,85,00,00,000.00

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Managing Director of the Company is non-executive MD hence, remuneration to MD is not applicable

##### B. Remuneration to Directors

- a. Note: Till the last financial year all directors of the Company has nominated by Government of Gujarat, i.e Promoter of the Company, as Non-Executive Directors, therefore sitting fees has not been paid by the Company

##### b. REMUNERATION TO OTHER DIRECTORS

###### A Independent Directors

Amount in ₹

SN	Particulars of Remuneration	Independent Director		
		Shri Vasantkumar Raval	Ms. Mamta Varma	Total
1	Fees for attending Board/Committee Meetings	10500.00	NIL	10500.00
2	Commission	NIL	NIL	NIL
3	Other	NIL	NIL	NIL
	<b>Total Payment</b>	<b>10500.00</b>	<b>NIL</b>	<b>10500.00</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD****Amount in ₹**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A.	9,40,692.00	12,16,104.00	21,56,796.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission		NIL	NIL	NIL
	- as % of profit		NIL	NIL	NIL
	others, specify...		NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL
	Total		9,40,692.00	12,16,104.00	21,56,796.00

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

During the year 2019-20, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

# Chandulal M. Shah & Co.

## CHARTERED ACCOUNTANTS

A/6, 6th Floor, Wing-A, Safal Profitaire, Opp. Auda Garden, Corporate Road, Prahladnagar, Ahmedabad-380052.  
Tel. : 079-2960 1085 • (M) 90330 34430 • E-mail : cmsah@cmsah.com • Website : www.cmsah.com

### INDEPENDENT AUDITOR'S REPORT

To the Members of Gujarat State Investments Limited

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

##### Opinion

We have audited the standalone financial statements of Gujarat State Investments Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.



Key Audit Matter	Auditor's Response
<p><b><u>Litigations &amp; Uncertain Tax Positions</u></b></p> <p>The Company has material uncertain tax positions including matters for income tax, which involves significant judgment to determine the possible outcome of these matters.</p> <p>The identification of risks and litigations, the valuation of provisions / disclosure of contingent liabilities for such risks and litigations constitute a key audit matter given the amounts involved and the high degree of estimate and judgment required by management.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of key uncertain tax positions;</li> <li>• Obtained understanding of opinion on certain tax matters;</li> <li>• Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the management;</li> <li>• We along with our internal tax experts – <ul style="list-style-type: none"> <li>i. Discussed with appropriate senior management and evaluated the Management's underlying key assumptions in estimating the tax provision;</li> <li>ii. Assessed management's estimate of the possible outcome of the disputed cases; and</li> <li>iii. Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li> </ul> </li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Board of Directors' report, but does not include the Standalone financial statements and our auditor's report thereon. The above referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter those charged with governance and take appropriate actions necessitated by the circumstances and applicable laws and regulations.

#### Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone 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 financial statements.

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

- i. Identify and assess the risks of material misstatement of the Standalone 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, 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.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 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.
- v. Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 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**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by the Comptroller and Auditor General of India through sub directions issued under the provisions of section 143(5) of the Companies Act 2013, we give Annexure 'B' containing the relevant paragraph with our comments.

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

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

- (a) 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.
- (b) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (d) As per Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015, the provisions of Section 164(2) is not applicable to a company where the share capital held by the Central or State Government is more than 51%, therefore, we have not commented on receipt of representation from the directors and status of their qualification for directorship on the date of financial report.

- (e) 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 'C'.
- (f) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations in Note 29 on the financial position of its standalone 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, Chandulal M. Shah & Co.  
Chartered Accountants  
FRN 101698W

*Arpit*

(Arpit D. Shah)  
Partner  
M. No. 135188  
UDIN:- 20135188AAAABT1811  
Place: Ahmedabad  
Date: 30-07-2020



## **Annexure 'A' to the Independent auditors report**

Refer to the Paragraph 7 of the independent auditors' report of even date to the members of Gujarat State Investment Limited on the Standalone financial statements for the year ended on March 31, 2020.

### **1. Fixed Assets**

- i. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii. The fixed assets have been physically verified by the management at reasonable intervals; Material discrepancies noticed on such verification have been properly dealt with in the books of accounts.
- iii. According to the records of the company, the company does not own any immovable property and therefore reporting under clause (I)(c) of the Order is not applicable.

### **2. Inventory**

The company does not hold inventory, and it is not engaged in the business of trading of securities and therefore, this clause is not applicable and hence not commented upon.

### **3. Unsecured Loan**

According to the information and explanation given to us the company is not required to maintain the register under the provisions of Section 189 in view of the exemptions given to Government company vide notification No. GSR 463(E) dated 5<sup>th</sup> June 2015.

### **4. Compliance of Sec 185 and 186**

In our opinion and according to the information provided to us the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security to the extent applicable to the company.

### **5. Acceptance of Deposits**

The company has not accepted any deposit from the public within the meaning of section 73 to section 76 of the act and the rules made there under during the period under audit and therefore, provisions of the clause 3(V) of the order is not applicable and hence not commented upon.

### **6. Costing Records**

The company is an investment company and therefore this para is not applicable and hence not commented upon.

### **7. Statutory dues**

- i. The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of customs and any other statutory dues with the appropriate authorities.
- ii. According to the information and explanation provided to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax and any other statutory dues were outstanding at the year end, for a period of more than six months from the dates they become payable.
- iii. According to the information and explanation given to us, there are no dues of provident fund, employees' state insurance, income tax, goods and service tax, duty of customs and any other statutory dues which have not been deposited on account of any dispute.

### **8. Default in Repayments**

In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a bank or to debenture holders. The company has not obtained any loan from financial institutions.





**9. Utilization of Fund**

As per information and explanations given to us, the company has not raised fund through initial or further public offer or through debt instruments during the year. The company has also not raised funds through a term loan and therefore, clause (IX) of the order is not applicable and hence not commented upon.

**10. Fraud**

During the course of our examination of the books of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have neither come across to any material fraud by the company or on the Company by its officers or employees nor we are informed of any such cases by the management of the company.

**11. Managerial Remuneration**

The provisions of section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 is not applicable to the company and therefore clause (XI) is not applicable and hence not commented upon.

**12. Nidhi Company**

In our opinion, the company is not a Nidhi, therefore the provisions of clause 3(xii) of the Order is not applicable to the company and hence not commented upon.

**13. Related Party Transactions**

According to the information and explanation given to us, transactions with the related parties are in compliance with section 188 and 177 of the Companies Act, 2013, subject to notification No. 463(E) dated 5<sup>th</sup> June 2015.

**14. New allotments**

According to information and explanations given to us, the company has not made any preferential allotment or private placement of share or partly or fully convertible debenture during the year, therefore reporting under clause 3(xiv) is not applicable.

**15. Non Cash Transactions with Directors**

According to the information and explanations given to us and on an overall examination of the records of the company, we report that the company has not entered into any non-cash transaction with directors or persons connected with them as referred to in section 192 of the Companies Act 2013.

**16. Sec. 45-IA of RBI Act**

According to the information and explanation provided to us, the company is required to get registered with the RBI as NBFC under the provisions of section 45-IA of the Reserve Bank of India Act 1934. The company has obtained registration as Core Investment Non-Banking Company.

For, Chandulal M. Shah & Co.

Chartered Accountants

FRN 101698W



(Arpit D. Shah)

Partner

M. No. 135188

UDIN:- 20135188AAAAABT1811

Place: Ahmedabad

Date: 30-07-2020



## **Annexure 'B' to the Independent auditors report**

Comments of the auditors on the directions issued by the Comptroller and Auditor General of India through sub directions issued under the provisions of section 143(5) of the Companies Act 2013.

### **Directions under section 143(5) of the Companies Act 2013, Applicable for the year 2019-20**

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

#### **Auditors' Comment**

The company processes its accounting transactions through Tally.ERP 9 accounting system. There is no implication of processing of accounting transactions as the same is processed through IT system.

2. Whether there has been 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.

#### **Auditors' Comment**

As per the information and explanations given to us and based on our examination of the records of the company, there is no restructuring of any existing loans and there are no 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. There are no financial implications of the same during the period under audit.

3. Whether funds received/receivable for specific scheme from central/state agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

#### **Auditors' Comment**

The company has received funds from the Government of Gujarat in the form of revenue grant for servicing the interest on the Non-Convertible debentures of the company. The same funds are accounted for and utilized as per its terms and conditions. There are no other funds received except mentioned above.

### **Sector Specific sub-directions under section 143(5) of the Companies Act 2013 – Finance Sector**

1. Whether the company has complied with the directions issued by the Reserve Bank of India for, Non-Banking Financial Company, Classification of Non-performing assets and capital adequacy norms.

#### **Auditors' Comment**

The company has complied with directions issued by the Reserve Bank of India for, Non-Banking Financial Company, Classification of Non-performing assets and capital adequacy norms.

2. Whether the company has a system to ensure that the loans were secured by adequate security free from encumbrance and have first charge on the mortgaged assets. Further, instances of undue delay in disposal of seized units may be reported.

#### **Auditors' Comment**

The company has not given any loan during the period under audit. From the existing accounts, one loan of Rs. 25 Lakh given to Gujarat Tractor Limited is not secured against any security/ property.



3. Whether introduction of any scheme of settlement of dues and extension of their complied with policy guidelines of the company government.

**Auditors' Comment**

No such scheme has been introduced by the company.

4. Comment on the confirmation of balance of trade receivables, trade payable, term deposit and bank account and cash obtained.

**Auditors' Comment**

The company has not carried out any trading activities and therefore not applicable. Although, confirmation of term deposit, bank balance and cash has been obtained. The same has been reconciled.

5. Whether the bank guarantee is revalidated in time.

**Auditors' Comment**

The company has neither obtained nor provided any bank guarantee and therefore not applicable.

For, Chandulal M. Shah & Co.  
Chartered Accountants  
FRN 101698W

*Arpit*

(Arpit D. Shah)  
Partner  
M. No. 135188  
UDIN:- 20135188AAAABT1811  
Place: Ahmedabad  
Date: 30-07-2020



## **Annexure 'C' to the Independent auditors report**

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

We have audited the internal financial controls over financial reporting of Gujarat State Investments Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Standalone financial statements 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 Standalone financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting with reference to these Standalone financial statements**

A company's internal financial control over financial reporting with reference to these Standalone financial statements 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 with reference to these Standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of internal financial controls with reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, 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 with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an internal financial controls with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Chandulal M. Shah & Co.

Chartered Accountants

FRN 101698W

*Arpit*

(Arpit D. Shah)

Partner

M. No. 135188

UDIN:- 20135188AAAABT1811

Place: Ahmedabad

Date: 30-07-2020



**Gujarat State Investments Limited**  
CIN : U64990GJ1988SGC010307  
**BALANCE SHEET AS AT 31st March, 2020 (Standalone)**

(Amount in lakhs.)

Sr No	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
	<b>ASSETS</b>			
1	<b>Financial Assets</b>			
a.	Cash and Cash Equivalents	4	44.97	213.96
b.	Bank Balance other than (a) above	5	1,026.36	9,192.46
c.	Loans	6	-	-
d.	Investments	7	8,00,856.08	8,00,931.15
e.	Other Financial assets	8	59.74	14,354.10
2	<b>Non-Financial Assets</b>			
a.	Current tax assets (Net)	9	541.34	-
b.	Deferred tax Assets (Net)	10	779.63	782.17
c.	Property, Plant and Equipment	11	10.40	11.52
d.	Other non -financial assets	12	0.26	0.28
	<b>Total Assets</b>		<b>8,03,318.77</b>	<b>8,25,485.63</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
1	<b>Financial Liabilities</b>			
a.	Debt Securities	13	6,00,000.00	6,00,000.00
b.	Borrowings (Other than Debt Securities)	14	38,500.00	50,500.00
c.	Other financial liabilities	15	18.66	14,107.91
2	<b>Non-Financial Liabilities</b>			
a.	Current tax liabilities (Net)	8	-	237.93
b.	Provisions	16	5.30	16.17
c.	Other non-financial liabilities	17	0.89	0.47
	<b>EQUITY</b>			
a.	Equity Share capital	18	1,04,276.91	1,04,276.91
b.	Other Equity	19	60,517.01	56,346.24
	<b>Total Liabilities And Equity</b>		<b>8,03,318.77</b>	<b>8,25,485.63</b>

See accompanying Notes to the Financial Statements  
As per our report attached

For Chandulal M. Shah & Co.  
Firm's Registration Number : 101698W  
Chartered Accountants



For and on behalf of board of directors of  
Gujarat State Investments Limited

*[Signature]*  
Managing Director

*[Signature]*  
Director

*[Signature]*

Arpit D. Shah  
Partner  
Membership No. : 135188  
Place : Ahmedabad  
Date: 30 JUL 2020



*[Signature]*  
Company Secretary  
Place : Gandhinagar  
Date: 30 JUL 2020

*[Signature]*  
Chief Financial Officer

# Gujarat State Investments Limited

CIN : U64990GJ1988SGC010307

## STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31st March, 2020 (Standalone)

(Amount in lakhs.)

Sr. No	Particulars	Note No.	For the period ended 31st March, 2020	For the period ended 31st March, 2019
	<b>Revenue From Operations</b>			
i.	Interest Income	20	399.24	484.18
ii.	Dividend Income		6,888.79	9,184.95
(I)	<b>Total Revenue from operations</b>		7,288.02	9,669.13
(II)	Other Income	21	0.28	17,208.44
(III)	<b>Total Income (I+II)</b>		<b>7,288.31</b>	<b>26,877.57</b>
	<b>Expenses</b>			
i.	Finance Costs		-	-
ii.	Net loss on fair value changes	22	75.07	107.50
iii.	Employee Benefits Expenses	23	41.77	34.29
iv.	Depreciation , amortization and impairment	11	6.06	5.38
v.	Others expenses	24	2,852.85	176.22
(IV)	<b>Total Expenses (IV)</b>		<b>2,975.75</b>	<b>323.39</b>
(V)	Profit / (loss) before exceptional items and tax (III - IV)		4,312.55	26,554.18
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V - VI)		4,312.55	26,554.18
(VIII)	Tax Expense			
(i)	Current Tax	25	-	950.26
(ii)	Deferred Tax	25	2.46	-774.60
(iii)	Earlier Year Tax	24	139.50	-
(IX)	Profit / (loss) for the period from continuing operations( VII) -(VIII) )		4,170.59	26,378.52
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X -XI)		-	-
(XIII)	<b>Profit/(loss) for the period (IX+XII)</b>		<b>4,170.59</b>	<b>26,378.52</b>
(XIV)	<b>Other Comprehensive Income</b>			
(A)	(i) Items that will not be reclassified to profit or loss		0.26	(0.12)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.07)	0.03
	<b>Subtotal (A)</b>		0.18	(0.09)
(B)	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Subtotal (B)</b>		-	-
	<b>Other Comprehensive Income (A + B)</b>		<b>0.18</b>	<b>(0.09)</b>
(XV)	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and other Comprehensive Income for the period)</b>		<b>4,170.77</b>	<b>26,378.43</b>
(XVI)	<b>Earnings per equity share</b>			
	Basic & Diluted	26	0.40	2.53

See accompanying Notes to the Financial Statements  
As per our report attached

For Chandulal M. Shah & Co.  
Firm's Registration Number : 101698W  
Chartered Accountants



For and on behalf of board of directors of  
Gujarat State Investments Limited

*[Signature]*  
Managing Director Director

Arpit D. Shah  
Partner  
Membership No. : 135188  
Place : Ahmedabad  
Date:



*[Signature]*  
Company Secretary  
Place : Gandhinagar  
Date:

*[Signature]*  
Chief Financial Officer

130 JUL 2020

130 JUL 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A Equity Share Capital

Particulars	(Amount in lakhs.)	
	March 31, 2020	March 31, 2019
Balance at the beginning of the reporting period	1,04,276.91	1,04,276.91
Changes during the year	-	-
Balance at the reporting period	1,04,276.91	1,04,276.91

B Other Equity

Particulars	Reserves and Surplus				Total
	Capital Redemption Reserve	Retained Earnings	Reserve fund u/s 45-IC (1) Of Reserve Bank Of India Act, 1934	Other Comprehensive Income	
Balance as at April 01, 2019	5,200.00	45,887.22	5,259.02	-	56,346.24
Profit for the period	-	4,170.59	-	-	4,170.59
Transfer from / to Retained Earnings	-	-850.62	-	-0.18	-
Items of the OCI for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	0.18	0.18
Balance as at March 31, 2020	5,200.00	49,207.19	6,109.82	-	60,517.01
Balance as at April 01, 2018	5,200.00	24,767.81	-	-	29,967.81
Profit for the period	-	26,378.52	-	-	26,378.52
Transfer from / to Retained Earnings	-	-5,259.11	5,259.02	0.09	-
Items of the OCI for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	-	-0.09	-
Balance as at March 31, 2019	5,200.00	45,887.22	5,259.02	-	56,346.24

As required by section 45-IC of the RBI Act 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1984.

The accompanying notes form an integral part of the standalone financial statements.

For Chandulal M. Shah & Co.  
Firm's Registration Number : 101698W  
Chartered Accountants

Arpit D. Shah  
Partner  
Membership No. : 135188  
Place : Ahmedabad  
Date: 30.11.2020



For and on behalf of board of directors of  
Gujarat State Investments Limited

Managing Director  
Director  
Company Secretary  
Chief Financial Officer  
Place : Gandhinagar  
Date: 30.11.2020



**Gujarat State Investments Limited**  
**Cash Flow Statement for the year ended March 31, 2020 (Standalone)**

(Amount in lakhs.)

Particulars	2019-20	2018-19
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	4,312.55	26,554.18
Adjustments for :		
Net loss on fair value changes	75.07	107.50
Depreciation	6.06	5.38
(Profit)/ Loss on Sale of Fixed Asset	0.04	-
Other Comprehensive Income	0.26	-0.12
(Profit)/Loss on sale of Investment	-	-17,208.44
<b>Operating profit before working capital changes</b>	<b>4,393.98</b>	<b>9,458.50</b>
<u>Movments in working Capital</u>		
Decrease/increase in other financial assets	14,294.36	-14,157.28
Other Non Financial Assets	0.02	0.02
Other Non Financial Liabilities	-10.44	2.60
Other Financial Liabilities	-14,089.25	14,099.42
Direct Tax Paid ( Net of Refunds )	-918.77	-354.39
<b>Net Cash from Operating Activities</b>	<b>3,669.89</b>	<b>9,048.87</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Investment	0.07	1,42,720.21
Inter Corporate Deposit	8,166.10	-3,377.27
Purchase of Fixed Asset	-5.05	-0.27
Purchase of Investments	-	-1,42,722.22
<b>Net Cash from Investing Activities</b>	<b>8,161.12</b>	<b>-3,379.55</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from/ (Payment of) borrowings	-12,000.00	-5,500.00
<b>Net Cash from Financing Activities</b>	<b>-12,000.00</b>	<b>-5,500.00</b>
<b>Net Increase / ( Decrease ) in Cash And Cash Equivalents ( A + B + C )</b>	<b>-168.99</b>	<b>169.32</b>
Cash And Cash Equivalents - Opening Balance	213.96	44.63
Cash And Cash Equivalents - Closing Balance	44.97	213.96

**Notes :**

- Since Company is a Investment Company, Purchase & sale of investments have been considered as part of " Cash flow from Investing activities & interest / dividend earned from said investments during the year have been considered as part of " Cash flow from Operating activities".
- Cash and cash equivalents represents cash and bank balances as per Balance Sheet, intercorporate deposits placed for three months or lower tenure.
- Previous year's figures have been regrouped, wherever necessary.

As per our report attached  
**For Chandulal M. Shah & Co.**

**Firm's Registration Number : 101698W**  
**Chartered Accountants**



**For and on behalf of board of directors of**  
**Gujarat State Investments Limited**

**Arpit D. Shah**  
**Partner**  
**Membership No. : 135188**  
**Place : Ahmedabad**  
**Date:**



**Managing Director**

**Director**

**Company Secretary**  
**Place : Gandhinagar**  
**Date:**

**Chief Financial Officer**

**130 JUL 2020**

**130 JUL 2020**

## **Gujarat State Investments Limited**

### **Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**

#### **Company Overview & Significant Accounting Policies**

##### **1. Reporting Entity**

Gujarat State Investments Limited (the 'Company') is a Company domiciled in India, with its registered office situated at 6<sup>th</sup> Floor, H K House, Ashram Road, Ahmedabad, 380009, Gujarat, India. The Company has been incorporated under the provisions of Companies Act, 1956. The Company is primarily involved in Investments activity. The company has been registered as a Core Investments Company (CIC) Specified NBFC with the Reserve Bank of India in terms of the regulation governing Non-Banking Financial Companies.

##### **2. Basis of preparation**

###### **a. Statement of compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

###### **b. Functional and presentation currency**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

###### **c. Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;
- 3) Quoted Investments other than Investments in Subsidiary and Associates – measured at fair value

###### **d. Use of Estimates and Judgments:**

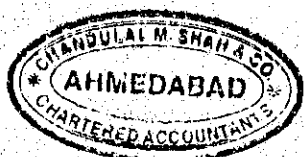
In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

###### **Estimates:**

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognized prospectively.

###### **Judgments:**

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the respective note.



## **Gujarat State Investments Limited**

### **Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**

#### **Assumptions and Estimation Uncertainties:**

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 respective note.

#### **e. Measurement of Fair Values:**

The Company has established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the financial statements.

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the respective note.

### **3. Significant Accounting Policies**

#### **A. Financial Instruments**

##### **a. Financial Assets:**

##### **i.) Classification:**

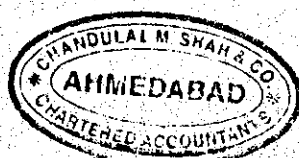
The Company classifies its financial assets in the following measurement categories:

- Those measured at amortized cost and
- Those measured at fair value through profit or loss.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :

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



## Gujarat State Investments Limited

### Notes to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

Financial assets are not reclassified subsequent to their initial recognition except if and in the period the Company changes its business model for managing financial assets.

#### ii.) Measurement

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Subsequent Measurement and Gains and Losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

The company has elected to Fair Value Investment in equity shares of subsidiary at transitional date and carry the same as deemed cost thereafter.

#### iii.) De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

#### b. Financial Liabilities:

##### (i) Classification, Subsequent Measurement and Gains and losses

Financial liabilities are classified as measured at Historical cost. Government of Gujarat, in capacity of the Promoter of the company, provides investment funds in form of interest free loans having specific directions to invest in equity shares of Group Entities of the company in terms of CIC directions. Investment funds, released as loan by GoG, when received for investment in equity are recognized as financial liabilities. There exist an obligation, however, the terms and conditions do not specify that whether the loan is repayable on demand and also fixed repayment schedule is not specified. Considering the said fact it is not possible to value such financial liability at amortized cost.



**ii) De-recognition**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the profit or loss.

**c. Offsetting**

Financial assets and financial liabilities are off set and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**B. Property, Plant and Equipment**

**i. Recognition and Measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non- refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**ii. Subsequent Expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iii. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method and is recognised in the statement of profit and loss.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.



Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**iv. Derecognition**

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

**C. Lease**

The company's lease arrangements primarily consist of lease for office building. The Company assesses whether a contract contains a lease at inception of a 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 assets, the company assesses whether: (i) the control involves the use of an identified assets (ii) the company has substantially all the economic benefits from use of the asset through the period of the lease and (iii) the company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**D. Impairment**

The Company's assets other than those measured at fair value are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

**E. Employee Benefits**

**Short Term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.



**Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

**Defined Benefit Plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount using market yields at the end of reporting period on government bonds.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the Asset Ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**F. Provisions (other than Employee Benefits), Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognized but are disclosed in the notes to the financial statements. A contingent asset is neither recognized nor disclosed if inflow of economic benefit is probable.



**G. Revenue Recognition**

Income from dividend is accounted as and when such dividend has been declared and company's right to receive payment is established.

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Income is accrued on a timely basis, by reference to the principal outstanding and the effective interest applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's gross carrying amount on initial recognition. Interest income in respect of non-performing assets is recognized upon actual realization.

**H. Income Tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss in respective year.

**(i) Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**(ii) Deferred Tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

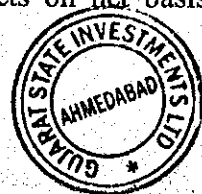
Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax asset for all deductible temporary differences arising from investments in subsidiaries and associates will be recognized only to the extent that, it is probable that:

- the temporary difference will reverse in the foreseeable future; and
- taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realized simultaneously.





**I. Cash and Cash Equivalents**

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid Investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**J. Earnings per Share**

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

**K. Cash Flow Statement**

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items 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. Company being an Investment Company, Purchase & sale of investments have been considered as part of "Cash flow from Investing activities" & interest / dividend earned from said investments during the year have been considered as part of "Cash flow from Operating activities".

**L. Other Income**

**"Accounting for Government Grants and Disclosure of Government Assistance"**

Government of Gujarat Support and Assistances received are accounted in accordance with Ind AS 20. Government support and assistance takes many forms varying both in the nature of the assistance given and in the conditions which are usually attached to it. Government support is recognized through profit and loss when it is established that the support is for the purpose other than capital expenditure and the related revenue expenditure has been adjusted against government support/ grant for the purpose of disclosure in statement of profit and loss. A government support/grant that becomes receivable in terms of government resolution is recognized in profit or loss of the period in which it becomes receivable."



# Gujarat State Investments Limited

## 4 Cash and Cash Equivalents

(Amount in lakhs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalent		
Cash on Hand	0.12	0.31
Balances with Banks	37.14	21.61
In Liquid Deposit with Gujarat State Financial Services Ltd	7.71	192.03
<b>Total</b>	<b>44.97</b>	<b>213.96</b>

## 5 Bank Balance other than (a) above

(Amount in lakhs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank Balance other than (a) above		
Inter Corporate Deposit *	1,026.36	9,192.46
<b>Total</b>	<b>1,026.36</b>	<b>9,192.46</b>

### 5.1 \* ICD Includes ICD given to related party.

(Amount in lakhs.)

Name of Related Party	31.03.2020	31.03.2019
Gujarat State Financial Services	1,026.36	9,192.46

## 6 Loans

(Amount in lakhs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	Amortised cost Total	Amortised cost Total
<b>Loans</b>		
(A) (i) Loans repayable on demand	25.00	25.00
<b>Total (A) - Gross</b>	25.00	25.00
Less: Impairment Loss Allowance	25.00	25.00
<b>Total (A) - Net</b>	-	-
(B) (i) Secured by tangible assets		
(ii) Unsecured	25.00	25.00
<b>Total (B) - Gross</b>	25.00	25.00
Less: Impairment Loss Allowance	25.00	25.00
<b>Total (B) - Net</b>	-	-
(C) Loans In India		
(i) Public Sector	25.00	25.00
<b>Total (C) - Gross</b>	25.00	25.00
Less: Impairment Loss Allowance	25.00	25.00
<b>Total (C) - Net</b>	-	-



# Gujarat State Investments Limited

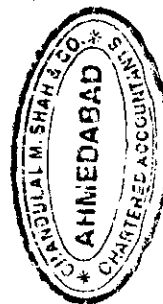
## Note 7 Investments

Particulars	Face Value	As at 31st March, 2020				As at 31st March, 2019			
		No of Shares	Others (At Cost)	Fair Value through Profit Or Loss	Total	No of Shares	Others (At Cost)	Fair Value through Profit Or Loss	Total
<b>Equity Instruments in Group companies</b>									
Gujarat Industrial Power Co. Ltd.	10	3,52,415	0.21	222.98	223.19	3,52,415	0.21	298.05	298.26
Gujarat Lease Financing Ltd.	10	13,28,125	-	176.56	-	13,28,125	-	250.92	-
GSL (India) Limited	10	1,57,140	-	17.80	-	1,57,140	-	20.19	-
Gujarat State Financial Corporation	10	9,35,600	-	15.71	-	9,35,600	-	15.71	-
Gujarat State machine tools Company Limited	1	19,29,050	-	12.91	-	19,29,050	-	11.23	-
Gujarat State Electricity Corporation Limited	10	1	0.20	-	-	1	0.20	-	-
Gujarat State Trans Receivers Limited	10	12,000	0.00	-	-	12,000	0.00	-	-
<b>Subsidiary</b>									
Gujarat State Petroleum Corporation Limited	1	7,51,32,29,145	6,01,809.65	-	6,01,809.65	7,51,32,29,145	6,01,809.65	-	6,01,809.65
<b>Associates</b>									
Gujarat Narmada Valley Fertilizers Co. Ltd	10	3,32,27,546	1,98,823.23	-	1,98,823.23	3,32,27,546	1,98,823.23	-	1,98,823.23
Gujarat State Fertilizers & Chemicals Co. Ltd.	2	15,07,99,905	13,531.53	-	-	15,07,99,905	13,531.53	-	-
Gujarat Alkalies & Chemicals Ltd.	10	1,53,29,373	25,237.96	-	-	1,53,29,373	25,237.96	-	-
Gujarat State Financial Services Ltd.	10	3,17,16,048	17,331.53	-	-	3,17,16,048	17,331.53	-	-
<b>Total (A)</b>			1,42,722.22	-	8,00,856.08		1,42,722.22	-	8,00,931.15
<b>(i) Investments outside India</b>									
<b>(ii) Investments in India</b>									
<b>Total (B)</b>			8,00,633.10	222.98	8,00,856.08		8,02,524.35	298.05	8,02,822.40
<b>Less: Allowance for Impairment loss (C)</b>			8,00,633.10	222.98	8,00,856.08		8,02,524.35	298.05	8,02,822.40
<b>TOTAL NET (A-C)</b>				-	8,00,856.08		1,891.26	-	1,891.26

The Ministry of Corporate Affairs (MCA), vide order dated 25th April, 2019, has approved the Scheme of Arrangement between Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Investment Limited (GSIL) and GSPC NCD Holders. The scheme of arrangement has approved transfer of GSPC's obligation in form of Non-Convertible Debentures (NCD) amounting to Rs.6,000 crores to GSIL in exchange of 749,06,36,704 fully paid equity shares of face value Rs. 1 each at fair value of Rs.8.01 each (with premium of Rs.7.01 per share).

The appointed date of the scheme is 1st April, 2018. The scheme becomes effective upon filing of certified copy of the order with Registrar of Companies, Gujarat on 16th May, 2019. By virtue of this investment, GSIL holds 69.85% of Share Capital of GSPC, therefore the latter become a subsidiary of the Company w.e.f. 1st April, 2018.

The company has opted to consider Fair Valuation of Investments in Subsidiary and Equity Accounted Investees on transitional date as deemed cost and carry the same as cost after the transition date.



# Gujarat State Investments Limited

## 8 Other Financial Assets

(Amount in lakhs.)

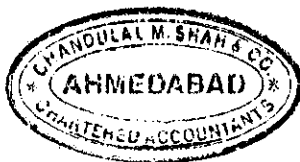
Particulars	As at 31st March, 2020		As at 31st March, 2019	
Interest Accrued on Investments		58.15		362.23
Security Deposits		1.59		0.09
Grant Receivable	13,911.78	59.74	14,091.78	362.32
Less: Interest Expense Payable	-13,911.78	-	-14,091.78	-
Advance to GSPC	-	-	14,041.78	-
Less: GSPC Payable	-	-	(50.00)	13,991.78
Total		59.74		14,354.10

8.1 Gujarat State Investments Limited has taken over listed NCDs as per the directions of the Government of Gujarat vide G.R. date 26th July, 2018. Further State Government has resolved that "The Government of Gujarat will support GSIL for payment towards Interest on NCD and principal repayment. Energy & Petrochemicals Department will make necessary budgetary provisions for the same in the budget of relevant years." In addition to the resolution, The Government of Gujarat extended it's support to GSIL vide G.R. dated 27.06.2019 and 21.12.2019 for NCDs serving, the said support is a part of Government's commitment under G.R dated 26.07.2018 read with agreement executed between Government of Gujarat and GSIL on 18.06.2019. GSIL is required to pay Interest on NCD with the support received in nature of Grant from Government of Gujarat.

## 9 Current Tax Assets/(Liability) (Net)

(Amount in lakhs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income tax (Net of Provision)	541.34	-237.93
Total	541.34	(237.93)



**Gujarat State Investments Limited**
**10 Deferred Tax Assets (Net)**

(Amount in lakhs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Deferred Tax Asset:</b>		
Arising on account of timing difference		
- Fixed Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting	3.11	2.70
- long term employee benefits	1.55	4.50
- MAT Credit Entitlement	774.97	774.97
<b>Total Deferred Tax Asset (A)</b>	779.63	782.17
<b>Deferred Tax Liabilities :</b>		
<b>Total Deferred Tax Liability (B)</b>	-	-
<b>TOTAL (A) - (B)</b>	779.63	782.17

In the absence of any documentary evidence supporting possibility of future taxable income in foreseeable future which will be utilized for reversal of temporary difference and it is not probable that taxable profit will be available against which the temporary difference can be utilized, considering prudence, deferred tax assets on temporary differences arising from unused tax losses and fair value losses on Investments in subsidiaries and associate entities have not been recognised.

**a Reconciliation of deferred tax liabilities(Net):**

(Amount in lakhs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	782.17	7.52
Tax income/(expense) during the period recognised in profit or loss	-2.46	774.68
Tax income/(expense) during the period recognised in other comprehensive income	-0.07	-0.03
Tax income/(expense) during the period recognised directly in other equity	-	-
Closing balance	779.63	782.17

**b Movements in DTA:**

(Amount in lakhs.)

Particulars	Assets: Impact of difference between Long Term Employees Benefit	Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting	MAT Credit Entitlement	Total
<b>At 31st March 2018</b>				
charged/credited:	4.76	2.76	-	7.52
to Profit or Loss	-0.23	-0.06	774.97	774.68
to other comprehensive income	-0.03	-	-	-0.03
<b>At 31st March 2019</b>	4.50	2.70	774.97	782.17
charged/credited:				
to Profit or Loss	-2.88	0.41	-	-2.46
to other comprehensive income	-0.07	-	-	-0.07
<b>At 31st March 2020</b>	1.55	3.11	774.97	779.63

**12 Other Non Financial Assets**

(Amount in lakhs.)

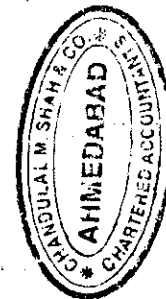
Particulars	As at 31st March, 2020	As at 31st March, 2019
Prepaid Expenses	0.22	0.24
Balance with Statutory / Government authorities	0.04	0.04
<b>Total</b>	0.26	0.28



**Gujarat State Investments Limited**

**11 Property, Plant and Equipment**

(Amount in lakhs)									
Particulars	Gross Block			Depreciation			Net block		
	As at 1st April 2019	Addition	As at 31st March 2020	As at 1st April 2019	For the year	Adjustments	As at 31st March 2020	As at 1st April 2019	As at 31st March 2020
Furniture & Fixtures	5.36	0.47	5.35	5.04	0.11	-0.45	4.70	0.32	0.65
Vehicles	36.29	-	36.29	26.37	3.02	-	29.39	9.92	6.90
Office Equipment	2.45	-	2.45	1.70	0.21	-	1.91	0.76	0.54
Computer	3.92	4.58	6.62	3.39	2.72	-1.79	4.31	0.53	2.30
	48.02	5.05	50.71	36.49	6.06	-2.24	40.31	11.52	10.40
Particulars	Gross Block			Depreciation			Net block		
	As at 1st April 2018	Addition	As at 31st March 2019	As at 1st April 2018	For the year	Adjustments	As at 31st March 2019	As at 1st April 2018	As at 31st March 2019
Furniture & Fixtures	5.24	0.12	5.36	5.01	0.03	-	5.04	0.23	0.32
Vehicles	36.29	-	36.29	21.98	4.39	-	26.37	14.31	9.92
Office Equipment	2.38	0.07	2.45	1.39	0.30	-	1.70	0.99	0.76
Computer	3.83	0.09	3.92	2.73	0.66	-	3.39	1.10	0.53
	47.74	0.27	48.02	31.11	5.38	-	36.49	16.63	11.52



**Gujarat State Investments Limited**
**13 Debt Securities**

(Amount in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	At Amortised Cost	At Amortised Cost
Non Convertible Debentures	6,00,000.00	6,00,000.00
<b>Total</b>	<b>6,00,000.00</b>	<b>6,00,000.00</b>
Debt securities in India	6,00,000.00	6,00,000.00
Debt securities outside India	-	-
<b>Total</b>	<b>6,00,000.00</b>	<b>6,00,000.00</b>

Gujarat State Investments Limited has taken over 60,000 listed NCDs having face value of Rs. 10,00,000 each, as per the directions of the Government of Gujarat vide G.R. date 26th July, 2018 w.e.f. appointed date as mentioned in the scheme of arrangement, i.e. 01st April, 2018. Schedule of Repayment of the same is given as below:

(Amount in lakhs)

NCD/ISIN No.	Total no of NCDs	Total Value	Maturity Date	Rate of Interest
INE08EQ08015	10,000	1,00,000	21.09.2020	9.39
INE08EQ08049	10,000	1,00,000	28.09.2022	9.45
INE08EQ08023	10,000	1,00,000	01.10.2022	9.45
INE08EQ08056	10,000	1,00,000	22.03.2025	9.45
INE08EQ08031	20,000	2,00,000	22.03.2028	9.03
<b>Total</b>	<b>60,000</b>	<b>6,00,000</b>		

**14 Borrowings (Other than Debt Securities)**

(Amount in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
	At Amortised Cost	At Amortised Cost
Loan From Related Parties (Repayable on Demand)	38,500.00	50,500.00
<b>Total</b>	<b>38,500.00</b>	<b>50,500.00</b>
Borrowings in India	38,500.00	50,500.00
Borrowings outside India	-	-
<b>Total</b>	<b>38,500.00</b>	<b>50,500.00</b>

Government of Gujarat, in capacity of the Promoter of the company, provides investment funds in form of interest free loans having specific directions to invest in equity shares of Group Entities of the company in terms of CIC directions. Investment funds, released as loan by GoG, when received for investment in equity are recognized as financial liabilities. There exist an obligation, however, the terms and conditions do not specify fixed repayment schedule. Hence, the same is classified as loan repayable on demand.

