



GUJARAT STATE PETROLEUM CORPORATION
LIMITED

37th ANNUAL REPORT

2015-16

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GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN: U23209GJ1979SGC003281)

Registered Office: GSPC Bhavan, B/h Udhog Bhavan, Sector – 11, Gandhinagar.

NOTICE

Notice is hereby given that 37th Annual General Meeting of the members of Gujarat State Petroleum Corporation Limited will be held on Friday, the 9th September, 2016 at Committee Room, CS Office, 5th Floor, Block No. 1 New Sachivalaya, Gandhinagar at 1.30 P.M. to transact the following businesses:

ORDINARY BUSINESS

- 1 To consider and adopt
 - (a) the audited Standalone financial statements of the Company for the financial year ended 31st March, 2016, the report of Board of Directors and Auditors' report thereon; and
 - (b) the consolidated financial statements of the Company for the financial year ended 31st March, 2016 and Auditors' report thereon.
- 2 To appoint Shri M. M. Srivastava, IAS (Retd.) who retires by rotation and being eligible offers himself for reappointment.
- 3 To fix remuneration of Statutory Auditors of the Company in terms of provisions of section 142 of the Companies Act, 2013.

SPECIAL BUSINESS

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

- 4 **To approve appointment of Dr. J. N. Singh, IAS [DIN: 00955107] as Chairman & Managing Director of the Company.**

“RESOLVED THAT pursuant to the applicable provision of Section – 152, Section – 160, Section – 203 and other applicable provisions, if any, of the Companies Act 2013, Articles of Association, appointment of Dr. J. N. Singh, IAS [DIN: 00955107] as Chairman & Managing Director and Key Managerial Personnel

(KMP) of the Company w.e.f 1st August, 2016 pursuant to Govt. of Gujarat Order dated 31st July, 2016 for a period not exceeding 5 years w.e.f. 1st August, 2016 or till receipt of further intimation from State Government, whichever is earlier, be and is hereby approved and that he shall not be liable to retire by rotation.”

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

- 5 To approve appointment and terms & conditions of appointment of Dr. T. Natarajan, IAS [DIN: 00396367] as Joint Managing Director of the Company.**

“**RESOLVED THAT** pursuant to the applicable provision of Section – 152, Section – 160, Section – 203 and other applicable provisions, if any, of the Companies Act 2013, Articles of Association, appointment of Dr. T. Natarajan, IAS [DIN: 00396367] as Joint Managing Director and Key Managerial Personnel (KMP) of the Company w.e.f 1st August, 2016 pursuant to Govt. of Gujarat Order dated 31st July, 2016 for a period not exceeding 5 years or till receipt of further intimation from State Government, whichever is earlier, be and is hereby approved and that he shall be liable to retire by rotation.”

“**RESOLVED FURTHER THAT** approval of shareholders be and is hereby accorded for payment of monthly remuneration to Dr. T. Natarajan, IAS as determined by Govt. of Gujarat from time to time.”

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

- 6 To approve appointment of Shri Sujit Gulati, IAS [DIN: 00177274] as Director of the Company.**

“**RESOLVED THAT** Shri Sujit Gulati, IAS [DIN: 00177274] who was appointed as Additional Director of the Company under Section – 161 of the Companies Act, 2013 to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section – 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

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

7 Approving remuneration of Cost Auditor of the Company as Ordinary Resolution.

“**RESOLVED THAT** pursuant to Section 148 (3) of Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 notified under Companies Act, 2013, appointment of M/s. N. D. BIRLA & Co. Cost Accountants as Cost Auditor for financial year 2016-17 at total fees of Rs. 4 Lakh per annum plus applicable Taxes and out of pocket expenses be and is hereby ratified and approved.”

By order of the Board,

**Sandeep Dave
Company Secretary**

Date: 11th August, 2016
Place: Gandhinagar

Registered Office :
GSPC Bhavan, Sector – 11,
Gandhinagar – 382 011
E-mail: gspc@gspc.in
Website: www.gspcgroup.com
Phone: 079-66701001
Fax: 079-23236375

Notes:

1. THE STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 WITH RESPECT TO SPECIAL BUSINESS SET OUT IN THE NOTICE IS ANNEXED.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY TO BE EFFECTIVE MUST REACH TO THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.

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

3. WHEREIN MEMBER (S) ARE BODY CORPORATE (VIZ COMPANIES ETC) AUTHORISATION IS TO BE DONE BY THE BOARD OF THAT BODY CORPORATE IN FAVOUR OF ANY PERSON AS PER THE PROVISIONS OF SECTION 113 OF COMPANIES ACT, 2013, WHO SHALL ACT AS THE REPRESENTATIVE OF THAT BODY CORPORATE AND SHALL HAVE SAME RIGHT AND POWERS ON BEHALF OF BODY CORPORATE AS IF IT WERE AN INDIVIDUAL. THE AUTHORISED REPRESENTATIVE SHALL SEND THE CERTIFIED TRUE COPY OF THE RESOLUTION ALONG WITH REPRESENTATION LETTER AT THE REGISTERED OFFICE OF THE COMPANY TO REACH BEFORE THE DATE OF ANNUAL GENERAL MEETING.
4. MEMBERS WHO HAVE NOT REGISTERED THEIR E-MAIL ADDRESSES SO FAR, ARE REQUESTED TO REGISTER/ CHANGE THEIR E-MAIL ADDRESS FOR RECEIVING ALL COMMUNICATION INCLUDING ANNUAL REPORT, NOTICES, CIRCULARS, ETC. FROM THE COMPANY ELECTRONICALLY. IN CASE IF E-MAIL ID IS NOT UPDATED OR CHANGED, WE SHALL CONTINUE TO SEND NOTICE, DOCUMENTS OR ANY OTHER COMMUNICATION RELATED TO GENERAL MEETING ON E-MAIL ID WHICH IS REGISTERED WITH THE COMPANY AND ON WHICH COMPANY IS CONSISTENTLY SENDING COMMUNICATION TILL DATE AND SUCH E-MAIL ID SHALL BE DEEMED TO BE ON RECORDS OF THE GSPC, ENTITLED TO RECEIVE NOTICE ON BEHALF OF YOUR COMPANY PURSUANT TO THE PROVISION OF RULE – 18(3) OF THE COMPANIES (MANAGEMENT & ADMINISTRATION) RULES, 2014.
5. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE AND THE EXPLANATORY STATEMENT SHALL BE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY DURING NORMAL BUSINESS HOURS I.E. BETWEEN 9 A.M. TO 6 P.M. ON ALL WORKING DAYS UP TO AND INCLUDING THE DATE OF ANNUAL GENERAL MEETING.

Explanatory Statement Pursuant to Section 102 (2) of the Companies Act, 2013

Item No. 4

To approve appointment of Dr. J. N. Singh, IAS [DIN: 00955107] as Chairman & Managing Director of the Company.

The Govt. of Gujarat has vide notification dated 31st July, 2016 appointed Dr. J. N. Singh, IAS as Chairman & Managing Director of the Company.

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

The Board of Director has approved appointment of Dr. J. N. Singh, IAS [DIN: 00955107] as Chairman & Managing Director on the Board of Directors of the Company w.e.f. 1st August, 2016 pursuant to Govt. notification dated 31st July, 2016 for a term not exceeding 5 years or till receipt of further intimation from State Government, whichever is earlier. Dr. J. N. Singh, IAS shall not be liable to retire by rotation. The Company has received a notice in writing under Section – 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Chairman & Managing Director.