**15 Other Financial Liabilities**

(Amount in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
GOG Support for NCD Takeover Transaction	-	14,041.78
Other Payables	18.66	16.13
GOG Support Grant (Repayable)	-	50.00
<b>Total</b>	<b>18.66</b>	<b>14,107.91</b>

**16 Provisions**

(Amount in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provisions For Employee Benefits		
Provision for Gratuity	1.88	10.02
Provision for Leave Encashment	3.43	6.15
<b>Total</b>	<b>5.30</b>	<b>16.17</b>

**17 Other Non- Financial Liabilities**

(Amount in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Duties and Taxes	0.89	0.47
<b>Total</b>	<b>0.89</b>	<b>0.47</b>





# Gujarat State Investments Limited

## 18 Share Capital

Particulars	(Amount in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>AUTHORIZED SHARE CAPITAL</b>		
2,85,00,00,000 Equity Shares of Rs.10/- each		
(Previous Year 2,85,00,00,000 Equity Shares of Rs.10/-each)	2,85,000.00	2,85,000.00
1,50,00,000 Preference Share of Rs.100/- each		
(Previous Year 1,50,00,000 Preference Shares of Rs.100/-each)	15,000.00	15,000.00
<b>Total</b>	<b>3,00,000.00</b>	<b>3,00,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b>		
1,04,27,69,070 Equity Shares of Rs.10/-each fully paid up		
(Previous Year 1,04,27,69,070 Equity Shares of Rs.10/-each fully paid up)	1,04,276.91	1,04,276.91
<b>Total</b>	<b>1,04,276.91</b>	<b>1,04,276.91</b>

### 18.1 The reconciliation of the number of Equity Shares outstanding as at 31st March 2020 is set out below :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount in Lakhs	No. of shares	Amount in Lakhs
Shares outstanding at the beginning of the year	1,04,27,69,070	1,04,276.91	1,04,27,69,070	1,04,276.91
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,04,27,69,070	1,04,276.91	1,04,27,69,070	1,04,276.91

### 18.2 Rights, preferences and restrictions attached to Equity Shares :

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 18.3 The details of shareholders holding more than 5% shares are set out below :

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Governor of Gujarat	1,04,27,69,070	100%	1,04,27,69,070	100%





Gujarat State Investments Limited

19 Other Equity

(Amount in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Other Reserves</b>		
Capital Redemption Reserve		
Others	5,200.00	-
<b>Retained Earnings</b>		
Balance as per last Financial year (Refer Note 35)	45,887.22	24,767.81
Add : Profit for the year	4,170.59	26,378.52
Other Comprehensive Income		
Less : Appropriations	0.18	-0.09
Transfer to Statutory Reserve maintained under section 45-IC of RBI Act, 1934	-850.80	-5,259.02
<b>Other Comprehensive Income</b>	49,207.19	45,887.22
<b>(a) Remeasurements of Defined Benefit Plans</b>		
Balance as per last Financial year		
Adjustments during the year	0.26	-0.12
DTA created as per Defined Benefit Plans	-0.07	0.03
Transferred to Retained Earnings	-0.18	0.09
<b>Statutory Reserve</b>		
Maintained under section 45-IC of RBI Act, 1934		
Balance as per last Financial year	5,259.02	
Add: Transfer from Retained Earnings	850.80	5,259.02
<b>Total</b>	<b>60,517.01</b>	<b>56,346.24</b>



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# Gujarat State Investments Limited

## 20 Interest Income

(Amount in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<u>On Financial Assets measured at Amortised Cost</u>		
Interest on Inter Corporate Deposits	393.86	356.17
Interest on Short Term Deposit	5.38	128.01
<b>Total</b>	<b>399.24</b>	<b>484.18</b>

## 21 Other Income

(Amount in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
GOG Support Grant Received for NCD interest Expense	56,126.71	57,150.00
NCD Interest Expense	-56,126.71	-57,150.00
Profit on Sale of Investments	-	-
Reversal of Diminution in value of investments	-	15,317.19
Others	-	1,891.26
<b>Total</b>	<b>0.28</b>	<b>-</b>

Gujarat State Investments Limited has taken over listed NCDs as per the directions of the Government of Gujarat vide G.R. date 26th July, 2018. Further State Government has resolved that "The Government of Gujarat will support GSIL for payment towards Interest on NCD and principal repayment. Energy & Petrochemicals Department will make necessary budgetary provisions for the same in the budget of relevant years." In addition to the resolution, The Government of Gujarat extended it's support to GSIL vide G.R. dated 27.06.2019 and 21.12.2019 for NCDs serving, the said support is a part of Government's commitment under G.R dated 26.07.2018 read with agreement executed between Government of Gujarat and GSIL on 18.06.2019. GSIL is required to pay Interest on NCD with the support received in nature of Grant from Government of Gujarat. Therefore, NCD Interest Expense has been adjusted against Grant Income received from Government of Gujarat.

## 22 Net loss on fair value changes

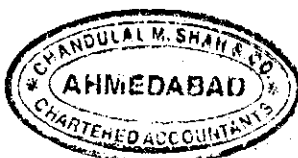
(Amount in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>(A) Net (gain) / loss on Financial instruments at fair value through Profit or loss</b>		
On financial instruments designated at fair value through profit or Loss	75.07	107.50
<b>Total</b>	<b>75.07</b>	<b>107.50</b>

### 22.1 Breakup of Net Loss on Fair Value Changes

(Amount in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Fair Value Changes</b>		
- Realised	-	-
- Unrealised	75.07	107.50
<b>Total</b>	<b>75.07</b>	<b>107.50</b>



# Gujarat State Investments Limited

## 23 Employee Benefits Expenses

(Amount in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and wages	40.11	31.74
Contribution to provident and other funds	1.66	1.28
Gratuity Expenses	-	1.28
<b>Total</b>	<b>41.77</b>	<b>34.29</b>

23.1 As per Indian Accounting Standard 19 "Employee benefits", the disclosures as defined are given below :

### A) Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under

(Amount in lakhs)

Sr No	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Employer's Contribution to Provident Fund	1.66	1.28

### B) Defined Benefit Plans

#### Gratuity

#### Plan Features

Benefits offered	15/26 x Salary x Duration of service
Salary Definition	Basic Salary including Dearness Allowance
Benefit Ceiling	Benefit Ceiling of Rs 20,00,000 was applied
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	58 Years

#### Risks associated to the Gratuity Plan

A.	Actuarial Risk	Risks due to adverse salary growth / Variability in mortality and withdrawal rates.
B.	Investment Risk	Risks due to significant changes in discounting rate during the inter-valuation period.
C.	Liquidity Risk	Risks on account of Employees resign/retire from the company and as result strain on the cashflow arises.
D.	Market Risk	Risks related to changes and fluctuation of the financial markets and 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	Risks of increase in the plan liabilities or reduction in plan assets due to change in legislation.



**Gujarat State Investments Limited**
**23.2 Employee Benefits:**
**A. Defined benefit plans**

The following table sets out the funded status of the Gratuity and the amounts recognized in financial statements as at 31st March, 2020, as required by Ind AS 19.

(Amount in lakhs)

Particulars	Gratuity(Unfunded)	
	2019-20	2018-19
<b>V Expenses recognized in the statement of profit &amp; loss account for the year ended 31st March, 2020</b>		
1 Current service cost	0.15	0.65
2 Interest cost	0.41	0.62
3 Expected return on plan assets	-	-
4 Actuarial (gain) / Losses	-	-
5 Benefits Paid	-	-
6 Transfer in Obligation(net)	-	-
7 Past service cost	-0.84	-
8 Total expenses	-0.28	1.28
<b>VI Balance Sheet reconciliation</b>		
1 Opening net liability	10.02	8.63
2 Expenses as above	-	-
3 Employer contribution	-	-
4 Amount Recognized In Other Comprehensive Income	-0.94	0.12
5 Benefits Paid	-6.93	-
6 Amount recognized in the Balance Sheet	1.88	10.02
7 Expected contribution during next 12 months	-	-

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 management of plan assets.

Particulars	Gratuity(Unfunded)	
	2019-20	2018-19
<b>VII Actuarial Assumptions</b>		
1 Discount Rate	6.70%	7.00%
2 Rate of return on plan assets	-	-
3 Salary Escalation	5.00%	5.00%
4 Withdrawl Rate	1% to 5%	1% to 5%
5 Medical Inflation rate	-	-

**Maturity Profile of defined benefit obligation**

(Amount in lakhs)

Particular	Gratuity(Unfunded)	
	2019-20	2018-19
Within 12 months of reporting period	0.09	8.34
Between 2 to 5 Years	0.36	0.47
Between 6 to 10 Years	0.38	0.57

**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:

(Amount in lakhs)

Particulars	Gratuity (Unfunded)	
	As at 31st March 2020	As at 31st March 2019
<b>Sensitivity %</b>		
<b>Discount rate varied by 0.5%</b>		
Increase +5%	1.76	9.87
Decrease -5%	2.00	10.19
<b>Salary growth rate varied by 0.5%</b>		
Increase +5%	1.95	10.15
Decrease -5%	1.80	9.96
<b>Withdrawl Rate</b>		
Increase + 10%	1.90	10.07
Decrease - 10%	1.85	9.98



Particulars	(Amount in lakhs)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Rent*	7.66	6.96
Repairs and Maintenance	1.43	1.56
Power and Fuel	5.58	5.16
Communication Costs	0.55	0.58
Printing and Stationery	3.07	0.88
Legal and Professional charges	15.33	38.55
Insurance	0.54	0.58
Rate & Taxes	0.86	0.78
Audit fees	4.76	3.50
CSR Expenses	131.67	30.43
Travelling Expense	1.36	0.65
Contract Expense	26.25	25.77
Miscellaneous Expenses	8.99	6.22
Expenses for Transfer/Registration of NCDs**	2,644.79	-
Ekta Yatra Expenses	-	54.60
<b>Total</b>	<b>2,852.85</b>	<b>176.22</b>

\* The Company's significant leasing arrangement is in respect of operating lease for office premise. This lease agreement is of 12 months and is usually renewable by mutual consent on mutually agreeable terms. The above lease is accounted for as "Short term lease" as per Ind AS 116, Leases. The amount in respect of Short term lease is ₹ 7.66 lakhs.

\*\* During the year, the company has incurred expenses on transfer/registration of NCDs acquired from GSPC as per the scheme of arrangement. These costs mainly include Stamp duty costs and other costs relating to the NCD takeover transaction. These costs are accounted for as Acquisition related costs and charged to profit & loss as per Ind AS 103 - Business Combination.

24.1 Payment to Auditor as:

Particulars	(Amount in lakhs)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Statutory Audit Fees	4.42	3.25
Tax Audit Fees	0.34	0.25
<b>Total</b>	<b>4.76</b>	<b>3.50</b>

24.2 Details of CSR Expenditure

- a) CSR amount required to be spent as per Section 135 of the companies Act, 2013 read with Schedule VII thereof by the company during the year is Rs 131.67 lakhs (30.43 lakhs)
- b) Expenditure related to Corporate Social Responsibility is Rs 131.67 lakhs

Particulars	(Amount in lakhs)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
<b>Details of Amount spent towards CSR is given below:</b>		
i) Mukhya Mantri Shri Swachhta Nidhi-Gujarat Rajya	131.67	30.43
<b>Total</b>	<b>131.67</b>	<b>30.43</b>

25 Tax Expenses

Particulars	(Amount in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Current Tax	-	950.26
Deferred Tax	2.46	-774.60
Earlier Year	139.50	-
<b>Total</b>	<b>141.96</b>	<b>175.66</b>

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	(Amount in lakhs)	
	2019-2020	2018-2019
Profit as per books (Ind AS)	4,312.55	26,554.18
Tax @ 29.12% (P.Y. 21.55%)	1,255.82	5,722.11
Tax Effect of:		
Non deductible expenses	61.66	1.08
Exempt Income	-2,006.01	-1,979.25
Impact of Reversal of Provision	-	-407.54
Transition adjustment effect	-	-2,475.11
MAT Credit availed	-	-774.97
Impact of Loss carried forward	691.42	-
Difference in tax rates on Opening Deferred tax	0.09	-
Other adjustment	-0.51	89.35
Earlier year taxes	139.50	-
<b>Total Tax Expense</b>	<b>141.96</b>	<b>175.66</b>



# Gujarat State Investments Limited

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## Earnings Per Share

Particulars		(Amount in lakhs)	
		Year ended 31st March 2020 Rs.	Year ended 31st March 2019 Rs.
Profit attributable to the Equity Shareholders (Rs.)	A	4,170.77	26,378.43
Basic / Weighted average number of Equity Shares outstanding during the period	B	10,427.69	10,427.69
Basic/Diluted Earnings per Share	A/B	0.40	2.53

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## Related Party Disclosures

S.No.	Name	Relationship	% of Holding As as 31st March, 2020	% of Holding As as 31st March, 2019
1	Gujarat State Petroleum Corporation Limited	Subsidiary	69.85%	74.76%
2	Gujarat State Fertilizers & Chemicals Co. Ltd.	Associate	37.84%	37.84%
3	Gujarat State Financial Services Ltd.	Associate	22.98%	22.98%
4	Gujarat Narmada Valley Fertilizers Co. Ltd	Associate	21.38%	21.38%
5	Gujarat Alkalies & Chemicals Ltd.	Associate	20.87%	20.87%

27.1 The company being state controlled enterprise, it is not required to disclose transactions with other state controlled enterprises as per Ind AS 24.

## 27.2 Details of Key Managerial Personnel and transactions with Key Managerial Personnel:

- Shri Pankaj H. Joshi, IAS ( w.e.f. 27.12.2019)	Chairman
- Shri Arvind Agarwal, IAS ( upto 27.12.2019)	Chairman
- Shri Millond S. Torawane, IAS (w.e.f. 04.10.2019)	Managing Director
- Shri Sanjeev Kumar, IAS (upto 04.10.2019)	Managing Director
- Ms. Arti Kanwar, IAS	Director
- Smt. Shridevi Shukla ( w.e.f. 20.06.2020)	Independent Director
- Shri Yamal Vyas ( w.e.f. 20.06.2020)	Independent Director
- Ms. Mamta Verma, IAS ( upto 20.06.2020)	Independent Director
- Shri Vasantkumar Raval ( upto 20.06.2020)	Independent Director
- Shri Ghanshyam S. Pathak	Chief Financial Officer
- Shri Sandip K. Shah	Company Secretary

## Transaction with the related Parties

Particulars	(Amount in lakhs)	
	2019-20	2018-19
Directors Sitting Fees	0.11	0.12
Remuneration paid to Key Managerial Personnel	21.57	19.98

The remuneration to the key managerial personnel includes short term employment benefits and does not include the provision made for the gratuity and leave benefits, as they are determined on actual basis for the company as a whole.

## 28 Segment Reporting

The main business of company is investment activity, hence there are no separate reportable segments as per Ind AS 108 on "Operating Segments".

## 29 Contingent Liabilities

Income tax matter for A.Y. 2013-14, involving a demand of Rs. 1452.44 lacs of which Rs. 290.49 lacs paid under protest, decided in the favour of the company at the Appellate Tribunal. However the Income tax department has preferred an appeal against the same in the Hon'ble Gujarat High Court. The company believes that the matter will be decided in the favour of the company and hence there is no contingent liability at present





### 30 Financial Risk Management Objectives and Policies

#### Risk Exposure

The Company's business activities expose it to only one type of financial risk and that is market risk. Market risk is the risk or uncertainty arising from possible market price movements and their impact on the present/future performance of a business. The market risks include price risk, currency risk and interest rate risk. The primary price risk for the company is equity securities price risk i.e. price risk of various investments that could adversely affect the value of the Company's financial assets or expected future cash flows.

The Company's exposure to equity securities except investment in subsidiary and associate companies price risk arises from investments held by the Company which are classified in the balance sheet as fair value through profit and loss (FVTPL).

#### Risk Management Policy

The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze 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 Management of the Company are governed by appropriate policies and procedures and that financial risk is identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to protect the Company's financial results and position from financial risks, maintain market risks within the acceptable parameters while optimizing returns and protect the Company's financial investments while maximizing returns.

#### Sensitivity

The table below summarises the impact of increases/decreases of the equity security prices on the Company's profit or loss for the period.

Particulars	(Amount in lakhs)	
	Impact on Statement of Profit and Loss	
	As at 31st March, 2020	As at 31st March, 2019
Equity Security Price - increase 5%	40,042.80	40,046.56
Equity Security Price - decrease 5%	-40,042.80	-40,046.56

### 31 Cashflow statement

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 32 Event after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 33 Capital management

The company defines capital as total equity including issued equity capital and all other equity reserves attributable to equity holders of the parent (which is the company's net asset value). 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 and comprising debt instruments and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on balance sheet date was as follows

Particulars	(Amount in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Total liabilities comprising debt instruments and borrowings	6,38,500.00	6,50,500.00
Less : Cash and cash equivalents	44.97	213.96
Adjusted net debt	6,38,455.03	6,50,286.04
Total equity	1,64,793.91	1,60,623.15
Adjusted net debt to adjusted equity ratio	387%	405%



## 34 Financial Instruments :

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique :

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## Financial Assets :

Particulars	Note	Instruments carried at			Total carrying amount	Total Fair Value	Hierarchy Level
		At Cost	Fair Value				
			FVTPL	Amortised Cost			
<b>As at 31.03.2019</b>							
Investments in Associate Entities	6	1,98,823.23	-	-	1,98,823.23	1,98,823.23	NA
Investment in Subsidiary	6	6,01,809.65	-	-	6,01,809.65	6,01,809.65	NA
Investments other than in Associate Entities	6	0.21	298.05	-	298.26	298.26	Level 1,2
Cash and Cash Equivalents	4	-	-	213.96	213.96	213.96	NA
Bank Balance other than (a) above	5	-	-	9,192.46	9,192.46	9,192.46	NA
Other Financial Assets	8	-	-	14,354.10	14,354.10	14,354.10	NA
<b>Total</b>		<b>8,00,633.10</b>	<b>298.05</b>	<b>23,760.51</b>	<b>8,24,691.66</b>	<b>8,24,691.66</b>	
<b>As at 31.03.2020</b>							
Investments in Associate Entities	6	1,98,823.23	-	-	1,98,823.23	1,98,823.23	NA
Investment in Subsidiary	6	6,01,809.65	-	-	6,01,809.65	6,01,809.65	NA
Investments other than above	6	0.21	222.98	-	223.19	223.19	Level 1,2
Cash and Cash Equivalents	4	-	-	44.97	44.97	44.97	NA
Bank Balance other than (a) above	5	-	-	1,026.36	1,026.36	1,026.36	NA
Other Financial Assets	8	-	-	59.74	59.74	59.74	NA
<b>Total</b>		<b>8,00,633.10</b>	<b>222.98</b>	<b>1,131.07</b>	<b>8,01,987.15</b>	<b>8,01,987.15</b>	
<b>Financial Liabilities :</b>							

## Financial Liabilities :

Particulars	Note	Instruments carried at			Total carrying amount	Total Fair Value	Hierarchy Level
		At Cost	Fair Value				
			FVTPL	Amortised Cost			
As at 31.03.2019							
Debt Securities (Non Convertible Debentures)	12	-	-	6,00,000.00	6,00,000.00	6,00,000.00	NA
Borrowings (Other than Debt Securities)	13	-	-	50,500.00	50,500.00	50,500.00	NA
Other Financial Liabilities	14	-	-	14,107.91	14,107.91	14,107.91	NA
Total		-	-	6,64,607.91	6,64,607.91	6,64,607.91	NA
As at 31.03.2020							
Debt Securities (Non Convertible Debentures)	12	-	-	6,00,000.00	6,00,000.00	6,00,000.00	NA
Borrowings (Other than Debt Securities)	13	-	-	38,500.00	38,500.00	38,500.00	NA
Other Financial Liabilities	14	-	-	18.66	18.66	18.66	NA
Total		-	-	6,38,518.66	6,38,518.66	6,38,518.66	NA
Fair value of financial assets and liabilities measured at amortised cost is not materially different from Fair Value.							

Fair value of financial assets and liabilities measured at amortised cost is not materially different from Fair Value.





# Gujarat State Investments Limited

## Note No. 35: Restatement of Prior Period Errors & Reclassification of Comparative figures

The Company has discovered prior period errors on account of non-reversal of provision for impairment loss of investments measured at fair value and recognition of deferred tax assets in the absence of prudence. The company has accounted for the prior period errors during current period retrospectively by restating the comparative amounts to which the same relates. Since certain periods were prior to comparative period presented the impact has been considered in opening balance sheet of comparative period presented.

As at 01.04.2017

### Balance Sheet as at 1st April, 2017

Financial Statement Line Item Restated (Balance Sheet)	Earlier Presentation	Correction Amount	(Amount in lakhs) Restated Amount
<b>ASSETS</b>			
1. Financial Assets			
c. Investment	1,85,277.90	917.97	1,86,195.87
2. Non Financial Assets			
b. Deferred Tax Assets (Net)	16,980.86	-16,975.78	5.08
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(b) Other Equity	47,111.02	-16,057.82	31,053.20
- Retained Earning	41,911.02	-16,057.82	25,853.20

As at 31.03.2018

### Balance Sheet as at 31st March, 2018

Financial Statement Line Item Restated / Reclassified (Balance Sheet)	Earlier Presentation	Correction Amount	(Amount in lakhs) Restated Amount
<b>ASSETS</b>			
1. Financial Assets			
c. Investment	1,82,910.24	917.97	1,83,828.20
2. Non Financial Assets			
b. Deferred Tax Assets (Net)	19,750.21	-19,742.68	7.53
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(b) Other Equity	48,792.52	-18,824.71	29,967.81
- Retained Earning	43,592.52	-18,824.71	24,767.81

### Statement of Profit & Loss for the period ended 31st March, 2018

Financial Statement Line Item Restated / Reclassified (Statement of Profit & Loss)	Earlier Presentation	Correction Amount	(Amount in lakhs) Restated Amount
(VII). Tax Expnsese			
(ii) Deferred Tax	2,769.05	-2,766.91	2.15
(XVI) Earning per Share			
Balsc & Dilluted (Amount In Rs.)	0.16	-0.26	-0.10

As at 31.03.2019

### Balance Sheet as at 31st March, 2019

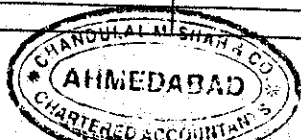
Financial Statement Line Item Restated / Reclassified (Balance Sheet)	Earlier Presentation	Correction Amount	(Amount in lakhs) Restated Amount
<b>ASSETS</b>			
1. Financial Assets			
b. Bank Balance other than cash and cash equivalent	-	9,192.46	9,192.46
d. Investment	8,00,013.18	917.97	8,00,931.15
e. Other Financial Assests	23,546.56	-9,192.46	14,354.10
2. Non Financial Assets			
b. Deferred Tax Assets (Net)	20,441.41	-19,659.24	782.17
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(b) Other Equity	75,087.51	-18,741.27	56,346.24
- Retained Earning	64,628.50	-18,741.27	45,887.22

### Statement of Profit & Loss for the period ended 31st March, 2019

Financial Statement Line Item Restated / Reclassified (Statement of Profit & Loss)	Earlier Presentation	Correction Amount	(Amount in lakhs) Restated Amount
<b>Expsneses</b>			
II. Net loss on fair value changes	-	107.50	107.50
III. Employee Benefits Expenses	34.18	0.11	34.29
v. Others expenses	283.83	-107.61	176.22
(VII). Tax Expnsese			
(ii) Deferred Tax	-691.17	-83.43	-774.60
(XVI) Earning per Share			
Balsc & Dilluted (Amount In Rs.)	2.52	-0.01	2.51

### Cash Flow Statement for the year ended 31st March, 2019

Financial Statement Line Item Restated / Reclassified (Cash Flow Statement)	Earlier Presentation	Correction Amount	Restated Amount
<b>CASH FLOW FROM OPERATING ACTIVITES</b>			
Movments in working Capital			
Decrease/Increase in other financial assets	-17534.55	3,377.27	-14,157.28
<b>CASH FLOW FROM INVESTING ACTIVITES</b>			
Inter Corporate Deposit	-	-3,377.27	-3,377.27



**Gujarat State Investment Limited****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****36 Dues of Micro and small enterprises\***

There are no micro and small enterprises, to which the company owes dues, which are outstanding for more than 45 days as at 31st March, 2020.

(\*) Based on the information available with the company regarding the status of the vendors under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act"), the disclosure pursuant to the MSMED Act is as follows:

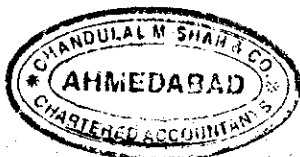
Particulars	As at 31st March 2020 (Rs. In Lakhs)	As at 31st March 2019 (Rs. In Lakhs)
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	-	-
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;	-	-

37 Previous Year's figures have been regrouped / reclassified whenever necessary to confirm current year's presentation.



38 Scheduled to the Balance Sheet as required in terms of Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 updated as on November 22, 2019

Schedule to the Balance Sheet of a NBFC			
Particulars		Amount in Lakhs	
Liabilities side		Amount outstanding	Amount overdue
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :			
(a)	Debentures : Secured	6,00,000.00	-
	: Unsecured	-	-
	(other than falling within the	-	-
(b)	Deferred Credits	-	-
(c)	Term Loans	-	-
(d)	Inter-corporate loans and borrowing	-	-
(e)	Commercial Paper	-	-
(f)	Public Deposits*	-	-
(g)	Other Loans (specify nature)	38,500.00	-
* Please see Note 1 below		-	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive		-	-
(a)	In the form of Unsecured debentures	-	-
(b)	In the form of partly secured debentures i.e.	-	-
(c)	Other public deposits	-	-
* Please see Note 1 below		-	-
Assets side		Amount outstanding	
(3) Break-up of Loans and Advances			
(a)	Secured		-
(b)	Unsecured		-
(4) Break up of Leased Assets and stock on hire and other assets			
(i)	Lease assets including lease rentals		
(a)	Financial lease		-
(b)	Operating lease		-
(ii)	Stock on hire including hire charges		
(a)	Assets on hire		-
(b)	Repossessed Assets		-
(iii)	Other loans counting towards asset		
(a)	Loans where assets have been repossessed		-
(b)	Loans other than (a) above		-
(5) Break-up of Investments			
Current Investments			
1.	Quoted		
(i)	Shares		
(a)	Equity		-
(b)	Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-
	Inter Corporate Deposits		-
2.	Unquoted		
(i)	Shares		
(a)	Equity		-
(b)	Preference		-
(ii)	Debentures and Bonds		-
(iii)	Units of mutual funds		-
(iv)	Government Securities		-
(v)	Others (please specify)		-



Long Term Investments		
1.	<b>Quoted</b>	
	(i)	Share
	(a)	Equity 56,324.00
	(b)	Preference -
	(ii)	Debentures and Bonds -
	(iii)	Units of mutual funds -
	(iv)	Government Securities -
	(v)	Others (please specify) -
	<b>2. Unquoted</b>	
	(i)	Shares
	(a)	Equity 7,44,532.08
	(b)	Preference -
	(ii)	Debentures and Bonds -
	(iii)	Units of mutual funds -
	(iv)	Government Securities -
	(v)	Others (please specify) -
	(vi)	-

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above :**

Category		Amount net of provisions		
		Secured	Unsecured	Total
1.	<b>Related Parties **</b>			
	(a)	Subsidiaries -	-	-
	(b)	Companies in the same group -	-	-
	(c)	Other related parties -	-	-
2.	Other than related parties -		-	-
<b>Total</b>				

**(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below**

Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	<b>Related Parties **</b>		
	(a)	Subsidiaries 6,01,809.65	6,01,809.65
	(b)	Companies in the same group 2,70,481.85	1,99,046.43
	(c)	Other related parties -	-
2.	Other than related parties -		-
<b>Total</b>		<b>8,72,291.50</b>	<b>8,00,856.08</b>

\*\* As per Ind Accounting Standard of MCA (Please see Note 3)

**(8) Other Information**

Particulars		Amount
(i)	Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other than related parties	25.00
(ii)	Net Non-Performing Assets	-
	(a) Related parties	-
	(b) Other than related parties	-
(iii)	Assets acquired in satisfaction of debt	-

**Notes :**

- As defined in point xix of paragraph 3 of Chapter -2 of these Directions.
- Provisioning norms shall be applicable as prescribed in these Directions.
- All Ind AS and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.



39 - Computation of Regulatory Capital and Regulatory Ratios.

(Amount in lakhs)						
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP Norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	-	-	-	-	-
Subtotal	Stage 2	-	-	-	-	-
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	25.00	25.00	-	25.00	-
Subtotal for NPA		25.00	25.00	-	25.00	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current income	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
<b>Total</b>	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	25.00	25.00	-	25.00	-
	<b>Total</b>	25.00	25.00	-	25.00	-



# Gujarat State Investment Limited

## 40 Maturity Pattern of Liabilities

(Amount in Lakhs.)

Particulars	Liabilities		
	Total no of NCDs	Total Value	Maturity Date
Non Convertible Debentures (ISIN No.)			
INE08EQ08015	10,000	1,00,000	21.09.2020
INE08EQ08049	10,000	1,00,000	28.09.2022
INE08EQ08023	10,000	1,00,000	01.10.2022
INE08EQ08056	10,000	1,00,000	22.03.2025
INE08EQ08031	20,000	2,00,000	22.03.2028
<b>Total</b>	<b>60,000</b>	<b>6,00,000</b>	

Maturity Pattern of the Non-Convertible Debentures is presented in the below table:

(Amount in Lakhs.)

Particulars	Amount
1 Day to 30/31 days(One Month)	-
Over one Month to 3 Months	-
Over 3 months to 6 months	1,00,000
Over 6 months up to 1 Year	-
Over 1 year and upto 3 years	2,00,000
Over 3 years and upto 5 years	1,00,000
Over 5 years	2,00,000
<b>Total</b>	<b>6,00,000</b>

## 41 Exposures

Exposure to Real Estate Sector :-

Category	2019-20
<b>Direct Exposure</b>	
Residential Mortgage	NIL
Commercial Real Estate	NIL
Investment in Mortgage backed Securities and other Securitised Exposure	NIL
<b>Indirect Exposure</b>	
Fund based and non fund based exposure on National Housing Bank(NHB) and Housing Finance Companies (HFCs)	NIL



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**Annex-II**  
**Data on Pledged Securities**

Name of the NBFC Lender :- Gujarat State Investments Limited

PAN : AABCG4649M

Date of Reporting-31st March 2020

Share holding Information

Name of the Company	ISIN	No of Shares held against loans	Type of the Borrower (Promoter / Non Promoter)	Name of the Borrower	PAN of the Borrower
NA	NA	NA	NA	NA	NA


As per our Report of even date  
For Chandulal M. Shah & Co.  
Chartered Accountants  
Firm's Registration Number : 101698W

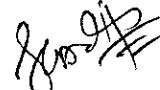


For and on behalf of board of directors of  
Gujarat State Investments Limited

  
Managing Director

  
Director

  
Arpit D. Shah  
Partner  
Membership No. : 135188  
Place : Ahmedabad  
Date:

  
Company Secretary

  
Chief Financial Officer

Place : Gandhinagar

Date :

130 JUL 2020

130 JUL 2020

# Chandulal M. Shah & Co.

## CHARTERED ACCOUNTANTS

A/6, 6th Floor, Wing-A, Safal Profitaire, Opp. Auda Garden, Corporate Road, Prahladnagar, Ahmedabad-380052.  
Tel. : 079-2960 1085 • (M) 90330 34430 • E-mail : cmshah@cmshah.com • Website : www.cmshah.com

### INDEPENDENT AUDITOR'S REPORT

To the Members Gujarat State Investments Limited

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of Gujarat State Investments Limited (hereinafter referred to as the "holding Company") and its subsidiary (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2020, and consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Emphasis of Matter

Emphasis of Matters reported by auditors of other components not audited by us.

Without modifying our opinion, we draw out attention and report the EOMs reported by the auditors of other components in "Annexure A".

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in





forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter given in "Annexure B" our description of how auditors of relevant components have addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<b><u>Litigations &amp; Uncertain Tax Positions</u></b>  The group has material uncertain tax positions including matters for income tax, which involves significant judgment to determine the possible outcome of these matters.  The identification of risks and litigations, the valuation of provisions / disclosure of contingent liabilities for such risks and litigations constitute a key audit matter given the amounts involved and the high degree of estimate and judgment required by management.	<b><u>Principal Audit Procedures</u></b>  Our procedures included the following: <ul style="list-style-type: none"><li>• Obtained understanding of key uncertain tax positions;</li><li>• Obtained understanding of opinion on certain tax matters;</li><li>• Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the management;</li><li>• We along with our internal tax experts –<ul style="list-style-type: none"><li>i. Discussed with appropriate senior management and evaluated the Management's underlying key assumptions in estimating the tax provision;</li><li>ii. Assessed management's estimate of the possible outcome of the disputed cases; and</li><li>iii. Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li></ul></li></ul>

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters given in "Annexure B" provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### Information other than the financial statements and auditors' report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditors' report thereon. The above referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Consolidated 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent

with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter those charged with governance and take appropriate actions necessitated by the circumstances and applicable laws and regulations.

### **Responsibility of Management for Consolidated Financial Statements**

The holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its associates 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 and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- i. Identify and assess the risks of material misstatement of the consolidated 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.

- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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 and its associates 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 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 and its associates to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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



### Other Matters

We did not audit the financial statements and other financial information, of the subsidiary, whose financial statements reflects total assets of Rs. 20,61,054 lakhs as at March 31, 2020, total revenues of Rs. 21,24,445 lakhs and net cash flows amounting to Rs. 72,731 lakhs for the year ended on that date as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net profit and other comprehensive income of Rs. 31,805 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 4 associates, whose financial statements / financial information have not been audited by us. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, 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 and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements


As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of other auditors.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) As per Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015, the provisions of Section 164(2) is not applicable to the Group company as the share capital held by the Central or State Government is more than 51% and on the basis of reports of the auditors of other components, we report that directors of associates are not disqualified from being appointed as directors.,
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements of the of the Group and its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the holding company for the year ended March 31, 2020, hence not commented upon;

(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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and of its associates, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated financial statements - Refer Note 40 to the consolidated financial statements.
- ii. The holding company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020. However, Provisions has been made in the consolidated financial statements of Group in relation to subsidiary and its associates, as required under the applicable law, for material foreseeable losses, if any, on long term contracts including derivative contracts for the consolidated financial position of the Group and its associates.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding Company. Based on the consideration of reports of other statutory auditors of the subsidiary and associates, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by its subsidiary and its associates during the year ended March 31, 2020.

For, Chandulal M. Shah & Co.  
Chartered Accountants  
FRN 101698W

  
(Arpit D. Shah)  
Partner  
M. No. 135188  
UDIN:- 20135188AAAAABU3568  
Place: Ahmedabad  
Date: 30-07-2020



**Annexure A to the Independent Auditors' Report**

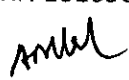
The Emphasis of Matter reported by auditors of other components.

Sr.	Name of Components	Matter of Emphasis
1	Gujarat State Petroleum Corporation Limited	<p>a) Para (p) Accounting for oil and gas joint operations of Note No. 1 Significant Accounting Policies, which describes that the financial statements of the joint operations (unincorporated joint ventures) prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts or Joint Operating Agreement of the joint operations (unincorporated joint ventures). In view of the same, certain adjustments/disclosures required under the mandatory Accounting Standards and the provisions of the Companies Act, 2013 have been made in the consolidated Ind AS financial statements to the extent information available with the Holding Company as on the date.</p> <p>b) Note No. 32 to the Consolidated Ind AS financial statements regarding impairment of 9 continuing E&amp;P blocks amounting to Rs. 386.48 Crores and impairment of 12 E&amp;P blocks classified as Asset Held for Sale amounting to net Rs. 153.84 crores due to significant fall in crude oil price primarily consequent to the outbreak of COVID-19 and shown under Exceptional Items.</p> <p>c) Note no. 34 to the Consolidated Ind AS financial statements regarding non provisioning of disputed Income Tax demands/ claims by the Income Tax Authority amounting to Rs. 1,701.78 Crores (P.Y. Rs. 1,701.78 Crores) and disclosed by way of a note as contingent liability as the matter is disputed.</p> <p>d) Note No. 34 to the Consolidated Ind AS financial statements regarding reasonable uncertainty for an amount receivable on account of adjustment of advanced floor consideration received towards Other Six Discoveries amounting to Rs. 1,265 Crores (USD 200 Million) and subsequently to be adjusted towards final consideration receivable as per Field Development Plan (FDP) prepared by ONGC for submission to DGH.</p> <p>e) Note No. 34 to the Consolidated Ind AS financial statements in respect of liability for license fees, interest and penalties thereon for which an ad hoc payment of Rs. 5 Crores have been made under protest by subsidiary company regarding, GIPL for the year ended 31st March, 2020. As stated in the said note, management of subsidiary company has not received any demand notice from the DoT however, GIPL has estimated an amount of Rs. 27.93 Crores for AGR dues liabilities and considered as contingent liability and made representation to chairman DCC and Secretary of Government of India in this regards.</p> <p>f) Note No. 50 to the Consolidated Ind AS financial statements which describes the uncertainties due to the outbreak of COVID-19 pandemic and management's evaluation of the impact on the consolidated financial statements of the Group as at the balance sheet date. The impact of these uncertainties on the Group operations is significantly dependent on future developments.</p>
2	Gujarat Alkalies & Chemicals Limited	<p>a) We draw your attention to Note 43 of the Consolidated Financial Statements, which states the impact of coronavirus disease 2019 (COVID19) on the operations and financials of the company. Our opinion is not modified in respect of this matter.</p>



3	Gujarat Narmada Fertilizers & Chemicals Limited	<p>a) <u>DOT Demand Notice</u></p> <p>We draw attention to Note 43 to the consolidated Ind AS financial statements regarding a matter relating to demand of Rs. 16,359.21 Crores on the Company by Department of Telecommunications (DoT) towards Very Small Aperture Terminal ('VSAT') and Internet Service Provider ('ISP') Licenses fee, as explained in detail in the said Note. Based on the legal opinion taken by the Company in the matter and pending outcome of the Company's representation to DOT and based on the Company's assessment of this demand, the Company is of the view that no provision is necessary in respect of this matter. Our opinion is not modified in respect of this matter.</p>
4	Gujarat State Fertilizers & Chemicals Limited	<p>We draw attention to Note no. 48 to the consolidated financial statement, to assess the recoverability of certain receivables and investments, the management has considered internal and external information upto the date of approval of the consolidated financial statement and economic forecasts. Based on current indicators of future economic conditions, management expects to recover the carrying amount of these assets. The actual impact of global health pandemic may be different from that estimated as at the date of approval of the consolidated financial statement and management will continue to closely monitor any material changes to future economic conditions.</p>
5	Gujarat State Financial Services Limited	<p>a) Without qualifying our Independent Auditors Report we would like to draw attention on the following matter to the stake holders. Company has made investment in Gujarat State Petroleum Corporation Limited of Rs. 13617 lacs by purchasing 17,00,00,000 (Seventeen Crores) shares, at Rs. 8.01 per Share in March 2019. The Company has made its valuation by Rs. 8.61 per Share as on 31st March, 2020 on the basis of Independent valuation Report as per the Requirement of Ind As 113. However, the book value Per Share of Gujarat State Petroleum Corporation Limited as on 31<sup>st</sup> March, 2019 is Rs. 2.62 per Share. The Fair value Investment through Other Comprehensive Income is represented as per Note No. 7 of Balance sheet.</p> <p>b) We draw attention to Note No. 40 of Financial Statements which describes that the company has only single independent director from the period 01.04.2019 to 30.11.2019 &amp; 23.03.2020 to 31.03.2020 instead of having two independent directors. However, the company has proposed for opinion of Government of Gujarat for appointment of independent director.</p>

For, Chandulal M. Shah & Co.  
Chartered Accountants  
FRN 101698W

  
(Arpit D. Shah)  
Partner  
M. No. 135188  
UDIN:- 20135188AAAAABU3568  
Place: Ahmedabad  
Date: 30-07-2020



# Annexure B to the Independent Auditor's Report

Key audit matters reported by auditors of other components

Sr.	Name of Components	Key Audit matters	Response to KAM by component auditors
1	Gujarat Alkalies & Chemicals Limited	<p>(1) <u>Valuation of Equity Instruments (Unquoted)</u></p> <p>Investments in Equity Instruments (Unquoted) aggregates 4% of the Company's Total assets as at March 31, 2020.</p> <p>The Company measures its investments in Equity Instruments (Unquoted) at Fair Value through Other Comprehensive Income as at the Balance Sheet date.</p> <p>Fair value is determined using valuation approach/ methodology for which significant unobservable inputs (level 3 inputs).</p> <p>The valuation approach methodology adopted by the management in certain cases are single valuation methods and, in some cases, multiple valuation approaches, and hence involve significant judgements as regards the methods and inputs used. (Refer to Note 6 and 36.9.1 to the respective Consolidated Financial Statements)</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit procedures included:</p> <p>1) Evaluated and tested the design and operating effectiveness of the key controls implemented by the Company with respect to the valuation of Investments in Equity instruments (unquoted), inter alia controls around:</p> <p>a) periodic review by management of the risks of the valuation approach methodology;</p> <p>b) the verification and validation of unobservable inputs</p> <p>c) selection and competence evaluation of external valuer</p> <p>2) Involved the Internal fair value experts and:</p> <p>a) Assessed the reasonableness of the valuation approach / methodology and inputs used</p> <p>b) Assessed the reasonableness of the valuation results determined by the external valuer.</p> <p><u>Conclusion:</u></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</p>
		<p>(2) <u>Adoption of Ind AS 116 – Leases</u></p> <p>The Company has adopted Ind AS 116 – Leases w.e.f April 1, 2019. The application and transition to this Ind AS is complex and is an area of focus in our audit since the Company has a number of leases</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit procedures on adoption of Ind AS 116 included:</p> <ul style="list-style-type: none"><li>Assessing the Company's evaluation on the identification of leases based</li></ul>