MCA has vide notification dated 5th June, 2015, exempted Government Companies from applicability of provisions of Sub-section (2), (4) and (5) of Section 196 and 197 of the Companies Act, 2013. Your Company being Government company is not required to comply with the provisions of Sub-section (2), (4) and (5) of Section 196 and 197 of the Companies Act, 2013 with respect to appointment of Managing Director and Chairman. Further as per provisions of section 152 and 160 of the Companies Act, appointment of director of the company shall be subject to approval from shareholders in general meeting.

In view of above, approval of shareholders is being obtained at the Annual General Meeting for appointment of Dr. J. N. Singh, IAS [DIN: 00955107] as Chairman & Managing Director of the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Dr. J. N. Singh, IAS are concerned or interested in the Resolution.

The Board recommends resolution for approval of the members. The members are requested to approve the resolution.

Item No. 5

To approve appointment and terms & conditions of appointment of Dr. T. Natarajan, IAS [DIN: 00396367] as Joint Managing Director of the Company.

The Govt. of Gujarat has vide notification dated 31st July, 2016 appointed Dr. T. Natarajan, IAS as Joint Managing Director of the Company.

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

The Board of Director has approved appointment of Dr. T. Natarajan, IAS [DIN: 00396367] as Joint Managing Director on the Board of Directors of the Company w.e.f. 1st August, 2016 pursuant to Govt. notification dated 31st July, 2016 for a term not exceeding 5 years or till receipt of further intimation from State Government, whichever is earlier. The Company has received a notice in writing under Section – 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Joint Managing Director.

MCA has vide notification dated 5th June, 2015, exempted Government Companies from applicability of provisions of Sub-section (2), (4) and (5) of Section 196 and 197 of the Companies Act, 2013. Your Company being Government company is not required to comply with the provisions of Sub-section (2), (4) and (5) of Section 196 and 197 of the Companies Act, 2013 with respect to appointment and remuneration of Jt. Managing Director. Hence the Company is not required comply with provisions of Schedule V for remuneration of Joint Managing Director. Further as per provisions of section 152 and 160 of the Companies Act, appointment of director of the company shall be subject to approval from shareholders in general meeting.

Further since Dr. T. Natarajan, IAS is proposed to be appointed as Jt. Managing Director (i.e Whole Time Director) on the Board, he shall draw remuneration from the Company as determined by Govt. of Gujarat from time to time.

In view of above, approval of shareholders is being obtained at the Annual General Meeting for appointment and remuneration of Dr. T. Natarajan, IAS [DIN: 00396367] as Joint Managing Director of the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Dr. T. Natarajan, IAS are concerned or interested in the Resolution.

The Board recommends resolution for approval of the members. The members are requested to approve the resolution.

Item No. 6

To approve appointment of Shri Sujit Gulati, IAS [DIN: 00177274] as Director of the Company.

The Board of Director has approved appointment of Shri Sujit Gulati, IAS [DIN: 00177274] as Additional Director on the Board of Directors of the Company w.e.f. 7th July, 2016 upto the date of Annual General Meeting.

As per the provision of Section – 161 of the Companies Act, 2013 additional director shall hold office upto the date of the Annual General Meeting. The Company has received a notice in writing under Section – 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director.

In view of above, approval of shareholders is being obtained at the Annual General Meeting for appointment of Shri Sujit Gulati, IAS [DIN: 00177274] as Director of the Company.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Shri Sujit Gulati, IAS, are concerned or interested in the Resolution.

The Board recommends resolution for approval of the members. The members are requested to approve the resolution.

Item No. 7

Approving remuneration of Cost Auditor of the Company as Ordinary Resolution.

Ministry of Corporate Affairs has issued Companies (Cost Records and Audit) Rules, 2014 vide notification dated 30th June, 2014. The said rules were subsequently amended vide notification dated 31st December, 2014 which has included Company engaged in the business of exploration and production of Crude, Oil and Natural Gas etc. Hence the Company is required to maintain cost records and get it audited by Cost Auditor who shall be Cost Accountant in practice.

The Board of Directors at its meeting held on 30th May, 2016 has approved appointment of M/s. N. D. BIRLA & Co. Cost Accountants as Cost Auditor for financial year 2016-17 at total fees of Rs. 4 Lakh per annum plus applicable Taxes and out of pocket expenses.

As per the provision of Section - 148 of the Companies Act, 2013 Cost audit under sub-section (2) shall be conducted by a Cost Accountant in practice who shall be appointed by the Board on such remuneration as may be determined by the members in such manner as may be prescribed.

The Companies (Audit and Auditors) Rules, 2014 deals with appointment and remuneration of the Cost Auditor, as per the said rules, the Audit Committee shall recommend the appointment and remuneration of Cost Auditor. Further the remuneration recommended by the Audit Committee shall be considered and approved by the Board of Directors and ratified subsequently by the shareholders.

In view of above, proposal for approving remuneration of M/s. N. D. BIRLA & Co. Cost Accountants as Cost Auditor for financial year 2016-17 is placed for approval of the Shareholders.

The Board of Directors recommends the resolution for your approval. None of the Directors or Key Managerial Personnel of the company or their relatives are deemed to be concerned or interested in the proposed resolution.

The Board recommends resolution for approval of the members. The members are requested to approve the resolution.

The resolution is placed for the consideration and approval of the members.

By order of the Board,

Sandeep Dave
Company Secretary

Date: 11th August, 2016

Place: Gandhinagar

Registered Office :

GSPC Bhavan, Sector – 11,

Gandhinagar – 382 011

E-mail: gspc@gspc.in

Website: www.gspcgroup.com

Phone: 079-66701001

Fax: 079-23236375

PROXY FORM – MGT -11



Gujarat State Petroleum Corporation Limited

(CIN: U23209GJ1979SGC003281)

Registered Office: GSPC Bhavan, B/h Udhog Bhavan, Sector – 11, Gandhinagar.

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

Name of the member(s): _____
Registered address: _____
E-mail Id: _____
Folio No/ Client Id: _____
DP Id: _____

I/We, being the member(s) of.....shares of the above named company, hereby appoint

1. Name: _____ Address: _____

E-mail Id: _____ Signature _____, or failing him

2. Name: _____ Address: _____

E-mail Id: _____ Signature _____, or failing him

3. Name: _____ Address: _____

E-mail Id: _____ Signature _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, the 9th September, 2016 at Committee Room, CS Office, 5th Floor, Block No. 1 New Sachivalaya, Gandhinagar at 1.30 P.M. and at any adjournment thereof in respect of such resolutions as are below:

Resol ution No.	Resolutions
Ordinary Business	

1	To consider and adopt (a) the audited Standalone financial statements of the Company for the financial year ended 31 st March, 2016, the report of Board of Directors and auditor's report thereon; and (b) the consolidated financial statements of the Company for the financial year ended 31 st March, 2016 and auditor's report thereon.
2	To appoint Shri M. M. Srivastava, IAS (Retd.) who retires by rotation and being eligible offers himself for reappointment.
3	To fix remuneration of Statutory Auditors of the Company in terms of provisions of section 142 of the Companies Act, 2013.
Special Business	
4	To approve appointment of Dr. J. N. Singh, IAS [DIN: 00955107] as Chairman & Managing Director of the Company.
5	To approve appointment and terms & conditions of appointment of Dr. T. Natarajan, IAS [DIN: 00396367] as Joint Managing Director of the Company.
6	To approve appointment of Shri Sujit Gulati, IAS [DIN: 00177274] as Director of the Company.
7	To approve remuneration of Cost Auditor of the Company for the financial year 2016-17.