		<p>with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize : a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition. (Refer to Note 3(b) and 34 to the respective Consolidated Financial Statements)</p>	<p>on the contractual agreements and our knowledge of the business</p> <ul style="list-style-type: none"> <li>Evaluating the method of transition and related adjustments: the reasonableness of the discount rates applied in determining the lease liabilities;</li> <li>Assessing the key terms and conditions of each lease with the underlying lease contracts</li> <li>Assuring completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> <li>Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul> <p><b>Conclusion:</b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</p>
2	Gujarat State Fertilizers & Chemicals Limited	<p>1) <b>Evaluation of uncertain tax positions</b> The Group has material uncertain tax positions for liability of Rs. 31,044.76 Lakhs including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 38 to the Consolidated Financial Statements.</p>	<p><b>Principal Audit Procedures</b></p> <p>We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2020 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax</p>



			positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2020 to evaluate whether any change was required to management's position on these uncertainties. From the evidence obtained and in the context of the consolidated financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at 31 March 2020 to be appropriate.
		<p>2) <u>Impairment of property, plant and equipment</u></p> <p>During the previous year, Group has discontinued its operations at Fiber &amp; Polymer unit due to non-viability of its products. Gross block of the assets of the Fiber &amp; Polymer unit and its carrying value as on 31st March 2020 works out to Rs. 26,475.38 Lakhs &amp; Rs. 6,215.03 Lakhs. Further, methanol plant having Gross Block and its carrying value as on 31st March, 2020 of Rs. 127,537.13 Lakhs &amp; Rs. 19,717.35 Lakhs is not in operation since last 3 to 4 years. We have considered this issue to be a key audit matter because the analysis performed by management requires the use of complex estimates and judgments regarding the future earnings performances \ recoverable amount of the CGUs to which the aforementioned assets belong.</p>	<p><u>Principal Audit Procedures</u></p> <p>We evaluated the management's various viable proposals, impairment calculations, assessing the net recoverable value of the CGU used in the models, and the process by which they were drawn up, including comparing them to the latest circle rates of the Land, and testing the underlying calculations.</p> <p>Based on our audit procedures, we found management's assessment in determining the carrying value of the property, plant and equipment of Fiber &amp; Polymer unit and Methanol Plant to be reasonable.</p> <p>Refer Notes 49(i) &amp; (iv) to the Consolidated Financial Statements.</p>
		<p>3) <u>Fair Value of assessment of subsidy receivables from Government:</u></p> <p>Government Subsidy Receivable forms a significant part of the Group's assets, amounting to Rs. 179,119.00 Lakhs as at March 31, 2020. Given the size of the subsidy balance relative to the total assets of the Group and the estimates and judgements described in Note 12 to the consolidated financial statement, the fair value assessment requires significant audit attention.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit procedure includes review of subsidy receivable from Department of Fertilizer (i.e. sovereign Authority) is backed by the approved claims generated from MFMS (Mobile Fertilizer Management System).</p> <p>Subsidy income recognised and remained outstanding over significant period are discussed / enquired with management based on follow-up with Department of Fertilizers, Government of India including basis of management</p>



			<p>judgement and realisation certainty thereof.</p> <p>Based on the above procedures performed, the management's assessment of implications of government notifications / policies on recognition of subsidy revenue and the recoverability were considered to be reasonable.</p>
		<p>4) <u>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard):</u></p> <p>Group primarily manufactures and sells a number of fertilizer and chemical products to its customers, mainly through its own distribution network. Sales contracts specifically w.r.t Bill and Hold transaction contains constructive obligation for transfer of control to the buyer. As per the terms of the contract with the customers, Group use to recognize the sale based on the invoicing and considering the transfer of control and other criteria set out in para BB1 of Ind AS 115. Refer Notes 46 to the Consolidated Financial Statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit procedure focused on transactions occurring within proximity of the year end in the Fertilizer segment, obtaining evidence to support the appropriate timing of revenue recognition based on terms and conditions set out in sales contracts, delivery documents and dealers' confirmation.</p>
		<p>5) <u>Recognition / de-recognition and measurement of Urea Subsidy Income</u></p> <p>Revenue from concession receivable from the Government of India ('GOI') is recognized when control of the products has transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Concessions in respect of urea, as notified under the New Pricing Scheme, is recognized with adjustments for escalation/de-escalation in the prices of inputs and other adjustments, as estimated by the management in accordance with the known policy parameters in this regard.</p>	<p><u>Principal Audit Procedures</u></p> <ul style="list-style-type: none"> <li>• We assessed design, implementation and operative effectiveness of management's key internal controls over revenue recognition.</li> <li>• We performed test of details, on a sample basis and evaluated the underlying documents relating to urea concession income.</li> <li>• We read relevant notifications issued by the GOI and discussed with the management, to understand the underlying matters and basis for management judgement and</li> </ul>



		<p>During the current year, Group has recognized Urea subsidy income of aggregating to Rs. 78139.02 lakhs. Considering significant estimates involved, as mentioned above, revenue and profit may deviate on account of change in such judgements and estimates.</p>	<p>estimates including necessary changes made in estimates to address variations noted in past.</p> <ul style="list-style-type: none"> <li>We reviewed the calculation of urea concession income including escalation, / de-escalation adjustments as per known policy parameters in this regard.</li> <li>We assessed the disclosures in the financial statements in this regard.</li> </ul>
3	Gujarat Narmada Fertilizers & Chemicals Limited	<p>1) <u>Recognition/de-recognition and measurement of Urea Subsidy Income</u></p> <p>Subsidy income on Urea is recognized and measured with reference to notification/ circular/ policies issued by the Department of Fertilizers, Government of India.</p> <p>During the current year, the Company has recognized Urea subsidy Income of aggregating to Rs. 1,362.58 Crores (including Rs. 159.23 Crores pertaining to earlier years towards fixed cost subsidy as disclosed in notes to financial statements) and as at March 31, 2020 has outstanding Urea subsidy receivables aggregating to Rs. 1,093.86 Crores (incl. Rs. 77.69 Crores outstanding since year ended March 31, 2019). The measurement of Urea subsidy income involves interpretation of relevant regulatory pronouncements &amp; notifications, understanding of applicable energy norms, and management estimates / judgements including adjustment at each reporting date in respect of escalation / de-escalation of cost components as compared with notified retention price applicable by the Company. The recognised subsidy income may deviate significantly because of revision/ changes in such interpretation, estimates and judgements.</p> <p>Accordingly, recognition and</p>	<p><u>Principal Audit Procedures</u></p> <ul style="list-style-type: none"> <li>Our audit procedures included considering the appropriateness of the Company's income/ subsidy recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards.</li> <li>We performed test of controls, over income recognition with specific focus on whether Urea subsidy income is accounted as per applicable regulatory pronouncements and consistency of judgement &amp; estimation norms defined thereon.</li> <li>We have reviewed the relevant regulatory pronouncement in respect of Urea subsidy income and verified the claims filed by the Company along-with underlying evidences in respect of such income.</li> <li>We have tested whether appropriate adjustments have been made of escalation / de-escalation for the year based on actual production cost variable relevant for measurement of subsidy amount.</li> <li>The Subsidy income recognised</li> </ul>



		<p>measurement of subsidy income was determined to be a key matter in our audit of Consolidated Ind AS financial statements.</p>	<p>and remained outstanding over significant period are discussed / enquired with management based on follow-up with Department of Fertilizers, Government of India including basis of management judgement and realization certainty thereof.</p> <ul style="list-style-type: none"> <li>We also verified the collections made during the year as well as subsequent period against such subsidy income recognized by the Company.</li> </ul>
		<p>2) <u>Impairment assessment of Property, plant and equipment attributable to production of Toluene di-isocyanate (TDI)</u></p> <p>Sales of Toluene di-isocyanate (TDI) plant constitutes 26% of Chemical business segment of the Company. The revenue and operating profit margins of the TDI is largely dependent on its price realization per tonne in the international market.</p> <p>The Company has witnessed sharp decline in the operating profit margins of TDI during the year. The reduction in the price realisation of TDI product has affected the financial performance of the Company's chemical segment. Accordingly, the management had identified impairment indicators for the identified CGU i.e. TDI II, Dahej plant and have performed an assessment to calculate the recoverable amount of its identified CGU, by identifying its value in use derived from future free cash flows based on budgets and strategy for the coming years.</p> <p>As at March 31, 2020, the gross block and the carrying amount of the property, plant and equipment attributable to TDI II, Dahej plant (identified CGU) is Rs 2,265 Crores and Rs 1,587 Crores respectively.</p> <p>The management has made</p>	<p><u>How our audit addressed the key audit matter</u></p> <ul style="list-style-type: none"> <li>Our audit procedure included evaluating management's assessment of impairment indications for Property, plant and equipment attributable to production of TDI II, Dahej plant in India.</li> <li>We assessed the assumptions made by the management with regards to the identifying the group of Property, plant and equipment attributable to production of TDI into cash generated unit (identified CGU).</li> <li>We have reviewed the managements methodologies and their documented basis for key assumptions which are used to calculate the value in use of the identified CGU.</li> <li>In conjunction with our valuation specialists, we evaluated the Company's assumptions and estimates used to determine the recoverable amount of the identified CGU, including those relating to long-term growth rates, margins and discount rates.</li> <li>We reviewed, on the sample</li> </ul>



		<p>significant judgement in determining value in use, including discount rate, product price realisation over a foreseeable future, demand of product and other cost factors.</p> <p>Identifying the recoverable amount of the identified CGU involves review of appropriateness of various assumptions used by the Company.</p> <p>Accordingly, appropriateness of the assumptions used to identify the recoverable amount was determined to be a key matter in our audit of consolidated Ind AS financial statements.</p>	<p>basis, the mathematical accuracy of the cash flow models and agreeing relevant data to approved budgets and latest forecast.</p> <ul style="list-style-type: none"> <li>We also reviewed the sensitivity analysis in related to the key assumptions, with particular focus on drivers of the growth rate, margins and discount rate used in the impairment models.</li> <li>We assessed the appropriateness of the disclosure included in Note 49 of the Consolidated Ind AS financial statements.</li> </ul>
		<p><b>3) Valuation of Inventories, including Stores &amp; Spares</b></p> <p>The Company has total inventory of Rs. 932.35 crores which comprises of RM inventory Rs. 191.99 crores, WIP inventory Rs. 84.90 crores, FG inventory Rs. 133.62 crores, Trading Inventory Rs. 2.28 crores and stores and spares inventory (including coal) Rs. 519.56 crores (net of provision for inventory obsolescence as at March 31, 2020).</p> <p>The Company has stores and spares inventory amounting to Rs. 399.85 crores (excluding coal inventory of Rs. 122.20 crores) as at March 31, 2020. The Company has created a provision of Rs. 2.50 Crores against inventory pertaining to stores and spares based on internal and external evaluation of its usability. The stores and spares inventory has many aged items as well however the management's internal assessment represents the usability of these items in future years and that the value of such items does not require any further impairment / provision to be made as at March 31, 2020.</p> <p>Accordingly, appropriateness of the estimates used to identify the valuation of inventories, including</p>	<p><b>How our audit addressed the key audit matter</b></p> <ul style="list-style-type: none"> <li>We reviewed the policy of the management for physical verification and the documents related to management's and independent consultant's physical count procedure actually followed during the year.</li> <li>We understood the management policy and process for identification of net realisable value of inventory and providing for obsolete inventory, including performing testing of controls to assess the effectiveness of the same.</li> <li>We reviewed the management's judgement applied in calculating the value of inventory obsolescence for stores &amp; spares, taking into consideration management assessment of the present and future condition of the inventory.</li> <li>We performed substantive audit procedures that included review of manual working prepared by the management for valuation of inventories and observed that appropriate allocation of fixed cost and</li> </ul>



		stores and spares was determined to be a key matter in our audit of consolidated Ind AS financial statements.	<p>variable cost is done on Finished Goods and Work in Progress in lines with prevailing accounting standards.</p> <ul style="list-style-type: none"> <li>We have performed Physical verification of inventories as at subsequent date on account of COVID-19 lockdown restrictions during year end and have performed necessary roll back procedures, Our procedures did not identify any material exceptions.</li> </ul>
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For, Chandulal M. Shah & Co.  
Chartered Accountants  
FRN 101698W

*Arpit*

(Arpit D. Shah)  
Partner  
M. No. 135188  
UDIN:- 20135188AAAAABU3568  
Place: Ahmedabad  
Date: 30-07-2020



**Annexure 'C' to the Independent Auditors' report of Even Date on the Consolidated Financial Statements of Gujarat State Investments Limited**

**Report on the Internal Financial Controls under Clause(i) of sub-section 3 of section 143 of the Companies Act 2013 ("The Act")**

We have audited the internal financial controls over financial reporting of Gujarat State Investments Limited ("the holding Company") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the holding Company, subsidiary and its associates, which are companies incorporated in India, for the year ended on that date.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and as specified under section 143(10) of the Companies Act, 2013, as amended to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls over financial reporting with reference to consolidated financial statements were 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 over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements**

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



reference to these consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of internal financial controls over financial reporting with reference to consolidated financial statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to financial statements, 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the holding Company, subsidiary and its associates, which are incorporated in India, have in all material respects, maintained internal financial controls over financial reporting with reference to consolidated financial statements and such internal financial controls over financial reporting with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to the subsidiary company and its associates incorporated in India, is based on the corresponding report of the auditors of such subsidiary and its associates incorporated in India.

For, Chandulal M. Shah & Co.

Chartered Accountants

FRN 101698W



(Arpit D. Shah)

Partner

M. No. 135188

UDIN:- 20135188AAAABU3568

Place: Ahmedabad

Date: 30-07-2020



# Gujarat State Investments Limited

CIN : U64990GJ1988SGC010307

## BALANCE SHEET AS AT 31st March, 2020 (Consolidated)

(Rs. in Lakhs)

Sr No.	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
	<b>ASSETS</b>			
1	<b>Financial Assets</b>			
	Cash and Cash Equivalents	4A	1,06,552.55	33,990.96
	Bank Balances other than above	4B	49,370.82	70,615.42
	Derivative financial instruments	5	14.25	43.24
	Receivables			
	i) Trade Receivables	6	1,34,546.93	1,22,190.58
	Loans	7	14,429.93	14,834.00
	Investments	8	7,34,380.98	6,54,300.22
	Other Financial assets	9	1,37,317.51	1,90,450.10
2	<b>Non-Financial Assets</b>			
	Inventories	10	33,320.41	28,918.00
	Current tax Assets (Net)	11	22,784.84	18,856.07
	Deferred tax Assets	12	921.35	782.17
	Investment Property	14	151.01	152.00
	Property, Plant and Equipment	13	11,50,267.63	11,52,796.21
	Capital work-in-progress	13	98,831.06	1,06,474.75
	Intangible assets under development	14	19,180.35	48,342.00
	Goodwill			
	-Goodwill on Consolidation	14	7,94,212.53	7,94,212.53
	Other Intangible assets	14	49,939.26	47,615.92
	Other non -financial assets	15	40,345.30	36,272.13
	Non - Current Assets Held For Sale	16	37,131.00	48,331.00
	<b>Total Assets</b>		<b>34,23,697.71</b>	<b>33,69,177.30</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
1	<b>Financial Liabilities</b>			
	Derivative financial instruments	5	76,670.40	52,677.20
	Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	17	1,320.82	1,408.00
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17	87,987.71	30,973.00
	Debt Securities	18	6,00,000.00	6,00,000.00
	Borrowings (Other than Debt Securities)	19	10,97,046.18	13,49,521.26
	Other financial liabilities	20	2,36,669.95	3,02,502.40
2	<b>Non-Financial Liabilities</b>			
	Provisions	21	20,327.65	22,580.17
	Deferred tax liabilities	12	80,756.59	1,12,348.49
	Other non-financial liabilities	22	35,966.63	31,545.47
	Liabilities associated with Non Current Assets held for sale	23	13,358.00	13,058.00
3	<b>EQUITY</b>			
	Equity Share capital	24	1,04,276.91	1,04,276.91
	Other Equity	25	6,19,380.23	4,92,273.10
	Non-Controlling Interest		4,49,936.64	2,56,013.30
	<b>Total Liabilities And Equity</b>		<b>34,23,697.71</b>	<b>33,69,177.30</b>

See accompanying Notes to the Financial Statements  
As per our report attached

For Chandulal M. Shah & Co.  
Firm's Registration Number : 101698W  
Chartered Accountants



For and on behalf of board of directors of  
Gujarat State Investments Limited

Managing Director

Director

Arpit D. Shah  
Partner  
Membership No. : 135188  
Place : Ahmedabad  
Date: 30 JUL 2020



Company Secretary      Chief Financial Officer  
Place : Gandhinagar  
Date: 30 JUL 2020

## Gujarat State Investments Limited

CIN : U64990GJ1988SGC010307

## STATEMENT OF PROFIT &amp; LOSS FOR THE PERIOD ENDED 31st March, 2020 (Consolidated)

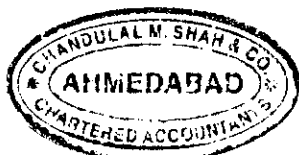
(Rs. in Lakhs)

Sr. No	Particulars	Note No.	For the period ended 31st March, 2020	For the period ended 31st March, 2019
	<b>Revenue From Operations</b>			
i.	Interest Income	26	14,280.45	16,613.18
ii.	Dividend Income		263.22	9,396.95
iii.	Sale of Products	27	21,13,904.55	19,11,427.24
(I)	<b>Total Revenue from operations</b>		21,28,448.22	19,37,437.37
(II)	Other Income	28	3,285.02	21,782.00
(III)	<b>Total Income (I+II)</b>		<b>21,31,733.24</b>	<b>19,59,219.37</b>
	<b>Expenses</b>			
i.	Production expenditure	29	8,103.00	9,233.00
ii.	Cost of material consumed	30	1,08,550.15	65,197.77
iii.	Cost of traded goods	31	14,21,083.59	13,05,864.95
iv.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(6,303.69)	17,982.44
v.	Finance Costs	33	1,03,140.37	1,23,793.32
vi.	Net loss on fair value changes	34	75.07	107.50
vii.	Employee Benefits Expenses	35	27,228.05	26,290.17
viii.	Depreciation, amortization and impairment	13	79,650.17	78,004.70
ix.	Others expenses	36	93,085.35	73,492.25
(IV)	<b>Total Expenses (IV)</b>		<b>18,34,612.07</b>	<b>16,99,966.09</b>
(V)	Profit / (loss) before exceptional items and tax (III - IV)		2,97,121.17	2,59,253.28
(VI)	Exceptional items	37	(55,198.00)	(16,059.00)
(VII)	Profit/(loss) before tax (V - VI)		2,41,923.17	2,43,194.28
	Share of profit/(loss) of joint ventures and associates accounted for using the equity method (Net of Tax)		51,030.82	58,382.51
(VIII)	Tax Expense	38		
(i)	Current Tax		60,423.00	57,527.94
(ii)	Adjustments of tax for earlier years		(1,597.50)	(3,606.33)
(iii)	Deferred Tax		(31,367.54)	6,757.87
(IX)	Profit / (loss) for the period from continuing operations(VII - VIII)		2,65,496.04	2,40,897.30
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X - XI)		-	-
(XIII)	<b>Profit/(loss) for the period (IX+XII)</b>		<b>2,65,496.04</b>	<b>2,40,897.30</b>
(XIV)	<b>Other Comprehensive Income</b>			
(A)	(i) Items that will not be reclassified to profit or loss			
	Changes in fair value of FVTOCI equity instruments		(742.88)	1,808.60
	Remeasurement of post-employment benefit obligations		(1,301.88)	(550.12)
	Share of OCI in Associate and JV (Ind AS)		(14,918.17)	(20,367.62)
	Income tax relating to these items		287.66	312.72
	<b>Subtotal (A)</b>		<b>(16,675.28)</b>	<b>(18,796.42)</b>
	(B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
	<b>Other Comprehensive Income (A + B)</b>		<b>(16,675.28)</b>	<b>(18,796.42)</b>
(XV)	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)</b>		<b>2,48,820.76</b>	<b>2,22,100.88</b>
	<b>Profit attributable to:</b>			
	Owners of the Company		82,957.35	2,01,597.52
	Non-Controlling Interest		1,82,538.69	39,299.78
	<b>Other comprehensive income attributable to:</b>			
	Owners of the Company		(16,568.14)	(19,151.07)
	Non-Controlling Interest		(107.14)	354.65
	<b>Total comprehensive income attributable to:</b>			
	Owners of the Company		66,389.21	1,82,446.46
	Non-Controlling Interest		1,82,431.55	39,654.27
(XVI)	<b>Earnings per equity share</b>	39		
	Basic & Diluted		6.37	17.50

See accompanying Notes to the Financial Statements  
As per our report attachedFor Chandulal M. Shah & Co.  
Firm's Registration Number : 101698W  
Chartered AccountantsFor and on behalf of board of directors of  
Gujarat State Investments Limited

Managing Director

Director

Arpit D. Shah  
Partner  
Membership No. : 135188  
Place : AhmedabadCompany Secretary Chief Financial Officer  
Place : Gandhinagar

Date :

13 JUL 2020

13 JUL 2020

# Gujarat State Investments Limited

CIN : U64900GJ1988SGC010307

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020 (Consolidated)

### A Equity Share Capital

Particulars	(Rs. in Lakhs)	
	As at	March 31, 2019
Balance at the beginning of the reporting period	March 31, 2020	March 31, 2019
Changes during the year	1,04,276.91	1,04,276.91
<b>Balance at the reporting period</b>	<b>1,04,276.91</b>	<b>1,04,276.91</b>

### B Other Equity

Particulars	(Rs. in Lakhs)			
	Reserves and Surplus		Other Comprehensive Income	
	Capital Redemption Reserve	Retained Earnings	Reserve fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	Non Controlling Interest
<b>Balance as at April 01, 2019</b>	<b>5,200.00</b>	<b>4,81,814.08</b>	<b>5,259.02</b>	<b>2,56,013.30</b>
Profit for the period	-	82,957.35	-	-
Transfer to Retained Earnings	-	-	850.90	-
Others	-	45,597.85	-	1,82,431.55
Changes in parents ownership interest in subsidiary	-	15,120.08	-	11,491.78
Transfer to Special Reserves	-	(850.90)	-	-
Items of the OCI for the year, net of tax	-	(16,568.14)	-	-
Remeasurement benefit of defined benefit plans	-	6,08,070.31	-	-
<b>Balance as at March 31, 2020</b>	<b>5,200.00</b>	<b>6,08,070.31</b>	<b>6,109.92</b>	<b>4,49,936.63</b>
<b>Balance as at April 01, 2019</b>	<b>5,200.00</b>	<b>3,80,414.59</b>	<b>-</b>	<b>1,87,397.12</b>
Profit for the period	-	90,332.86	-	-
Transfer to Retained Earnings	-	-	5,259.02	-
Others	-	-	-	39,654.27
Changes in parents ownership interest in subsidiary	-	16,326.45	-	28,961.91
Transfer to Special Reserves	-	(5,259.02)	-	-
Items of the OCI for the year, net of tax	-	(0.80)	-	-
Remeasurement benefit of defined benefit plans	-	4,81,814.08	-	-
<b>Balance as at March 31, 2019</b>	<b>5,200.00</b>	<b>4,81,814.08</b>	<b>5,259.02</b>	<b>2,56,013.30</b>
<b>Total</b>	<b>7,48,286.40</b>	<b>10,69,316.86</b>	<b>10,69,316.86</b>	<b>7,48,286.40</b>

As required by section 45-IC of the RBI Act 1934, the company maintains a reserve fund and transfers there in a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The company cannot appropriate any sum from the reserve fund except for the purpose specified by Reserve Bank of India from time to time. Till date RBI has not specified any purpose for appropriation of Reserve fund maintained under section 45-IC of RBI Act, 1984.

The accompanying notes form an integral part of the standalone financial statements.

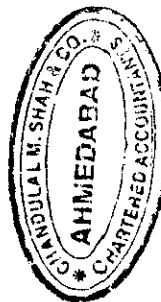
For Chandulal M. Shah & Co.

Firm's Registration Number : 101698W

Chartered Accountants

Arpit D. Shah  
Partner

Membership No. : 135188  
Place : Ahmedabad



For and on behalf of board of directors of  
Gujarat State Investments Limited

Managing Director

Company Secretary  
Chief Financial Officer

Place : Gandhinagar

Date :

130 JUL 2020

# Gujarat State Investments Limited

## Cash Flow Statement for the year ended March 31, 2020 (Consolidated)

(Rs. in Lakhs)

	Particulars	2019-20	2018-19
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax	2,41,923.17	2,43,194.28
	Adjustments for:		
	Depreciation and Amortization	79,650.17	78,004.72
	Interest & Finance Charges	1,03,140.37	1,21,822.57
	Net Loss on Sale of Assets	166.97	77.32
	Net loss on fair value changes	75.07	107.50
	Unrealised Foreign Exchange Loss/(Gain)	9,937.00	5,637.83
	Employee benefit Expense	-1,301.88	39.76
	Other non-cash expenses	-935.86	918.33
	Exploration Cost Written off/(written back)	67.00	-9,379.00
	Profit / (Loss) on sale of Investment	-	-17,208.44
	Impairment of oil and gas assets	54,032.00	23,651.00
	Provision of Doubtful Advances	639.03	82.55
	Impairment Loss allowance of Loan	156.00	-
	Litigation Settlement	811.00	-
	<b>Operating profit before working capital changes</b>	<b>4,88,360.04</b>	<b>4,46,948.42</b>
	<b>Movments in working Capital</b>		
	Other financial assets	52,522.55	90,930.91
	Other Non Financial Assets	7,126.83	-7,609.88
	Inventories	-4,402.41	15,777.07
	Trade Receivable	-12,356.34	-33,021.15
	Trade Payable	56,927.53	-54,215.68
	Other Non Financial Liabilities	2,468.64	0.47
	Other Financial Liabilities	-35,023.85	43,343.62
	Direct Tax Paid ( Net of Refunds )	-64,229.94	-39,782.92
	<b>Net Cash from Operating Activities</b>	<b>4,91,393.05</b>	<b>4,62,370.86</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Proceeds from sale of Investment	-	1,42,720.21
	Proceeds from sale of Fixed Assets	88.73	1,216.28
	Investment in Associates	-	-15,886.00
	Investment in Associates pending allotment	-	-6,147.00
	Change in Bank Balance Other than Cash and Cash Equivalent	21,244.60	6,017.26
	Payment towards Purchase of Fixed Asset	-98,381.46	-81,262.13
	Purchase of Investments	-26,612.36	-1,52,631.92
	Loans Repaid / (Given)	248.07	-
	<b>Net Cash from Investing Activities</b>	<b>-1,03,412.41</b>	<b>-1,05,973.29</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceed from from issue of Share capital to Non Controlling Interest	-	116.83
	Interest & Finance Charges	-1,03,140.37	-1,15,876.18
	Dividend Paid	-13,075.15	-15,365.13
	Payment of Lease Liabilities	-1,728.45	-
	Proceeds from/ (Payment of) borrowings	-1,97,475.09	-2,04,793.75
	<b>Net Cash from Financing Activities</b>	<b>-3,15,419.06</b>	<b>-3,35,918.23</b>
	<b>Net Increase / ( Decrease ) in Cash And Cash Equivalents ( A + B + C )</b>	<b>72,561.58</b>	<b>20,479.33</b>
	Cash And Cash Equivalents - Opening Balance	33,990.96	13,511.63
	Cash And Cash Equivalents - Closing Balance	1,06,552.55	33,990.96

**Notes :**

1 Since Company is a Investment Company, Purchase & sale of investments have been considered as part of " Cash flow from Investing activities & interest / dividend earned from said investments during the year have been considered as part of " Cash flow from Operating activities".

2 Cash and cash equivalents represents cash and bank balances as per Balance Sheet, intercorporate deposits placed for three months or lower tenure.

3 Previous year's figures have been regrouped, wherever necessary.  
As per our report attached

**For Chandulal M. Shah & Co.**

Firm's Registration Number : 101698W  
Chartered Accountants



**For and on behalf of board of directors of  
Gujarat State Investments Limited**

Managing Director

Director

Arpit D. Shah  
Partner

Membership No. : 135188  
Place : Ahmedabad

Date:



Company Secretary  
Place : Gandhinagar

Date

Chief Financial Officer

30 JUL 2020

30 JUL 2020

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs)

(Amount in Lakhs)

1. Sl. No.	1
2. Name of the subsidiary	Gujarat State Petroleum Corporation Limited
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2019 - 31st March 2020
4. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR
5. Share capital	1,07,365.22
6. Reserves & surplus	(1,09,929.38)
7. Total assets	20,61,054.19
8. Total Liabilities	20,63,618.35
9. Investments	1,49,798.91
10. Turnover	21,30,309.28
11. Profit before taxation	2,58,019.11
12. Provision for taxation	27,028.27
13. Profit after taxation	2,30,990.84
14. Proposed Dividend	-
15. % of shareholding	70.51%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations NA
- Names of subsidiaries which have been liquidated or sold during the year. NA

**Part "B": Associates and Joint Ventures**

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

(Amount in Lakhs.)

Name of Associates/Joint Ventures	Gujarat Narmada Valley Fertilizers Company Limited	Gujarat State Fertilizers & Chemical Co. Limited	Gujarat Alkalies & Chemical Limited	Gujarat State Financial Services
1. Latest audited Balance Sheet Date	31.03.2020	31.03.2020	31.03.2020	31.03.2020
2. Shares of Associate/Joint Ventures held by the company on the year end No. (In Full Figure)	3,32,27,546	15,07,99,905	1,53,29,373	3,17,16,048
Amount of Investment in Associates/Joint Venture	13,531.53	25,237.96	1,73,315.25	1,42,722.22
Extend of Holding % (Refer Note 3)	28.87%	38.58%	22.24%	22.98%
3. Description of how there is significant influence	Control of more than twenty percent of total share capital	Control of more than twenty percent of total share capital	Control of more than twenty percent of total share capital	Control of more than twenty percent of total share capital
4. Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	1,52,999.42	2,64,696.05	1,02,189.12	80,733.44
6. Profit / Loss for the year				
i. Considered in Consolidation (including Other Comprehensive Income)	23,503.12	-6,736.15	8,637.51	6,400.19
ii. Not Considered in Consolidation				

- Notes : 1. Names of associates or joint ventures which are yet to commence operations. - None  
2. Names of associates or joint ventures which have been liquidated or sold during the year. - None  
3. The company has derived extent of holding on the basis of Shares held by the Group.

For Chandulal M. Shah & Co.

Firm's Registration Number: 101698W  
Chartered Accountants



For and on behalf of board of directors of  
Gujarat State Investments Limited

*Managing Director* *Director*

Arpit D. Shah  
Partner  
Membership No.: 135188  
Place: Ahmedabad  
Date:



*Company Secretary* *Chief Financial Officer*  
Place: Gandhinagar  
Date:

130 III 2020

130 III 2020

**1. General information**

Gujarat State Investment Limited (the 'Company'/the 'Parent'/'GSIL') is a Company domiciled in India, with its registered office situated at 6th Floor, H K House, Ashram Road, Ahmedabad, 380009, Gujarat, India. The Company has been incorporated under the provisions of Companies Act, 1956. The Company is primarily involved in investment activity.

**2. Basis of preparation of consolidated financial statements:*****(i) Statement of compliance with Ind AS***

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended from time to time, as well as Guidelines issued by The Institute Of Chartered Accountants of India for Oil and Gas Producing Activities (Ind AS). The Group presents its financial statements to comply with Division III of Schedule III to the Companies Act, 2013 which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS. As per para 60 of Ind AS 1, an entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications in its balance sheet except when a presentation based on liquidity provides information that is reliable and more relevant. Hence, the assets and liabilities are classified as financial, non-financial as opposed to current, non-current classification as required by Division I and Division II of Schedule III.

Accounting policies have been consistently applied except whereby a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting Policy hither to.

***(ii) Historical cost convention***

The consolidated financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- certain financial assets and liabilities measured at fair value; and
- defined benefit plans - plan assets measured at fair value.
- Assets held for sale - measured at Fair Value less Cost to Sell

***(iii) Use of estimates and judgements***

The presentation of the consolidated 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 consolidated 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 consolidated 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:

- Current / Deferred tax expense
- Measurement of defined benefit obligations, Key Actuarial Assumptions
- Provisions and contingencies
- Expected credit loss for receivables
- Estimation of Oil and Gas reserves
- Impairment
- Valuation of Inventory
- Going Concern
- Fair Value of Assets held for sale
- useful life of Property, plant and Equipments

**(b) Principles of consolidation and equity accounting**

The consolidated financial statement of GSIL represents consolidation of its consolidated financial statements with subsidiary and associates. The proportion of ownership interest in subsidiary and associate is as follows:

Name of Entity	Relationship with GSIL	Direct Control or Control through Subsidiary (indirect Control)	ownership interest as on 31st March 2020	ownership interest as on 31st March 2019
Gujarat State Petroleum Corporation (GSPC)	Subsidiary	Direct Control	70.51%	75.71%
Gujarat Narmada Valley Fertilizers Co. Ltd	Associate	Associate	28.87%	28.87%
Gujarat State Fertilizers & Chemicals Co. Ltd.	Associate	Associate	38.58%	38.63%
Gujarat Alkalies & Chemicals Ltd.	Associate	Associate	22.24%	22.24%
Gujarat State Financial Services Ltd.	Associate	Associate	22.98%	22.98%





**Subsidiary**

Subsidiary are 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. Subsidiary 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 Subsidiary line by line adding together like items of assets, liabilities, other 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 Subsidiary have been aligned where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of Subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

**Associates**

Associates are entities over which the group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

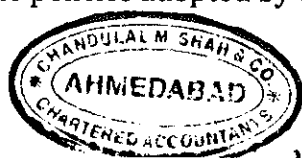
**(i) Equity method**

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 are recognised as a reduction in the carrying amount of the investment.

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 aligned where necessary to ensure consistency with the policies adopted by the group.



The carrying amounts of equity accounted investments are tested for impairment in accordance with the policy.

***(ii) Changes in ownership interests***

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in the consolidated statement of profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where appropriate.

***(iii) Business combination of entities under common control***

Business combinations involving entities that are ultimately controlled by the same party before and after the business combination are considered as common control business combination to be accounted using the pooling of interest method which comprises of the below.

- The assets and liabilities of the combining entities are reflected at their carrying amount.
- No adjustments are made to reflect the fair values, or recognise new assets or liabilities. Adjustments are made to align accounting policies.
- The financial information in the financial statements in respect of prior period is restated as the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve. Acquisition costs that the group incurs in connection with a business combination are expensed as incurred.



The identity of the reserves is preserved and the reserves of the transferor become the reserve of the transferee. The difference if any between the amounts recorded as share capital plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to "Capital Reserve on common control business combination" and is presented separately from other capital reserves.

The Ministry of Corporate Affairs (MCA), vide order dated 25th April, 2019, has approved the Scheme of Arrangement between Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Investment Limited (GSIL) and GSPC NCD Holders. The appointed date of the scheme is 1st April, 2018. The scheme becomes effective upon filling of certified copy of the order with Registrar of Companies, Gujarat on 16th May, 2019. By virtue of this investment, GSIL holds 74.53% of Share Capital of GSPC, therefore the latter become a subsidiary of the Company w.e.f. 1st April, 2018. The acquisition has been evaluated as a Business Combination under common control and has been accounted for as per Appendix C to Ind AS 103 on Business Combinations.

### 3. Significant accounting policies

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

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

##### (i) Oil and Gas properties

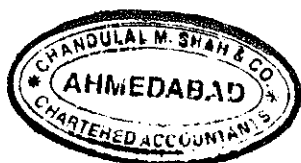
The Group has adopted Contract Area (PSC) level cost centre based accounting for the oil and gas operations with effect from 1st April, 2015 and accordingly, all costs incurred in acquisition, prospecting, exploration and development of a Contract Areas are accumulated considering a contract area as a cost centre. Costs incurred at each of the following level are accounted for as stated below.

##### 1) Pre-acquisition Cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

##### 2) Acquisition, Exploration & Evaluation Costs:-

Acquisition cost of an oil and gas property are costs incurred to purchase, lease or otherwise acquire a property or mineral rights. All such cost are capitalised and accumulated as Exploration Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.



Exploration and Evaluation activities cover the prospecting activities conducted in search for oil and gas after an entity has obtained legal rights to explore a specific area, as well as activities towards determination of the technical feasibility and commercial visibility of extracting the oil & gas. All such cost are capitalised and accumulated as Exploration Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

### **3) Development Cost**

Development activities cover the activities conducted after determination of the technical feasibility and commercial viability of extracting oil & gas but before the well start actual commercial production and includes drilling cost of developments wells, completion of successful exploration wells laying gathering lines, production facilities etc. All such cost are capitalised and accumulated as Development Cost under Capital Work In Progress or Intangible assets under Development as the case may be based on the nature of the expenditure.

### **4) Producing properties:-**

Producing Properties are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production. All the exploration cost and development cost incurred for the producing wells are reclassified as Producing Properties or Property Plant & Equipment as the case may be. The exploration and evaluation expenditure on unsuccessful wells in a proved area are also capitalised as Producing Properties as per the guidance available para 23 of Guidance Notes issued by The Institute of Chartered Accountants of India for Oil and Gas Producing Activities (Ind AS).

### **5) Abandonment Cost**

The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete/facilities are installed.

### **6) Surrender / Relinquishment of a Contract Area**

The carrying cost of a Contract Area is written off in the statement of profit & loss in the year in which such a Contract area is surrendered after the required approvals. Further, the carrying cost of a Contract Area that is proposed for surrender during a year but approval for which is still awaited at the end of such year, is also provided for in the statement of profit & loss under the head exploration cost written off.



**7) Disposal of Interest**

Gain (excess of net consideration over carrying value of the assets) or loss (excess of carrying value of the assets over net consideration) on sale of interest in a contract area is recognized in the statement of profit or loss in the year in which such agreement is executed.

**8) Accounting for Carried interest**

The "carried interest" arrangements whereby the assignee (the carrying party) agrees to defray all costs of drilling, developing, and operating the property and is entitled to all of the revenue from production from the property, excluding any third party interest, until all of the assignee's costs have been recovered, after which the assignor will share in both costs and production, based on the agreed arrangement. In such an arrangement, the Group being the carrying party records all costs, including those carried, as per its normal accounting policy, and records all revenue from the property including that applicable to the recovery of costs carried during pay-out period.

**(b) Other property, plant and equipment**

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

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Costs of meter / regulator consumed for initial connection to customers are capitalized as per underlying contracts with customers and consumed for replacement during the year are charged to statements of profit & loss.



The present value of the expected cost for the decommissioning of an asset after its useful life is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in the statement of profit and loss.

**(c) Lease**

The Group's lease arrangements primarily consist of lease for office building. The Company assesses whether a contract contains a lease at inception of a 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 assets, the company assesses whether: (i) the control involves the use of an identified assets (ii) the company has substantially all the economic benefits from use of the asset through the period of the lease and (iii) the company has right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**(d) Investment properties**

Investment properties comprise portions of free hold or lease hold land and office buildings 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed out as and when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.



**(e) Intangible assets**

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

Goodwill on acquisitions of Subsidiaries is included in intangible assets. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets like software, licenses, which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

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

Depreciation on producing properties is provided on unit of production method and on other tangible items of property, plant and equipment is provided on written down value method (WDV) except otherwise stated.

The useful lives have been determined based on technical evaluation done by the management's experts which are in line with useful lives specified by Schedule II to the Companies Act, 2013. The residual values are at 5% of the original cost of the item of property, plant and equipment. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Depreciation on Property, Plant and Equipment used for exploration and drilling activities is initially capitalized as part of exploration or development costs.

The depletion on producing properties has been calculated and provided, using the unit of production method as described in the Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by ICAI, in proportion of oil and gas production achieved vis a vis the proved reserves.

As Guidance Note is for "Producing Activities", the Group keeping in mind the prudent industry practice considers the assets for depletion only once the commercial production is commenced with the approval of the appropriate authority as per the provisions of the Production Sharing Contract (PSC). Till that time, neither the reserves are taken for depletion nor are the assets with respect to the said PSC are capitalized.

Depreciation on Plant and Machinery - pipelines (Steel and MDPE) is provided at 3.33 % on Straight-Line Method (SLM) considering useful life of thirty years.

City gas stations, skids, pressure regulating stations, meters & regulators are written off on SLM basis. These are estimated to have useful life of 18 years based on technical assessment made by technical expert and management



On Power Generation Assets depreciation is provided on straight line method (SLM) following the rate and methodology as notified by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003.

Right of Way (ROW) & Right of Use (ROU) are amortised over a period of useful lives which are considered to be 30 years and 99 years respectively on Straight Line Method.

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 are depreciated on written down value method (WDV) based on the useful lives prescribed in Schedule II to the Companies Act, 2013.

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

**(g) Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation based on estimates, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously valued 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.





**(h) Borrowing costs**

The Group is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. For interest capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the interest for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the interest is charged to the consolidated statement of profit and loss. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the consolidated 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) Non-current assets held for sale and discontinued operations**

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 consolidated balance sheet.

A discontinued operation is a component of the Group 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.

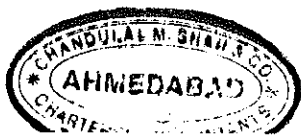
**(j) Financial instruments**

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 assets**

**Initial recognition**

A financial asset is recognised in the consolidated balance sheet when the Group becomes party to the contractual provisions of the instrument.



### **Initial measurement**

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

### **Subsequent measurement**

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

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

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

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

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

- A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. 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 consolidated statement of profit and loss.

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

- A. 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
- B. The asset's 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 Group may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').



As per announcement of The Institute of Chartered Accountants of India (ICAI) relating to Accounting for derivative contracts, derivative contracts other than those covered under Ind AS 107, as specified in the Companies (Accounting Standard) Rules, 2015 and as amended, the effect of change in rates, are Marked to Market on a portfolio basis and the net loss after considering the offsetting effects on the underlying hedge item, is charged to Statement of Profit & Loss. Net gains are ignored.

### **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **Equity instruments**

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

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### **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 Group's balance sheet) when:

- A. The contractual rights to the cash flows from the financial asset have expired, or
- B. The Group 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 Group has transferred substantially all the risks and rewards of the asset, or
  - ii) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

### ***Impairment of financial assets***

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

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

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

- A. 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
- B. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

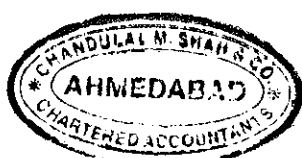
The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Group is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at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

The Group 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.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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



- A. 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 consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- B. Loan commitments and financial guarantee contracts - ECL is presented as a provision in the consolidated balance sheet, i.e. as a liability.
- C. 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 Group 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 Group 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 Group's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### ***Subsequent measurement***

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

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 consolidated statement of profit and 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 risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss.

#### ***Financial guarantee contracts***

Financial guarantee contracts issued by the Group 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.

#### ***Debt Instrument and borrowings***

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

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of profit and loss over the period of borrowing using the effective interest method. 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 draw down 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 capitalised as a payment for liquidity services and amortised over the period of the facility to which it relates.

The Group has taken interest free loan from Government of Gujarat having specific directions to invest in equity shares of specified entities. There exist a contractual obligation, however, the terms and conditions do not specify fixed repayment schedule. Hence the same is classified as loan repayable on demand.



Borrowings are removed from the consolidated 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 consolidated statement of profit and loss as other income or other expenses.

### ***Trade and other payables***

These amounts represent liability for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### ***Derivatives***

The Group uses derivative financial instruments i.e. swaps, commodity hedging contracts and option contracts, to hedge its price fluctuation risk and interest rate risk. Such derivative financial instruments are initially recognised at fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value of derivatives are taken directly to consolidated statement of profit and loss.

### ***De-recognition***

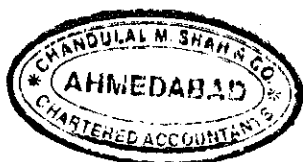
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such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

## **(k) Offsetting financial instruments**

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

## **(l) Fair value measurement**

The Group measures certain financial instruments, such as derivatives, 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:

- A. In the principal market for the asset or liability, or
- B. 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 Group. 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 Group 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 consolidated 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:

- A. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- B. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- C. 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 consolidated financial statements on a recurring basis, the Group 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 Board of Directors (BOD) of the respective component determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance 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 BOD after discussion with and approval by the management. The management decides, after discussions with the Group'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 Group's accounting policies.

For the purpose of fair value disclosures, the Group 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 the accounting policy for fair value.

#### **(m) Inventories**

- Crude oil in flow lines is not valued as it is not stored.
- Natural gas imported as LNG and stored in the storage tank of the LNG terminal are valued at cost or net realizable value whichever is lower.
- Chemicals, fuels, consumables, stores and spare parts are valued at Weighted Average Cost.
- Inventory of Gas (including inventory in own pipeline and CNG cascades) is valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.
- Inventories of Project materials, spares, stores, consumables and line pack gas not meant for sale in ordinary course of business are valued at weighted moving average cost. However, stores and spares meeting the definition of property plant and equipment are capitalised and depreciated from the date of purchase.

#### **(n) Employee benefits**

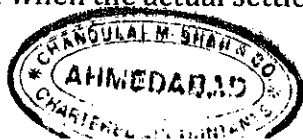
##### **(i) Short term employee benefit obligations**

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### **(ii) Other long term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation.

The obligations are presented as current liabilities in the balance sheet if the Group does not have unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.



**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- A. Defined benefit plans such as gratuity & loyalty bonus etc. and
- B. Defined contribution plan such as provident fund, superannuation fund etc.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

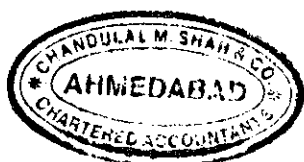
Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

**Loyalty bonus**

The Group provides for loyalty bonus to eligible employees whereby a lump sum payment to eligible employees at the time of retirement, death, incapacitation or termination of employment is paid based on the respective employee's salary and the tenure of employment. Liabilities with regard to the loyalty bonus scheme are determined by independent actuarial valuation as on the balance-sheet date.

**Defined contribution plans**

The Group pays provident fund and superannuation fund contributions to Employee's Provident Fund/Trust and Group Superannuation Scheme of Life Insurance Corporation of India respectively. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.



**(iv) Termination benefits**

Termination benefits are payable when employment is terminated by the Group before the normal retirement date

**(v) Employee Stock Option plan**

Share-based compensation benefits are provided to employees via Employee Stock Option Scheme.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefit expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

**(o) Foreign currency transactions**

**(i) Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is GSIL's functional and presentation currency.

**(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.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other 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.

In case of overseas unincorporated joint operation, that have a functional currency different from the presentation currency are translated into presentation currency as follows:

- The summarized revenue and expenses reflected in Statement of Profit and Loss at an average of Reserve Bank of India Reference Rate for the year.
- The assets and liabilities at the closing exchange rate prevailing on balance sheet date as notified by Reserve Bank of India.

All resulting exchange differences are recognised in other comprehensive income as foreign currency translation reserve.

**(p) Revenue recognition**

- Revenue corresponds to the fair value of the consideration received or receivable for goods and services sold, in the normal course of the Group's activities. Revenue is recognized when the control of the goods or services has been transferred. The amount recognised as revenue is stated inclusive of royalty payable to Government of India and exclusive of profit petroleum, sales tax /value added tax (VAT) and Goods and service tax (GST).
- Income from sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells.
- Revenue from sale of 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. In case of high sea sales, control is transferred to the customer on delivery of the gas outside the territorial water of India.
- Profit Petroleum payable to the Government of India (MoP&NG) under a PSC is accounted for initially on an estimated basis and upon approval of the DGH, MoP&NG, difference, if any, is accounted for in the year of such of approval.
- Revenue from regasification services is recognised over time such service are performed by the Company and revenue from gas transmission is recognized over the period in which the related volumes of gas are delivered to the customers.
- Revenue from sale of electricity is recognized at the point in time when control is transferred to the customer, generally on delivery of the electricity on metered/assessed measurements facility.
- Revenue from transmission of gas through pipeline is recognised over the period in which the related services are performed. Customers are billed on fortnightly basis.



- In case of city gas distribution business, revenue from sale of Natural Gas is recognized at the point in time when the control is transferred to the customers, generally on delivery of the gas on metered/assessed measurement 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 to customers from retail outlets.
- Revenue recognised towards supply of natural gas already occurred for the period from the end of the last billing date to the balance sheet has been reflected under contract asset (as unbilled revenue) based on previous average consumption.
- In case of IT business, Revenue from sale of traded goods is recognised at the point in when control is transferred to the customers, generally on delivery of the goods to the customers. Revenue from operation & maintenance services, webcasting services, server co-location, software as a service model over specified period of time on a straight line basis, because customers simultaneously receives and consumes the benefits provided by the group. Facility Management Services are recognised at gross amount charged to customers with a corresponding charge in the statement of profit and loss.
- Revenue in respect of 'Take or Pay' quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) (Commitments) is recognized on accrual basis in the period to which it relates to.

#### **Interest and Dividend Income:**

- Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's gross carrying amount on initial recognition.
- Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

#### **Other Income**

- Income in respect of interest on delayed realizations from customers, if any, is recognized when it can be reliably measured and it is reasonable to expect ultimate collection.
- Investment property rental income is recognised as revenue on accrual basis as per the terms of the underlying contact with customers.
- Liquidity damages, if any are recognised at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the management.



**(q) Accounting for oil and gas joint operations**

All Oil and Gas Joint Operations are in the nature of unincorporated joint operations. Accordingly, the consolidated financial statements of the Group reflect the Group's share of assets, liabilities, income and expenditure of the Joint operations, which are accounted on a line by line basis, based on the available information as on the date of the Balance Sheet, with similar items in the Group's accounts, to the extent of the Participating Interest of the Group in each joint operation and related Joint Operating Agreements (JOA), if any, except in case of abandonment, impairment, depletion and depreciation, which are accounted for as per the accounting policies of the Group. The consolidated financial statements of the unincorporated joint operations are prepared by the respective Operators of the Contract Area in accordance with the requirements prescribed by the respective PSC and JOA. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 2013 have been made in the consolidated financial statements of the Group only to the extent of information available with the Group as on the date of the balance sheet. Such information include information relating to foreign exchange differences, micro, small and medium enterprises, expenditure in foreign currency, earnings in foreign currency, CIF value of imports, transactions with related parties, details of commitments and contingencies, inventory of oil and gas and consumption of stores and spares.

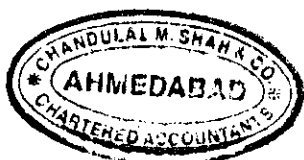
**(r) Taxation*****Income taxes***

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, along with Income Computation and Disclosure Standards – ICDS as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Current tax assets and tax liabilities are offset where the Group 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 income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

### ***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 consolidated financial statements. 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. However, when there is no convincing evidence available for future taxable profit the company recognises deferred Tax assets arising from unused tax losses or tax credit only to the extent of deferred Tax liability already recognised by the company till date.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in Subsidiary, branches and associates and interest in joint Operations 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 Subsidiary, branches and associates and interest in joint Operations 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 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 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.

A specific measurement requirement applies to a deferred tax asset or liability that arises from investment property. This requirement establishes a rebuttable presumption that the carrying amount of investment property will be recovered through sale. The presumption may be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property, rather than through sale. If the presumption is rebutted, then the normal requirements of measuring deferred tax asset or liability are applicable.

Where an investment property comprises land only, then because the land would not be depreciated, the presumption cannot be rebutted. Accordingly, the Group has created deferred tax asset on indexation benefit available on freehold land held as investment properties at the appropriate tax rate.

### Minimum Alternate Tax

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the statement of profit and loss and is considered as (MAT Credit Entitlement). The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented with Deferred Tax Asset.

### (s) Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.





***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 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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. Provisions are not recognised for future operating losses.

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 the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The Group records a provision for decommissioning costs of a windmills and producing properties. It is recognised as the windmills and oil and gas properties are constructed on leasehold lands which are to be returned to the lessor at the end of the lease tenure on 'as is' basis. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the respective assets. The cash flows are discounted at a current pre-tax rate that reflects the risk specific to the decommissioning liability. The unwinding of discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.



Contingent liability is disclosed in the case of:

- A. 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;
- B. A present obligation arising from the past events, when no reliable estimate is possible;
- C. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for & if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in consolidated financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

**(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 a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

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, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in the balance sheet.

**(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) Segment Reporting**

The Chief Operational Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.



**(x) Rounding off**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

**(y) Events occurring after the Reporting Date**

Adjusting events (that provides evidence of condition that existed at the balance sheet date occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

**(z) Exceptional Items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the consolidated financial statements.



4A Cash and Bank Balance

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Cash on Hand	47.68	266.31
Balances with Banks	28,686.60	33,532.61
Cheques/ Draft on Hand	2,300.00	-
Fixed deposit with original maturity of less than 3 months	75,518.27	192.03
<b>Total</b>	<b>1,06,552.55</b>	<b>33,990.96</b>

4B Bank Balances other than (a) above

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Other bank balances</b>		
earmarked balances in unclaimed dividend accounts* a	277.54	343.00
Escrow Account	41.60	4,105.00
Margin money deposits	16,561.53	21,118.00
Deposits with original maturity more than 12 months	29.37	16.17
Margin Money deposit (Bank Guarantee / letter of credit) having original maturity of more than 12 months	982.95	-
Site restoration fund - Deposits with banks (Refer Note No. b)	496.00	391.00
Bank Balances-Escrow Account - PNGRB	-	274.79
With original maturity of more than 3 months but less than 12 months**	30,979.18	13,067.46
With original maturity more than 12 months	2.65	31,300.00
<b>Total</b>	<b>49,370.82</b>	<b>70,615.42</b>

\* Refer note 45 - Financial Instruments, fair values and risk measurement

\*\* Includes Rs.4278 Lakhs as DSRA (Debt Service Reserve Account).

a. The balances in dividend accounts are not available for use by Gujarat State Petronet Limited 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.

b. The above amount has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purpose specified in the Scheme i.e. towards removal of equipments and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc. This amount is considered as restricted cash and hence not considered as 'Cash and Cash equivalents'.

\*\*includes ICD given to related party.

Name of Related Party		(Rs. in Lakhs)	
	31.03.2020	31.03.2019	
Gujarat State Financial Services	1026.36	9192.46	

Derivative financial instruments		As at 31st March, 2020			As at 31st March, 2019		
Particulars	Notional Amount	Fair Value Assets	Fair Value Liabilities	Notional Amount	Fair Value Assets	Fair Value Liabilities	
<b>Part I - Derivative Assets</b>							
(i) Interest Rate Derivatives (Forward Rate Agreement and Interest Rate Swaps)	14.25	14.25	-	43.24	43.24	-	
<b>Total Derivative Assets</b>	<b>14.25</b>	<b>14.25</b>	<b>0</b>	<b>43.24</b>	<b>43.24</b>	<b>0</b>	
<b>Derivative Liabilities</b>							
(i) Commodity Derivative	76,670.40	-	76,670.40	52,677.20	-	52,677.20	
<b>Total Derivative Liabilities</b>	<b>76,670.40</b>	<b>0</b>	<b>76,670.40</b>	<b>52,677.20</b>	<b>0</b>	<b>52,677.20</b>	
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:							
(i) Fair value hedging:							
Interest Rate Derivatives	14.25	14.25	0	43.24	43.24	0	
Commodity Derivatives	76,670.40	-	76,670.40	52,677.20	0	52,677.20	
<b>Total Derivative Financial Instruments</b>	<b>76,684.65</b>	<b>14.25</b>	<b>76,670.40</b>	<b>52,720.44</b>	<b>43.24</b>	<b>52,677.20</b>	

a. Derivative assets

The Group has entered into cross currency interest rate swap to hedge against interest rate risk and exchange rate risk. Refer Note 45 for details.

b. Derivative liabilities

The Group had entered into Gas Commodity hedging contract to hedge price risk.

6 Trade Receivables

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Receivables</b>		
Secured Considered good	34,662.81	31,523.00
Unsecured considered good *	99,884.12	90,667.58
Credit Impaired	1,659.73	1,288.70
Less: Impairment on account of expected credit loss assessment	(1,659.73)	(1,288.70)
<b>Total</b>	<b>1,34,546.93</b>	<b>1,22,190.58</b>

\* Out of this, ₹ 43641 Lakhs (PY: ₹ 42519 Lakhs) are backed by bank guarantee.

**IMPACT OF COVID-19 PANDEMIC:** Subsequent to the outbreak of Coronavirus (COVID-19) followed by countrywide lock down, the Group continued its uninterrupted supply of Natural Gas to its customers based on their requirement. However, the lockdown had an impacted natural gas demand from industrial and City Gas Distribution (CGD) segment. As restrictions are being lifted gradually, demand has started showing up an increasing trend from industrial and CGD segment. There are no material overdue outstanding from its customers due to the outbreak of Coronavirus. The Group is timely receiving sales proceeds as per the billing cycles from its customers. The Group's payment cycle is not impacted during the period.

7 Loans

Particulars		(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019	
(i) Term Loans	-	-	
(ii) Loan Repayable on demand	-	-	
(iii) Others **	15,816.93	16,065.00	
<b>Total (A) - Gross</b>	<b>15,816.93</b>	<b>16,065.00</b>	
Less: Impairment Loss Allowance	1,387.00	1,231.00	
<b>Total (A) - Net</b>	<b>14,429.93</b>	<b>14,834.00</b>	
(B) (i) Secured by tangible assets	-	-	
(ii) Unsecured	15,816.93	16,065.00	
<b>Total (B) - Gross</b>	<b>15,816.93</b>	<b>16,065.00</b>	
Less: Impairment Loss Allowance	1,387.00	1,231.00	
<b>Total (B) - Net</b>	<b>14,429.93</b>	<b>14,834.00</b>	
(C) Loans in India	-	-	
(i) Public Sector	-	-	
<b>Total (C) - Gross</b>	<b>15,816.93</b>	<b>16,065.00</b>	
Less: Impairment Loss Allowance	1,387.00	1,231.00	
<b>Total (C) - Net</b>	<b>14,429.93</b>	<b>14,834.00</b>	
<b>Total</b>	<b>14,429.93</b>	<b>14,834.00</b>	

\*\*Others includes Security deposit of Rs. 8897.72 Lakhs

The Group 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 Group has therefore shown these fixed bank deposits amounting ₹ 3219 Lakhs (31st March, 2019: ₹ 4054 Lakhs) and interest accrued on such fixed bank deposits ₹ 661 Lakhs (31st March, 2019: ₹ 740 Lakhs), till they are in custody with project authorities as "Security Deposits".



# 8 Investments

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	Equity Accounting	At Cost	Fair Value Profit Or Loss	Fair Value OCI	Total	Equity Accounting	At Cost	Fair Value Profit Or Loss	Fair Value OCI	Total
Equity Instruments		0.21	222.98	21,615.67	21,838.65		0.21	298.26	19,684.82	19,983.29
Associates	7,12,542.12				7,12,542.12	6,54,160.53				6,54,160.53
Total (A)	7,12,542.12	0.21	222.98	21,615.67	7,34,380.98	6,54,160.53	0.21	298.26	19,684.82	6,74,143.82
(i) Investments outside India										
(ii) Investments in India	7,12,542.12	0.21	222.98	21,615.67	7,34,380.77	6,54,160.53		298.26	19,684.82	6,74,143.82
Total (B)						6,54,160.53	0.21	298.26		6,74,143.82
Less: Allowance for Impairment loss (C)						19,843.60				19,843.60
TOTAL NET (A-C)	7,12,542.12	0.21	222.98	21,615.67	7,34,380.98	6,34,316.93	0.21	298.26	19,684.82	6,54,300.22

## 8.1 Investments in Equity accounted investees

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments in quoted equity shares of equity accounted investees		
33,227,546 (31st March, 2019 : 33,227,546) fully paid up equity shares of Gujarat Narmada Valley Fertilizers Co. Ltd of Rs.10 each	1,24,199.71	1,03,494.85
150,799,905 (31st March, 2019 : 150,799,905) fully paid up equity shares of Gujarat State Fertilizers & Chemicals Co. Ltd of Rs.2 each	2,40,517.46	2,51,246.35
15,329,373 (31st March, 2019 : 15,329,373) fully paid up equity shares of Gujarat Alkalies & Chemicals Co. Ltd of Rs.10 each	64,661.53	57,499.93
Investments in quoted equity shares of equity accounted investees	4,29,378.70	4,12,241.13
278,647,426 (31st March, 2019 : 278,647,426) fully paid up equity shares of Gujarat State Energy Generation Ltd of Rs.10 each	28,570.78	26,367.75
9,987,400 (31st March, 2019 : 9,987,400) fully paid up equity shares of Sabarmati Gas Ltd of Rs.10 each	29,875.62	23,812.20
11,500,000 (31st March, 2019 : 11,500,000) fully paid up equity shares of Alcock Ashdown (Gujarat) Ltd of Rs.10 each		
48,98,50,060 (31st March, 2019 : 24,02,50,060) Fully Paid Up Equity Shares of Rs 10 each of GSPL India Gasnet Limited	45,998.60	22,918.35
31,716,048 (31st March, 2019 : 31,716,048) fully paid up equity shares of Gujarat State & Financial Services Ltd of Rs.10 each	1,54,981.18	1,48,591.45
25,58,40,000 (31st March, 2019 : 19,81,20,000) Fully Paid Up Equity Shares of Rs 10 each of GSPL India Transco Limited	23,737.24	20,229.66
Investments in unquoted equity shares of equity accounted investees	2,83,163.42	2,41,919.41
Total Investments in equity shares of equity accounted investees	7,12,542.12	6,54,160.53

### Notes

a. The Company has opted to consider Fair valuation of these investments on transition date as deemed cost. The same has been explained in Note no. 45.

b. The percentage holding of GSPC in GSEG has increased to 53.70% in FY 2018-19. GSPC holds majority shares of GSEG but does not have majority voting power and hence GSEG is still an associate and not subsidiary of GSPC. The voting rights on such incremental equity shares acquired by GSPC during the financial year are restricted on account of ongoing litigation. Definition of Subsidiary Company under Section 2(87) of the Companies Act, 2013 requires exercise or control of more than one-half of total voting power. GSPC has given undertaking to NCLT, Ahmedabad that it shall not exercise voting powers in respect of such shares as are allotted to GSPC pursuant to the said offer for Right Issue of shares during the pendency of the petition no. 51 of 2018 filed by KRIBHCO and in view of that, NCLT has ordered to keep on hold the allotment against share application money of Rs.6147 Lakhs. The matter is still pending with NCLT.

## 8.2 Other Investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Investment in quoted equity shares of other companies (measured at fair value through P&L)		
352,415 (31st March, 2019 : 352,415) fully paid up equity shares of Gujarat Industries Power Company Ltd. of Rs.10/ each	176.56	250.92
1,328,125 (31st March, 2019 : 1,328,125) fully paid up equity shares of Gujarat Lease Financing Ltd. of Rs.10/ each	17.80	20.19
157,140 (31st March, 2019 : 157,140) fully paid up equity shares of GSL (India) Limited. of Rs.10/ each	15.71	15.71
935,600 (31st March, 2019 : 935,600) fully paid up equity shares of Gujarat State Financial Corporation. of Rs.10/ each	12.91	11.22
B. Investment in quoted equity shares of other companies (measured at fair value through OCI)		
3,697,000 (31st March, 2019 : 3,697,000) fully paid up equity shares of Gujarat Industries Power Company Ltd. of Rs.10/ each	1,845.00	2,629.00
C. Investment in unquoted equity shares of other companies (measured at fair value through OCI)		
36,430,000 (31st March, 2019 : 36,430,000) fully paid up equity shares of GSPC LNG Ltd of Rs.10 each	8,210.30	8,163.50
29,004,033 (31st March, 2019 : 29,004,033) fully paid up equity shares of ONGC Petro Additions Ltd of Rs.10/ each	2,900.00	2,900.00
8,66,03,175 (31st March 2019 : 5,99,22,659) Fully Paid Up Equity Shares of of Swan LNG Private Limited Rs. 10/- each	8,660.32	5,992.27
200 (31st March, 2019 : 200) fully paid up Equity shares of Kalapur Co. Op Comm Bank Ltd of Rs. 25 /- each	0.05	0.05
D. Investment in unquoted equity shares of other companies (measured at cost)		
1,929,050 (31st March 2019 : 1,929,050) Fully Paid Up Equity Shares of of Gujarat State machine tools Company Limited Rs. 1/- each	0.20	0.20
1 (31st March 2019 : 1) Fully Paid Up Equity Shares of of Gujarat State Electricity Corporation Limited Limited Rs. 10/- each		
12,000 (31st March 2019 : 12,000) Fully Paid Up Equity Shares of of Gujarat State Trans Receivers Limited Limited Rs. 10/- each	0.01	0.01
Total Other Investments	21,838.86	19,983.07
Aggregate value of quoted investments	4,31,446.68	4,15,168.17
Market value of quoted investment	1,29,604.42	3,37,789.00
Aggregate value of unquoted investments	3,02,934.29	2,39,132.05

### Notes

a. Refer Note 45 for determination of their fair values for Investments carried at cost and investments measured at fair value through Other Comprehensive Income (FVTOCI)



9 Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Interest Accrued on Investments	58.15	362.23
Security Deposit	18.35	26.78
Grant Receivable	13,911.78	14,091.78
Expense Payable	(13,911.78)	(14,091.78)
Other Advances	-	13,991.78
Advances	-	-
Amount Receivable for Sale of Investments	-	-
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good)	62,746.38	97,201.74
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered doubtful)	29,037.00	29,001.00
Less : Provision for doubtful advances	(29,037.00)	(29,001.00)
Unbilled Revenue	383.76	365.12
Receivable from Joint Arrangements	67,139.00	71,942.00
Advances to department of Telecom - Payment under protest	437.21	-
Receivable from employees (Secured - considered good)	328.51	314.91
Advance for Gratuity to employees	12.12	24.54
Share application money pending allotment (Refer Note 7.1.b)	6,147.00	6,147.00
Receivable from employees under Own Your Vehicle Scheme (Unsecured - considered good)	47.02	74.00
Other Receivables Unsecured - Credit Impaired	36.00	36.00
Less: Provision Credit Impaired	(36.00)	(36.00)
<b>Total</b>	<b>1,37,317.51</b>	<b>1,90,450.10</b>

- 9.1 Gujarat State Investments Limited has taken over listed NCDs as per the directions of the Government of Gujarat vide G.R. date 26th July, 2018. Further State Government has resolved that "The Government of Gujarat will support GSIL for payment towards Interest on NCD and principal repayment. Energy & Petrochemicals Department will make necessary budgetary provisions for the same in the budget of relevant years." In addition to the resolution, The Government of Gujarat extended it's support to GSIL vide G.R. dated 27.06.2019 and 21.12.2019 for NCDs serving, the said support is a part of Government's commitment under G.R dated 26.07.2018 read with agreement executed between Government of Gujarat and GSIL on 18.06.2019. GSIL is required to pay Interest on NCD with the support received in nature of Grant from Government of Gujarat.



10 Inventories (Rs. in Lakhs)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Finished goods - Crude oil (valued at rate specified in COSA)	184.00	340.00
Traded goods - Liquefied natural gas	11,545.05	3,407.00
Line Pack Gas	10,331.26	10,499.00
Natural Gas Deferred Delivery (GIT)	331.00	2,742.00
Condensate	1,430.00	2,829.00
Stores and spares/Project materials	9,499.09	9,101.00
<b>Total</b>	<b>33,320.41</b>	<b>28,918.00</b>

11 Current tax assets (Net)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Income tax	3,13,661.38	2,52,365.89
Provision for Tax	(2,90,876.55)	(2,33,509.82)
<b>Total</b>	<b>22,784.84</b>	<b>18,856.07</b>

12 Deferred Tax Assets / (Liabilities)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>DEFERRED TAX ASSET:</b>		
Arising on account of timing difference		
- Fixed Assets : Impact of difference between Tax Depreciation and Depreciation / amortization charged for the financial reporting	3.11	2.70
- Others	143.28	4.50
- MAT Credit Entitlement	774.97	774.97
<b>Total DEFERRED TAX ASSET (A)</b>	<b>921.36</b>	<b>782.17</b>
<b>DEFERRED TAX LIABILITIES:</b>		
Arising on account of		
- Balance at the beginning of the year	(1,02,253.00)	(67,275.49)
Tax income/(expense) during the period recognised in profit or loss		
- Decommissioning obligations	383.00	145.00
- Others	21113.41	(45,218.00)
Tax income/(expense) during the period recognised in other comprehensive income		
<b>TOTAL DEFERRED TAX LIABILITY (B)</b>	<b>(80,756.59)</b>	<b>(1,12,348.49)</b>
<b>TOTAL (B-A)</b>	<b>(79,835.23)</b>	<b>(1,11,566.32)</b>

a) Deferred tax asset/ (liabilities) (Net)  
Movement in deferred tax balances

Particulars	31st March, 2020						
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	Deferred tax asset
<b>Deferred tax asset/ (liabilities)</b>							
Opening balance	(67,275.79)	(34,979.00)	0	0		(1,02,253.00)	(1,02,253.00)
Fixed Assets	2.70	0.41				3.11	3.11
Decommissioning obligations	145.00	238.00	0	0		383.00	383.00
MAT Credit Entitlement	774.97					774.97	774.97
Component of 43B	4.50	(2.88)	-0.07			1.55	1.55
Other items	(45,218.00)	66,111.00	288.00	0.00		21,255.14	143.28
<b>Tax assets/ (liabilities)</b>	<b>(1,11,566.62)</b>	<b>31,367.53</b>	<b>287.93</b>	<b>-</b>	<b>-</b>	<b>(79,835.23)</b>	<b>921.36</b>
Set off tax							
<b>Net tax assets/ (liabilities)</b>	<b>(1,11,566.62)</b>	<b>31,367.53</b>	<b>287.93</b>	<b>-</b>	<b>-</b>	<b>(79,835.23)</b>	<b>921.36</b>

Deferred tax asset/ (liabilities) (Net)  
Movement in deferred tax balances

Particulars	31st March, 2019						
	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	Deferred tax asset
<b>Deferred tax asset/ (liabilities)</b>							
Opening Balance	(56,694.21)	(10,578.00)				(67,275.79)	(67,275.79)
Fixed Assets	2.76	(0.06)				2.70	2.70
MAT Credit Entitlement		774.97				774.97	774.97
Component of 43B	4.76	(0.29)	0.03			4.50	4.50
Decommissioning obligations	134.00	11.00				145.00	145.00
Other items	345.00	3,036.00	313.00	-48912.00		(45,218.00)	(45,218.00)
<b>Tax assets/ (liabilities)</b>	<b>(56,207.69)</b>	<b>(6,756.38)</b>	<b>313.03</b>	<b>(48,912.00)</b>	<b>-</b>	<b>(1,11,566.62)</b>	<b>782.17</b>
Set off tax							
<b>Net tax assets/ (liabilities)</b>	<b>(56,207.69)</b>	<b>(6,756.38)</b>	<b>313.03</b>	<b>(48,912.00)</b>	<b>-</b>	<b>(1,11,566.62)</b>	<b>782.17</b>



**Tax losses carried forward (In case of Subsidiary Companies)**

Particulars	31-Mar-20	Expiry date	31-Mar-19	Expiry date
Business Loss (Expirable)	11,99,227.00	31-Mar-25	12,01,930.07	31-Mar-25
Unabsorbed Depreciation (Never Expirable) - Carried Forward	1,57,874.00	31-Mar-22	2,04,842.41	31-Mar-22
Unabsorbed Depreciation (Never Expirable) - Current	-	-	22,267.86	-

**Notes:**

**In case of Parent Company**

1. In the absence of any documentary evidence supporting possibility of future taxable income in foreseeable future which will be utilized for reversal of temporary difference and it is not probable that taxable profit will be available against which the temporary difference can be utilized, considering prudence deferred tax assets on temporary differences arising from unused tax losses and fair value losses on investments in subsidiaries and associate entities have not been recognised.

**In case of Subsidiary Company**

- 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 judgement 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.
- Provision of Tax for the current year is Rs. 60423 Lakhs (31st March, 2019 : Rs.56578 Lakhs).

The Company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80B (9) is admissible under the Income Tax Act, 1961. The company has been treating each well as a separate undertaking for the purpose of claiming deduction U/s 80B(9). This view has not been accepted by the first assessing authorities. However, the Commissioner of Income Tax (Appeal) [C.I.T. (A)] has accepted the company's contention regarding claim U/s. 80B (9). The second appellate authority, i.e. Income Tax Appellate Tribunal (ITAT) has also upheld the company's contention for A.Y. 2000-01 and allowed the claim U/s 80B (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80B (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80B(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80B (9) by treating each well as a separate undertaking. The company had challenged the above amendment by filing a writ petition before the Hon'ble High Court of Gujarat. Hon'ble High Court of Gujarat has decided the matter in favour of the company by its order dated 26th March, 2015 and has struck down the retrospective application of law by holding it as ultra vires. The Union of India has further preferred an SLP before Hon'ble Supreme Court of India challenging the judgment of High Court of Gujarat. The SLP is placed for hearing on Application for Interim Stay sought by Union of India. The matter is still sub-judice. From F.Y. 2009-10 (A.Y. 2010-11), Company has been claiming deduction U/s. 80B(9) by treating "Each Block" as a separate undertaking.

Further to the above, in case of claim U/s 42, the ITAT has upheld the department's contention for claim U/s. 42 in respect of Hazira Field. In view of the ITAT order, CIT (A) has also upheld department's contention for Claim U/s 42 in respect of Hazira Field for the first time in A.Y. 05-06. However, due to this, the company does not envisage any tax liability. Both company and department have preferred appeals before Hon'ble High Court of Gujarat against the order of ITAT on issues which are not decided in their favour. The company is confident of its position.

No provision is made for such disputed Income tax liabilities, which is estimated at Rs.1,70,178 Lakhs (31st March, 2019 : 1,70,178 Lakhs). However the same is disclosed by way of a note as contingent liabilities vide note no. 46.

The Company has availed deduction U/s.42 as well as claiming tax holiday U/s 80B (9) of the Income Tax Act, 1961 for exploration / development costs. This has impact of temporary differences, which in the management's view, considering the past performance and future estimates will be reversed during the "Tax Holiday Period" and to that extent the deferred tax is not recognized and accordingly no provision for deferred tax liability in respect thereof is made.

4. As stated in para 35 read with para 31 of Indian Accounting standard (Ind AS) 12 wherein it is specifically mentioned that, "When an entity has a history of recent losses, the entity recognizes a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity." As, the Company is also having history of recent losses and there is not any convincing evidence for sufficient future taxable profit. Hence, in the absence of other convincing evidence, deferred tax assets has not been created.

5. As per Appendix C to IND AS 12 "Uncertainty Over Income Tax Treatment", we have to state that all the allowances / deductions during the year has been claimed on the basis of proper base. Hence, it does not seem

that there will be any amount to be effected by Appendix C. However, if at all, it is taken in to account, it will be an insignificant amount and hence the same has not been considered due to huge losses under IT Act.

6. Vide the Taxation Law (Amendment) Ordinance, 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies an option to pay corporate income tax at reduced rates effective from FY 2019-20, subject to certain conditions. The Parent company has not opted for new tax regime for this financial year. However, parent company may review the position in next year. However, subsidiaries have opted for new tax regime for this financial year.

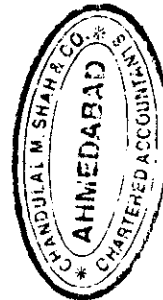




GUJARAT STATE INVESTMENTS LIMITED  
Notes to Consolidated Financial statements for the year ended 31st March 2020  
Note 13

Property, plant, equipment as at 31st March 2020

Particulars	Gross Block			Depreciation, Depletion and Amortization				(Rs. in Lakhs)	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	Charge For the year	Impairment	Disposal/ Adjustment	Net Block
									As at 31st March 2020
									As at 31st March 2019
Tangibles assets:									
Freehold Land	70,319.60	298.65	-	70,618.25	-	-	-	-	70,618.25
Lease hold Land*	6,141.43	8,450.27	-	14,591.70	-	-	-	-	14,023.88
Buildings	53,044.93	2,527.14	(56.00)	55,516.06	333.90	233.92	-	-	5,807.53
Plant and Machinery	12,99,547.77	68,958.36	(482.00)	13,68,024.13	9,223.92	2,488.16	-	(30.00)	43,833.98
Furniture and Fixture	2,951.48	408.00	(53.52)	3,305.95	3,48,138.75	67,182.50	-	(302.00)	9,53,004.87
Office Equipments	2,552.75	154.60	(32.04)	2,675.32	1,702.40	272.16	-	(38.82)	1,370.21
Computer Equipment	5,469.50	401.00	(326.55)	5,543.95	1,844.89	196.21	-	(30.04)	2,011.06
Vehicles	1,186.84	1,375.09	(5.98)	2,555.96	3,202.64	585.76	-	(302.55)	664.25
Electrical Installation & Equipment	10,113.19	996.36	-	11,109.55	840.76	813.61	-	(5.14)	2,058.09
Communication Equipment	5,685.93	436.95	(0.03)	6,122.85	5,156.58	1,267.75	-	-	906.73
Ships	6.33	-	-	6.33	2,964.68	554.86	-	(0.03)	4,685.21
Books	32.59	-	-	32.59	4.47	0.52	-	-	2,603.34
Producing Properties (being Company's share in Joint Arrangement)	1,36,910.58	1,416.00	(1,339.00)	1,36,987.58	67,721.11	3,886.00	10,136.00	-	1.34
									0.00
									56,497.46
Total tangible assets	15,93,962.91	85,422.41	(2,295.12)	16,77,090.20	4,41,166.70	77,481.45	10,136.00	(1,961.58)	11,50,267.63
Capital work in progress:	-	-	-	-	-	-	-	-	-
Exploration & Development	-	-	-	-	-	-	-	-	-
CWIP Building	-	-	-	-	-	-	-	-	-
CWIP Others	-	-	-	-	-	-	-	-	-
Total capital work in progress	-	-	-	-	-	-	-	-	15,676.00
* During the FY 19-20, the Company has provided for Rs.318 Lakhs as Impairment.Refer note No-37 (a)	-	-	-	-	-	-	-	-	83,155.06
									98,831.06
									93,365.75
									1,06,474.75



Property, plant, equipment as at 31st March 2019

Particulars	Gross Block			Depreciation, Depletion and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	Charge For the year	Impairment	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2018
<b>Tangibles assets:</b>									
Freehold Land	70,373.23	150.37	(204.00)	70,319.60	-	-	-	70,319.60	70,373.23
Lease hold Land*	6,139.43	2.00	-	6,141.43	71.09	-	-	5,807.53	5,876.62
Buildings	49,170.99	4,056.93	(183.00)	53,044.93	2,342.12	-	(29.00)	43,821.01	42,260.19
Plant and Machinery	11,97,848.08	1,02,653.69	(954.00)	12,99,547.77	64,611.15	-	(350.00)	9,51,409.02	9,13,970.47
Furniture and Fixture	2,879.88	89.93	(18.34)	2,951.48	300.39	-	(11.08)	1,249.07	1,466.78
Office Equipments	2,386.90	210.39	(44.53)	2,552.75	220.66	-	(16.22)	1,844.89	1,702.40
Computer Equipment	4,072.58	1,524.12	(127.20)	5,469.50	476.20	-	(91.71)	2,266.85	1,846.46
Vehicles	1,293.84	43.00	(150.00)	1,186.84	135.50	-	(128.00)	346.08	1,254.43
Electrical Installation & Equipment	7,804.60	2,312.29	(3.71)	10,113.19	1,064.88	-	(2.51)	4,955.60	460.58
Communication Equipment	5,268.32	417.61	-	5,685.93	571.12	-	-	2,721.25	3,709.38
Ships	6.33	-	-	6.33	0.65	-	-	2.86	2,874.76
Books	32.59	-	-	32.59	-	-	-	-	3.51
Producing Properties (being Company's share in joint Arrangement)	1,66,044.58	868.00	(30,002.00)	1,36,910.58	5,978.00	(12,561.00)	(5,208.00)	69,189.46	86,532.46
<b>Total tangible assets</b>	<b>15,13,321.35</b>	<b>1,12,328.34</b>	<b>(31,686.78)</b>	<b>15,93,962.91</b>	<b>75,771.75</b>	<b>(12,561.00)</b>	<b>(5,836.52)</b>	<b>11,52,796.21</b>	<b>11,29,528.89</b>
<b>Capital work in progress:</b>									
Exploration & Development	-	-	-	-	-	-	-	-	-
CWIP Building	-	-	-	-	-	-	-	13,109.00	9,264.23
CWIP Others	-	-	-	-	-	-	-	93,365.75	14.00
<b>Total capital work in progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,06,474.75</b>	<b>1,40,005.54</b>
									<b>1,49,283.77</b>

\*The non-cancellable lease term is for a period of 50-99 years. Accordingly, the land has been classified as finance lease.