Signed this _____ day of _____ 2015

Affix
Revenue
Stamp

Signature of Shareholder :- _____

Signature of Proxy holder(s) :- _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP



GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN: U23209GJ1979SGC003281)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No.	
No. Of shares held	

NAME AND ADDRESS OF SHAREHOLDER

I hereby record my presence at the **Annual General Meeting** of the Company held on Friday, the 9th September, 2016 at Committee Room, CS Office, 5th Floor, Block No. 1 New Sachivalaya, Gandhinagar at 1.30 P.M.

Signature of the Shareholder or Proxy

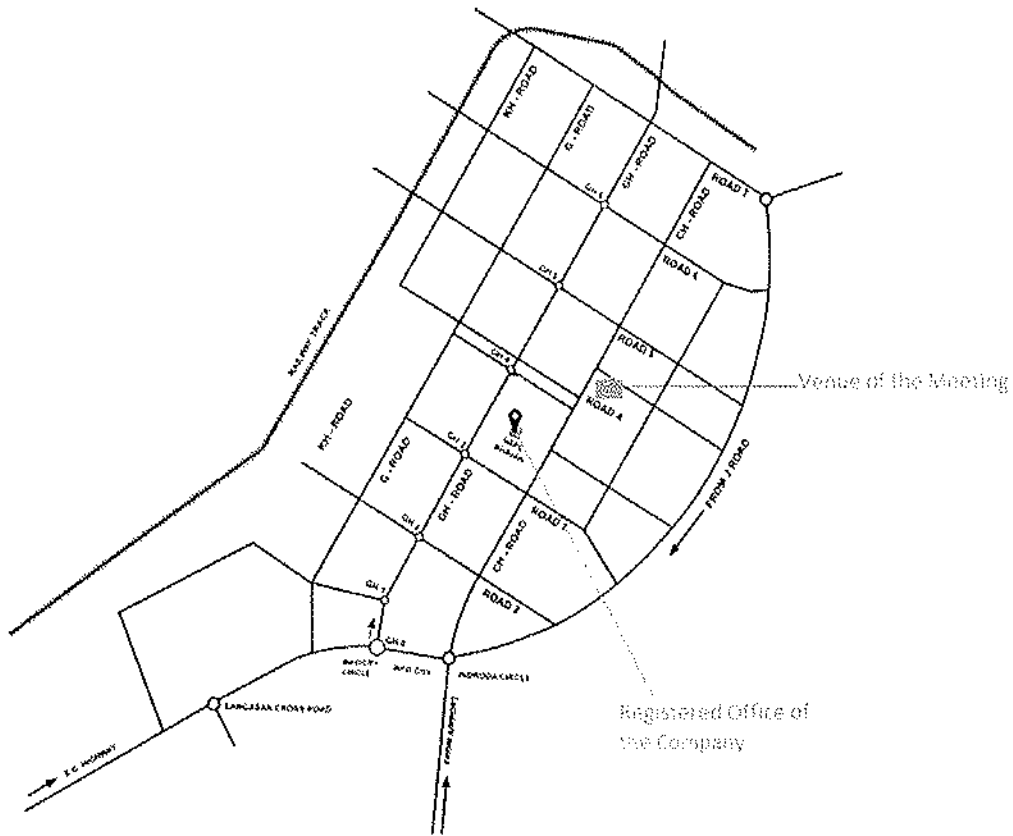


GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN: U23209GJ1979SGC003281)

ROUTE MAP FOR THE VENUE OF THE ANNUAL GENERAL MEETING OF GUJARAT STATE PETROLEUM CORPORATION LIMITED TO BE HELD ON FRIDAY, THE 9TH SEPTEMBER, 2016 AT 1.30 P.M. AT COMMITTEE ROOM, CHIEF SECRETARY OFFICE, 5TH FLOOR, BLOCK NO. 1, NEW SACHIVALAYA, GANDHINAGAR.

Prominent land mark – Next to Vidhan Sabha





GUJARAT STATE PETROLEUM CORPORATION LIMITED

(CIN: U23209GJ1979SGC003281)

Consent of shareholder for shorter notice

[Pursuant to Section 101(1) of the Companies act, 2013]

The Board of Directors
Gujarat State Petroleum Corporation Limited
GSPC Bhavan, Sector – 11,
Gandhinagar – 382 010.

I/We the undersigned holding Equity Shares of Rs.1/- each fully paid-up in your Company in my/our name as per the details given below, hereby consent pursuant to Section 101(1) of the Companies Act, 2013 to hold Annual General Meeting of Gujarat State Petroleum Corporation Limited on Friday, the 9th September, 2016 at 1.30 P.M. at Committee Room, Chief secretary Office, 5th floor, Block no. 1, New Sachivalaya, Gandhinagar by a shorter notice or any adjournment or change thereof:

NAME OF SHAREHOLDER	NO. OF EQUITY SHARES

For _____.

AUTHORISED SIGNATORY

Date :

Place :

Details of Directors seeking appointment/ re-appointment pursuant to the provisions of Companies Act, 2013:

Name of Director	Shri M. M. Srivastava, IAS (Retd.)
Age	64 years
Date of first appointment on the Board	23 rd May, 2008
Qualification & Experience	Shri M M Srivastava, IAS, (Retd.) is a retired IAS officer having wide administrative and corporate experience. Shri M M Srivastava, IAS, (Retd.) has graduated in Science from Delhi University and has completed his Masters in Physics from Delhi University. He has also done MBA (Marketing) from University of Ljubljana, Slovenia. He has wide administrative and corporate experience. He has held various positions in Government Departments prior to his retirement including Member (Finance), Gujarat Electricity Board, Managing Director of Gujarat Agro Industries Corporation, Commissioner of Commercial Tax Department, Principal Secretary of Energy and Petrochemicals Department and Additional Chief Secretary of Finance Department, Government of Gujarat. At present, he is the Chairman of Gujarat State Petronet Limited (GSPL).
Terms & Conditions of appointment and Remuneration	Shri M. M. Srivastava, IAS (Retd.) is a Non- Executive Director of the company and he is been paid sitting fees for attending Board/Committee meetings decided by Board of Directors from time to time.
Directorship held in other Companies	<ul style="list-style-type: none"> • Gujarat State Petronet Limited
No. of Board Meetings attended during the financial year 2015-16	09