Notes

- Exploration and Development cost incurred by the joint Arrangements has been bifurcated into CWIP tangible and intangible assets under Development as per the requirement of Guidance note on Accounting for Oil & Gas Producing Activities (Ind AS).
- The Subsidiary Company has taken several plots of land on lease with lease term ranging from 14.5 years to 99 years and factory shed buildings with a lease term of 99 years. Some of the lease contracts are having renewal option with mutual consent and also contain termination options. Such options are appropriately considered in determination of the lease term based on the management's judgement.



In the Case of Subsidiary GSPC Pipavav Power Company Limited.

GSPC Pipavav Power Company Limited had capitalised substantial portion of 702MW power plant during FY 2013 - 2014 that were ready for commercial production based on trial run as per terms of Power Purchase Agreement (PPA) with GUVNL. Further the work under EPC contract is not over and the company has not issued Provisional Acceptance Certificate (PAC) to Bharat Heavy Electricals Ltd. (BHEL). Considering uncertainty in recoverability and crystallization of exact amount of liquidated damages on account of delay in execution of contract under the EPC contract with BHEL (including liquidated damages arising that may arise on Performance Acceptance Certificate), the management has decided to consider accounting of liquidated damages under EPC contract after PAC and Performance Guarantee test by BHEL.

The assets i.e. 702MW gas based combined cycle power plant located at Pipavav, Amreli is commissioned for generation of power (electricity). Presently, the Company is generating power as per the Power Purchase Agreement (PPA) executed with GUVNL. Although, GUVNL is the sole procurer of electricity generated from the assets at this point in time, the Company has right to use the assets for other customer/s in future, if any.

In light of the above aspects of the arrangement, the Company has examined the parameters of determining whether this arrangement contains a Lease with respect to Appendix C of Ind AS 116-Leases. As per Appendix C there are two criteria which needs to be fulfilled to determine that the arrangement is a lease:

i) Fulfilment of the arrangement is dependent on the use of a specific asset

ii) Arrangement conveys a right to use the asset

The Management has reviewed the above two conditions in light of the Power Purchase Agreement, Articles of Association, its relationship with the promoters and the Government of Gujarat. Moreover, the Company has solicited clarifications from GUVNL (the procurer). The first condition is fulfilled as the arrangement is dependent on the use of specified asset i.e. the 156MW and 351MW gas based power project. However, the Company has observed that the second condition is not satisfied due to the following observations:

a. The power procurer neither has the ability to operate the asset nor direct any other party to operate the asset

b. The power procurer does not have any physical control over the asset

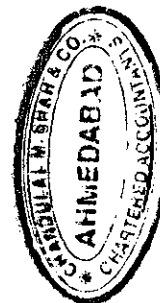
c. The Company has the right to sell the electricity generated from the asset to a separate power procurer, if required. Further the condition under the criteria requires that the pricing for the arrangement must not be linked operating capacity/ productivity of the asset. The criteria allows the arrangement to be classified as lease only if there is neither a fixed price per unit nor market linked price per unit. The asset's pricing with power procurer is completely dependent on the productivity factor as the final price of power is market linked. The price of gas procured by the Company to operate the asset and generate power is market linked and a pass-through under the PPA which leads to the inference that the price per unit is market linked. Moreover the fixed cost component under PPA pricing is also governed by certain market linked components like interest rate for the loans being serviced by the Company.

Thus, although the procurer is off-taking all or substantially all the output from a specified asset, there vests no right to use of the asset with the procurer other than the output. Hence the arrangement does not fulfil the criteria for the determination of lease and accordingly the asset has been considered as a part of PPE of the company disclosed in the Schedule above.

(f) the above includes right to use assets recognised under Ind AS 116 Leases (refer no. no. 51)

Particulars	Gross Block		Depreciation, Depletion and Amortization			Net Block	
	As at 1st April 2019	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	Charge For the year	As at 31st March 2020	As at 31st March 2019
ROU-Land	6,140.44		14,898.73	334.36	285.43	619.79	14,278.94
ROU-Building	323.00		1,067.16	57.00	177.18	234.18	832.98
Plant and Equipment	-		3,130.00	-	179.00	179.00	2,951.00
Vehicles	-		1,247.00	-	712.00	712.00	535.00
<b>Total</b>	<b>6,463.44</b>	<b>-</b>	<b>20,342.89</b>	<b>391.36</b>	<b>1,353.61</b>	<b>1,744.97</b>	<b>18,597.92</b>
							<b>6,072.08</b>

# Includes Right of Use Assets recognised as on 1 April, 2019 on transition to Ind AS 116 Leases.



GUJARAT STATE INVESTMENTS LIMITED  
Notes to Consolidated Financial statements for the year ended 31st March 2019  
Note 14

Investment property as at 31st March 2020

Particulars	Gross Block			Depreciation, Depletion and Amortization		Net Block	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the year	As at 31st March 2020
Land and building*	156.00	-	-	156.00	4.00	0.99	151.01
Total Investment property	156.00	-	-	156.00	4.00	0.99	151.01

Investment property as at 31st March 2019

Particulars	Gross Block			Depreciation, Depletion and Amortization		Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	As at 31st March 2019
Land and building*	156.00	-	-	156.00	3.00	1.00	153.00
Total Investment property	156.00	-	-	156.00	3.00	1.00	153.00

\*Includes land of an amount of Rs. 145 Lakhs (P.Y Rs. 145 Lakhs) which is non depreciable.

Notes

- The assets are given on lease for various lease terms as agreed mutually. The leases are cancellable subject to agreed notice period.
- Amount recognised in profit or loss for investment properties :

Particulars	As at 31st March, 2020	As at 31st March, 2019
Rental Income		
Direct operating expenses from property that generated rental income	20.00	19.00
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	20.00	19.00
Profit from investment properties	(0.99)	(1.00)
	19.01	18.00



**c. Contractual Obligations**

Refer to Note 40.1 for disclosure of contractual obligations to purchase, construct or develop investment property or for its repair, maintenance or enhancements.

**d. Leasing Arrangements**

The operating lease arrangements are cancellable subject to the stipulated notice period. Accordingly there is no commitment from the lessee in terms of minimum lease payments (MLP) and hence management is of the view that it is impracticable to estimate the MLP receivable in future.

**e. Fair Value**

In case of Parent Company management conducted the fair value assessment based on principles of Ind AS 113 for investment properties. Consequently, the fair value was determined not to be substantially different from the carrying value of the assets.

**In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)**

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Investment Properties	240.00	240.00
Total	240.00	240.00

The Group obtains independent valuations for its investment properties once in every three years. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the group considers 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.



Goodwill on Consolidation as at 31st March 2020

Particulars	Gross Block			Depreciation, Depletion and Amortization			Net Block	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the year	As at 31st March 2020	As at 31st March 2019
Goodwill on consolidation	7,94,212.53	-	-	7,94,212.53	-	-	7,94,212.53	7,94,212.53
Total Goodwill on consolidation	7,94,212.53	-	-	7,94,212.53	-	-	7,94,212.53	7,94,212.53

Other intangible assets as at 31st March 2020

Particulars	Gross Block			Depreciation, Depletion and Amortization			Net Block	
	As at 1st April 2019	Addition during the year	Disposal/ Adjustment	As at 31st March 2020	As at 1st April 2019	For the year	As at 31st March 2020	As at 31st March 2019
Right of Use/ Right of Way	48,461.76	4,138.19	(46.00)	52,553.95	4,245.21	1,287.72	57,796.94	44,216.55
Software	11,012.07	415.85	(1,092.40)	10,335.52	7,612.70	879.58	8,522.90	3,399.37
Total other intangible assets	59,473.83	4,554.04	(1,138.40)	62,889.47	11,857.91	2,167.30	74,747.38	47,615.92
Intangible assets under development	-	-	-	-	-	-	-	-
Exploration & Development Software	-	-	-	-	-	-	-	-
Total of Intangible assets under development	-	-	-	-	-	-	-	-

Goodwill on Consolidation as at 31st March 2019

Particulars	Gross Block			Depreciation, Depletion and Amortization			Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	As at 31st March 2019	As at 31st March 2018
Goodwill on consolidation	7,94,212.53	-	-	7,94,212.53	-	-	7,94,212.53	7,94,212.53
Total Goodwill on consolidation	7,94,212.53	-	-	7,94,212.53	-	-	7,94,212.53	7,94,212.53



Other intangible assets as at 31st March 2019

Particulars	Gross Block			Depreciation, Depletion and Amortization			Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019
Right of Use/ Right of Way	43,936.71	4,695.05	(170.00)	48,461.76	3,131.31	1,130.90	(17.00)	44,216.55
Software	10,056.01	967.06	(11.00)	11,012.07	6,516.65	1,101.04	(5.00)	3,399.37
<b>Total other intangible assets</b>	<b>53,992.72</b>	<b>5,662.11</b>	<b>(181.00)</b>	<b>59,473.83</b>	<b>9,647.96</b>	<b>2,231.94</b>	<b>(22.00)</b>	<b>47,615.92</b>
Intangible assets under development								
Exploration & Development								
Software								
<b>Total of Intangible assets under development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,342.00</b>
								<b>93,252.89</b>

Notes

In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

a. Right of Use (ROU)

The Group 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 Group and the Group 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 Group has paid the compensation / consideration of the ROU - land determined by the competent authority under the Act and any person authorised by the Group, have unrestricted right of entry and lay pipeline or do any other act necessary for the purpose of laying of pipeline. The Group has disclosed the cost incurred for acquisition of ROU as 'Right of Use' in the Intangible Asset schedule. Right of Use has an indefinite life and hence it is not amortised. However, the same is tested for impairment annually.

\*Includes RoU of ₹ 11214 Lakhs (31st March 2019: ₹ 11235 Lakhs)

b. Right of Way (ROW)

Right of Way (ROW) is amortised over 30 years on straight line method as the same is inextricably linked and dependent on useful life of gas transmission pipeline(s).



# 15 Other Non Financial Assets

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Other Advances		
Prepaid Expenses	12,755.49	10,412.24
Balance with Statutory / Government authorities	20,676.39	14,554.04
Capital Advances	3,572.60	8,148.33
Payment under Protest	1.00	1.00
Deferred employee cost	1,716.13	1,712.23
Other assets*	1,622.41	1,443.63
Advance to vendors - Unsecured Considered Good	1.00	-
Advance to vendors - Unsecured Considered Doubtful	1.79	2.16
- Provision for Doubtful advances	(1.50)	(1.50)
<b>Total</b>	<b>40,345.30</b>	<b>36,272.13</b>

\*Includes lease equalisation asset.

# 16 Non-Current Asset Held for Sale

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Current Asset Held for Sale	37,131.00	48,331.00
<b>Total</b>	<b>37,131.00</b>	<b>48,331.00</b>

## Non Current Assets held for sale

During the previous year the management has decided to sell participating interest in 12 E&P fields belonging to E&P segment namely Hazira, Allora, Dholasan, North Kathana, Unawa, Miroli, Bhandut, CB ONN 2004/1, CB ONN 2004/2, CB ONN 2004/3, GK OSN 2009/1 and MB OSN 2005/1. The bidding process for the same was initiated by the company during FY 2018-19. Further, during the year, company has decided not to sell participating interest in Miroli field. Further, it was also decided to sell participating interest in Cambay field. Hence, as per Ind AS 105 - 'Non-current Assets Held for Sale and Discontinued Operations', such group of assets have been reclassified as non current assets held for sale and measured at the lower of carrying amount and fair value less cost to sale as presented in the table below:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Assets</b>		
<i>Non current assets (net of depreciation and amortisation where applicable)</i>		
Producing Properties		
Freehold Land	86.00	24,794.00
Office equipments	-	204.00
Computer equipment	1.00	7.00
Plant and machinery	2.00	3.00
Furniture and fixtures	1.00	5.00
Vehicle	1.00	0.30
Building	-	1.00
Opening Balance of Non Current Assets Held for Sale	-	154.00
Exploration & Development	48,332.00	-
Site Restoration Fund	984.00	44,115.00
Other Current Assets	287.00	10,694.00
<b>Total carrying value of non-current assets (A)</b>	<b>2,798.00</b>	<b>44.00</b>
<i>Liabilities associated with above group of assets</i>	<b>52,492.00</b>	<b>80,021.30</b>
Provision for decommissioning cost	-	-
Other Current liabilities	-	(7,804.00)
Opening Balance of Liabilities Associated with non current assets held for sale	(300.00)	(5,254.00)
<b>Total Liabilities associated with above group of assets (B)</b>	<b>(13,058.00)</b>	<b>(13,058.00)</b>
<b>Net assets classified as held for sale (C) = (A - B)</b>	<b>(13,358.00)</b>	<b>(13,058.00)</b>
<b>Fair value less cost to sell of above group of assets (D)</b>	<b>39,134.00</b>	<b>66,963.30</b>
<b>Impairment loss recognised in statement of profit or loss as an exceptional item (E) = (C) - (D)</b>	<b>23,750.00</b>	<b>35,274.00</b>
<b>15,384.00</b>	<b>31,689.30</b>	
Details of profit and loss attributable to the above group of assets is below:		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Revenue		
Expense	1,766.00	3,482.00
Depletion	(3,354.00)	(3,508.00)
Impairment	-	(1,637.00)
<b>Profit/(loss) before tax</b>	<b>(15,384.00)</b>	<b>(31,689.30)</b>
<b>Income tax expense</b>	<b>(16,972.00)</b>	<b>(33,352.30)</b>
<b>Profit/(loss) after tax</b>	<b>(16,972.00)</b>	<b>(33,352.30)</b>

a) During the year the Group has classified one of its building, situated at gandhinagar as asset held for sale at book value of Rs.23 Lakhs.





# 17 Trade payables

Particulars	(Rs. in Lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Total outstanding dues of micro enterprises and small enterprises	1,320.82	1,408.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	87,987.71	30,973.00
<b>Total Trade payables</b>	<b>89,308.53</b>	<b>32,381.00</b>

a. The Group has claimed Force Majeure under the Gas Purchase Agreements; pursuant to which suppliers have agreed to reschedule the affected cargoes. A definitive assessment of the impact, at this stage, is not possible in view of the highly uncertain economic environment and the situation is still evolving. The Group is continuously monitoring material changes in such information and economic forecasts.

# Dues of Micro and small enterprises\*

(\*) Based on the information available with the group regarding the status of the vendors under the Micro, Small and Medium Enterprises Act, 2006 ("MSMED Act"), the disclosure pursuant to the MSMED Act is as follows:

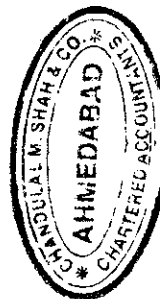
Particulars	As at 31st March 2020 (Rs. In Lakhs)	As at 31st March 2019 (Rs. In Lakhs)
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	1,320.82	1,408.00
(b) Interest paid during the year	-	-
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;	-	-
(d) Interest due and payable for the period of delay in making payment;	-	-
(e) Interest accrued and unpaid at the end of the accounting year; and	-	-
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise;	-	-

# 18 Debt Securities

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Non Convertible Debentures	6,00,000.00	6,00,000.00
<b>Total</b>	<b>6,00,000.00</b>	<b>6,00,000.00</b>
Debt securities in India	6,00,000.00	6,00,000.00
Debt securities outside India	-	-
<b>Total</b>	<b>6,00,000.00</b>	<b>6,00,000.00</b>

Gujarat State Investments Limited has taken over 60,000 listed NCDs having face value of Rs. 10,00,000 each, as per the directions of the Government of Gujarat vide G.R. date 26th July, 2018 w.e.f. appointed date as mentioned in the scheme of arrangement, i.e. 01st April, 2018. Schedule of Repayment of the same is given as below:

NCD ISIN No.	Total no of NCDs	Total Value	(Amount in Rs.) Maturity Date
INE08EQ08015	10,000	10,00,00,00,000	21.09.2020
INE08EQ08049	10,000	10,00,00,00,000	28.09.2022
INE08EQ08023	10,000	10,00,00,00,000	01.10.2022
INE08EQ08056	10,000	10,00,00,00,000	22.03.2025
INE08EQ08031	20,000	20,00,00,00,000	22.03.2028
<b>Total</b>	<b>60,000</b>	<b>60,00,00,00,000</b>	



**19 Borrowings (Other than Debt Securities)**
**(Rs. in Lakhs)**

Particulars	As at 31st March, 2020	As at 31st March, 2019
	At Amortised Cost	At Amortised Cost
(a) Term loans		
(i) from banks	7,66,973.50	9,74,655.26
(ii) from other parties	1,40,402.49	1,13,747.78
(b) Loans repayable on demand		
(i) from banks	22,659.67	53,054.00
(ii) from related parties*	1,67,010.52	1,53,064.22
(c) Compulsory Convertible Debentures	-	55,000.00
(f) Non-Convertible Debentures		-
<b>Total (A)</b>	<b>10,97,046.18</b>	<b>13,49,521.26</b>
Borrowings in India	10,97,046.18	13,49,521.26
Borrowings outside India	-	-
<b>Total (B)</b>	<b>10,97,046.18</b>	<b>13,49,521.26</b>

\*Government of Gujarat, in capacity of the Promoter of the company, provides investment funds in form of interest free loans having specific directions to invest in equity shares of Group Entities of the company in terms of CIC directions. Investment funds, released as loan by GoG, when received for investment in equity are recognized as financial liabilities. There exist an obligation, however, the terms and conditions do not specify fixed repayment schedule. Hence, the same is classified as loan repayable on demand.

**Gujarat State Petroleum Corporation Limited**  
**Secured Loans**

a. State Bank of India had sanctioned a Rupee Term Loan (RTL-1) Facility amounting to Rs. 3,00,000 Lakhs (Current outstanding is Rs. 85,909 Lakhs) in F.Y. 2014-15. During FY 2019-20, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking pari passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 48,571 Lakhs and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

**Borrowings**

b. Consortium of two member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-1) of USD 200 Million (Rs. 10,53,94 Lakhs) (Current outstanding of USD 18.30 Million i.e. ~Rs. 12,656 Lakhs). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking pari passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 48,571 Lakhs and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

c. Consortium of five member banks lead by Bank of Baroda, London branch has provided Foreign Currency Loan (ECB-2) of USD 250 Million (Rs. 15,28,70 Lakhs) (Current outstanding of USD 60.80 Million i.e. ~Rs. 39,547 Lakhs) and USD 75 Million (Current outstanding of USD 18.57 Million i.e. Rs. 12,07,9 Lakhs) from Export Import Bank of India. The company has prepaid USD 138.59 Million (i.e. ~Rs. 88,226 Lakhs) (USD 250 Million Facility) and USD 42.36 Million (i.e. ~Rs. 26,966 Lakhs) (USD 75 Million Facility) from funds received as consideration from ONGC. The prepayment with funds from sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking pari passu charge over the Company's share (10%) in the contract area (KG-OSN-2001/3), charge over receivables from JODPL as on 31st March 2017 amounting to Rs. 48,571 Lakhs and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

d. EXIM bank has provided Foreign Currency Loan (ECB - 3) of USD 100 Million (Rs.62,445 Lakhs) (Current outstanding of USD 24.24 Million i.e. ~Rs. 16,765 Lakhs). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking pari passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 48,571 Lakhs and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

e. State Bank of India (Nassau) has provided Foreign Currency Loan (ECB - 4) of USD 100 Million (Rs.65,740 Lakhs) (Current outstanding of USD 28.58 Million i.e. ~Rs. 19,770 Lakhs). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking pari passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 48,571 Lakhs and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.

f. Consortium of thirteen member banks lead by Punjab National Bank has provided Rupee Term Loan (RTL 2) of Rs. 4,50,000 Lakhs (Current outstanding of Rs. 1,38,936 Lakhs). During FY 2018-19, there was no installment due towards repayment of loan, as loan repaid from ONGC sales consideration has retired the near term installments in the repayment schedule. The loan is secured by way of first ranking pari passu charge over the Company's share (10%) share of receivables in the contract area (KG-OSN-2001/3), charge over receivables from JODPL Pvt.Limited.(JODPL) as on 31st March 2017 amounting to Rs. 48,571 Lakhs and charge over any additional consideration which may be received from ONGC in future after approval of Field Development Plan for other six discoveries of KG-OSN-2001/3.



g. State Bank of India has provided a Corporate Loan (RTL 3) of Rs. 2,10,000 Lakhs (Current Outstanding - Rs. 2,10,000 Lakhs) in FY 2018-19. The loan is secured by land based in Kakinada, Andhra Pradesh, hypothecation of Wind Mill, Pledge of shares and Participating Interest of block. As per the terms of the agreement, the company has time for creation and perfection of security, further the company has repaid loan to the extent of Rs. 1,05,000 Lakhs in June 2019 and is in process of discussion with banks for modification of security proposed to bank, the outcome of same is awaited. Considering the above ongoing process, the loans is considered secured.

#### Unsecured Loans:

h. The company has received sanction for long term loan of Rs. 150,000 Lakhs in F.Y. 2018-19 from GSFS (Current outstanding Rs.105,000 Lakhs (Previous outstanding Rs. 100,000 Lakhs) for general business purpose. During the year, the company has received sanction for long term loan of Rs. 105,000 Lakhs from GSFS (Current outstanding Rs.105,000 Lakhs (Previous outstanding Rs. NIL) for general business purpose.

i. The Company has raised funds amounting to Rs. 55,000 Lakhs through issuance of Compulsory Convertible Debentures (CCDs) on private placement basis. The details of CCDs issued are as follows:

Name of Investor	Amount (Rs. in Lakhs)	Interest Rate on p.a. Basis
IDBI Bank	15,000	9.56%
IFCI	10,000	9.39%
State Bank of India	30,000	10.11%

j. Foreign Currency loans that are not hedged by derivative instruments (Currency) as on 31st March 2020 is USD 144.74 million (31st March 19 : USD 150.49 million) Rs. 1,09108 Lakhs (31st March, 2019 : Rs.104086 Lakhs).

#### k. In Case of Subsidiary Gujarat State Petronet Limited (Consolidated)

##### Secured Loans

Term loan from banks and financial institutions are secured by first pari-passu charge on all Intangible and Tangible assets (except 36" pipeline from Hazira to Mora), Capital Work in Progress, operating cash flows, Book Debts and Other Movables of the Company.

For foreign currency loan, the Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

#### l. In Case of Subsidiary Gujarat Pipavav Power Company Limited

##### Secured Loans

The Term Loan from banks were secured by Pari - pasu charge by way of mortgage of the company's immovable properties both present and future; and hypothecation of entire movable properties both present and future situated at Dist. Amreli, Pipavav for 702 MW power project is subject to fulfillment of the condition. Charge of hypothecation from Movable property is now removed, while company is in the process removing mortgage from immovable property. The company has received NOC from the banks in this regard.

During FY 19-20, the term loan of banks (except Vijaya Bank loan for solar project) were repaid. These loans were taken over by GSFS against Demand Promisory note from the company as well as post dated quarterly installment cheques.

\* The term loan from Vijaya Bank for 5 MW solar project is secured by pari - passu charge by way of mortgage of the company's immovable properties both present and future; and hypothecation of entire movable properties both present and future situated at Dist. Patan, Charanka for 5 MW Solar Power Project and receivables.

The company has availed Working capital loan sanctioned amounting to ₹ 20,000 Lakhs (P.Y. March 31, 2019: ₹ 20,000 Lakhs) with Dena bank is secured through account receivables through GUVNL. The Interest would be payable at One year MCLR.



Gujarat State Investment Limited  
Note 19.1

m. Loan repayment schedule

S. No.	Particulars	Total Outstanding (Rs. In Lakhs)*	Maturity period	Rate of Interest (p.a.)	Repayable in 12 months	Repayable in 2 to 4 years	Repayable in 5 to 7 years	(Rs. in Lakhs) Repayable in 8 to 10 years
1	Rupee Term Loan-1	85,909.00	30-Sep-24	SBI Base Rate + Spread		40,909.00	45,000.00	
2	Rupee Term Loan-2	88,932.00	31-Mar-29	SBI Base Rate + Spread			29,883.00	59,049.00
3	External Commercial Borrowing (ECB-1)	9,464.00	30-Sep-20	6 m Libor + Spread	9,464.00			
4	External Commercial Borrowing (ECB-2)	59,827.00	30-Sep-23	6 m Libor + Spread		59,827.00		
5	External Commercial Borrowing [ECB-3 (Exim)]	18,271.00	31-Dec-24	6 m Libor + Spread		8,848.00	9,423.00	
6	External Commercial Borrowing [ECB-4 (SBI)]	21,546.00	30-Sep-24	6 m Libor + Spread		16,835.00	4,711.00	
8	Corporate Loan	97,125.00	30-Sep-28	SBI MCLR + Spread	7,875.00	16,800.00	40,950.00	31,500.00
9	GSFS Loan	2,10,000.00		Floating Rate of Interest - presently 8.25%	25,625.00	86,374.00	50,751.00	47,250.00
	<b>Total</b>	<b>5,91,074</b>			<b>42,964.00</b>	<b>2,29,593.00</b>	<b>1,80,718.00</b>	<b>1,37,799.00</b>

\*The amounts outstanding for various loans as on 31st March, 2020 are as per the terms of the agreement. The amount represents actual amount payable to banks at prevailing exchange rates on reporting date excluding accounting effects of Effective interest Rate (EIR) as per Ind-AS.



In the Case of Subsidiary Gujarat State Petronet Limited & Gujarat Gas Limited

Sr. No.	Terms of repayment	No. of Installments due	Interest rate	Maturity	2019-20		2018-19	
					Non-current	Current	Non-current	Current
1	Quarterly installments	9	7.86%	Apr-22	3,515.63	2,812.50	6,328.13	2,812.50
2	Half yearly installments	1	1 Year GSEC + 2.175%	Aug-20	-	603.27	603.27	1,206.55
3	Quarterly installments	28	Repo rate + 2.55%	Mar-27	9,996.00	1,668.00	11,664.00	1,668.00
4	Yearly installments	1	7.50%	Mar-21	-	93,333.33	93,333.33	93,333.33
5	Yearly installments	2	7.50%	Mar-22	5,000.00	5,000.00	10,000.00	5,000.00
6	Yearly installments	2	7.50%	Sep-21	1,666.67	1,666.67	3,333.33	1,666.67
7	Yearly installments	2	7.50%	Dec-21	1,666.67	1,666.67	3,333.33	1,666.67
8	Yearly installments	32	7.50%	Jan-30	4,000.00	-	3,333.33	1,666.67
9	Quarterly installments	12	8.15%	Aug-23	19,000.00	1,000.00	-	-
10	Quarterly installments	24	Repo rate + 2.35%	Oct-26	9,583.33	416.67	-	-
11	Quarterly installments	31	7.70%	Dec-27	45,372.00	3,438.00	48,809.00	2,751.00
12	Quarterly installments	30	7.70%	Sep-27	138,014.00	12,957.00	151,163.00	8,638.00
13	Quarterly installments	Prepaid in Oct 2019	NA	NA	-	-	9,000.00	1,000.00
Total					237,814.29	124,562.11	337,567.39	119,742.71

(Rs. in Lakhs)



In the Case of Subsidiary GSPC Pipavav Power Company Limited.

Sr. No.	Particulars	Rate of Interest	Maturity	Outstanding as at March 31, 2020	Maturity Profile	2021-2026	2026-2031
	Details of Term Loans From Bank						
1	Secured Term Loan from Bank of Maharashtra	One Year MCLR+ 0.00%	31-Mar-25				
2	Secured Term Loan from Allahabad Bank	One Year MCLR+ 0.00%	30-Jun-25				
3	Secured Term Loan from Dena Bank	One Year MCLR+ 0.30%	30-Jun-25				
4	Secured Term Loan from Dena Bank (New)	One Year MCLR+ 0.30%	30-Sep-25				
5	Secured Term Loan from Dena Bank (IDBI take over)	One Year MCLR+ 0.30%	31-Mar-25				
6	Secured Term Loan from Dena Bank (KVB take over)	One Year MCLR+ 0.30%	31-Mar-25				
7	Secured Term Loan from OBC Bank	One Year MCLR+ 0.10%	31-Mar-25				
8	Secured Term Loan from Vijaya Bank	One Year MCLR+ 0.00%	31-Mar-25				
9	Secured Term Loan from SBI	One Year MCLR+ 0.60%	31-Mar-25				
10	Secured Term Loan from Vijaya Bank *	One Year MCLR+ 0.00%	24-Nov-21	576.00	332.10	243.90	
	Details of Term Loans From GSFS						
	Secured Term Loan from GSFS	7.50%	30-Jun-25	85,110.00	16,224.00	68,886.00	
	Secured Term Loan from GSFS	7.50%	30-Jun-25	955.00	182.00	773.00	
	<b>Total</b>			<b>86,641.00</b>	<b>16,738.10</b>	<b>69,902.90</b>	

Prepaid during FY 2019-20



## 20 Other Financial Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
GOG Support for NCD Takeover Transaction	-	14,041.78
GOG Support Grant (Repayable)	-	50.00
Operation and maintenance expense payable	74.00	75.00
Lease Liability	6,232.33	1.75
Creditors for Capital Expenditure	37,710.19	39,103.34
Payable to Joint Arrangements	45,227.00	48,428.00
Interest accrued but not due	-	1,002.00
Unclaimed dividend	277.54	344.13
Imbalance, overrun & Other charges	-	3,912.61
Total outstanding dues of micro enterprises and small enterprises	2,444.80	3,350.34
Total outstanding dues to other than micro enterprises and small enterprises	26,571.58	28,665.90
Deposits from customers and others	1,09,362.93	99,663.72
Earnest Money Deposits	305.32	239.59
BG Asia Pacific Holdings Limited (Refer Note No. 20.5 below)	46,478.00	46,478.00
Less : Amount deposited in Escrow Account with Citi Bank	(46,478.00)	(46,478.00)
Other current financial liabilities	6,797.17	62,522.12
Other Expenses Payable	392.43	67.00
Other Payables	1,274.66	1,035.13
<b>Total</b>	<b>2,36,669.95</b>	<b>3,02,502.40</b>

- 20.1 Gujarat State Investments Limited has taken over listed NCDs as per the directions of the Government of Gujarat vide G.R. date 26th July, 2018. Further State Government has resolved that "The Government of Gujarat will support GSIL for payment towards NCD interest and principal repayment. Energy & Petrochemicals Department will make necessary budgetary provisions for the same in the budget of relevant years." In addition to the resolution, The Government of Gujarat extended its support to GSIL vide G.R. dated 02.06.2019 for NCDs serving, the said support is a part of Government's commitment under G.R. dated 26.07.2018 read with agreement executed between Government of Gujarat and GSIL on 18.06.2019. Hence, GSIL is required to pay NCDs interest which will be given by GOG as support.
- 20.2 The Group obtained security deposits from the customers under contractual terms which are repayable after fixed contract tenure.
- 20.3 The balance with the bank for unpaid dividend is not available for use by the Group 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.
- 20.4 The Group deposited ₹ 46478 Lakhs on 12th June, 2013 into the escrow account ("named BG Asia Pacific Holdings Pte. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A., acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holdings Pte. Limited (the Seller), Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) (the Purchaser) and Citibank N.A. The Payment of said amount into Escrow Account is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pacific Holdings Pte. Limited (the Seller) directly.

## 21 Provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Provisions For Employee Benefits</b>		
Provision for Employees Benefit	10,435.90	8,113.67
<b>Others</b>	<b>10,435.90</b>	<b>8,113.67</b>
Provision for decommissioning obligation	9,717.92	8,751.50
Provision for Profit Petroleum	36.00	5,643.00
Provision for other expenses	137.83	72.00
<b>Total</b>	<b>9,891.75</b>	<b>14,466.50</b>
	<b>20,327.65</b>	<b>22,580.17</b>

Movements in Provisions	Non-current	Current
At 1 April 2019 (Opening balance)	8751.53	5643.000
Add: Unwinding of Discounts	832.39	0.000
Add: Provision made during the year	134.000	36.000
Less: Provision reversed during the year		(5,643.00)
At 31 March 2020 (Closing balance)	9717.92	36.00



22 Other Non- Financial Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory tax liability	18,161.41	16,954.47
Advance from customers	1,439.94	330.00
Income received in advance	13,137.49	11,016.00
Others	3,227.79	3,245.00
<b>Total</b>	<b>35,966.63</b>	<b>31,545.47</b>

23 Liabilities associated with Non Current Assets held for sale

Particulars	As at 31st March, 2020	As at 31st March, 2019
Liabilities associated with Non Current Assets held for sale	13,358.00	13,058.00
<b>Total</b>	<b>13,358.00</b>	<b>13,058.00</b>





## 24 Share Capital

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>AUTHORIZED SHARE CAPITAL</b>		
2,85,00,00,000 Equity Shares of Rs.10/- each		
(Previous Year 2,85,00,00,000 Equity Shares of Rs.10/-each)	2,85,000.00	2,85,000.00
1,50,00,000 Preference Share of Rs.100/- each		
(Previous Year 1,50,00,000 Preference Shares of Rs.100/-each)	15,000.00	15,000.00
<b>Total</b>	<b>3,00,000.00</b>	<b>3,00,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b>		
1,04,27,69,070 Equity Shares of Rs.10/-each fully paid up	1,04,276.91	1,04,276.91
(Previous Year 1,04,27,69,070 Equity Shares of Rs.10/-each fully paid up)		
<b>Total</b>	<b>1,04,276.91</b>	<b>1,04,276.91</b>

24.1 The reconciliation of the number of Equity Shares outstanding as at 31st March 2020 is set out below :

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount in Rs. (in Lakhs)	No. of shares	Amount in Rs. (in Lakhs)
Shares outstanding at the beginning of the year	1,04,27,69,070	1,04,276.91	1,04,27,69,070	1,04,276.91
Add: Shares issued during the year		-		-
Shares outstanding at the end of the year	1,04,27,69,070	1,04,276.91	1,04,27,69,070	1,04,276.91

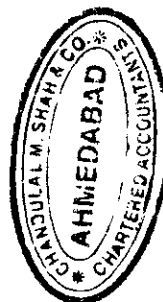
24.2 Rights, preferences and restrictions attached to Equity Shares :

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

24.3 The details of shareholders holding more than 5% shares are set out below :

Name of the shareholders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Governor of Gujarat	1,04,27,69,070	100%	1,04,27,69,070	100%





## 26 Interest Income

Particulars	(Rs. in Lakhs)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Interest on Inter Corporate Deposits	393.86	356.17
Other interest Income	13886.60	16,257.01
<b>Total</b>	<b>14280.45</b>	<b>16,613.18</b>

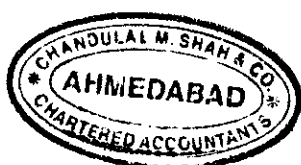
## 27 Sale of Products, Services and Other Operating Revenues

Particulars	(Rs. in Lakhs)	
	For the period ended 31st March, 2020	For the period ended 31st March, 2019
<b>Sale of products</b>		
Sale of natural gas - Trading	18,50,460.29	16,56,150.00
Sale of gas - Joint Arrangement	1,618.00	1,495.00
Sale of oil - Joint Arrangement	5,057.00	7,412.13
Sale of electricity	59,686.69	71,784.90
	<b>19,16,821.99</b>	<b>17,36,842.03</b>
<b>Sale of services</b>		
Re-gasification income	29,211.18	28,170.40
Revenue from Transportation of Gas (net)	1,58,134.17	1,39,930.98
IT Service Income	1,249.21	1,393.30
	<b>1,88,594.55</b>	<b>1,69,494.69</b>
<b>Other operating revenues</b>		
Take or pay income	5,347.00	1,345.00
Connectivity Charges	3,141.01	3,745.52
	<b>8,488.01</b>	<b>5,090.52</b>
<b>Total</b>	<b>21,13,904.55</b>	<b>19,11,427.24</b>

## 28 Other Income

Particulars	(Rs. in Lakhs)	
	For the period ended 31st March, 2019	For the period ended 31st March, 2019
GOG Support Grant Received for NCD interest Expense	56,126.71	57,150.00
Less: NCD Interest Expense	(56,126.71)	(57,150.00)
Profit on Sale of Investments	-	17,208.44
Usage charges	134.22	107.00
Other income - Joint arrangements	396.00	807.00
Net profit on sale of fixed assets	0.03	-
Net Foreign Exchange Gain	-	1,547.00
Other Non Operating Income	2754.49	2,111.56
Other Income	0.28	-
<b>Total</b>	<b>3285.02</b>	<b>21782.00</b>

Gujarat State Investments Limited has taken over listed NCDs as per the directions of the Government of Gujarat vide G.R. date 26th July, 2018. Further State Government has resolved that "The Government of Gujarat will support GSIL for payment towards Interest on NCD and principal repayment. Energy & Petrochemicals Department will make necessary budgetary provisions for the same in the budget of relevant years." In addition to the resolution, The Government of Gujarat extended its support to GSIL vide G.R. dated 02.06.2019 for NCDs serving, the said support is a part of Government's commitment under G.R dated 26.07.2018 read with agreement executed between Government of Gujarat and GSIL on 18.06.2019. Hence, GSIL is required to pay Interest on NCD with the Support received from Government of Gujarat.



29 Production expenditure - E&P

(Rs. in Lakhs)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Production expenditure	5,789.00	6,898.00
Duties and taxes	814.00	910.00
Other G&A expenses	1,500.00	1,425.00
<b>Total</b>	<b>8,103.00</b>	<b>9,233.00</b>

30 Cost of material consumed

(Rs. in Lakhs)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Purchase of natural gas	21,880.51	22,928.00
Transportation charges	60,204.54	17,881.77
Consumable and commissioning charges	3,779.63	3,574.00
Excise duty	22,685.48	20,814.00
<b>Total</b>	<b>1,08,550.15</b>	<b>65,197.77</b>

31 cost of traded Goods

(Rs. in Lakhs)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
<b>Purchase of gas</b>		
Local Purchase of Gas	3,26,435.74	4,59,951.00
Import Purchase of Gas	9,23,346.74	7,56,571.00
	12,49,782.48	12,16,522.00
<b>Purchase of IT equipment</b>	30.08	1.00
<b>Other costs</b>		
Import Gas Regasification Charges	95,690.30	70,491.00
Gas Transmission Charges	27,062.54	23,944.95
Commodity Hedging Cost/ Other expenses	44,598.20	(5,372.00)
Annuity & Meter Validation Charges	162.00	278.00
Deferred delivery of natural gas	3,758.00	-
	1,71,271.04	89,341.95
<b>Total</b>	<b>14,21,083.59</b>	<b>13,05,864.95</b>

32 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Rs. in Lakhs)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
<b>Finished goods</b>		
Closing stock of oil	(1,614.00)	(3,169.00)
Opening stock of oil	3,169.00	3,490.44
	1,555.00	321.44
Increase/ decrease in stock of oil	279.00	(268.00)
	1,834.00	53.44
<b>Stock in trade</b>		
Closing stock of liquified gas	(13,172.76)	(4,765.00)
Opening stock of liquified gas	5,035.07	22,694.00
Increase / decrease in stock in trade	(8,137.69)	17,929.00
<b>Total</b>	<b>(6,303.69)</b>	<b>17,982.44</b>



### 33 Finance Costs

(Rs. in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2019
Interest on Lease Liability	420.29	-
Unwinding of discount on Provisions and processing fee of loans	1,006.33	530.73
Other Borrowing Costs (includes bank guarantee, LC charges, bank charges, etc.)	2,809.12	3,275.24
Other interest expense	95,477.88	1,17,044.52
Exchange Rate Difference	3,426.74	2,942.83
<b>Total</b>	<b>1,03,140.37</b>	<b>1,23,793.32</b>

### 34 Net loss on fair value changes

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(A) Net (gain) / loss on Financial instruments at fair value through Profit or loss		
On financial instruments designated at fair value through profit or Loss	75.07	107.50
<b>Total</b>	<b>75.07</b>	<b>107.50</b>

#### 34.1 Breakup of Net Loss on Fair Value Changes

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Fair Value Changes		
- Realised	-	-
- Unrealised	75.07	107.50
<b>Total</b>	<b>75.07</b>	<b>107.50</b>

### 35 Employee Benefits Expenses

(Rs. in Lakhs)

Particulars	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Salaries and wages	20,779.80	21,978.73
Contribution to provident and other funds	4,786.38	3,021.27
ESOP Compensation Expenses	-	(6.00)
Staff welfare expenses	1,661.87	1,294.89
Gratuity Expenses	-	1.28
<b>Total</b>	<b>27,228.05</b>	<b>26,290.17</b>



### 36 Other Expenses

(Rs. in Lakhs)

Particulars	For the period ended 31st March, 2020	For the period ended 31st March, 2019
Rent, Rates and Taxes**	2,453.66	442.18
Repairs and Maintenance ***	39,240.61	43,524.20
Power and Fuel	5.58	5.16
Communication Costs	589.40	589.30
Printing and Stationery	235.10	320.36
Legal and Professional charges	15.33	37.37
Insurance	1,707.70	971.85
Audit fees	76.18	75.54
CSR Expenses	131.67	30.43
Travelling Expense	460.31	455.94
Contract Expense	26.25	25.77
Miscellaneous Expenses	8.99	24.28
Expenses for Transfer/Registration of NCDs**	2,644.79	-
Operation and maintenance expenses	1,553.13	1,367.13
Windmills insurance expenses	68.00	67.00
Electricity expenses	9,913.62	128.15
Business development and promotion	234.55	965.19
Advertisement and publicity	104.23	129.99
Administration and establishment	2,904.69	1,656.78
Recruitment and training expense	122.62	96.87
Professional and technical expenses	7,805.21	5,018.79
Donations	4,493.15	1,619.28
Vehicle running expenses	1,281.81	745.73
Bandwidth expenses	36.46	47.06
Net loss on sale/ discarding of fixed assets	167.00	183.49
Diminution in Capital Inventory & Inventory	-	474.00
LCV/HCV Hiring, Operating and Maintenance Charges	5,151.00	5,196.00
Franchisee and other Commission	3,533.00	3,884.00
Agency & Contract Staff Expenses	2,978.00	2,941.00
Imbalance or over run charges	695.00	-
Billing & collection	949.00	845.00
Other expenses	90.04	937.54
Network Operating Expenses	64.19	1.63
Project Expenses	188.05	136.31
Facility Management Charges	-	117.32
Ekta Yatra Expenses	-	54.60
Provision for doubtful advances	639.03	377.00
Net Foreign Exchange Loss	2,518.00	-
<b>Total</b>	<b>93,085.35</b>	<b>73,492.25</b>

\*\*The Company's significant leasing arrangement is in respect of operating lease for office premise. This lease agreement is of 11 months and is usually renewable by mutual consent on mutually agreeable terms.

### 37 Exceptional Items

(Rs. in Lakhs)

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Impairment of oil and gas assets <sup>a</sup>		
Provided During the year	54,078.00	42,992.00
Less: Reversed during the year	(46.00)	(19,341.00)
Rates & Taxes	-	1,787.00
Exploration cost written off/ written back	67.00	(9,379.00)
Litigation Settlement	1,099.00	
<b>Total</b>	<b>55,198.00</b>	<b>16,059.00</b>



## Notes

a. The management of group identifies each E&P field /PSC under E&P segment as seperate Cash Generating Unit (CGU).

During FY 2018-19, based on revised Oil & Gas reserve estimation by Gujarat Energy Research & Management Institute (GERMI), an external agency, the group has provided for impairment of Rs. 8829 Lakhs and has reversed impairment earlier provided for to the extent of Rs. 16867 Lakhs for 8 continuing E&P fields (CGUs).

Further, during the year the group has classified 12 E&P fields as assets held for sale (refer note no.23). In relation to which, the group has provided for impairment loss of Rs. 34163 Lakhs and has reversed impairment earlier provided for the extent of Rs.2474 Lakhs.

During FY 2017-18, while transferring E&P assets to producing properties, as required by Ind AS 106, the group has provided for Impairment Losses for Sanand-Miroli block amounting to Rs.21569 Lakhs and balance amount comprise of impairment losses provide for onshore Joint Arrangements' inventories based on external valuations.

b. The recoverable amount of CGU is determined at higher of its fair value less cost to sell and its value-in-use. For 12 E&P fields which are classified as Assets held for sale, the group has considered fair value less cost of sell as the recoverable amount whereas for other 8 fields, value-in-use is considered as the recoverable amount of CGU.

Fair value is determined at estimated selling price of CGU using level III Inputs. This calculation uses the estimated future cash flows that can be generated from the continuing use of these blocks and outflows at the end of its useful life which are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 10%.

The Value in Use of producing / developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under the circumstances where further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

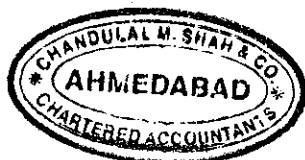
In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 10% (as at March 31, 2018 -10%).

Future cash inflows from sale of crude oil and value added products have been computed using the future prices, on the basis of market-based average prices of Brent crude oil as discounted to match the quality of our crude oil and its Co-relations with benchmark crude. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of notification issued by the Government of India/GSA.

c. In the block KG-OSN-2001/3, the group had in the previous year written off Rs.23000 Lakhs towards inventory based on initial valuation by the Buyer as exploration cost written off. However, during FY 2018-19 the valuation was finalised with the help of the independent valuer and on the basis of the report, the group has written back the inventory to the extent of Rs.9490 Lakhs. Balance amount of Rs.111 Lakhs includes cost incurred for earlier written off blocks.

During FY 2017-18 the group has written off Non-Operated Block CB-ONN-2009/4 amounting to Rs.3302 Lakhs. Further group has written off Rs. 45504 Lakhs (net off impairment provision already provided for last year) towards exploration cost for KG OSN 2001/3 block 80% Participating Interest transfer. Balance amount includes cost incurred for earlier written off blocks.

d. Exceptional item of Rates & Taxes pertains to balance provision of stamp duty as per the order of the Chief Controlling Revenue Authority (CCRA) for stamp duty levied of ₹ 4287 Lakhs with regards to the appeal filed against the order of Collector & Additional Superintendent of Stamps for adjudication of stamp duty pursuant to Composite Scheme of Amalgamation and Arrangement approved by Hon'ble Gujarat High Court. The Group had already provided ₹ 2500 Lakhs in books of accounts for the same in the financial year 2015-16.





### 38 Tax Expense

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Current Tax	60423.00	57,527.94
Excess Provision for earlier years	(1,597.50)	(3,606.33)
Deferred Tax	(31,367.54)	6,757.87
<b>Total</b>	<b>27457.96</b>	<b>60679.48</b>

### 38.1 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit before tax	2,55,748.57	2,16,640.51
Tax using the Company's domestic tax rate (Current year)	84,537.63	84,981.81
Reduction in tax rate	-	-
Tax effect of:	-	-
Non-deductible tax expenses	-	-
Provision for impairment not allowable for taxes	18,878.00	8,265.71
Inter Group Elimination adjustments	6,158.67	(9,103.15)
Items with No tax consequences	904.00	1,483.31
Undistributed reserves of equity accounted investees	(2,546.81)	503.94
Chapter VI deductions	242.96	(1,035.27)
Differences between Indian and foreign tax rates	(42,471.19)	(27.00)
Non-deductible tax expenses	12.97	(1.26)
Others - Excess / Short Provision	(1,604.61)	(3,628.40)
Depreciation as per Profit and Loss Account	8,345.10	10,883.85
Consumption of Stores & Spares-ICDS Adjustment	84.15	125.03
Disallowance U/s 43B	246.90	63.31
Disallowance -Others	1,007.31	23.27
Interest on HBA	(1.55)	(2.38)
Interest on Income Tax Refund	(3.43)	-
Interest On Fixed Deposits	(68.46)	(53.14)
Depreciation as per Income tax act	(29,775.56)	(35,992.61)
Preliminary Expenses Allowed U/s. 35D	(5,270.47)	-
Interest on Others	73.44	55.52
Recognition of tax effect of previously unrecognised tax losses	(6,962.09)	606.51
Other items	(4,329.00)	3,530.43
<b>Total</b>	<b>27,457.96</b>	<b>60,679.48</b>

### 39 Earnings Per Share

Particulars	Year ended 31st March 2020 Rs.	Year ended 31st March 2019 Rs.
Profit attributable to the Equity Shareholders (Rs.)	6,63,89,20,626	18,24,46,45,770
Basic / Weighted average number of Equity Shares outstanding during the period	1,04,27,69,070	1,04,27,69,070
Basic/Diluted Earnings per Share	6.37	17.50





**GUJARAT STATE INVESTMENTS LIMITED**

Notes to Consolidated Financial statements for the year ended 31st March 2020

**Note 40****Contingent liabilities**

1. Claims against the Group not acknowledged as debts which in the opinion of the Management are not tenable/under appeal at various stages:

Particulars	(Rs. In Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Direct & Indirect Tax matters (Ref. note no.12 (a) point no. 3)	2,16,174.00	2,13,940.00
Joint Arrangements (Ref. note a to f below)	13,045.00	20,065.00
Guarantee	2,74,684.00	2,70,141.00
Other (Ref. note g & h below)	1,28,647.00	1,23,911.00
Above Contingent Liabilities Includes:-		

**In the Case of Gujarat State Investment limited**

Income tax matter for A.Y. 2013-14, involving a demand of Rs. 1452.44 lacs of which Rs. 290.49 lacs paid under protest, decided in the favour of the company at the Appellate Tribunal. However the Income tax department has preferred an appeal against the same in the Hon'ble Gujarat High Court. The company believes that the matter will be decided in the favour of the company and hence there is no contingent liability at present.

**In the Case of Gujarat State Petroleum Corporation Limited**

(a) JODPL Pvt Ltd: The Company has issued forfeiture notice to JODPL Pvt Ltd against Rs. 49481 Lakhs of the capital contribution (excluding applicable interest on capital contribution) made by the Company on behalf of JODPL in KG-OSN-2001/3 until 4th August 2017. Based on relevant clauses of PSC and JOA, it can be reasonably ascertained that the forfeiture notice shall be effected and GSPC shall be assigned commensurate PI towards the capital contribution. JODPL has filed for CIRP. NCLT has passed the order for liquidation. Liquidator has challenged GSPC's letter of forfeiture of JODPL's PI issued by GSPC in December 2018 because of default of JODPL in making contributions to KG Block Cash Calls.

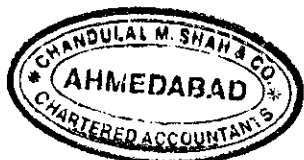
(b) Cost Recovery of Compressors, Wells and Royalty Issue in Hazira Field: (Please change your Note C and D in line with this narrative) The Operator of Hazira Field, NIKO Resources Limited, had initiated arbitration proceedings (in October 2013) against Union of India under Hazira PSC claiming the following:

- declaration that Gas Compressors (4 in No.) forms part of Development Costs of Hazira Field and allow cost recovery of USD 14.48 MN on this account;
- declare revision in IM ratio as a result of allowance of Cost Recovery to Gas Compressor Project and allow refund of excess profit petroleum paid on this account amounting to USD 4.10 MN
- declare Wells H 15 and H23 and certain other expenditures on wells as cost recoverable and declare revision in IM ratio on this account and refund of Profit Petroleum of USD 547,043 on this account
- Refund of an amount of Rs. 3524 Lakhs paid on account of recovery of excess Royalty on the basis of Royalty on Royalty and an amount of USD 3.911 MN on the basis of recovery of royalty on Sales Price instead of on Well Head Price

Operator handed over the said arbitration proceedings to the Company in August 2018. The Arbitration Proceedings have been concluded in March 2020 and the matter has been reserved for passing of Award. The Company has agreed to assign its PI in Hazira Field to M/S Sun Petro pursuant to an agreement signed in December 2019. However, the Company has retained all rights and liabilities in relation to this particular arbitration proceedings.

(c) 'In case of cambay block, a dispute had arisen between GSPC and Oilex regarding certain Cash Calls alleged to be outstanding on part of GSPC as per a Notice of Default (EOD Notice) issued by Oilex on May 29, 2018. GSPC had seriously disputed the said EOD Notice on various grounds including on the grounds that the alleged Cash Calls forming part of the EOD Notice were all pertaining to cost overrun not approved by GSPC as also were time-barred. Upon Oilex's issuance of Notice of Withdrawal of PI dated July 9, 2018 (Forfeiture Notice), GSPC approached High Court of Gujarat under Section 9 of the Arbitration Act and a stay on operation of EOD Notice as well as Forfeiture Notice was granted by the High Court. GSPC also initiated arbitration proceedings against Oilex under the JOA for Cambay Field seeking declaration that the EOD Notice as well as Forfeiture Notice were illegal and invalid. The total sum in dispute in the said proceedings was USD 3.05 MN.

However, subsequently in September 2019, GSPC and Oilex have arrived at an amicable resolution of the said dispute whereunder Oilex has withdrawn the EOD Notice as well as the Forfeiture Notice thus bringing an end to the dispute over allegedly unpaid cash-calls forming part of the EOD Notice while GSPC has put up its PI in Cambay Field for sale. The sale process is currently under progress.



(d) The Company had made an investment in a joint arrangement (JV) incorporated to carry out exploration and production activities in Joint Petroleum Development Area (JPDA) block (JPDA 06-103) in Australia. GSPC holds 20% working interest in the JV through Special Purpose Vehicle (SPV) in GSPC (JPDA) Ltd amounting to Rs. 9939 Lakhs (31st March 2018: Rs. 9839 Lakhs) to carry out exploration activities in Australia.

Considering the unsuccessful outcome of the exploration activities in the block 100% provision for impairment has been provided in the standalone financial statements to the extent of investment made in the subsidiary - GSPC (JPDA) Ltd amounting to Rs. 9939 Lakhs as on 31.03.2019 (Rs.9839 Lakhs as on 31.03.2018)

Moreover, Autoridade Nacional do Petroleo (ANP) has terminated the PSC with condition of paying the penalty of USD 3403758 (Current year Rs.2563 Lakhs (Previous year Rs.2354 Lakhs)) (JPDA Share) for the unfinished work programme. However, Operator and JV partners have protested against the same and ANP has initiated arbitration proceedings against JV partners. Before the commencement of final hearing ANP & JV partners have again commenced discussion for amicable settlement which is still to be finalized.

(e) The Company had filed a complaint dated 06.04.2011 before PNGRB against GAIL, IOCL and BPCL. PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal.

All the parties have preferred appeals against the PNGRB Orders before Appellate Tribunal for Electricity (APTEL) and APTEL has passed an interim order on 23.01.2012 and directed GAIL, IOCL and BPCL to give direct connectivity at Dahej Terminal subject to GSPC giving undertaking in respect of the following:

i) GSPC shall open a separate bank account and deposit an amount of Rs. 14000 Lakhs. Accordingly, GSPC has opened and deposited equivalent amount in a separate bank account.

ii) From the date of change of delivery point, GSPC shall also deposit differential amount in a separate bank account. (Accordingly company had deposited additional Rs. 7536 Lakhs in a separate bank account). The Company has submitted the Undertaking to APTEL in respect of the same on 18.02.2012 and deposited amounts as aforesaid.

The APTEL has passed common judgment dated 18.12.2013 ("the APTEL Judgment") in the appeals filed by GAIL, IOCL and BPCL and set aside the PNGRB Order.

The Company filed an appeal before the Hon'ble Supreme Court against the APTEL Judgment and the Hon'ble Supreme Court has vide its order dated 28.02.2014 directed the Company, as an interim arrangement, to pay the interconnectivity charges at the rate of Rs. 12 / MMBTU from the account separately maintained for the said purpose in accordance with APTEL's Order dated 23.01.2012 as narrated in (i) & (ii) above.

Accordingly, company utilized Rs.17655 Lakhs for payments to GAIL, IOCL and BPCL as per Interim arrangement order of the Hon'ble Supreme Court. The amount paid net of amount recovered from customers is shown as amount paid under protest in the accounts. Further, the company has also not provided for differential amount charged by vendors above Rs.12/ MMBTU aggregating to Rs. 4219 Lakhs.

The appeal is pending before the Hon'ble Supreme Court.

(e) The Company had filed a complaint dated 06.04.2011 before PNGRB against GAIL, IOCL and BPCL. PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal.

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The appeal is pending before the Hon'ble Supreme Court.

f) Other Contingent liabilities includes Contingent Liability associated with Gas Trading Business Rs. 3014 Lakhs.



(g) Indo-Bajin Chemicals Pvt. Ltd. (IBCPL) has invoked arbitration clause under Supply Framework Agreement (SFA) dated 19th July, 2012 entered for supply of gas, and served notice of arbitration dated 20th August, 2018 alleging breach of SFA by GSPC for failure to pass on duty drawback when received from the custom department and claiming loss of Rs. 8,12,03,107/- and for failure to provide supporting documents enabling IBCPL to make a claim from the Custom Department.

GSPC by its reply has denied any such breach, as GSPC has not received any refund of custom duty drawback under the relevant Act and occasion for refund of custom duty has never arisen. Moreover, GSPC had on every occasion when asked by IBCPL supplied the necessary documents. As differences has arisen between the parties, the matter is referred for adjudication by Sole Arbitrator- Mr. Justice (ret'd.) J.C. Upadhyaya, Gujarat High Court. The matter is still pending.

(h) GSPC had entered into a Rate Contract for Provision of hiring of Waste Management Agency for Waste Disposal on Callout basis for CB-ONN-2000/1 (Ahmedabad Block) and CB-ONN-2003/2 Ankleshwar Block with M/s PMP Infratech Pvt. Limited (hereinafter referred to as "M/s PMP").

As per the terms of the Contract, M/s PMP was required to dispose the Waste Mud as well as Liquid Waste from GSPC well site to Treatment, Storage & Disposal Facility ("TSDF") only. M/s PMP had in its technical bid submitted a certificate from Saurashtra Enviro Projects Pvt. Ltd. - Kutch giving consent to M/s PMP for disposal of waste. With respect to the liquid waste from the well sites of Ahmedabad Block as well as Ankleshwar Block, M/s PMP did not dispose off the waste from the site at approved location i.e. the TSDF site in Bhachau, Kutch but instead disposed off the Liquid Waste at Common Effluent Treatment Plant ("CETP"), Odhav Enviro Project Ltd., Odhav, Ahmedabad, which was a breach of the material provision of the Contract.

In addition to this, prima facie errors were noticed by GSPC such as change in location of disposal of waste as well as vehicles carrying waste beyond the permissible limits. Hence GSPC withheld the payment of contractor and sought several clarifications from M/s PMP to which proper justification was not furnished. Disputes arose between the parties and Contractor has initiated arbitration as per the provisions of the Contract. Justice J. C. Upadhyay, Former Justice High Court of Gujarat has been appointed as the sole arbitrator in the present arbitration proceedings. Amount in dispute is approx. Rs. 112 Lakhs.

**In the Case of Subsidiary Gujarat State Petronet Limited (Consolidated)**

a) Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7th March 2011, collected for the period prior to 1st April 2011 amounting to ₹ 226.02 Lacs (net of taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1st April 2011.

b) UPL Limited (UPL) a customer of erstwhile Gujarat Gas Company Limited (now known as Gujarat Gas Limited) filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against erstwhile GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against the Group by PNGRB. The Group has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. The Group has also sought an interim stay on the PNGRB order which was granted by APTEL. The APTEL has in its order stated that it is an interim order without considering the merits of the case. The Group has submitted bank guarantee of ₹ 4000 Lakhs in favour of UPL.

c) Erstwhile Gujarat Gas Company Limited and Erstwhile GSPC Gas Company Limited (Now collectively known as Gujarat Gas Limited "GGL") had signed Gas supply agreement with Gujarat State Petroleum Corporation Limited (GSPCL) for purchase of Re-gasified liquefied natural gas (RLNG). As per the provision of said agreement, GGL has to pay interconnectivity charges to GSPCL for the supply and purchase of RLNG at Delivery point which is charged to GSPCL by their supplier i.e. PLL Off takers (GAIL India, BPCL, IOCL). PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. The PLL Offtakers (GAIL) filed appeals against the said PNGRB orders before the Appellate Tribunal for Electricity (APTEL). On 23-February-2012 APTEL had issued an interim order for shifting the Delivery Point from GAIL-GSPL Delivery Point to GSPL-PLL Delivery Point. On 18-December-2013 APTEL issued its judgment and required GSPCL to pay the amount of the difference between Rs. 8.74/MMBTU (exclusive of Service Tax) - earlier connectivity charges and Rs. 19.83/MMBTU (Exclusive of Service Tax) - HV/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 Rs. 12.00 per MMBTU (exclusive of Taxes). The Group has already provided and paid interconnectivity charges at the rate of Rs. 12.00 per MMBTU (exclusive of Taxes). GGL has not received any bill / demand note for the amount over and above Rs. 12.00 per MMBTU from the supplier till date. As the liability would not 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.

d) One of the gas suppliers of the Group has submitted a claim of ₹ 50824 Lakhs (P. Y. ₹ 47559 Lakhs), for use of domestic allocated gas other than PNG (Domestic) and CNG segments' demand in earlier years (FY 2013-14 to FY 2018-19). The Group has refused this erroneous claim contending that there is gross error in actual domestic gas purchase and actual sales in PNG (Domestic) and CNG segments considered by GAIL and also there is no contractual provisions of the agreement executed with GGL that allow such claim. The management is of the firm view that the Group is not liable to pay any such claim. The Group has already taken up the matter with concerned party/authorities to withdraw the claim.

e) The Group has initiated an arbitration proceeding against one of the franchisees claiming compensation for loss of revenue while replying to the claim, the said franchisee has also filed a counter claim of ₹ 17714 Lakhs (P. Y. ₹ 17714 Lakhs) against the Group claiming compensation for various losses. The Group has filed necessary rejoinder to the counter claim strongly refuting the same mainly on the grounds that the claims are wrong and as are not flowing from the same agreement under which the arbitral tribunal has been constituted the tribunal does not have any jurisdiction to adjudicate the claim.

f) By other parties including contractual disputes also includes contractual disputes under arbitration between the Group and M/s Fernas Construction Company Inc, amounting Rs. 15414 Lakhs (Previous Year 15414 Lakhs)



**In the Case of GSPC Pipavav Power Company Limited.**

While granting further extension of Environmental Clearance to GPPC in 2013, Ministry of Environment and Forest (MoEF), Government of India directed to earmark ₹ 1170 Lakhs as one-time capital cost towards CSR activities and a recurring expenditure of ₹ 234 Lakhs on annual basis for such activities till the life of the plant. At present, the contract closure with EPC Contractor BHEL is under process and therefore the project cost is yet be crystallized. Hence, as on 31st March, 2020, the filling of Project cost to Gujarat Electricity Regulation Commission (GERC) is pending. The company may earmark/incur the said CSR expenditure in project cost while filling the cost for approval with GERC.

**In the Case of Subsidiary Guj. Info Petro Limited.  
Adjusted Gross Revenue**

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

Subsequently, Supreme Court (SC) vide its order dated 11th October 2011 set aside the TDSAT order and remitted the matter to the Tribunal to pass fresh order in accordance with law. DOT has issued a letter no.820-01/2006-LR (Vol-II) Pt. dated 29/6/2012 increasing AGR at 7% from 1/7/2012 and 8% for the year 2013-14 onwards and clarified that Revenue for the purpose of license fee shall provisionally include all types of revenue from internet services allowing only those deductions available for pass through charges and taxes/levies as in the case of access services without any set-off for expenses.

The matter was reviewed and decided by TDSAT vide order dated 23/4/2015 holding that the AGR for the purpose shall include only revenues from licensed activities. The said order was challenged by DOT before the Supreme Court. On October 24, 2019, the Honorable Supreme Court delivered its judgement in relation to long outstanding dispute regarding the definition of AGR for the purpose of determining the License Fees upholding the stand of DoT.

Further, the Company has received the letter no: CCA/GUJ/LF/ISP-IT/GIPL/2009-10/55 dated 20-11-2019 from DoT, asking to comply the SC judgment and asking to submit the Audited AGR data pertaining to FY 2009-10 to FY 2013-14. The company has submitted the annual audited accounts for the financial year 2009-10 to FY 2013-14. On 1st February, 2020, the Company has filed Review Petition before the Hon'ble Supreme Court for seeking review of its judgement dt. 24th October 2019. GIPL has also made Government representation to Chairman DCC & Secretary in this regards. The company has received another letter dated 15-02-2020 from DOT asking to pay dues of AGR Fees along with applicable interest, penalty and interest on penalty. Then, the company has paid Rs. 500 Lakhs. towards AGR dues as an ad-hoc payment under protest. The company has not received any demand notice from the DoT as on date.

Further, the Hon'ble Supreme Court vide its order dated 18th March, 2020 directed that no exercise of self-assessment / re-assessment to be done and dues which were placed before Supreme court have to be paid including interest and penalty as affirmed vide SC judgement dated 24th Oct, 2019. The Hon'ble supreme court is yet to hear the application made by Central Govt with respect to giving reasonable time and cease interest after particular date.

Till the matter is sub judice as above, the company has made estimate of the liability that may arise under the above judgement. The aggregate amount of dues including license fees, Interest, penalty and interest on penalty may amount to approx. Rs. 2793 Lakhs. Since the company has not received any demand notice from the DoT as on date and the matter being sub judice, there is no crystallized liability with regards to AGR matter as on balance sheet date.



**Contingent assets****In the Case of Gujarat State Petroleum Corporation Limited**

a) The consideration received from ONGC towards 80% PI transfer in KG-OSN-2001/3 block had two components i.e. (i) Consideration towards DDW (ii) Advance floor consideration for Other Six Discoveries amounting to USD 995.26 Million (Rs.629502 Lakhs) and USD 200 Million (Rs.126500 Lakhs) respectively. The advance consideration received towards Other Six Discoveries is non-refundable.

The final consideration for Other Six Discoveries shall be determined based on Field Development Plan (FDP) of Other Six Discoveries prepared by ONGC for submission to Directorate General of Hydrocarbons (DGH). In the scenario, wherein final consideration as per FDP of Other Six Discoveries is assessed at a value higher than USD 200 Million, the advance consideration received by GSPC shall be adjusted against the same and the balance consideration shall be paid to GSPC. In a scenario, wherein final consideration assessed for Other Six Discoveries is less than or equal to USD 200 Million, GSPC shall retain the non-refundable advance consideration already received. However, ONGC has already applied for extension in timeline for submission of FDP. Following the principle of conservatism, the Company has not arrived at the valuation of the six discoveries as it is subject to preparation of FDP by ONGC and GSPC & ONGC agreeing to a value as per the valuation parameters adopted for DDW. Hence, at present the receivable on account of six discoveries cannot be reasonably ascertained.

b) **Guaranteed Gas Price:** The Company has executed Farm-in Farm-out Agreement with ONGC for farm-out of 80% PI in KG Block in FY 2017-18. The agreement involves annual valuation adjustment linked to existing gas prices during the currency of the respective financial year which is carried forward for the tenure of gas sales and purchase agreement between ONGC and GSPC. As per the terms of valuation adjustment clause of agreement, the Company shall be liable to annually adjust valuation i.e. pay any differential amount to ONGC which shall be evaluated based on difference between actual gas prices during the year and agreed prices for the respective financial year for the actual production quantity. The liability is unascertainable due to linkage of adjustment value to actual production during the year along with actual gas prices which is determined as per 6-month trailing market prices of varied mix of alternative fuels/sources of natural gas notified by PPAC. Both these factors cannot be accurately predicted/estimated, thus the valuation adjustment cannot be quantified with certainty. However, the Company has gas sales purchase agreement with ONGC for the entire natural gas produced from KG Block which is forms a component of gas trading pool, which effectively covers the risk of valuation adjustment under FIFO. Further, as on 31st March, 2020 there is an amount Rs.1351 Lakhs as surplus with the company for valuation adjustment under FIFO.

**In the Case of Subsidiary Gujarat State Petronet Limited (Consolidated)**

a) The Group has raised claim of ₹ 4308 Lakhs for net credit of natural gas pipeline tariff as per PNGRB Order with one of the suppliers and supplier is disputing Group's claim and indicating for adjusting the partial claim of ₹ 3072 Lakhs out of total claim ₹ 4308 Lakhs against disputed liability for use of domestic allocated gas other than PNG (Domestic) and CNG segments' against demand in earlier year.

b) The Group 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 favor of the Group's subsidiary Gujarat Gas Limited ('GGL'). The said supplier has filed appeal at Hon'ble Supreme Court of India against the order of APTEL. Presently, the matter is pending in Hon'ble Supreme Court of India. Currently, GGL is paying ₹ 42.46 per MMBtu as transmission charges for domestic gas being purchased and delivered by GAIL at one of the delivery points. If verdict is in favor of GGL, GGL will get refund of ₹ 16358 Lakhs (PY: ₹ 14666 Lakhs) from December 2013 till March 2020 and the Group shall endeavor to pass on the benefit to its customers.

c) The Group 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.

**Note 40.1****Capital commitments**

Particulars	(Rs in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Estimated Amount of Contracts remaining to be executed on</b>		
i. In respect of Joint Arrangements	13,563.00	66,994.00
ii. In respect of Others	90,997.00	61,838.00
<b>Minimum Work Programme committed under various</b>		
i. In India	-	-
ii. Outside India	-	-
<b>Investment Commitments</b>	1,39,116.00	1,72,516.00
<b>Estimated amount of Contracts remaining on Revenue Accounts</b>	65,121.00	38,868.00



Note 41

**Employer Benefits:**

**A. Defined contribution plans**

1. Group's contribution to Provident Fund is Rs. 1529 Lakhs (FY 2018-19, Rs. 1661 Lakhs)
2. Group's contribution to Super Annuation Fund is Rs. 302 Lakhs (FY 2018-19 Rs. 328 Lakhs)
3. Group's contribution to National Pension Scheme is Rs. 194 Lakhs (FY 2018-19 Rs. 35 Lakhs)

**B. Defined benefit plans**

The following table sets out the funded status of the Gratuity and Leave Encashment Plans and the amounts recognized in Group's consolidated financial statements as at 31st March, 2020, 31st March, 2019 as required by Ind AS 19.

Particular	Gratuity (Funded)		Leave Encashment (Funded)		Leave Encashment (Unfunded)		PFRBS (Unfunded)		Gratuity (Unfunded)	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1 Change in obligation during the year ended 31st March, 2020										
1 Liability at the beginning of the year	8,641.48	7,006.17	982.00	878.00	1,249.46	1,251.38	5,330.70	4,349.36	74.80	10.02
2 Interest cost	639.73	436.33	74.03	64.00	92.92	92.92	395.56	325.86	5.60	0.41
3 Current service cost	809.14	700.56	92.00	106.00	73.18	79.30	4,417	359.18	11.10	0.62
4 Past service cost	-	436.21	-	-	-	-	-	4.30	4.00	0.15
5 Benefit Paid	(593.40)	(460.96)	(97.00)	(110.00)	(216.24)	(211.00)	(572.52)	(331.30)	(0.84)	0.55
6 Actuarial (Gain) / Losses	226.06	(460.96)	19.00	(58.00)	239.79	36.28	(20.41)	9.00	61.06	-
7a Actuarial (gain) / Loss Due to change in financial assumption	327.97	(78.55)	-	-	-	-	-	-	-	(6.93)
7b Actuarial (Gain)/Loss - Due to demographic assumptions	2.30	-	-	-	-	-	-	-	-	-
8 Actuarial (Gain)/Loss - Due to experience adjustments	677.61	603.51	-	-	2.57	-	2.57	-	0.29	0.10
9 Transfer in / Obligation	54.66	(1.08)	-	-	-	-	538.25	430.00	8.99	-
10 Liability at the end of the year	10,765.55	8,641.48	1,070.00	982.00	1,442.11	1,249.46	(26.68)	64.10	8.80	0.02
11 Change in assets during the year ended 31st March, 2020										
1 Plan assets at the beginning of the year	7,388.15	6,716.68	-	-	-	-	-	-	271.14	74.80
2 Expected return of plan assets	457.25	426.17	-	-	-	-	-	-	10.14	-
3 Contributions	1,447.38	671.81	-	-	953.68	1,021.20	-	-	-	-
4 Benefit paid	(593.38)	(445.89)	-	-	74.78	78.48	-	-	-	-
5 Interest income	121.92	104.51	-	-	37.00	83.00	-	-	6.80	9.60
6 Actuarial gain / (Loss)	(24.64)	(83.94)	-	-	(214.00)	(71.00)	-	-	2.60	0.54
7 Return on plan Assets over interest income	(3.00)	(11.81)	-	-	(12.00)	(8.00)	-	-	-	-
8 Transfer in / (out) plan assets	8,793.69	7,388.15	-	-	849.46	953.68	-	-	-	-
9 Plan assets at the end of the year	10,765.55	8,641.48	-	-	1,442.11	1,249.46	-	-	-	-
10 Total Actuarial Gain/(Loss) To Be Recognized	(224.64)	(88.94)	-	-	(235.00)	(23.00)	-	-	-	-
III Actual Return on plan assets	457.25	426.17	-	-	74.78	78.48	-	-	-	-
1 Expected return of plan assets	(24.64)	(83.94)	-	-	(12.00)	(8.00)	-	-	-	-
2 Actuarial gain / (Loss)	432.61	342.23	-	-	61.78	70.48	-	-	-	-
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2019	10,765.55	8,641.48	1,070.00	982.00	1,442.11	1,249.46	5,330.37	5,330.70	271.14	74.80
1 Liability at the end of the year	7,388.15	6,716.68	-	-	849.46	953.68	-	-	19.54	10.14
2 Plan assets at the end of the year	1,991.86	1,253.33	1,070.00	982.00	592.65	285.78	5,330.37	5,330.70	251.60	64.66
3 Amount recognized in the Balance Sheet/ Accrued (Pre Paid)										





Particulars	Gratuity (Funded)	Gratuity (Unfunded)	Loyalty Bonus (Unfunded)	Leave Encashment (Funded)	Leave Encashment (Unfunded)	PRMBS (Unfunded)
V Expenses recognized in the statement of profit & loss account for the year ended 31st March, 2020	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1 Current service cost	809.14	700.56	0.15	0.65	92.00	106.00
2 Interest cost	639.73	436.33	0.41	0.52	74.00	66.00
3 Expected return on plan assets	(457.25)	(426.17)	-	-	-	-
4 Actuarial (Gain) / Losses	1,043.58	586.19	-	-	-	-
5 Benefits Paid	-	0.10	-	-	-	-
6 Transfer in (Out) (net)	-	436.21	(0.84)	1.28	166.00	172.00
7 Past service cost	-	1,733.22	(0.28)	-	-	-
8 Total expenses	2,035.20	1,733.22	1.88	1.88	344.11	344.11
Expenses recognized in the other comprehensive income for the year	215.00	22.00	-0.94	0.12	19.00	(58.00)
1 Actuarial (Gain) / Losses	-	-	-	-	-	-
VI Balance Sheet reconciliation	-	-	-	-	-	-
1 Opening net liability	1,353.33	289.49	10.02	86.30	982.00	878.00
2 Expenses as above	2,250.20	1,755.22	-	-	185.00	114.00
3 Employer contribution	(1,447.38)	(671.81)	-	-	-	-
4 Amount Recognized in Other Comprehensive Income	-	-	(0.94)	0.12	-	-
5 Benefits Paid	(0.02)	(15.07)	(6.93)	-	(97.00)	(10.00)
6 Transfer Obligation	57.66	(104.51)	-	-	-	-
7 Interest Income	(121.92)	1,253.33	-	-	-	-
8 Amount recognized in the Balance Sheet	1,991.66	1,253.33	1.88	-	1,070.00	982.00
9 Expected contribution during next 12 months	1,518.85	943.54	-	-	81.00	21.00
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 management of plan assets.	-	-	-	-	-	-
Particulars	Gratuity (Funded)	Gratuity (Unfunded)	Loyalty Bonus (Unfunded)	Leave Encashment (Funded)	Leave Encashment (Unfunded)	PRMBS (Unfunded)
VII Actuarial Assumptions	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1 Discount Rate	6.85%	7.55% to 7.60%	6.70%	7.00%	6.85%	7.60%
2 Rate of return on plan assets	6.85%	7.55% to 7.60%	0.00%	0.00%	6.85%	7.60%
3 Salary Escalation	7% to 10%	7% to 10%	5.00%	5.00%	7.00%	7% to 10%
4 Withdrawal Rate	1% to 5%	1% to 5%	1% to 5%	1% to 5%	1% to 5%	1% to 5%
5 Medical Inflation rate	-	-	-	-	-	-
Sensitivity analysis	-	-	-	-	-	-
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:	-	-	-	-	-	-
Particulars	Gratuity (Funded)	Gratuity (Unfunded)	Loyalty Bonus (Unfunded)	Leave Encashment (Funded)	Leave Encashment (Unfunded)	PRMBS (Unfunded)
Sensitivity %	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Discount rate varied by 0.5%	8,868.61	7,067.74	1.75	9.87	1,006.90	921.00
Increase - 0.5%	10,016.48	7,972.78	2.00	10.19	1,139.80	1,049.00
Decrease - 0.5%	-	-	-	-	-	-
Salary growth rate varied by 0.5%	9,999.17	7,962.73	1.95	10.15	1,139.00	1,043.00
Increase - 0.5%	8,878.31	7,073.75	1.80	9.96	1,006.80	926.00
Decrease - 0.5%	-	-	-	-	-	-
Withdrawal Rate	2616.35	1,973.19	1.90	18.37	1,058.00	978.00
Increase - 10%	2624.59	1,971.26	1.85	9.98	1,072.80	987.00
Decrease - 10%	-	-	-	-	-	-
Medical Inflation Rate - (0.5% p.a.)	-	-	-	-	-	-
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	-	-

**Note 42**

**Joint Operations (unincorporated Joint arrangements)**

The group has entered into Production Sharing Contracts (PSCs) / Agreements in consortium with various Private/Public Sector & Foreign Companies as stated below with the Ministry of Petroleum & Natural Gas (Government of India), for exploration of oil and gas in the following fields. The group has also entered into Production Sharing Agreements (PSAs)/Work Permits overseas relating to Oil & Gas/ Exploration Areas blocks along with various companies. Pursuant to the PSCs, Joint Operations (unincorporated Joint arrangements (JVs)) have been formed to undertake necessary economic activities for production of Oil and Gas by entering into a Joint Operating Agreement with them. The details are stated below:

**I Blocks/Fields currently under exploration, development and production**

Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other	PI
<b>A</b>	<b>Non Operated JVs</b>			
1	Hazira	66.67% (66.67%)	Sun Petrochemicals Private Limited (Operator)	33.33%
2	Bhandut	60% (60%)	Oilex NL Holdings (India)	40%
3	Cambay	55% (55%)	Oilex NL (Operator)	30%
			Oilex NL Holdings (India)	15%
4	Asjol	50% (50%)	Hindustan Oil and	50%
5	Palej	50% (50%)	Exploration	
			Hindustan Oil and	50%
		35% (35%)	Development	
			Hindustan Oil and	35%
			Oil and Natural Gas	30%
6	North Balol	45% (45%)	Hindustan Oil and	25%
			GNRL Oil & Gas Limited	30%
7	Dholassan	70% (70%)	GNRL Oil & Gas Limited	30%
8	North Karhana	70% (70%)	GNRL Oil & Gas Limited	30%
9	Kanawara	70% (70%)	GNRL Oil & Gas Limited	30%
10	Allora	70% (70%)	GNRL Oil & Gas Limited	30%
11	CB-ONN-2004/1	40% (40%)	Oil and Natural Gas Corporation Limited	60%
12	CB-ONN-2004/2	45% (45%)	Oil and Natural Gas Corporation Limited	55%
13	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited	65%
14	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas	80%
15	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas	40%
			Indian Oil Corporation	20%
			Adani Welspun Exploration	20%
16	KG-OSN-2001/3 (Refer Note a)	10% (10%)	JODPL Pvt. Limited	10%
			Oil and Natural Gas	80%
<b>B</b>	<b>GSPC-Operated</b>			
17a	Tarapur	80% (80%)	Geo Global Resources	20%
			Development:	
		56% (56%)	Geo Global Resources	14%
			Oil and Natural Gas	30%
17b	Tarapur - Extension phase	80% (80%)	Geo Global Resources	20%
18	Unawa	70% (70%)	GNRL Oil & Gas Limited	30%
19a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%
19b	CB-ONN-2000/1 - (Extension phase) (Refer Note h)	50% (50%)	GAIL (India) Ltd	50%
20	CB-ONN-2002/3 (Sanand) (Refer Note h)	55% (55%)	Jubilant Oil & Gas Private	20%
			Hindustan Petroleum	15%
			Geo Global Resources	10%
			Exploration	
		75% (75%)	GAIL (India) Ltd	25%
21	CB-ONN-2003/2 (Ankleshwar)	50% (50%)	Development & Production:	
			GAIL (India) Ltd	20%
			Jubilant Capital Private	20%
			Geo Global Resources	10%

\*PI - Participating Interest

\*\* Figures in bracket indicate previous year figures. There is no change in previous year figures unless otherwise stated.