Membership/ Chairmanship of Committees of other Boards	Name of Company	Name of Committee	Committee Position
	Gujarat State Petronet Limited	• Nomination & Remuneration Committee	Member
		• Project Management Committee	Chairman
		• CSR Committee	Chairman
		• Risk Management Committee	Chairman
		• Personnel Committee	Chairman
Shareholding in the Company	NIL		
Relationship with any Director/Manager/ Key Managerial Personnel of the Company – NIL			
Name of Director	Dr. J. N. Singh, IAS		
Age	57 years		
Date of first appointment on the Board	12 th November, 2014		
Qualification & Experience	Dr. J. N. Singh, IAS has done M.A. (International Studies, JNU), MDM (AIM, Manila), Ph.D. from M.S.University. He has wide experience of working in various Government Departments and Public Sector Undertakings. He has held various key positions like Principal Secretary, Science and Technology Department, Textile Commissioner, Mumbai, Member (Fin), NHAI, Delhi, Managing Director, Sardar Sarovar Narmada Nigam Ltd. He has served largely in Infrastructure and Finance sector having handled Industrial Infrastructure, Power, Telecom, Highways and water. His Ph.D in Political Economy examined the tripartite relationship of Power sector, ground water resources and Agriculturists in the context of Gujarat. At present he is Chief Secretary, Govt. of Gujarat.		
Terms & Conditions of	Dr. J. N. Singh, IAS is Chief Secretary, Govt. of Gujarat and has been paid remuneration by Govt. of Gujarat as applicable to Indian		

appointment and Remuneration	Administration Service.		
Directorship held in other Companies	<ul style="list-style-type: none"> • Gujarat State Petronet Limited • Gujarat Gas Limited • GSPL India Gasnet Limited • GSPL India Transco Limited • Gujarat Alkalies And Chemicals Limited • Gujarat State Fertilizers & Chemicals Limited • Gujarat Narmada Valley Fertilizers & Chemicals Limited • Sardar Sarovar Narmada Nigam Limited 		
No. of Board Meetings attended during the financial year 2015-16	08		
Membership/ Chairmanship of Committees of other Boards	Name of Company	Name of Committee	Committee Position
	Gujarat State Petronet Limited	<ul style="list-style-type: none"> • Project Management Committee • Personnel Committee 	Member
	GSPL India Gasnet Limited	<ul style="list-style-type: none"> • Audit Committee 	Chairman
	GSPL India Transco Limited	<ul style="list-style-type: none"> • Audit Committee 	Chairman
Shareholding in the Company	NIL		
Relationship with any Director/Manager/ Key Managerial Personnel of the Company - NIL			
Name of Director	Dr. T. Natarajan, IAS		
Age	45 years		
Date of first appointment on the Board	1 st August, 2016		

Qualification & Experience	Dr. T. Natarajan, IAS holds a B.E. (Mining Engineering) and an MBA (Finance & Marketing). He also holds Doctorate in Management. Dr. T. Natarajan, IAS served as Joint Managing Director of Gujarat Narmada Valley Fertilizers & Chemicals Limited. He worked in Industrial Finance Corporation for 2 years and has also held distinguished positions in the Government of Gujarat including Commissioner, Technical Education, Commissioner, Geology & Mining as well as Secretary, Economic Affairs, Finance Department. He has served as a Director of Gujarat Mineral Development Corporation Limited, Gujarat Industrial Development Corporation Limited, Gujarat Urban Development Company Limited, Gujarat State Electricity Corporation Limited and Bhavnagar Energy Co. Ltd.
Terms & Conditions of appointment and Remuneration	Dr. T. Natarajan, IAS is Joint Managing Director of the company. Since he is being Whole Time Director, the Company will pay monthly remuneration as determined by Govt. of Gujarat from time to time.
Directorship held in other Companies	<ul style="list-style-type: none"> • Gujarat State Petronet Limited • Gujarat Gas Limited • GSPC Pipavav Power Company Limited • Gujarat State Energy Generation Limited • Guj Info Petro Limited • Sabarmati Gas Limited • GSPL India Gasnet Limited • GSPL India Transco Limited
No. of Board Meetings attended during the financial year 2015-16	N.A. (Since appointment was made in subsequent financial year.)

Membership/ Chairmanship of Committees of other Boards	Name of Company	Name of Committee	Committee Position
	Guj Info Petro Limited	CSR Committee	Chairman
	Gujarat State Petronet Limited	<ul style="list-style-type: none"> • Audit Committee • Project Management Committee • Stakeholders' Relationship Committee • CSR Committee • Risk Management Committee • Personnel Committee • GIGL/GTTL Review Committee 	Member
	Gujarat Gas Limited	<ul style="list-style-type: none"> • Audit Committee • HR Committee • Project Committee 	Member Member Chairman
Shareholding in the Company	NIL		
Relationship with any Director/Manager/ Key Managerial Personnel of the Company – NIL			
Name of Director	Shri Sujit Gulati, IAS		
Age	56 years		
Date of first appointment on the Board	7 th July, 2016		
Qualification & Experience	Shri Sujit Gulati, IAS is a Mechanical Engineer. Shri Gulati, IAS has served as Joint Secretary and Financial Adviser, Ministry of Mines of Government of India. He has held key positions in the various Departments/Ministries of Government of Gujarat. He has served as Director in various companies including Digjam Ltd., National Textile Corporation Limited, Gujarat Mineral Development		

	Corporation Limited, Coal India Ltd, Bharat Aluminium Company Limited, Hindustan Zinc Ltd. and Gujarat Chemicals Port Terminal Company Limited. Shri Sujit Gulati, IAS is presently Additional Chief Secretary, Energy and Petrochemicals Department Government of Gujarat.		
Terms & Conditions of appointment and Remuneration	Shri Sujit Gulati, IAS is a Non- Executive Director of the company and he is being paid sitting fees for attending Board/Committee meetings decided by Board of Directors from time to time.		
Directorship held in other Companies	<ul style="list-style-type: none"> • Gujarat Urja Vikas Nigam Limited • Paschim Gujarat Vij Company Ltd. • Gujarat State Electricity Corporation Ltd. • Gujarat Power Corporation Ltd. • Gujarat State Petronet Limited • Gujarat State Fertilizers & Chemicals Ltd. • Gujarat Gas Limited • GSPC LNG Ltd. • Gujarat Industries Power Company Ltd. 		
No. of Board Meetings attended during the financial year 2015-16	N.A. (Since appointment was made in subsequent financial year.)		
Membership/ Chairmanship of Committees of other Boards	Name of Company	Name of Committee	Committee Position
	Gujarat State Petronet Limited	<ul style="list-style-type: none"> • Project Management Committee • Stakeholders' Relationship Committee • Personnel Committee 	Member
	Gujarat Gas Limited	<ul style="list-style-type: none"> • HR Committee • CSR Committee • Nomination & Remuneration Committee 	Chairman Chairman Member

Shareholding in the Company	NIL
Relationship with any Director/Manager/ Key Managerial Personnel of the Company - NIL	

GUJARAT STATE PETROLEUM CORPORATION LIMITED
37th ANNUAL REPORT
2015-16

Board of Directors

Dr. J. N. Singh, IAS*
 Shri Sujit Gulati, IAS (w.e.f 7th July, 2016)
 Dr. Manjula Subramaniam, IAS (Retd.)
 Shri M. M. Srivastava, IAS (Retd.)
 Shri K. Kailashnathan, IAS (Retd.)
 Dr. N. Ravichandran
 Dr. Ravindra Dholakia
 Prof. Yogesh Singh
 Dr. T. Natarajan, IAS (w.e.f. 1st August, 2016)

Chairman & Managing Director
 Director
 Independent Women Director
 Director
 Director
 Independent Director
 Independent Director
 Independent Director
 Joint Managing Director

**(Director upto 11th April, 2016, Managing Director w.e.f. 11th April, 2016 and Chairman & Managing Director w.e.f. 1st August, 2016)*

Cessation of Director

Shri D J Pandian, IAS (Retd.) (Upto 8th April, 2015)
 Shri Manoj Kumar Das, IAS (Upto 27th April, 2015)
 Dr. T. Harinarayana (Upto 20th June, 2015)
 Shri Atanu Chakraborty, IAS (Managing Director upto 11th April, 2016)
 Shri L. Chuaungo, IAS (upto 27th June, 2016)
 Shri G. R. Aloria, IAS (Retd.) (Chairman upto 31st July, 2016)

Executives

Shri N. K. Mitra, Chief Operating Officer
 Shri Samir Biswal, Director (Exploration)
 Shri Bosebabu, - In charge - KG Asset
 Shri Alok Chaudhuri, Sr. Vice President (E&C)
 Shri Gopal Pallipuram, Chief Financial Officer
 Shri Jayesh Dave, SVP (Accounts)
 Shri R N Pandey, GM (R&D)
 Shri Sandeep Dave, Company Secretary & General Manager S&I and IIR)

RT&A

Karvy Computershare Pvt. Ltd.

Statutory Auditors

P. Singhavi & Associates
 Chartered Accountants.
 Ahmedabad

Secretarial Auditor

K. K. Patel & Associates
 Company Secretary
 Gandhinagar

Internal Auditors

KPMG
 Ahmedabad

Cost Auditors

M/s N. D. Birla & Co.
 Cost Accountants
 Ahmedabad

Bankers

State Bank of India
 Bank of Baroda
 IDBI Bank
 Bank of India
 Corporation Bank
 Bank of Maharashtra
 Oriental Bank of Commerce
 Indian Bank
 Dena Bank
 Punjab and Sind Bank
 Punjab National Bank
 Union Bank of India
 Vijaya Bank
 South Indian Bank
 Andhra Bank

EXIM Bank
 Syndicate Bank
 UCO Bank
 HDFC Bank
 Allahabad Bank
 State Bank of Mysore
 Indian Overseas Bank
 Standard Chartered Bank
 HSBC Bank
 Axis Bank
 Yes Bank
 ICICI Bank
 IndusInd Bank
 Syndicate Bank
 State Bank of Patiala

Corporate & Registered Office

GSPC Bhavan, B/h Udyog Bhavan
 Sector-11,
 Gandhinagar-382010.



DIRECTORS' REPORT

To,
The Members,

Your Directors have the pleasure in presenting the 37th Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March 2016.

STATEMENT OF COMPANY'S AFFAIRS

Financial Performance

The audited Standalone Financial performance for the year ended March 31, 2016 is summarized below:

(Rs. In crore)

Particulars	31/03/2016	31/03/2015
Revenue from Operations (Net)	10613.19	10956.59
Other Income	111.78	81.31
Total Revenue	10724.97	11037.90
Production Expenditure-E&P	77.17	116.29
Cost of Traded Goods	10062.57	10230.03
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	21.36	(61.98)
Employee Benefits Expense	15.78	14.61
Finance Cost	16.40	51.03
Depreciation, Amortization, Depletion and Impairment	166.54	100.99
Impairment	397.35	-
Diminution in the value of Investment	97.39	-
Other Expenses	58.61	42.08
Exploration cost written off	686.88	513.03
Total Expenses	11600.05	11006.08
Profit Before Tax and Adjustments	(875.08)	31.82
Prior period Adjustments	(0.08)	0.11
Profit Before Tax	(875.00)	31.71
Tax Expenses	(70.58)	8.01
Profit for the Period	(804.42)	23.70

The Company has earned operating profit of Rs. 489.48 crores, However there was an adverse impact on profitability of the Company on account of extraordinary items (i.e writing off exploration cost, impairment of producing properties due to lower oil and gas prices and diminution in the value of shares of JPDA) together amounting to Rs. 1181.62 crores.

Share Capital

During the financial year, paid up share capital of the Company has increased from Rs. 252.45 Crore to Rs. 257.93 Crore on account of infusion of additional equity by the Government of Gujarat.

BUSINESS:

The Company along with its subsidiaries and associates has evolved strategically as an "Integrated Energy Company" with significant presence across the entire energy value chain spanning wide range of oil & gas activities comprising oil and gas exploration, development and production, gas trading, gas transmission, gas distribution and power generation. The Company has played a proactive role in the development of entire gas value chain in the State of Gujarat through its initiative of participation in the midstream and downstream segments as well as gas based power generation.

Segment wise performance highlights are summarized below:

I. Upstream Business Activities

The Company has significant growth potential with a diversified portfolio of onland and offshore blocks along with combination of matured blocks and blocks under exploration and development.

Technology plays an important role in E&P sector. The Company has inducted



best in class technology in all spheres of its operations. In addition, your Company has also entered into strategic service agreements with reputed world class service providers like Schlumberger, Halliburton, Baker Hughes, M I Overseas, Weatherford, ITS, Precision Drilling, Fugro, Blade energy, EIL, Xodus, Barea & Associates, L&T, Genesis, ABS, RPS Energy, E-Frac, etc. to have cutting edge in E&P operations.

The major achievements are summarized below:

1.1 KG Block

The Company has carried out detailed G&G studies and engaged internationally renowned technical consultants i.e. Schlumberger, GCA, Fugro Robertson Petrotel, Pangea, DME Genesis and Blade Energy. These technical studies have helped in developing better understanding about the geological system and development philosophy.

The overall strategy for development of KG Offshore block is one involving development of the 9 discoveries of gas in phases. First Phase of development, that comprise 3 discoveries, is to complete the development of Deen Dayal West (DDW) discovery (covering an area of approx. 17.5 K.M by constructing production facilities. The DDW discovery also contains an extension in the South East (covering an area of 20.5 sq km that shall be integrated into the DDW subsequently. The Company currently holds mining lease for both DDW and DDWSouth East Extension Area. The second phase involves integrated Declaration of Commerciality (DOC) and development of other six discovery, among them are Deen Dayal East, Deen Dayal North, DDW-Down Thrown and DD NE

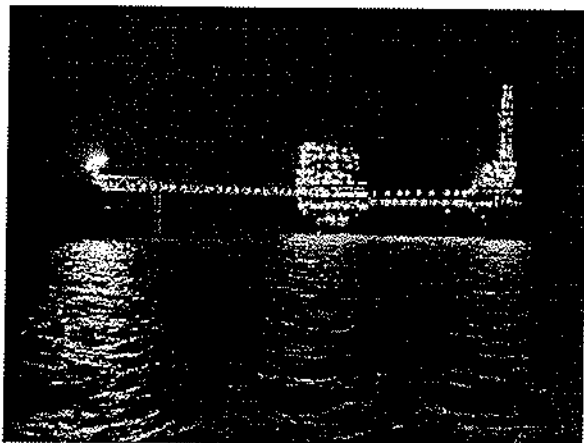
(covering an area of 453 sq kms). The integrated DOC was submitted to DGH/MOPNG in February 2013 and the same was reviewed/approved by DGH/MOPNG in January 2014. An integrated development plan is under preparation and the same would be submitted shortly to the DGH.

It is envisaged that an integrated field development strategy allows for a phased development and early monetization of the reserve in the Deen Dayal Field. DDW area has already been developed as the first phase of development. The Company has also received grant of additional mining lease area of 20.5 sq.km from GoI, an area associated with extension of DDW area.