**II Blocks/Fields proposed to be surrendered**

Sr No	Joint arrangements/PSCs	GSPC's PI	Operatorship/Other	PI
<b>A</b>	<b>Non Operated JVs</b>			
1	MB-OSN-2000/1 (Mumbai) (Refer Note c)	10% (10%)	Oil and Natural Gas	75%
			Indian Oil Corporation	15%
2	MB-DWN-2000/2 (Mumbai) (Refer Note c)	10% (10%)	Oil and Natural Gas	50%
			Indian Oil Corporation	15%
			GAIL (India) Ltd	15%
			Oil India Lt.	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note c)	60% (60%)	Jubilant Oil & Gas Pvt.	30%
			Geo Global Resources	10%
4	CY-ONN-2002/1 (Cavery) (Refer Note c)	20% (20%)	Jubilant Oil & Gas Pvt.	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note c)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%





6	CY-DWN-2004/1 (Refer Note c)	10% (10%)	Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
7	CY-DWN-2004/2 (Refer Note c)	10% (10%)	Hindustan Petroleum	10%
			Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
8	CY-DWN-2004/4 (Refer Note c)	10% (10%)	Hindustan Petroleum	10%
			Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
9*	CY-PR-DWN-2004/2 (Refer Note c)	10% (10%)	Hindustan Petroleum	10%
			Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
10*	KG-DWN-2004/1 (Refer Note c)	10% (10%)	Hindustan Petroleum	10%
			Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
11.*	KG-DWN-2004/2 (Refer Note c)	10% (10%)	Hindustan Petroleum	10%
			Oil and Natural Gas	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum	10%
12.*	KG-DWN-2004/3 (Refer Note c)	10% (10%)	BPCL	10%
			Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
13.*	KG-DWN-2004/5 (Refer Note c)	10% (10%)	Hindustan Petroleum	10%
			Oil and Natural Gas	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum	10%
			BPCL	10%
14	KG-DWN-2004/6 (Refer Note c)	10% (10%)	Oil India Limited	10%
			Oil and Natural Gas	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum	10%
			Oil India Limited	10%
15.*	MB-OSN-2004/2 (Refer Note c)	20% (20%)	Petrogas E&P	20%
			GAIL (India) Ltd	20%
			Hindustan Petroleum	20%
16	CB-ONN-2004/4 (Refer Note c)	40% (40%)	Indian Oil Corporation	20%
17	RJ-ONN-2004/1 (Refer Note c)	22.225% (22.225%)	Oil and Natural Gas Corporation Limited	60%
			GAIL (India) Ltd (Operator)	22.225%
			Hindustan Petroleum	22.222%
			BPCL	11.111%
			Hallworthy Shipping Ltd.	11.111%
			Nitin Fire Protection	11.111%
18*	KG-OSN-2005/1 (Refer Note c)	20% (20%)	Oil and Natural Gas	60%
19	KG-DWN-2005/1 (Refer Note c)	10% (10%)	HPCL - Mittal Energy Ltd.	20%
20	CY-ONN-2005/1	30% (30%)	Oil and Natural Gas	70%
			Indian Oil Corporation	20%
			GAIL (India) Ltd (Operator)	40%
21	KK-DWN-2005/2	10% (10%)	Bengal Energy Inc.	30%
22	AN-DWN-2009/5 (Refer Note e)	0% (0%)	Oil and Natural Gas Corporation Limited	90%
23	AN-DWN-2009/13 (Refer Note e)	0% (0%)	Oil and Natural Gas Corporation Limited	100%
			Oil and Natural Gas	80%
			GAIL (India) Ltd	10%
24	AA-ONN-2003/1 (Assam) (Refer Note c)	20% (20%)	NTPC Ltd	10%
			Jubilant oil & Gas Pvt	10%
			Jubilant Securities Pvt. Ltd.	35%
25	CY-DWN-2004/3 (Refer Note c)	10% (10%)	GAIL (India) Ltd	35%
			Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
26	CY-PR-DWN-2004/1 (Refer Note c)	10% (10%)	Hindustan Petroleum	10%
			Oil and Natural Gas	70%
			GAIL (India) Ltd	10%
27	MB-OSN-2005/5 (Refer Note c)	30% (30%)	Hindustan Petroleum	10%
28	MB-OSN-2005/6 (Refer Note c)	20% (20%)	Oil and Natural Gas Corporation Limited	70%
29	CB-ONN-2005/4 (Refer Note c)	49% (49%)	Oil and Natural Gas Corporation Limited	80%
30	CB-ONN-2005/10 (Refer Note c)	49% (49%)	Oil and Natural Gas Corporation Limited	51%
31	CB-ONN-2009/4 (Refer Note b)	50% (50%)	Oil and Natural Gas Corporation Limited	51%
			Oil and Natural Gas	50%



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32*	Sabarmati	60% (60%)	Oilex NL Holdings (India)	40%
* Blocks CY-PR-DWN-2004/2, KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, Sabarmati, KG-OSN-2005/1 & MB-OSN-2004/2 have received the approval from MOPN&G for surrender				
B	GSPC-Operated			
33	South Diyar (Egypt) (Refer Note d)	80% (80%)	Alkor Petro Ltd	20%
34	North Ha'py (Egypt) (Refer Note d)	80% (80%)	Petrogas E&P LLC	20%
35	MB-OSN-2004/1 (Refer Note c)	20% (20%)	GAIL (India) Ltd	20%
			Hindustan Petroleum	20%
			Indian Oil Corporation	20%
			Western Drilling	20%
36	Block No 19 (Yemen)	45% (45%)	Alkor Petro Ltd.	25%
			Western Drilling	30%
37	Block No 28 (Yemen)	45% (45%)	Alkor Petro Ltd.	25%
			Western Drilling	30%
38	Block No 57 (Yemen)	45% (45%)	Alkor Petro Ltd.	25%
			Western Drilling	30%
39	South Gulf of Suez (Egypt) (Refer Note d)	60% (60%)	Adani Welspun Exploration	40%
40	KG-ONN-2004/2	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
41	RJ-ONN-2005/3	60% (60%)	Oil and Natural Gas	40%
42	South East Tungal (Indonesia) (Refer Note d)	50.50%(50.50%)	Essar Oil Ltd	49.50%
<p><b>Notes</b></p> <p>a. The Company's Participating Interest (80% PI) in KG-OSN-2001/3 has been farmed out to Oil and Natural Gas Corporation (ONGC) through a Farm-in/Farm-out Agreement which was executed on 10th March 2017. The agreed valuation for the transaction is USD 995.26 Million towards KG-Deen Dayal West (DDW) area and USD 200 Million as an advance consideration towards the Other Six Discoveries areas. The consideration towards DDW Field is further subject to adjustment based on gas price while the consideration towards Other Six Discoveries is subject to additional payment by ONGC upon valuation of these discoveries to be carried out upon submission of FDP.</p> <p>In April 2017, the Company has entered into a Deed of Assignment &amp; Assumption of Participating Interest with GGR vide which GGR has surrendered and assigned its 10% Participating Interest in KG-OSN-2001/3 Block to the Company. Thus, the Company holds 10% PI in KG-OSN-2001/3 Block.</p> <p>b. The Company had initiated the process for farm-out of 12 E&amp;P fields/blocks of which bids have been received for 7 blocks/fields. The necessary approvals from Government of Gujarat has been obtained for farm-out. The Company has signed Farm-In Farm-Out (FIFO) Agreement with respective counterparties for 6 of these blocks which include Allora, Dholasan, North Kathana, Unawa, Hazira, and Bhandut. The FIFO for Cambay field is in process of being executed. The Company shall be filing the Deed of Assignment with Directorate General of Hydrocarbons, Ministry of Petroleum and Natural Gas after completion of necessary operational procedures. Accordingly, the Company has not taken any line by line entries after the respective effective dates of the agreements.</p> <p>c. The group along with its joint arrangement partners have recommended block MB-OSN-2000/1, MB-DWN-2000/2 (Mumbai), CY-ONN-2002/1 (Cauvery), CB-ONN-2002/2, MB-OSN-2004/1, MB-OSN-2004/2, KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, KG-DWN-2004/6, CY-DWN-2004/1, CY-DWN-2004/2, CY-DWN-2004/4, CY-PR-DWN-2004/2, CB-ONN-2004/4, RJ-ONN-2004/1, BS (3)-CBM-2003/11, KG OSN 2005/1, KG DWN 2005/1, KK DWN 2005/2, KG ONN 2004/2, RJ ONN 2005/3, AA-ONN-2003/1, CY-DWN-2004/3, CY-PR-DWN-2004/1, MB-OSN-2005/5, MB-OSN-2005/6, CB-ONN-2005/10 and CB-ONN-2005/4 to be surrendered to Government of India/Appropriate Authorities in earlier periods.</p> <p>d. The group along with its joint arrangement partners has decided to withdraw from North Ha'py (Egypt) block, South Diyar (Egypt), South Gulf of Suez (Egypt) and South East Tungal Indonesia blocks in earlier years.</p> <p>e. During FY 2013-14 the group has decided to surrender and assign its 10% PI in two ONGC operated blocks namely AN-DWN-2009/5 and AN-DWN-2009/13 block to ONGC w.e.f. 1st April, 2013.</p>				



f. In FY 2017-18 GSPC and HOEC has submitted the proposal for CB-ON/7 Ring Fenced PSC (RFPSC) to MOPNG which is pending requisite approval. However, GSPC has already paid the requisite amount of USD 1.275 Million (Rs.817 Lakhs) as per the guidelines of MOPNG for signing of CB-ON/7 RFPSC.

g. During the financial year 2012-13 the group along with its JV partners have recommended to surrender the three blocks by invoking the termination provision of the PSAs on account of continuation of force majeure events for more than six months. Vide letter dated 13th February, 2013, GSPC led consortium has terminated Production Sharing Agreements (PSAs) for 3 blocks awarded in Republic of Yemen (RoY). PSAs have been terminated on the ground of existence of force majeure event. The Consortium had initiated the arbitration proceedings under the PSAs before the International Chamber of Commerce (ICC), Paris and in the interim stage, obtained order Republic of Yemen not to take steps invoking SBLCs, while Consortium has been directed to extend the validity of SBLCs. Detailed pleadings were filed by both the parties and the final hearing was held from 8-12th September 2014 at the ICC hearing center in Paris. After the final hearing was concluded both the parties had submitted Post Hearing Briefs before the Arbitral Tribunal. Subsequently upon completion of the arbitration proceedings, the final award has been passed by the Arbitral Tribunal on 10 July 2015. The Arbitral Award inter alia:

- Declared that the three Production Sharing Agreements (Blocks 19, 28, and 57) have been validly terminated by GSPC Consortium;
- Declared that the Republic of Yemen and/or the Yemeni Ministry of Oil and Minerals were and are not entitled under the Production Sharing Agreements to draw on the related Standby Letters of Credits (US\$ 4.2 million i.e. ~Rs.31662 Lakhs) issued in their favor by the International Bank of Yemen;
- Arbitral Tribunal has awarded costs of approx. USD 3.79 million (~Rs.2955 Lakhs) in favour of GSPC Consortium.

The Said Arbitral Award has been challenged by the Yemen Government by filing Annulment Proceedings in Court Of Appeal at Paris. GSPC Consortium has filed the response to the Annulment Proceedings filed by Yemen Government. The hearing for the matter took place on February 28, 2017. The Annulment Proceedings have also been held in favour of GSPC Consortium by the Paris Court. GSPC consortium is taking steps for enforcement of award, the matter is sub-judice.

h. During the FY2019-20 GSPC Operated CB-ONN-2004/3 Block has commenced commercial production.

i. Of the above, 19 fields/blocks are in production, namely Hazira, Bhandat, Cambay, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dholasan, North Kathana, Kanawara, Aliora, CB-ONN-2000/1 (Ahmedabad), Tarapur, CB-ONN-2003/2 (Ankleshwar), KG-OSN-2001/3, CB-ONN-2000/1(RFPSC), Sanand Miroli, CB-ONN-2004/1, CB-ONN-2004/2 and CB-ONN-2004/3 block. Net quantity of Company's interest (on gross basis) in proved developed reserves is as follows:

Particulars	Proved Reserves (Oil) (Million MT) *	Proved Reserves (Gas) (Million Cubic Meter) *
Opening Balance for the year ended on 1st April, 2019	0.33	4,155.60
	(0.20)	(4,107.56)
Additions	0.01	23.39
	-	-
** Adjustments on account of change in Reserve estimate	(0.02)	(1,051.42)
	(0.16)	(82.67)
Deletions	-	-
	-	-
Production	0.03	25.90
	(0.03)	(34.63)
Closing Balance for the year ended on 31st March, 2020	0.29	3,101.67
	(0.33)	(4,155.60)

\* Figures in brackets relate to period ended 31st March, 2019

The Company's share of reserve has been considered on the basis of the "Reserve" certification provided by Gujarat Energy Research & Management Institute (GERMI) as on 31st March, 2019 and accordingly the proved reserves as on 31st March, 2020 has been worked based on the reserve estimates certified by GERMI and only includes the blocks which are in production.

\*\* Adjustments reflects change in current reserve estimation and earlier reserve estimation based on proved reserves.

The financial statements of the group reflect its share of Assets, Liabilities, Income and Expenditure of the Joint arrangement operations which are accounted on a line to line basis with similar items in the group's accounts to the extent of participating interest of the group as per the various joint arrangement agreements, in compliance of Ind AS-111. The income and expenditure from joint arrangements are disclosed separately in the Statement of Profit and Loss. The summary of the group's share in Assets & Liabilities of joint arrangements are as follow:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Fixed Assets</b>		
Gross Block	6,10,551.00	6,05,461.00
Current Assets	24,428.00	19,653.00
Current Liabilities and Provisions	7,233.00	34,590.00
Contingent Liabilities	13,045.00	20,065.18

\* includes stores & spares

i. The Statement of Profit and Loss of the group includes its share in Profit or Loss pertaining to the respective Joint arrangements. The summary of Statement of Profit and Loss for the year ended 31st March 2020 is given as under:

Particulars	(Rs. in Lakhs)	
	31st March, 2020	31st March, 2019
<b>Income</b>		
Sale of Crude Oil	5,057.00	7,412.00
Sale of Gas	2,891.00	3,388.00
Increase/(Decrease) in Stock*	(1,834.00)	(53.00)
Other Income	396.00	807.00
<b>Total</b>	<b>6,510.00</b>	<b>11,554.00</b>
<b>Expenditure</b>		
Production Expenses	5,789.00	6,898.00
Duties & Taxes	814.00	910.00
Administrative exps.	1,500.00	1,425.00
<b>Total Expenditure before Depreciation</b>	<b>8,103.00</b>	<b>9,233.00</b>
<b>Profit before depreciation</b>	<b>(1,593.00)</b>	<b>2,321.00</b>

\* It includes increase/ (decrease) in stock of crude oil of Hazira Field amounting to Rs.(279) Lakhs (PY Rs.268 Lakhs). The same is not considered in closing stock of crude oil, in line with joint arrangement's accounting policy.



**GUJARAT STATE INVESTMENTS LIMITED**
**Notes to Consolidated Financial statements for the year ended 31st March 2020**
**Note 43**
**Related party disclosure**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows.

**Associates/Joint Ventures**

Name of the entity	Type
Gujarat Narmada Valley Fertilizers Co. Ltd.	Associate
Gujarat State Fertilizers & Chemicals Co. Ltd.	Associate
Gujarat Alkalies & Chemicals Ltd.	Associate
Gujarat State Financial Services Ltd.	Associate
Gujarat State Energy Generation Limited	Associates
Sabarmati Gas Limited	Joint Ventures
GSPL India Gasnet Limited	Joint Ventures
GSPL India Transco Limited	Joint Ventures
Alcock Ashdown (Gujarat) Limited	Associates

**Details of Key Managerial Personnel and transactions with Key Managerial Personnel:**

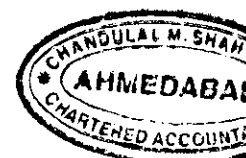
Name of Key Managerial Personnels:	F.Y.2019-20		F.Y.2018-19	
	From Date	To Date	From Date	To Date
Shri Pankaj Joshi, IAS - (Holding Company - Chairman)	27-Dec-19	31-Mar-20	-	-
Shri Arvind Motilal Agrawal, IAS (Holding Company - Chairman)	1-Apr-19	27-Dec-19	-	-
Shri Anil Mukim, IAS (Subsidiary Company - Chairman)	10-Dec-19	31-Mar-20	-	-
Shri Dr. J.N. Singh, IAS (Subsidiary Company- Chairman & Managing Director)	-	-	1-Apr-18	11-Jul-18
Shri Dr. J.N. Singh, IAS (Subsidiary Company - Chairman)	1-Apr-19	10-Dec-19	12-Jul-18	31-Mar-19
Shri Sanjeev Kumar, IAS - (Holding Company - Managing Director)	1-Apr-19	3-Sep-19	-	-
Shri Milind Torawane, IAS - (Holding Company - Managing Director)	4-Oct-19	31-Mar-20	-	-
Shri Vasantkumar Raval - (Holding Company - Independent Director) ( upto 20.06.2020)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Shri Yamal Vyas - (Holding Company - Independent Director) (W.e.f 20.06.2020).	-	-	-	-
Ms. Shridevi Shukla - (Holding Company - Independent Director) (W.e.f 20.06.2020).	-	-	-	-
Ms. Mamta Verma, IAS - (Holding Company - Women Independent Director) ( upto 20.06.2020)	1-Apr-19	31-Mar-20	-	-
Ms. Arti Kanwar, IAS - (Holding Company - Woman Director)	1-Apr-19	31-Mar-20	-	-
Shri Ghanshyam Pathak - (Holding Company - CFO)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Shri Sandeep Shah - (Holding Company - Company Secretary)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Shri T. Natarajan, IAS (Subsidiary Company - Joint Managing Director)	-	-	1-Apr-18	11-Jul-18
Shri Sanjeevkumar, IAS (Subsidiary Company - Managing Director)	22-Aug-19	31-Mar-20	-	-
Shri T. Natarajan, IAS (Subsidiary Company - Managing Director)	1-Apr-19	22-Aug-19	12-Jul-18	31-Mar-19
Shri Sujit Gulati, IAS (Subsidiary Company - Director)	-	-	1-Apr-18	16-Jul-18
Shri Pankaj Joshi, IAS (Subsidiary Company - Director)	20-Sep-19	31-Mar-20	-	-
Smt. Sunaina Tomar, IAS (Subsidiary Company - Director)	4-Jan-20	31-Mar-20	-	-
Dr. Manjula Subramaniam, IAS (Retd.) (Subsidiary Company - Woman Independent Director)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Shri Arvind Agarwal, IAS (Subsidiary Company - Director)	1-Apr-19	6-Dec-19	12-Jun-18	31-Mar-19
Shri Raj Gopal, IAS (Subsidiary Company -Director)	-	-	8-Aug-18	1-Feb-19
Shri M. M. Srivastava, IAS (Retd.) (Subsidiary Company -Director)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Shri K. Kailashnathan, IAS (Retd.) (Subsidiary Company -Director)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Dr. N. Ravichandran (Subsidiary Company - Independent Director)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Prof. Yogesh Singh (Subsidiary Company -Independent Director)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Dr. Ravindra Dholakia (Subsidiary Company -Independent Director)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Shri Rajesh Sivadasan (Subsidiary Company - CFO)	1-Apr-19	31-Mar-20	1-Apr-18	31-Mar-19
Shri Sandeep Dave (Subsidiary Company - Company Secretary)	1-Apr-19	20-Feb-20	1-Apr-18	31-Mar-19
Smt. Reena Desai (Subsidiary Company - Company Secretary)	27-Feb-20	31-Mar-20	-	-

**Transaction with the Key Managerial Personnel**

Particulars	(Amount in Lakhs)	
	2019-20	2018-19
<b>Remuneration to KMP (Parent Company)</b>		
Directors Sitting Fees	0.11	0.12
Remuneration paid to Key Managerial Personnel	21.57	19.98
<b>Remuneration to KMP (Subsidiary Companies)</b>		
Key management personnel compensation	269.69	265.97
Director Sitting Fees	15.71	11.68
Post employment benefit plan		
-Non-contributory superannuation plan	22.75	7.08
-Employee group gratuity scheme	69.82	32.05
Other Long Term benefit	44.10	16.90

**In case of Gujarat State Investment Limited (Parent Company)**

The remuneration to the key managerial personnel includes short term employment benefits and does not include the provision made for the gratuity and leave benefits, as they are determined on actual basis for the company as a whole.



**GUJARAT STATE INVESTMENTS LIMITED**

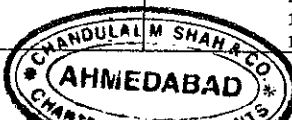
Notes to Consolidated Financial statements for the year ended 31st March 2020

Note 43.1

**Related party disclosure**

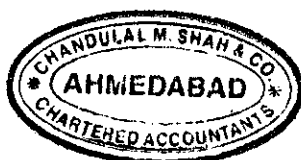
Transactions during the year with related parties:

Nature of Transaction	Associates		Joint Ventures		TOTAL	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Income:</b>						
<b>Sale of LNG</b>	13,019.75	12,302.44	25,153.58	28,141.10	38,173.33	40,443.54
Sabarmati Gas Limited		-	25,153.58	28,141.10	25,153.58	28,141.10
Gujarat State Energy Generation Limited	13,019.75	12,302.44	-	-	13,019.75	12,302.44
Gujarat Narmada Valley Fertilizer Company	25,362.56	-	-	-	25,362.56	-
Gujarat State Fertilizer Company	17,902.78	-	-	-	17,902.78	-
Gujarat Alkalies & Chemicals Ltd.	1,973.38	-	-	-	1,973.38	-
<b>Regasification Income</b>	2,108.08	924.33	-	-	2,108.08	924.33
Gujarat State Energy Generation Limited	2,108.08	924.33	-	-	2,108.08	924.33
<b>Connectivity Charges Received</b>	-	-	-	144.55	-	144.55
Sabarmati Gas Limited	-	-	-	144.55	-	144.55
<b>Gas Transportation Income</b>	7,653.18	1,053.38	5,750.68	5,210.28	13,403.86	6,263.66
Sabarmati Gas Limited		-	5,750.68	5,210.28	5,750.68	5,210.28
Gujarat State Energy Generation Limited	1,775.00	1,053.38	-	-	1,775.00	1,053.38
Gujarat Narmada Valley Fertilizers & Chemicals Limited	5,601.75	-	-	-	5,601.75	-
Gujarat State Fertilizers & Chemicals Ltd.	276.43	-	-	-	276.43	-
<b>PNG Sales - Income</b>	3.49	-	-	-	3.49	-
Gujarat Alkalies & Chemicals Ltd.	3.49	-	-	-	3.49	-
<b>Line Crossing Charges Received</b>	3.54	-	8.26	4.72	11.80	4.72
Gujarat Narmada Valley Fertilizers & Chemicals Limited	3.54	-	-	-	3.54	-
Sabarmati Gas Limited	-	-	8.26	4.72	8.26	4.72
<b>Rent received</b>	19.94	18.99	53.75	145.10	73.68	164.09
Gujarat State Energy Generation Limited	19.94	18.99	-	-	19.94	18.99
GSPL India Gasnet Limited	-	-	6.61	56.65	6.61	56.65
GSPL India Transco Limited	-	-	0.14	55.62	0.14	55.62
Sabarmati Gas Limited	-	-	47.00	32.84	47.00	32.84
<b>Dividend Income</b>	-	-	324.07	249.69	324.07	249.69
Sabarmati Gas Company Limited.	-	-	324.07	249.69	324.07	249.69
<b>Interest Income</b>	986.16	1,172.44	-	-	986.16	1,172.44
Gujarat State Energy Generation Limited	986.16	1,172.44	-	-	986.16	1,172.44
<b>Reimbursement of Exp-Received</b>	116.12	90.28	573.62	941.84	689.74	1,032.12
Sabarmati Gas Company Limited.	-	-	22.12	40.10	22.12	40.10
Gujarat State Energy Generation Limited	44.46	83.81	-	-	44.46	83.81
GSPL India Gasnet Limited	-	-	265.07	595.69	265.07	595.69
GSPL India Transco Limited	-	-	286.42	306.05	286.42	306.05
GSPC LNG Limited	-	6.47	-	-	-	6.47
Gujarat Energy Transmission Corporation Limited	71.66	-	-	-	71.66	-
<b>Sale of Material -Inventory</b>	-	-	21.70	122.18	21.70	122.18
Sabarmati Gas Company Limited.	-	-	17.70	-	-	-
GSPL India Gasnet Limited	-	-	4.00	122.18	4.00	122.18
<b>Services Received</b>	2.30	-	-	-	2.30	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	2.30	-	-	-	2.30	-
<b>Dividend Paid</b>	13.32	-	-	-	13.32	-
Gujarat State Energy Generation Ltd	13.32	-	-	-	13.32	-
<b>Expenses:</b>						
<b>Purchase of Gas</b>	215.18	-	-	-	215.18	-
Gujarat Narmada Fertilizer Company	215.18	-	-	-	215.18	-
<b>Gas transportation charges</b>	-	-	1,289.35	2,419.24	1,289.35	2,419.24
Sabarmati Gas Company Limited.	-	-	69.35	-	69.35	-
GSPL India Gasnet Limited	-	-	1,220.00	2,419.24	1,220.00	2,419.24
<b>Interest on Term Loan paid</b>	27,813.53	-	-	-	27,813.53	-
Gujarat State Financial Services Limited	27,813.53	-	-	-	27,813.53	-
<b>Reimbursement of Expenses: Paid</b>	54.41	37.51	132.43	168.17	186.85	205.68
Gujarat State Energy Generation Limited	54.41	37.51	-	-	54.41	37.51
GSPL India Gasnet Limited	-	-	78.36	98.51	78.36	98.51
GSPL India Transco Limited	-	-	54.07	69.66	54.07	69.66
Gujarat State Fertilizers & Chemicals Limited	8.83	-	-	-	8.83	-
<b>Dividend Paid</b>	684.97	-	-	-	684.97	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	2.66	-	-	-	2.66	-
Gujarat Alkalies & Chemicals Ltd.	213.16	-	-	-	213.16	-
Gujarat State Fertilizers & Chemicals Limited	469.14	-	-	-	469.14	-
<b>ROW Expense</b>	-	-	5.90	-	5.90	-
GSPL INDIA GASNET LTD	-	-	5.90	-	5.90	-
<b>Rent Expense</b>	46.19	-	13.54	1.81	59.73	1.81
GSPL India Gasnet Limited	-	-	13.54	1.81	13.54	1.81
Gujarat Narmada Valley Fertilizers & Chemicals Limited	6.13	-	-	-	6.13	-
Gujarat State Fertilizers & Chemicals Limited	40.06	-	-	-	40.06	-
<b>Purchase of Assets</b>	-	-	0.95	0.61	0.95	0.61
GSPL India Transco Limited	-	-	0.95	0.61	0.95	0.61
<b>Sale of Assets</b>	-	0.56	5.48	9.10	5.48	9.66
Gujarat State Energy Generation Limited.	-	0.56	-	-	-	0.56
Sabarmati Gas Company Limited.	-	-	2.63	-	2.63	-
GSPL India Gasnet Limited	-	-	1.44	3.35	1.44	3.35
GSPL India Transco Limited	-	-	1.42	6.75	1.42	6.75



**GUJARAT STATE INVESTMENTS LIMITED**
**Notes to Consolidated Financial statements for the year ended 31st March 2019**
**Note 43.2**
**Related party disclosure**
**Balances Outstanding**
**(Rs. in Lakhs)**

Nature of transaction	Associates		Joint Ventures		TOTAL	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>Current Assets &amp; Liabilities:</b>						
<b>Debtors</b>	<b>7,881.34</b>	<b>4,401.03</b>	<b>373.25</b>	<b>629.34</b>	<b>8,254.59</b>	<b>10,236.95</b>
Gujarat State Energy Generation Limited.	5,467.15	4,401.03	-	-	5,467.15	4,401.03
Sabarmati Gas Company Limited	-	-	373.25	629.34	373.25	629.34
Gujarat State Fertilizer Company	375.14	-	-	-	375.14	-
Gujarat Narmada Valley Fertilizer Company	2,039.04	-	-	-	2,039.04	-
<b>Advance/Receivables</b>	<b>4,620.57</b>	<b>3,718.83</b>	<b>2,171.99</b>	<b>1,433.22</b>	<b>6,792.56</b>	<b>5,152.05</b>
Gujarat State Energy Generation Limited.	4,611.57	3,718.83	-	-	4,611.57	3,718.83
Sabarmati Gas Company Limited	-	-	-	3.97	-	3.97
GSPL India Gasnet Limited	-	-	2,096.81	1,348.97	2,096.81	1,348.97
GSPL India Transco Limited	-	-	75.17	80.28	75.17	80.28
GSPC LNG Limited	-	-	-	-	-	-
Gujarat State Fertilizer Company	9.00	-	-	-	9.00	-
<b>Payable</b>	<b>19.31</b>	<b>26.60</b>	<b>369.15</b>	<b>353.12</b>	<b>388.46</b>	<b>379.72</b>
Gujarat State Energy Generation Limited.	14.76	26.60	-	-	14.76	26.60
Gujarat Alkalies & Chemicals Ltd.	0.83	-	-	-	0.83	-
Gujarat State Fertilizer Company	1.60	-	-	-	1.60	-
Gujarat Narmada Fertilizer Company	2.12	-	-	-	2.12	-
GSPL India Gasnet Limited	-	-	363.26	283.85	363.26	283.85
GSPL India Transco Limited	-	-	-	1.27	-	1.27
Sabarmati Gas Company Limited	-	-	5.90	68.00	5.90	68.00
<b>Investment in Share Capital (Allotment)</b>	<b>29,018.16</b>	<b>29,018.16</b>	<b>75,245.67</b>	<b>24,281.83</b>	<b>1,04,263.83</b>	<b>53,299.99</b>
GSPC LNG Limited	-	-	-	-	-	-
GSPL India Gasnet Limited	-	-	45,998.60	9,620.00	45,998.60	9,620.00
GSPL India Transco Limited	-	-	23,737.24	9,152.00	23,737.24	9,152.00
Gujarat State Energy Generation Limited.	27,868.16	27,868.16	-	-	27,868.16	27,868.16
Sabarmati Gas Company Limited.	-	-	5,509.83	5,509.83	5,509.83	5,509.83
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)	1,150.00	1,150.00	-	-	1,150.00	1,150.00
<b>Investment in Share Capital (Allotment-pending-Share application money)</b>	<b>3,30,395.91</b>	<b>6,146.91</b>	<b>-</b>	<b>-</b>	<b>3,30,395.91</b>	<b>6,146.91</b>
Gujarat State Energy Generation Limited.	6,146.91	6,146.91	-	-	6,146.91	6,146.91
<b>Inter Corporate Loan</b>	<b>3,24,249.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,24,249.00</b>	<b>-</b>
Gujarat State Financial Services Ltd.	3,24,249.00	-	-	-	3,24,249.00	-



## Note 44

## Segment Information

## i. Description of segment and principal activities

The Group's management monitors the operating results of the below business segments separately for the purpose of making decisions about resource allocation and performance assessment and has identified six reportable segments of its business:

- Exploration and production (E&P): Group is engaged in oil and gas exploration and production operations.
- Gas Trading: Group is engaged in the procurement of gas from international market to meet the demand of gas across Gujarat and other states.
- Power Generation: Group is engaged in the generation of electricity through Gas based power plant and windmills.
- Gas Transmission: Group is engaged in transmission of natural gas across Gujarat.
- City Gas Distribution: Group is engaged in CNG, PNG & Industrial Gas supply across Gujarat and other states.
- Internet & IT: Group is engaged in providing IT related services.

## ii. Segment revenue and expenses

Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".

## iii. Segment assets and liabilities

Segment assets include all operating assets in respective segments comprising of net fixed assets, Capital Work in Progress, current assets, loans and advances. Segment liabilities include operating liabilities and provisions excluding borrowings and deferred tax liabilities.

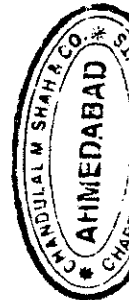
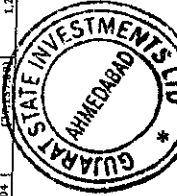
## iv. Secondary segment reporting

Segment assets include all operating assets in respective segments comprising of net fixed assets, Capital Work in Progress, current assets, loans and advances. Segment liabilities include operating liabilities and provisions excluding borrowings and deferred tax liabilities.

## v. Information about product and services

The Company's revenue from external customers for each product is same as that disclosed below under "segment revenue".

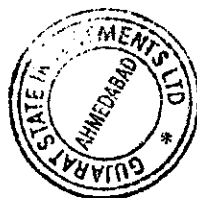
Particulars	As at															(Rs. in Lakhs)
	31st March, 2020							31st March, 2019								
	E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Internet, IT	Unallo-cated	Total	F & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Internet, IT	Unallo-cated	
1. Segment revenue																
External sales*	7,948.00	15,79,021.07	59,686.69	230,649.58	10,52,573.00	1,478.21	-	29,31,356.55	10,800.00	14,99,625.03	71,784.90	1,85,079.98	7,96,560.00	1,606.30	5,096.02	25,70,546.24
Inter segment sales	(1,273.00)	(7,43,435.00)	-	(72,515.00)	-	(229.00)	-	(8,17,452.00)	(1,893.00)	(6,11,864.00)	-	(45,149.00)	-	(213.00)	-	(6,59,119.00)
Total segment revenue	6,675.00	8,35,586.07	59,686.69	1,58,134.58	10,52,573.00	1,249.21	(0.00)	21,13,904.55	8,907.00	8,87,761.03	71,784.90	1,39,930.98	7,96,560.00	1,393.30	5,096.02	19,11,427.24
2. Segment results																
Segment results																
Profit(+) / loss(-)	(1,989.00)	1,48,574.07	30,018.00	1,64,368.20	78,272.00	71.00	42,768.76	4,62,083.02	1,514.00	1,17,004.00	32,652.00	1,45,792.00	30,766.00	230.00	-	3,27,958.00
Unallocated Other Income																
Operating Profit	(1,989.00)	1,48,574.07	30,018.00	1,64,368.20	78,272.00	71.00	42,768.76	4,62,083.02	1,514.00	1,17,004.00	32,652.00	1,45,792.00	30,766.00	230.00	1,02,649.09	4,30,607.09
Interest/ dividend																
Other income	396.00	274.00						14,543.67	807.00	485.00				232.00	25,293.13	26,010.13
Finance Cost								2,889.02		3,674.00	238.00			1,100	17,062.00	21,782.00
Depreciation	(12,061.00)		(15,321.00)	(20,003.00)	(31,798.00)	(52.00)	(215.17)	(1,03,140.37)	(15,206.00)		(17,998.00)	(15,645.00)	(28,801.00)	(53.00)	(301.70)	(1,23,793.32)
Share of profit/loss from associates & JV								(79,656.17)								(79,004.70)
Provision for taxation								51,030.82							58,382.51	58,382.51
Profit/Loss from ordinary activities	(13,654.00)	1,48,848.07	14,497.00	1,44,365.20	46,474.00	19.00	(27,457.96)	3,20,694.04	(12,885.00)	1,21,163.00	14,882.00	1,30,147.00	1,965.00	420.00	(54,376.41)	58,382.51
Impairment Recognised																
Impairment Reversed	(54,078.00)							(54,078.00)	(42,992.00)							(42,992.00)
Other Exceptional Items								46.00	19,341.00							19,341.00
Net profit/(loss)	(67,753.00)	1,48,848.07	14,497.00	1,44,365.20	46,474.00	19.00	(20,954.23)	2,65,916.04	9,379.00	1,21,163.00	14,882.00	1,30,147.00	1,965.00	420.00	(25,438.00)	(16,059.00)
Segment Revenue includes other operating income which is directly attributable to each segment																
																2,40,897.30



GUJARAT STATE INVESTMENTS LIMITED  
Notes to Consolidated Financial statements for the year ended 31st March 2020

44.1 Segment Information

Particulars	As at 31st March, 2020							As at 31st March, 2019								
	E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Internet, IT	Unallo-cated	Total	E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Internet, IT	Unallo-cated	Total
C. Segment assets																
Segment assets	2,21,525.00	1,32,642.00	2,24,828.00	5,42,474.00	7,92,543.00	7,286.00	15,02,398.71	19,21,298.00	2,87,074.00	83,471.00	2,21,904.00	5,30,392.00	7,15,753.00	6,224.00	15,24,359.30	18,44,818.00
Unallocated Assets	2,21,525.00	1,32,642.00	2,24,828.00	5,42,474.00	7,92,543.00	7,286.00	15,02,398.71	15,02,398.71	2,87,074.00	83,471.00	2,21,904.00	5,30,392.00	7,15,753.00	6,224.00	15,24,359.30	15,24,359.30
Total Assets								34,23,697.71								33,69,177.30
D. Segment Liabilities																
Segment Liabilities	72,009.00	63,108.00	1,52,906.00	34,188.00	1,76,627.00	2,085.00	17,49,180.94	5,00,923.00	79,354.00	16,656.00	1,46,111.00	31,734.00	1,62,934.00	1,051.00	20,78,773.99	4,37,840.00
Unallocated Liabilities	72,009.00	63,108.00	1,52,906.00	34,188.00	1,76,627.00	2,085.00	17,49,180.94	22,50,103.94	79,354.00	16,656.00	1,46,111.00	31,734.00	1,62,934.00	1,051.00	20,78,773.99	20,78,773.99
Total Liabilities																25,16,613.99
E. Other information																
Capital Expenditure	1,416.00	-	-	10,723.00	59,555.00	52.00	215.17	71,694.00	13,824.00	-	2,246.00	21,646.00	53,759.00	42.00	35,576.00	1,27,087.00
Depreciation	12,061.00	-	15,521.00	20,003.00	31,798.00	-	-	79,650.17	15,206.00	-	15,645.00	17,998.00	28,801.00	53.00	301.70	78,004.70
Impairment Recognised	54,078.00	-	-	-	-	-	-	54,078.00	42,992.00	-	-	-	-	-	-	42,992.00
Impairment Reversed	(46.00)	-	-	-	-	-	-	(46.00)	(19,341.00)	-	-	-	-	-	-	(19,341.00)
Other Exceptional Items	67.00	-	-	-	-	-	1,099.00	1,166.00	(9,379.00)	-	-	-	-	-	(6,680.00)	(16,059.00)
* Segment Revenue includes other income which is directly attributable to each segment.																