The DeenDayal West Field Development Project located in the offshore Krishna Godavari Basin a HPHT (High Pressure High Temperature) field is the first of its kind development in India. The Deen Dayal West field development plan consists of four major segments- Well Head Platform (WHP), an Offshore Process-cum-Living Quarter Platform (PLQP), Sub-sea Pipeline and Onshore Gas Terminal (OGT).

All the hard work put in by thousands of workers, technicians and engineers at different levels has helped your Company to commission several project facilities. In spite of multiple challenges (including agitation by fishermen / local people, delay in statutory clearances, technical challenges etc), the Company has started trial production from the DeenDayal West (DDW) field.





A. Well Head Platform

Wellhead Platform (WHP) has been installed and commissioned. WHP has facilities for carrying out drilling operation from the slots present at well bay area with the help of Modular Rig mounted on top of platform. WHP is bridge connected to Process cum Living Quarter Platform (PLQP).

Hydro Frac operations at DDW



To overcome low permeability of the reservoir the Company has for the first time during the financial year, deployed the hydraulic fracturing (HF) technology for enhancing gas production from the high pressure high temperature (HPHT) well of 5000 meters depth. Hydro-fracturing is a

well stimulation technique in which the well-rock (formation) is fractured by a pressurized liquid. The process involves high pressure injection of “Fracking Fluid” into a wellbore to create cracks in the reservoirs-rock (formations), through which natural gas will flow more freely in the well.

The Company has carried out modifications in the conventional development well, to facilitate hydro-fracturing.

Internationally renowned firms such as Halliburton, Barry & Associate, E-frac and Xodus have been engaged for HF activities. It is first time in India that the HF process has been used in the HPHT and offshore environment at a depth of 5,000 meters.

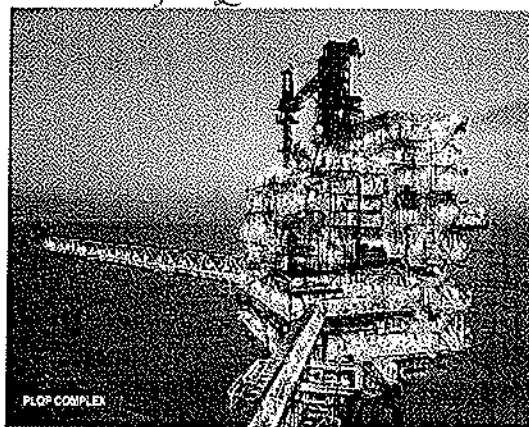
The Company has carried out six stages of hydro-fracturing in Fourth well with pressure of 13,000 PSI (i.e approx 900 times more than the atmospheric pressure) and has successfully pumped over 1 millions pound of proppants in the HF zones. The well is under cleanup and testing phase.

The successful completion of the HF process is expected to significantly increase gas production from the DDW field.

B. Process Cum Living Quarter Platform (PLQP)

The Process cum Living Quarter Platform project was commissioned in 2014.

Closer view of PLQP



C. Submarine Pipeline

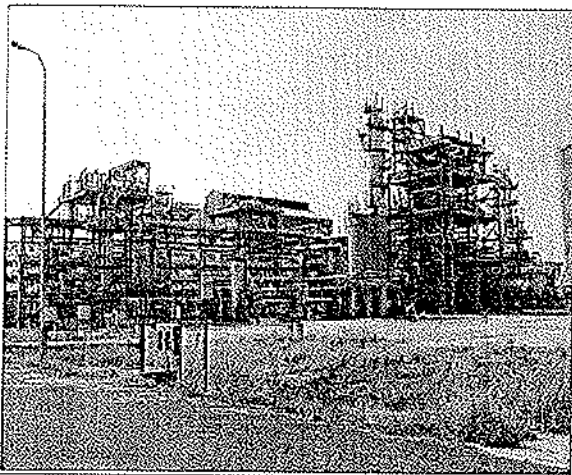
The gas produced from the wells after processing at PLQP is currently flowing to OGT through submarine pipeline.

D. Onshore Gas Terminal

Onshore Gas Terminal (OGT) is in advanced stage of achieving completion. Majority of process units/equipments are commissioned as explained below.

Gas and Condensate produced from DDW field is transported to Onshore Gas Terminal (OGT) through 20" subsea multiphase pipeline. Gas is processed at Train -1 to meet trial production sale gas specification

Below is the picture of Train -- 1 at OGT

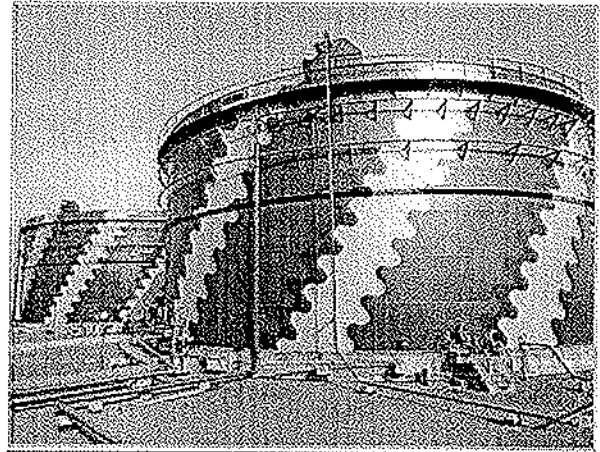


Train - 1 include Gas Sweetening Unit (GSU), Gas Dehydration unit (GDU) and Dew Point Desperation Unit (DPDU).

Other supporting facilities to operate Train 1 are Sulphur Recovery Unit (SRU), Captive Power Plant (CPP), and Utilities consisting of Raw Water Treatment Plant, Cooling Tower, Demineralised plant, Effluent Treatment Plant and Air & Nitrogen system.

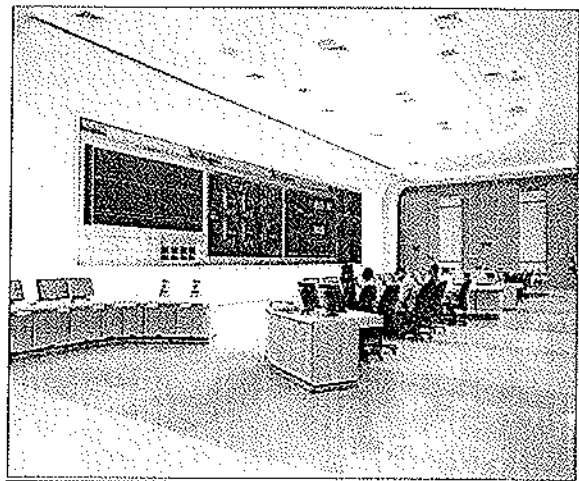
Additionally, condensate is processed in Condensate Stabilization Unit (CSU) to meet trial production sales specification. Stabilized condensate is stored in storage tanks.

Below is the picture of Condensate Storage Tank to store stabilised condensate at OGT.



The above processes are carried out through a state of the art centralized control room equipped with Distributed Control System (DCS)

Below is the picture of Main Control Room at OGT



1.2 Other E&P block

1. Operated Blocks



- Oil production from Ingoli & Sanand East Field of Ahmedabad block is close to 725-750 BOPD (Barrels of Oil Per Day) from 6 wells. The DoC (Declaration of Commerciality) of GSAH-5 oil discovery has been approved by MC (Management Committee) and Field Development Plan (FDP) is under review at DGH for finalizing the strategy for its development.
- Mining Lease for Tarapur-6 Field has been obtained and production from 5 wells have been started from August 2015. Tarapur Block is currently under production and the Company is producing Oil & Gas from three fields i.e. Tarapur-1, Tarapur-6 & Tarapur-G, of about 200 - 250 BOPD & about 25000-30000 cubic meter of gas per day. DoC (Declaration of Commerciality) of 7 discoveries in Ring Fenced Production Sharing Contract (RFPSC) area of CB-ON/2 has been reviewed by MC (Management Committee) subject to signing of RFPSC.
- Facility Creation for start of commercial production from Sanand Part-A area is completed and Revised Field Development Plan (RFDP) for new oil pool in Kalol reservoir is under review. Commercial production is likely to commence from August 2016 with expected production of 125-150 Barrel (BBL) of Oil per day. Production from Miroli Part-B is under observation due to high water cut.
- During the year, the Company has progressively matured various

plans as a part of implementation of field development strategies for enhancement of onshore hydrocarbon production. Production from Ank-21 was continued as per plan. Facility creation for production from Ank-40s was put on hold temporarily due to current oil prices. Ank-41s discovery was approved by GOI and its appraisal plan is under review at DGH.

- Sub surface geo-scientific work is also being carried out in Unawa field to test the upside potential of additional zones in two wells UN#4 and UN#A1 with a view to fast-track the recovery of remaining reserves in the field. Based on the outcome of the proposed additional zones testing, side-tracking existing well or altogether drilling a new well might be considered in the future.

1.3 Non Operated Blocks -Domestic

- In non-operated blocks portfolio, some discoveries have been made pursuant to drilling campaign carried out as follows;
 - ✓ In the block CB-ONN-2004/1 (Karannagar), about 2-3 Cubic meter of oil is produced per day from Karannagar-1.
 - ✓ In block CB-ONN-2004/2, Mining Lease for Vadtal-1 has been obtained and production of around 60 BoPD started. FDP of Vadtal-3 & 5 has been reviewed by MC and the joint venture is preparing to drill two development



wells in FY 2016-17 to enhance the production. In block CB-ONN-2004/2, Mining Lease for Vadtal-1 has been obtained and production of around 60BoPD started. FDP of Vadtal-3 & 5 has been reviewed by MC and the joint venture is preparing to drill two development wells in FY 2015-16 to enhance the production.

- ✓ In block CB-ONN-2004/3, the discovery well located near Dabka, was gas bearing and tested to flow at the rate of 33,000 SCMD.
 - ✓ In block MB-OSN-2005/1, during drilling of first well NBA-1, encouraging results were obtained. While drilling well NAA-1 also encouraging results were obtained from Daman formation.
 - ✓ In GK-OSN-2009/1, first well drilled to 3730m in early Eocene flowed gas around 194,360 Cu. M/day during testing.
- The operator of Cambay Field wherein Company holds 55% participating interest, after completing the horizontal well C-77H, has started gas production from the well to test tight hydrocarbon potential. Based on the analysis of production data from C-77H, further wells might be decided to delineate the areal extent of the tight reservoirs within the field. Gas production has also commenced from well Bht#3 of Bhandut field operated by Oilex. A technical review shall

be carried out after sufficient production data has been obtained from the well.

- Heramec is the operator of Dholasan, Allora, Kanawara and North Kathana fields wherein company holds 70% PI. Operator has continued the regular production from all the four fields. Gas production has been enhanced from Kanawara field from 20000 Cu. M/day to 30000 Cu. M/day..
- Niko Resources Limited (NRL), operator for Hazira field in which GSPC holds 66.67% PI, has submitted the Abandonment & Site Restoration Plan of Hazira field for approval. NRL which expects the 'economic' production from Hazira to continue till December 2016 plans to commence field abandonment and site restoration of Hazira field in a phased manner concurrent with gas production from the field. The abandonment and site restoration of the whole field is expected to be completed in 24 months.
- HOEC of Asjol, North Balol and Palej (CB-ON/7) fields wherein GSPC holds 50%, 45% & 35% Participating Interest (PI) respectively has continued the regular production as per plan.

The Company has incorporated two subsidiaries i.e GSPC Offshore Limited and GSPC Energy Limited with initial paid-up capital of Rs. 5 Lakhs as part of proposed re-structuring during the financial year 2015-16. The Board has approved Scheme of Arrangement for structuring of various businesses of GSPCL subject to the requisite approvals. The Company has



initiated the process for obtaining various approvals.

II. Midstream Business Activities:

2.1 Gas Trading

Your Company in its role as a 'Gas Demand Aggregator' for customers across Gujarat continued to procure gas from international markets, independently as well as through other suppliers, to meet the demand for gas. Your Company marketed about **12.3 MMSCMD** gas in the FY 2015-16 to cater to demand from various segments, including demand from City Gas Distribution (CGD) companies across the State and also marketed gas to customers in 7 states outside Gujarat.

The major achievements in Gas trading business for the current financial year 2015-16 are summarized below:

- The Company achieved **Sales turnover of more than Rs. 10,400 crores** despite volatility experienced by the markets in the year leading to a crash in spot markets & Govt. policy affecting sale to power sector.
- The Company played a crucial role in renegotiation and early resolution of price dispute under PLL-RasGas contract.
- The Company also signed a Gas Sale & Purchase Agreement for sourcing **0.3 MTPA** of additional term LNG volumes with Petronet LNG Ltd. (PLL)
- The Company successfully imported 40 LNG cargoes directly (25 LNG cargoes at Dahej and 15 LNG cargoes at Hazira) from global markets.

- The Company emerged as a successful bidder in several tenders invited (a) by customers from various segments and (b) for sale of gas to Fertilizer Units across India under fertilizer pooling mechanism of Government of India.

- The Company is currently marketing gas in 8 states namely Gujarat, Maharashtra, Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, Rajasthan, Punjab and Haryana.

The Company has also entered into 30 Master LNG sales & purchase agreements with leading global companies for its short/medium term gas requirements.

2.2 Gas Transmission

Operational Performance of Subsidiaries in Gas Transmission Business.

In the midstream section of the integrated value chain, GSPL the listed subsidiary of the Company has emerged as the leading player in the State of Gujarat, which provides connectivity to major demand centers and supply sources in the State of Gujarat. GSPL owns and operates more than 2348 Kilometers of Gas Pipeline as on 31st March, 2016. GSPL has transported 8966 Million Standard Cubic Metre (mmscm) of gas during the financial year 2015-16 as compared to 8395 mmscm during the previous financial year.

GSPL has effective firm Gas Transmission Agreements (GTAs) of 22.83 mmscm per day for transmission of gas to various customers and interruptible / short - medium term GTAs for 9.07 mmscmd (Previous year: firm GTAs of 22.99 mmscmd and interruptible GTAs of 5.96 mmscmd).



GSPL, the pipeline and gas transmission company of the GSPC group, is not only India's 2nd largest gas transmission Company but also has a highly enviable safety track record. GSPL has bagged International Safety Awards from British Safety Council for 5 years continuously.

GSPL is re-certified to Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) with validity till 30th October, 2017.

The Petroleum & Natural Gas Regulatory Board has awarded three major cross-country gas pipeline projects to GSPL consortium. GSPL has a majority stake of 52% along with IOCL (26%), BPCL (11%) and HPCL (11%) in all the projects.