**GUJARAT STATE INVESTMENTS LIMITED**

Notes to Consolidated Financial statements for the year ended 31st March 2020

Note 45

**A. Financial Instruments by category and their fair value**

As at 31st March 2019	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised Cost	Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>									
Derivative Instruments	43.24				43.24			43.24	43.24
Investments									
Quoted	298.26	2,629.00	-	6,54,160.74	6,57,088.00	298.26	6,54,160.53	0.21	6,54,459.00
Unquoted		17,055.82			17,055.82			17,055.82	17,055.82
Loans			14,834.00		14,834.00				
Trade Receivables			1,22,190.58		1,22,190.58				
Cash and Cash Equivalents			33,990.96		33,990.96				
Other Bank Balances			70,615.42		70,615.42				
Other financial assets			1,90,450.10		1,90,450.10				
<b>Total financial assets</b>	<b>341.50</b>	<b>19,684.82</b>	<b>4,32,081.06</b>	<b>6,54,160.74</b>	<b>11,06,268.12</b>	<b>298.26</b>	<b>6,54,160.53</b>	<b>17,099.27</b>	<b>6,71,558.06</b>
<b>Financial liabilities</b>									
Derivative Instruments	52,677.2				52,677.20			52,677.20	52,677.20
Debt Securities			6,00,000.00		6,00,000.00				
Borrowings			13,49,521.26		13,49,521.26				
Other financial liabilities			3,02,502.40		3,02,502.40				
Trade Payables			32,381.00		32,381.00				
<b>Total financial liabilities</b>	<b>52,677.20</b>		<b>22,84,404.66</b>		<b>23,37,081.86</b>			<b>52,677.20</b>	<b>52,677.20</b>

As at 31st March 2020	Carrying amount					Fair value			
	FVTPL	FVTOCI	Amortised Cost	Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>									
Derivative Instruments	14.25				14.25			14.25	14.25
Investments									
Equity instruments - Long term									
Quoted	222.98	1,845.00		7,12,542.33	7,14,610.31	222.98	7,12,542.33	1,845.00	7,14,610.31
Unquoted		19,770.67			19,770.67			19,770.67	19,770.67
Loans			14,429.93		14,429.93				
Trade Receivables			1,34,546.93		1,34,546.93				
Cash and Cash Equivalents			1,06,552.55		1,06,552.55				
Other Bank Balances			49,370.82		49,370.82				
Other financial assets			1,37,317.51		1,37,317.51				
<b>Total financial assets</b>	<b>237.23</b>	<b>21,615.67</b>	<b>4,42,217.73</b>	<b>7,12,542.33</b>	<b>11,76,612.96</b>	<b>222.98</b>	<b>7,12,542.33</b>	<b>21,629.92</b>	<b>7,34,395.23</b>
<b>Financial liabilities</b>									
Derivative Instruments	76,670.40				76,670.40			76,670.40	76,670.40
Debt Securities			6,00,000.00		6,00,000.00				
Borrowings			10,97,046.18		10,97,046.18				
Other financial liabilities			2,36,669.95		2,36,669.95				
Trade Payables			89,308.53		89,308.53				
<b>Total financial liabilities</b>	<b>76,670.40</b>		<b>20,23,024.66</b>		<b>20,99,695.06</b>			<b>76,670.40</b>	<b>76,670.40</b>

# Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Types of Inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

**B. Measurement of fair values**
**Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

**Financial instruments measured at fair value**

FVTOCI in unquoted equity: Investments in Equity Shares of Other Entities

Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

**Level 3 fair values**

Movements in the values of unquoted equity instruments for the period ended 31st March, 2020 and 31st March, 2019 is as below:

Particulars	Amount
<b>As at 31 March 2018</b>	<b>2,881.54</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	14,154.90
Gains/ (losses) recognised in consolidated statement of profit or	19.28
<b>As at 31 March 2019</b>	<b>17,055.72</b>
Acquisitions/ (disposals)	-
Gains/ (losses) recognised in other comprehensive income	2,743.94
Gains/ (losses) recognised in consolidated statement of profit or	(28.99)
<b>As at 31 March 2020</b>	<b>19,770.67</b>

**Transfer out of Level 3**

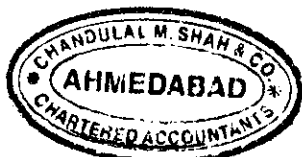
There were no movement in level 3 in either directions during 2019-20 and the year 2018-19. There were no transfers out of level 3 during the year 2019-20 and 2018-19.

**Sensitivity analysis**

In Current Year, Investments in unquoted equity shares comprises majority of Investments in ONGC Petro Additions Ltd. & GSPC LNG Ltd. Valuation of ONGC Petro Additions Ltd. has been done based on Market Approach using Comparable Companies Multiple ("CCM") Method. During Previous Year, investments in ONGC Petro Additions Ltd have not been fair valued on account of lack of adequate information, so it was impracticable to provide the sensitivity analysis of the same.

Sensitivity analysis-ONGC Petro Additions Ltd. (OPAL)

Significant observable inputs	As at 31st March, 2020		As at 31st March, 2019	
	OCI		OCI	
	10% Increase in P/BV	10% Decrease in P/BV	Increase	Decrease
Equity securities in unquoted investments measured through			N.A.	
Fair Value of Investments in OPAL	3,190.44	2,610.36		



In the Current Year, Investments in GSPC LNG has been fair valued based on Market Approach using Comparable Companies Multiple ("CCM") Method. In the Previous Year, GSPC LNG Ltd. had not commissioned its commercial production of its re-gasification terminal and hence the shares had been valued at Face Value and it was impracticable to provide the sensitivity analysis of the same.

Significant observable inputs	(Rs. in Lakhs)			
	As at 31st March, 2020		As at 31st March, 2019	
	OCI		OCI	
	10% Increase in P/BV	10% Decrease in P/BV	Increase	Decrease
Equity securities in unquoted investments measured through Fair Value of Investments in GSPC LNG Ltd.	9035.00	7391.00	N.A.	

#### C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

#### (i) Risk management framework

The Group is exposed to financial risks arising from business/operating activities as well as financial instruments. The risks include market risks pertaining to price risk, currency risk and interest rate risk; credit risk and liquidity risk. The finance and commercial team advises the management (including the CFO of Parent Company) which oversees the risk management strategies and procedures. The objective of the teams is to inform the management on financial risks and propose appropriate financial risk governance framework for the company. Based on the inputs from respective teams, analysis and understanding, the management issues directives for mitigation of risks. The management regularly monitors the risks to ensure that financial risks are identified, measured and managed in accordance with risk management policies.

The Group's risk management activities pertaining gas trading business are managed by the commercial team, while those pertaining to financing activities are managed by the finance team. All derivative activities are carried out by teams with appropriate skills and experience under supervision as per directives of management. The teams are subject to necessary financial and management control.

#### (ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

#### Trade and other receivables

Customers of the Group across the business segments viz. gas trading, power generation, city gas distribution and gas transmission comprise of equity accounted entities and corporates which include public sector undertakings. The Group ratifies the counterparty creditworthiness prior to the contractual agreement and adequate risk mitigation measures are incorporated in the agreement. The counterparty dealings with respect to receivables are governed by the respective group company's debtor's policy which is guiding document. Hence, at this point in time, the group does not perceive credit risk on gas trading receivables.

Gas transmission services are generally subject to security deposit and/or bank guarantee clauses to ensure that in the event of non-payment the company's receivables are secured. The Group provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

In CGD business, 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. CNG sales made through operators of the CNG stations owned by the Group 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. For CNG sales made through Oil Marketing Companies (OMCs), the Group raises the invoice for quantities sold based on periodicity as per the agreement. The OMCs are well established companies viz. HPCL, BPCL, IOC, Essar Oil Ltd. where no significant credit risk is anticipated.

Gujarat Urja Vikas Nigam Limited (GUVNL), a public sector undertaking controlled by the Government of Gujarat, is the single customer for the power generation business. Being a PSU with timely payment track record and adequate credit rating, the group perceives no credit risk.

Since all the customers for the group are based within India, there is no credit risk expected from the outside India. The Group creates an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

#### Movements in Expected Credit Loss Allowance

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the year	(1,288.70)	(1,168.00)
Movements in allowance	(371.03)	(120.70)
Closing balance	(1,659.73)	(1,288.70)

Value of receivables outstanding beyond one year from the due date is not significant. Such receivables which are past due but not impaired are assessed on case-to-case basis. The instances pertain to third party customers which have a proven creditworthiness record. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. Consequently, no additional provision has been created on account of expected credit loss on the receivables. There are no other classes of financial assets that are past due but not impaired. The provision for impairment of trade receivables, movement of which has been provided above, is not significant / material. Since the Group has a fairly diversified in terms of spread and hence no concentration risk is foreseen.

#### Other financial assets

Other financial assets comprises of an amount of Rs. 49604 Lakhs which is receivable from Jubilant Offshore Drilling Pvt Ltd (JODPL) pertaining to Production Sharing Contract executed between the parties for KG-OSN-2001/3 block. JODPL had filed a petition for insolvency and Insolvency Restructuring Professional (IRP) was appointed. However, the resolution process did not materialise subsequent to which JODPL has gone into liquidation and a liquidator has been appointed. The Group has issued forfeiture notice to JODPL to recover the outstanding dues. The Group has adequate rights under the Production Sharing Contract to ensure recovery of receivable amounts from JODPL through the future cash flows of KG Block. The Group is assessing way forward and committed to undertake necessary steps.

Apart from this, other financial assets comprise of cash and cash equivalents, loans provided to employees and investments in equity shares of companies other than subsidiaries, associates and joint Arrangements.

- Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating. The Group reviews their credit-worthiness at regular intervals.
- Investments are made in credit worthy companies.
- Group has given security deposit to various government authorities (like Municipal corporation, Nagarpalika, Grampanchayat, Road & building division and Irrigation department -of Govt. of Gujarat, credit worthy companies etc.) for the permission related to work of executing / laying pipeline network in their premises / jurisdiction. Being government authorities, the Group does not have exposure to any credit risk.
- Derivative instruments comprise of forward contracts, commodity derivatives, Interest rate swaps and cross currency interest rate swaps where the counter parties are banks with good reputation, and past track record with adequate credit rating. Accordingly no default risk is perceived.

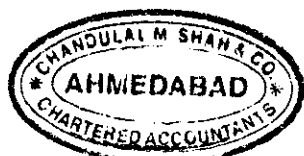
#### (iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are proposed to be settled by delivering cash or other financial asset. The Group's financial planning has ensured, as far as possible, that there is sufficient liquidity to meet the liabilities whenever due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group has practiced financial diligence and syndicated adequate liquidity in all business scenarios.

#### Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Floating rate		
Expiring within one year (line of credit and other)	1,17,950.00	2,16,060.00
Expiring beyond one year (line of credit and other)	960.00	-
Total	1,18,910.00	2,16,060.00



#### 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.

31st March, 2020	(Rs. in Lakhs)			
	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Debt Securities	6,00,000.00	6,00,000.00	1,00,000.00	5,00,000.00
Borrowings	10,97,046.18	10,97,046.18	2,48,044.35	8,49,001.83
Other Financial Liabilities	2,36,669.95	2,36,669.95	2,27,758.76	8,911.19
Trade and other payables	89,308.53	89,308.53	89,308.53	-
<b>Total</b>	<b>20,23,024.66</b>	<b>20,23,024.66</b>	<b>6,65,111.64</b>	<b>13,57,913.02</b>

31st March, 2019	(Rs. in Lakhs)			
	Contractual cash flows			
	Carrying amount	Total	Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Debt Securities	6,00,000.00	6,00,000.00	-	6,00,000.00
Borrowings	13,49,521.26	13,49,521.26	3,16,849.06	10,32,672.20
Other Financial Liabilities	3,02,502.40	3,02,502.40	2,99,486.04	3,016.36
Trade and other payables	32,381.00	32,381.00	32,381.00	-
<b>Total</b>	<b>16,17,474.92</b>	<b>16,17,474.92</b>	<b>5,81,787.36</b>	<b>10,35,687.56</b>

#### (iv) Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the present/future performance of a business. The market risks include price risk, currency risk and interest rate risk. The primary price risk for the company is commodity price risk i.e. price risk of natural gas that could adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. The currency risk for the Group involves exposure arising from External Commercial Borrowings and payments for supply of natural gas. The interest rate risk involves rate risk linked to borrowings of the Group.

#### Commodity price risk

The Group's integrated natural gas procurement and trading business (including Liquefied Natural Gas (LNG)) is open to price risk which is substantially mitigated through conventional derivative instruments which ensures the hedging of the commodity price at marketable/acceptable level for sale to the customer. The Group has executed commodity swaps and options linked to Brent Crude prices which are highly correlated to natural gas prices. Further, the sales prices are modified appropriately to counter market price movements.

#### Equity price risk

The Company's exposure to equity securities price risk arises from investments held by the Group which are classified in the balance sheet as fair value through other comprehensive income (FVOCI). The captioned equity investments are publicly traded as they are listed on the NSE Nifty 50 Index as well as in unquoted equity shares of companies of good credit standing.

#### Sensitivity

The table below summarises the impact of increases/decreases of the index on the Company's total comprehensive income for the period. The analysis is based on the assumption that the index had increased average of the actual movements in quoted prices of equity shares held as investments for the respective periods. All other variables held constant.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
NSE NIFTY 50 - increase 6%	124.08	175.64
NSE NIFTY 50 - decrease 6%	(124.08)	(175.64)

#### Currency risk

The functional currency of all the companies part of the group is Indian Rupees. However, the Group has exposure of USD and JPY denominated External Commercial Borrowing (ECB) as well as receivables and payables in foreign currency. The Group uses combination of Cross currency Interest rate swap, Interest rate swaps and forward contracts to manage the foreign currency risk linked to ECB. The currency risk linked to the payables of gas trading business is mitigated by appropriately factoring the same in the sales prices for the natural gas sold to downstream customers. Exposure arising on purchase contracts of gas on account of the fluctuations in the exchange rate is managed by taking corresponding derivative positions.

In case of GSPL the currency exposure arising on ECB denominated in JPY was fully hedged using a CCIRS.

In case of GSPC the currency exposure on account of USD denominated ECB loans as on 31st March 2018 is reduced subsequent to closure of transaction for 80% PI of KG Block with ONGC. The consideration received for the transaction was utilized to partially novate the ECB loans. The currency risk for the balance ECB loan shall be adequately covered through natural hedge i.e. USD denominated revenue from KG Block pertaining to balance 10% PI with GSPC. Details of the USD denominated ECB outstanding as at each reporting date have been provided below:

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Non current borrowings</b>		
ECB - principal and interest	1,09,107.89	1,04,087.08
<b>Total USD denominated exposure</b>	<b>1,09,107.89</b>	<b>97,886.00</b>

The currency exposure on account of USD denominated ECB loans as on 31st March, 2020 has increased due to mark to market of outstanding ECB and there is a repayment of ECU of USD 5.742 million during the year. In the previous year the currency exposure on account of USD denominated ECB loans as on 31st March, 2019 was increased as compared to 31st March, 2018, due to mark to market of outstanding of ECB. The currency risk for the existing loans is adequately covered through natural hedge i.e. USD denominated revenue from E & P Blocks and margins from Gas Trading Business.

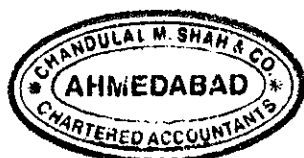
The following significant exchange rates have been applied during the year.

Rupees	Average rate		Year-end spot rate	
	2019-20	2018-19	As at 31-Mar-20	As at 31-Mar-19
USD	72.28	67.10	75.39	69.17

#### Sensitivity analysis

Since the JPY denominated ECB is fully hedged, only USD denominated ECB is considered for the below sensitivity analysis

Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2020				
USD (7% movement)	(7,637.55)	7,637.55	(4,968.69)	4,968.69
Effect in Rupees	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2019				
USD (7% movement)	(7,286.10)	7,286.10	(4,740.04)	4,740.04



#### Interest rate risk

Interest rate risk is the risk that either fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates i.e. Base Rate/MCL linked in INR denominated loans and 6-month LIBOR linked in USD denominated loans.

The Group has substantial mix of USD denominated and INR denominated borrowings. It manages the interest rate risk in INR denominated loans through contractual agreement (i.e. term loan agreement) clauses with the lenders wherein provisions are built-in to allow the Group to prepay the loans without penalty. This clause can be exercised in scenarios that the interest rate under the agreement are not moving in favorable directions and the Group has other available options to switch with borrowings bearing lower interest rates. The interest rate risk of USD denominated loans is mitigated through Interest Rate Swaps which have been executed for the entire ECB liability of the Group.

Variable-rate instruments	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Borrowings	6,64,637.73	9,31,457.23
<b>Total</b>	<b>6,64,637.73</b>	<b>9,31,457.23</b>

Fixed-rate instruments	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Borrowings	3,93,908.44	3,12,564.22
<b>Total</b>	<b>3,93,908.44</b>	<b>3,12,564.22</b>

#### Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. As far as INR denominated borrowings are concerned, the Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and it does not have any designate derivatives (interest rate swaps). However, for USD & JPY denominated borrowings, the Group accounts for fixed rate financial asset or liability at fair value through profit or loss and the Group has designated derivatives (Interest Rate Swaps). Therefore, the profit or loss impact on account of change in interest rates at the reporting date is indicated in the following table. Since no interest rate risk is perceived on fixed rate loans, only variable rate loans have been considered for the purposes of sensitivity disclosed below:

Particulars	Profit or loss		Equity, net of tax	
	100 bp Increase	100 bp decrease	100 bp Increase	100 bp decrease
<b>31st March, 2020</b>				
Borrowings	6,646.38	(6,646.38)	4,323.87	(4,323.87)
<b>Total</b>	<b>6,646.38</b>	<b>(6,646.38)</b>	<b>4,323.87</b>	<b>(4,323.87)</b>
<b>31st March, 2019</b>				
Borrowings	9,314.57	(9,314.57)	6,059.69	(6,059.69)
<b>Total</b>	<b>9,314.57</b>	<b>(9,314.57)</b>	<b>6,059.69</b>	<b>(6,059.69)</b>

#### Commodity Price Risk

Risk arising on account of fluctuations in prices of natural gas is managed through long term purchase contracts entered with the respective parties. The Group monitors the movements in the prices closely while entering into new contracts.

#### Other risk - Impact of COVID-19

A indicates Financial Instruments by category and fair value which includes Financial Assets and Liabilities. Financial Assets Fair Valued Through OCI (FVTOCI) include Investments in GSPC LNG Ltd, ONGC PetroAdditions Ltd and Gujarat Industrial Power Corporation Ltd (GIPCL). GLL and OPaL have been fair valued through market approach which factors any potential impact of COVID19. GIPCL is fair valued through Level-1 thus market impact of pandemic has been factored.

The Financial Assets carried at amortized cost (i.e. trade receivables, unsecured loans advances to related parties) have been assessed for likelihood of increased credit risk and consequential default in view of COVID19. The counterparties have been assessed to have adequate financial strength and credit risk is significantly low, thus the assets are continued to be held at its respective value which shall be realized / monetized. The cash and cash equivalent balance does not mandate such assessment.

The Financial Assets carried at Cost include investments in GSPC Group companies. The impact of COVID19 on businesses of GSPC Group has been assessed and observations indicate some impact on demand outlook of certain business verticals however the business verticals bring forth inherent financial strength and shall experience adequate recovery to sustain the value at which the respective assets are held.

The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered / monetized over the envisaged timeframe. The assessment of impact of COVID19 has been carried out based on best effort basis with the available information and may experience divergence from assessment depending on the evolving scenario of the pandemic.

#### Note 46

##### Capital management

The Group defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the parent (which is the Group's net asset value). The primary objective of the company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base. The Group aims to maintain the net debt ratio, that is, the ratio of net debt to net debt plus equity, of 2:3 with some flexibility of 5%.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on 31st March, 2019 was as follows.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Total liabilities	22,50,103.93	25,16,613.99
Less: Cash and bank balances	1,55,923.36	1,04,606.38
<b>Adjusted net debt</b>	<b>20,94,180.57</b>	<b>24,12,007.62</b>
Total equity	7,23,657.14	5,96,550.01
<b>Adjusted net debt to adjusted equity ratio</b>	<b>2.89 times</b>	<b>4.04 times</b>



**GUJARAT STATE INVESTMENTS LIMITED**

Notes to Consolidated Financial statements for the year ended 31st March 2020

**Note 47****Employee stock option plan 2008****In Case of Gujarat Gas Limited**

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.

**In Case of Gujarat State Petronet Limited****ESOP 2010 Scheme:**

During the Financial Year 2010-11, the Company instituted ESOP-2010. The Board of Directors and the Shareholders approved the plan in the meeting held on 23rd August 2010 and 27th October 2010 respectively, which provides for the issue of 21,28,925 equity shares to the employees of the company. The Compensation Committee administers ESOP-2010. These ESOPs are granted at an exercise price of ₹75 per share to be vested over the period of five years and to be exercised within a period of ten years from the date of Grant. Set out below is a summary of options granted under the plan:

Set out below is a summary of options granted under the plan:

Particulars	31st March, 2020		31st March, 2019	
	Avg Exercise Price per share option (₹)	Number of options	Avg Exercise Price per share option (₹)	Number of options
Opening Balance	75	2,41,801	75	3,87,958
Granted during the year	75	-	75	-
Exercised during the year	75	(1,29,888)	75	(1,37,761)
Lapsed/cancelled during the year	75	-	75	(8,396)
Closing balance		1,11,913		2,41,801

**Fair value of options granted**

The fair value at grant date of options granted during the year ended 31 March 2020 was ₹ 72.45 per option (31 March 2019 - ₹ 72.45). The fair value at grant date is determined using the Binomial Model which takes into account the exercise price, the terms of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

**Expenses arising from share based payment transactions**

Total expenses arising from share-based payment transactions recognised in the statement of profit and loss as part of employee benefit expenses were as follows:

Particulars	(Rs. in Lakhs)	
	Mar-20	Mar-19
Employee option plan	-	(6.08)

**Note 48**

Under Ind AS compliant Schedule III, the consolidated financial statements do not include notes such as quantitative information, forex earnings/expense, remuneration to auditors, corporate social responsibility, details required under MSME Act etc. which are not necessary to present true and fair view of the financial statements.

**Note 49**

In case of balances of Joint Arrangement parties, for cash call and other transactions and also in case of balances of other parties i.e. Trade Receivables, Trade Payables, Loans and Advances and other liabilities the company is in the process of reconciling it with the parties. Adjustments if any will be accounted on reconciliation/settlement of the same.

**50. IMPACT OF COVID-19 PANDEMIC**

The Group has made preliminary assessment of impact on business and financial risks on account of the pandemic COVID 19 and pursuant lockdown. The Group is primarily in Natural Gas Marketing and Exploration & Production businesses supplying natural gas to various commercial units, industries, power generation plants and city gas distribution companies. Accordingly, being an essential services company, the management ensured that seamless operations continued throughout the lockdown phase.

The lockdown phase led to drop in overall demand for natural gas due to shutdown on commercial units and industries, however The Group continued to supply natural gas to power plants and city gas distribution companies. The E&P business was impacted due to significant volatility and downward price pressure in Oil and Gas prices, non-mobility staff and O&M service providers as the production sites continued to operate with skeleton staff. The production of oil and gas from the E&P blocks had to be calibrated as per the capacity of available storage and demand which shall lead to deferred realization of revenue.

The Group has assessed the potential impact of the pandemic in coming quarters and observed that The Group has necessary market drivers and adequate financial strength to continue seamless operations for gas marketing and E&P business which shall ensure going concern and financial bandwidth to meeting its financial commitments and liabilities. The Group currently has a comfortable liquidity position and continues to assess its cash flow and liquidity position, in both normal and stressed situation. The Group has not availed moratorium from term loan lenders and continues to service its debt obligations. The Group's financial management is further supported by its strong external credit ratings. The Group has adequate financial reporting and control system and has been operating throughout while adhering to internal financial controls. The Management does not see any risks to The Group's ability to continue as a going concern and meet its liabilities as and when they become due based on the current indicators.

The Group, as at the date of approval of the financial statements has used the available sources of internal and external information including research reports, credit reports and economic forecasts. The Group has performed sensitivity analysis on the base assumptions for assessment of impact of pandemic.

The impact of the pandemic outbreak on the business and financial position of The Group has been assessed and accordingly The Group has recorded an impairment to the extent the carrying amount exceeds the recoverable amount and has disclosed the same as exceptional item in the financial statements. As the impact assessment of this global health pandemic COVID-19 is an evolving process, its impact may be different from that estimated as at the date of approval of these financial statements and The Group will continue to closely monitor any material changes to future economic conditions.



**Gujarat State Investments Limited**

**Notes to Consolidated Financial statements for the year ended 31st March 2020**

**Note 51**

**Transition to Ind AS 116 Leases**

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Effective from 1 April 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified retrospective approach, under which the right of use asset is measured at an amount equal to lease liability adjusted for prepaid or accrued rentals. Accordingly, there is no impact on retained earnings as on 1 April 2019 and the comparative information is not restated i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

On transition to Ind AS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases as carried out under Ind AS 17 Leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

**The Group as a lessee**

As a lessee, the Group leases land, building, vehicles, compressors, cascades and guest houses/other assets. The Group 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 Group. Under Ind AS 116, the Group 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 incremental borrowing rate as at 1 April 2019. The Group 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. Under Ind AS 116, the Group has reclassified prepaid rent, lease hold land and ARO to right-of-use assets for most of these leases.

The Group used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Group:

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 April 2019
- Did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application;

The weighted average incremental borrowing rate of 8.25% - 8.59% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On transition, for leases that are classified as finance lease under Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of transition to Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17.

**The Group as a lessor:**

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub - lease. The Group accounted for its leases in accordance with Ind AS 116 from 1st April 2019.



**Nature of the lease transaction:**

The Group has taken several plots of land on lease with lease term ranging from 14.5 years to 99 years and factory shed buildings with a lease term of 99 years, building with lease term ranging from 11 months to 10 years and various guest houses / yards / office containers on lease with the lease term of 11 months. The Group has also taken various commercial vehicles, CNG Cascade, IT equipment etc. on lease. The lease term mentioned in the agreements ranges from 6 months to 10 years. Some of the lease contracts are having renewal option with mutual consent and also contain termination options. Such options are appropriately considered in determination of the lease term based on the management's judgement. In certain contracts, the Group is restricted from assigning and subletting the leased assets. For leases where the lease term is less than 12 months with no purchase option, the Group has elected to apply exemption for short term leases and accordingly, right of use assets and lease liabilities for these contracts are not recognised.

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Rs. In Lakhs
As on 1st April, 2019	-
Additions on account of transition to Ind AS 116 (on April 01, 2019)	7,521.14
Add: Interest Expenses	439.16
Less: Payments	(1,728.03)
As at 31st March, 2020	6,232.27
Non-current	5,008.00
Current	1,224.27
Particulars	Rs. In Lakhs
Amount charged to Statement of Profit & Loss for leases	1,771.00

**Maturity Analysis of lease liabilities:**

Particulars	Rs. In Lakhs
Less than 12 Months	1,307.31
More than 12 Months	11,563.00

**Amounts recognised in profit or loss**

Particulars	Rs. In Lakhs
2019-20 - Leases under Ind AS 116	
Amortisation charge for right-of-use assets	1,366.00
Interest on lease liabilities	439.00
Expenses relating to short-term leases	1,868.00

**B. The Group as lessor**

In accordance with Ind AS 116, the Group recognised lease equalisation asset/liability as on transition date for the contracts where there is escalation in rent. The Group has given certain portion of land, office building and guest house on lease with the lease term ranging from 11 months to 30 years. The lease rentals are subject to escalations over the period of lease tenure. The same is accounted as operating lease under Ind AS 116 Leases.

Particulars	Rs. In Lakhs
	2019-20
Rental income	383.00

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	Rs. In Lakhs
	2019-20
Operating leases under Ind AS 116	
Less than one year	114.00
One to two years	113.00
Two to three years	30.00
Three to four years	2.00
Four to five years	-
More than five years	2.00



**Note 52 TRANSITION TO IND AS 115 - REVENUE FROM CONTRACTS WITH CUSTOMERS****In Case of Subsidiary Gujarat State Petronet Limited Consolidated**

Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with customers" which resulted in changes in the revenue recognition accounting policy and adjustments to the amounts recognised in the financial statements.

In accordance with the transition provisions in Ind AS 115, the Group has adopted the new standard retrospectively using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

In summary, the following adjustments were made:

**Balance Sheet as on 1 April, 2018:**

(Rs. in Lakhs)			
Financial line item	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity	2,72,002.05	(3,982.24)	2,68,019.81
Non-Current Liability: Revenue Received in Advance	-	5,052.00	5,052.00
Current Liability: Revenue Received in Advance	-	630.00	630.00
Investments in equity accounted investees	59,120.98	286.24	58,834.74
Deferred Tax (Asset)	-	(1,986.00)	(1,986.00)

**Balance Sheet as on 31 March, 2019:**

(Rs. in Lakhs)			
Financial line item	Ind AS 18-Carrying Amount	Re-measurement	Ind AS 115-Carrying Amount
Other Equity	3,78,592.93	(4,391.00)	3,74,201.93
Non-Current Liability: Revenue Received in Advance	-	5,954.00	5,954.00
Current Liability: Revenue Received in Advance	-	796.00	796.00
Deferred Tax (Asset)	-	(2,359.00)	(2,359.00)

**Statement of profit or loss for the year ended March 31, 2019**

(Rs. in Lakhs)			
Financial line item	Ind AS 18-Values	Re-measurement	Ind AS 115-Values
Revenue from contracts with customers	9,56,394.26	(1,068.00)	9,55,326.26
Income tax expense	51,810.84	(373.20)	51,437.64
Profit for the period	1,19,734.30	(694.80)	1,19,039.50

**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 Group that the gas is procured by the customer and supplied by the Group on a perpetual basis. Consequently the connection charges are to be deferred over the useful life of the connection facility (i.e. 18 years).

The following table provides information about contract assets and contract liabilities from contract with customers:

(Rs. in Lakhs)			
Particulars		As at	As at
		31st March, 2020	31st March, 2019
Unbilled revenue - Other Financial Assets (Contract Assets)		7,941.70	5,068.93
Advance from customers - Other Non-Financial Liability (Contract Liabilities)		1,884.74	2,007.04
Trade receivables		65,531.85	70,031.10
Revenue received in advance - Other Non-Financial Liability		12,939.83	10,813.78

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.

**In Case of Subsidiary Gujarat Info Petro Limited**

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with customers" which resulted in changes in the revenue recognition accounting policy and adjustments to the amounts recognised in the financial statements.

In accordance with the transition provisions in Ind AS 115, the Company has adopted the new standard retrospectively using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted.

In summary, the following adjustments were made:

**a) Balance Sheet as on April 1 2018**

(Rs. in Lakhs)			
Balance sheet (extract)	Ind AS 18 carrying amount	Re-measurement	Ind AS 115 carrying amount
Other Equity:			
Retained Earnings	(2,209.21)	16.30	(2,192.91)
Current Liability:			
Excess Billing Over Revenue	(143.86)	(22.50)	(166.36)
Deferred Tax Asset	80.22	6.20	86.42

**b) Balance Sheet as on 31st March 2019**

(Rs. in Lakhs)			
Balance sheet (extract)	Ind AS 18 carrying amount	Re-measurement	Ind AS 115 carrying amount
Other Equity:			
Retained Earnings	(2,484.82)	-	(2,484.82)
Current Liability:			
Excess Billing Over Revenue	(141.09)	-	(141.09)
Deferred Tax Asset	80.47	-	80.47





**Note No. 53: Restatement of Prior Period Errors and Reclassifications of comparative figures**

The Group has discovered prior period errors on account of non-reversal of provision for impairment loss of investments measured at fair value and recognition of deferred tax assets in the absence of prudence. The Group has accounted for the prior period errors during current period retrospectively by restating the comparative amounts to which the same relates. Since certain periods were prior to comparative period presented the impact has been considered in opening balance sheet of comparative period presented.

**As at 01.04.2017****Balance Sheet as at 1st April, 2017****(Amount in lakhs)**

Financial Statement Line Item Restated (Balance Sheet)	Earlier Presentation	Correction Amount	Restated Amount
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
c. Investment	4,39,103.87	917.97	4,40,021.84
<b>2. Non Financial Assets</b>			
b. Deferred Tax Assets (Net)	16,980.86	-16,975.78	5.08
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(b) Other Equity	3,00,936.99	-16,057.82	2,84,879.17
- Retained Earning	2,95,736.99	-16,057.82	2,79,679.17

**As at 31.03.2018****Balance Sheet as at 31st March, 2018****(Amount in lakhs)**

Financial Statement Line Item Restated / Reclassified (Balance Sheet)	Earlier Presentation	Correction Amount	Restated Amount
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
c. Investment	5,56,478.24	917.97	5,57,396.21
<b>Equity and Liabilities</b>			
<b>2. Non Financial Liabilities</b>			
b. Deferred Tax Liabilities (Net)	36,466.79	-19,742.68	16,724.11
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(b) Other Equity	4,04,429.14	-18,824.71	3,85,604.43
- Retained Earning	3,99,229.14	-18,824.71	3,80,404.43

**Statement of Profit & Loss for the period ended 31st March, 2018****(Amount in lakhs)**

Financial Statement Line Item Restated / Reclassified (Statement of Profit & Loss)	Earlier Presentation	Correction Amount	Restated Amount
<b>(VII). Tax Expnsese</b>			
(ii) Deferred Tax	5,442.50	-2,766.91	2,675.59
<b>(XVI) Earning per Share</b>			
Basic & Dilluted (Amount in Rs.)	9.12	-0.27	8.85

**As at 31.03.2019****Balance Sheet as at 31st March, 2019****(Amount in lakhs)**

Financial Statement Line Item Restated / Reclassified (Balance Sheet)	Earlier Presentation	Correction Amount	Restated Amount
<b>ASSETS</b>			
<b>1. Financial Assets</b>			
b. Bank Balance other than cash and cash equivalent	57355.00	13,260.42	70,615.42
c. Financial Instruments	0.00	43.24	43.24
d. Investment	6,53,382.25	917.97	6,54,300.22
e. Other Financial Assests	2,03,753.76	-13,303.66	1,90,450.10
<b>2. Non Financial Assets</b>			
Current tax Assets (Net)	19,094.00	-237.93	18,856.07
<b>Equity and Liabilities</b>			
<b>1. Financial Liabilities</b>			
Financial Instruments	-	52,677.20	52,677.20
Borrowings (Other than Debt Securities)	11,91,226.00	1,58,295.26	13,49,521.26
Other financial liabilities	5,13,474.86	-2,10,972.46	3,02,502.40
<b>2. Non Financial Liabilities</b>			
Current Tax Liabilities	237.93	-237.93	-
Provisions	22,580.17	-	22,580.17
Deferred Tax Liabilities	92,615.26	19,733.23	1,12,348.49
<b>Equity</b>			
(b) Other Equity	5,11,028.24	-18,755.14	4,92,273.10
- Retained Earning	5,00,569.98	-18,755.90	4,81,814.08

**Statement of Profit & Loss for the period ended 31st March, 2019****(Amount in lakhs)**

Financial Statement Line Item Restated / Reclassified (Statement of Profit & Loss)	Earlier Presentation	Correction Amount	Restated Amount
<b>Income</b>			
i. Other Income	20967.13	814.87	21782.00
<b>Expnseses</b>			
i. Finance Cost	122978.45	816.31	123793.32
ii. Net loss on fair value changes	0	107.50	107.50
iii. Employee Benefits Expenses	26173.06	117.11	26,290.17
v. Others expenses	73716.86	-224.61	73,492.25
<b>(VII). Tax Expnsese</b>			
(ii) Deferred Tax	6,841.30	-83.43	6,757.87
<b>(XVI) Earning per Share</b>			
Basic & Dilluted (Amount in Rs.)	17.49	0.01	17.50

**Cash Flow Statement for the year ended 31st March, 2019**

Financial Statement Line Item Restated / Reclassified (Cash Flow Statement)	Earlier Presentation	Correction Amount	Restated Amount
<b>CASH FLOW FROM OPERATING ACTIVITES</b>			
Movments in working Capital			
Fixed Deposits with Bank	-9518.77	9,518.77	-
Interest and Dividend Income	-14317.17	14,317.17	-
Other Financial Assets	87673.42	3,257.49	90,930.91
<b>CASH FLOW FROM INVESTING ACTIVITES</b>			
Interest and Dividend Receivd	17,574.65	-17,574.65	-
Change in Bank Balance Other than Cash and Cash Equivalent	15,344.00	-9,326.74	6,017.26
Closing Balance of Cash & Cash Equivalent	33798.92	192.04	33,990.96



54 Additional information pursuant to Schedule III of Companies Act, 2013 for Consolidated Financial Statements for year ended 31.03.2020

Name of the entity in Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent Company</b>								
Gujarat State Investment Limited	0.03%	305.24	-1.03%	(2,738.05)	0.00%	0.19	-1.10%	-2,737.85
<b>Subsidiary Company</b>								
<b>Indian</b>								
1. Gujarat State Petroleum Corporation Limited	11.84%	1,38,992.02	14.48%	38,448.57	6.75%	(1,126.17)	15.00%	37,322.40
<b>Non-controlling Interests in all subsidiaries</b>	38.34%	4,49,936.64	68.75%	1,82,538.69	0.64%	(107.14)	73.32%	1,82,431.55
<b>Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
1. Gujarat Alkalies & Chemicals Ltd.	5.51%	64,661.53	2.93%	7,775.03	5.17%	862.47	3.47%	8,637.51
2. Gujarat Narmada Valley Fertilizers Co. Ltd.	10.58%	1,24,199.71	8.87%	23,544.20	0.25%	(41.08)	9.45%	23,503.12
3. Gujarat State Fertilizers & Chemicals Co. Ltd.	20.49%	2,40,517.46	4.19%	11,126.51	107.12%	(17,862.66)	-2.71%	(6,736.15)
4. Gujarat State Financial Services Ltd.	13.21%	1,54,981.18	1.81%	4,801.08	9.59%	1,599.11	2.57%	6,400.19
<b>Total</b>	<b>100.00%</b>	<b>11,73,593.78</b>	<b>100.00%</b>	<b>2,65,496.04</b>	<b>100.00%</b>	<b>(16,675.28)</b>	<b>100.00%</b>	<b>2,48,820.76</b>

Additional information pursuant to Schedule III of Companies Act, 2013 for Consolidated Financial Statements for year ended 31.03.2019

Name of the entity in Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent Company</b>								
Gujarat State Investment Limited	-7.21%	-61,484.97	10.95%	26,377.71	0.01%	-1.80	11.88%	26,375.91
<b>Subsidiary Company</b>								
<b>Indian</b>								
1. Gujarat State Petroleum Corporation Limited	11.40%	97,202.40	16.83%	40,541.73	-10.00%	1,888.00	19.20%	42,421.73
<b>Non-controlling Interests in all subsidiaries</b>	30.03%	2,56,013.30	50.35%	121,280.27	2.22%	(418.00)	54.42%	1,20,862.27
<b>Associates (Investment as per the equity method)</b>								
<b>Indian</b>								
1. Gujarat Alkalies & Chemicals Ltd.	6.74%	57,499.93	5.84%	14,071.64	18.71%	(3,516.09)	4.75%	10,555.56
2. Gujarat Narmada Valley Fertilizers Co. Ltd.	12.14%	1,03,494.85	7.30%	17,589.21	9.45%	(1,776.47)	7.12%	15,812.73
3. Gujarat State Fertilizers & Chemicals Co. Ltd.	29.47%	2,51,246.35	6.21%	14,964.98	78.53%	(14,761.53)	0.09%	203.45
4. Gujarat State Financial Services Ltd.	17.43%	1,48,591.45	2.52%	6,071.76	1.08%	(202.53)	2.64%	5,869.23
<b>Total</b>	<b>100.00%</b>	<b>8,52,563.31</b>	<b>100.00%</b>	<b>2,40,897.30</b>	<b>100.00%</b>	<b>(18,796.42)</b>	<b>100.00%</b>	<b>2,22,100.88</b>

55 Previous Year's figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

For Chandulal M. Shah & Co.  
Firm's Registration Number : 101698W  
Chartered Accountants



Arpit D. Shah  
Partner  
Membership No. : 135188  
Place : Ahmedabad  
Date : 30 JUL 2020



For and on behalf of board of directors of  
Gujarat State Investments Limited

*Yamabhuys*  
Managing Director

*Shah*  
Director  
Company Secretary  
Place : Gandhinagar  
Date : 30 JUL 2020

Chief Financial Officer