Accordingly GSPL has incorporated following subsidiaries to carry out the aforesaid projects:

- **GSPL India Transco Limited (GITL)**

Project	Kms. (approx.)
Mallavaram- Bhopal - Bhilwara - Vijaipur Pipeline Project (MBBVPL)	1881

The pipeline will traverse through the State of Andhra Pradesh, Telangana, Maharashtra, Madhya Pradesh Rajasthan and Gujarat.

- **GSPL India Gasnet Limited (GIGL)**

Project	Kms. (approx.)
Mehsana-Bhatinda Pipeline Project (MBPL)	1670

Bhatinda- Jammu- Srinagar Project (BJSPL)	740
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The pipelines will traverse through the States of Gujarat, Rajasthan, Punjab, Haryana and Jammu and Kashmir.

GSPL along with its consortium partners has achieved financial closure for the above said three pipeline projects.

Laying of pipeline requires various approvals, clearances, permission etc. from multiple authorities including Right of Use (ROU), Environment clearance, wildlife & forest clearances, permission from other authorities etc. GIGL and GITL have obtained all major statutory clearances/ permissions. Keeping in view the progress achieved in obtaining various statutory clearances, GIGL and GITL have initiated process for implementing the project.

PNGRB has also given time extension to GITL & GIGL till December 2017 for commissioning the Projects.

Financial Performance of Subsidiaries in Gas Transmission Business.

Gujarat State Petronet Limited (GSPL)

- GSPL has recorded total Income Rs. 1056.00 crore during the financial year 2015-16 as against Rs. 1116.60 crore in previous financial year.
- GSPL has recorded PBT of Rs. 667.86 crore during the financial year 2015-16 as against Rs. 660.32 crore in previous financial year.



- GSPL has recorded PAT of Rs.444.47 crore during the financial year 2015-16 as against Rs. 410.36 crore in previous financial year.

GSPC India Transco Limited (GITL)

- GITL has recorded total interest Income of Rs. 1.30 crores and Net Profit of Rs. 0.87 crores during the financial year 2015-16.

GSPL India Gasnet Limited (GIGL)

- GIGL has recorded total interest Income of Rs. 1.74 crores and Net Profit of Rs. 1.16 crores during the financial year 2015-16.

2.3 LNG terminal

GSPC LNG Limited is an associate Company incorporated for developing LNG Receiving, Storage and Regasification Terminal at Mundra, Kachhh, Gujarat with an initial capacity of 5 MMTPA. The LNG terminal is designed to have two LNG storage tanks. GSPC LNG has awarded EPC contracts for tank and regasification works. The Company has obtained the Environment and CRZ clearance from Ministry of Environment and Forest (MoEF) for the Project and work at site is going on. The project is expected to start commercial operations in 2017.

Financial performance of GSPC LNG Limited (GSPC LNG)

- GSPC LNG has recorded total Interest Income of Rs. 11.42 crore during the financial year 2015-16 as against Rs. 0.40 crore in previous financial year. The interest income after provision for tax is adjusted

against CWIP as the Company is under Project phase.

III. Downstream Business activities

Operational Performance of Subsidiaries and Associates in Gas Distribution business.

3.1 City Gas Distribution

Gujarat has been a pioneer in the City Gas Distribution (CGD) sector in India and has achieved significant success in implementing CGD project in urban and rural areas of the state, thus benefiting the people of Gujarat. In the downstream section of integrated gas value chain, the group Companies have achieved significant milestones as follows;

➤ Gujarat Gas Limited

The Scheme of Amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited into Gujarat Gas Limited (Formerly known as GSPC Distribution Networks Limited) was approved by Hon'ble High Court of Gujarat. The name of the Company had been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited vide fresh certificate of Incorporation issued by Registrar of Companies (RoC) on 15th May, 2015.

Post amalgamation Gujarat Gas Limited emerged as India's largest city gas distribution player with its presence spread across various districts in the State of Gujarat, Union Territory of Dadra Nagar Haveli and the State of Maharashtra.



Gujarat Gas Limited in an endeavor to grow and retain the leadership position of being the Largest CGD in the country has won the Geographical Areas of Thane (excluding areas already authorized) including the district of Palghar and the Geographical Area of Union Territory of Dadra and Nagar Haveli in Financial Year 2015-16 in addition to other Geographical Area already won during the Financial Year 2014-.

With these newly added Geographical Areas, Gujarat Gas Limited has now extended its foot prints beyond the State of Gujarat.

Gujarat Gas Limited is supplying natural gas to more than 10.7 Lakh residential, over 11,800 commercial and non-commercial segments and over 2,850 industrial customers.

Gujarat Gas Limited also supplies natural gas in the form of Compressed Natural Gas (CNG) through 230 CNG stations catering to the automotive sector in the operational areas.

Gujarat has been a pioneer in the City Gas Distribution (CGD) sector in India and has achieved significant success in implementing CGD project in urban and rural areas of the state, thus benefiting the people of Gujarat. In the downstream section of integrated gas value chain, the group Companies have achieved milestones as follows;

Audited Financial performance of Gujarat Gas Limited

- Gujarat Gas has recorded total Income of Rs. 6105.86 crore during the financial year 2015-16 as against Rs. 9006.26 crore in previous financial year.

- Gujarat Gas has recorded PBT of Rs. 252.25 crore during the financial year 2015-16 as against Rs. 641.44 crore in previous financial year.
- Gujarat Gas has recorded PAT of Rs. 152.95 crore during the financial year 2015-16 as against Rs. 443.58 crore in previous financial year.

The Group, intends to achieve accelerated growth and spread its reach to a wider customer base by complementing the strengths of GSPC and Gujarat Gas.

➤ Sabarmati Gas Limited (SGL)

SGL has customer base of 98438 domestic customers, 254 industrial customers and 487 commercial establishments as well as 47 CNG stations in three Districts of North Gujarat.

As a result of competitive CNG price, Sabarmati Gas Limited has been able to increase the average daily sales to 1,68,314 Kg during the financial year 2015-16 as against 1,60,941 Kg during financial year 2014-15.

During the financial year, Share Purchase Agreement was executed with Financial Investors on 16th December, 2015, wherein Gujarat State Petroleum Corporation Limited, Gujarat State Petronet Limited and Bharat Petroleum Corporation Limited, promoters of Sabarmati Gas Limited, have purchased all the shares of all three financial Investors (i.e Indian Infrastructure Fund, Indian Infrastructure Development Fund, IFCI Venture Capital Funds) in proportion to their holding in SGL.



Thus currently, GSPC along with GSPL (i.e. its Subsidiary) holds 49.94% in Sabarmati Gas Limited.

CGD business is growing very rapidly and CGD companies of GSPC Group are expected to grow by leaps and bounds in the years to come.

Financial performance of Sabarmati Gas Limited (SGL)

- SGL has recorded total income of Rs. 738.86 Crores during the financial year 2014-15 as against Rs. 916.57 Crores in the previous financial year.
- SGL has recorded PBT of Rs. 14.89 Crores during the financial year 2015-16 as against Rs. 115.99 Crores in the previous financial year.
- SGL has recorded PAT of Rs. 0.97 Crores during the financial year 2015-16 as against Rs. 110.84 Crores in the previous financial year.

IV. Power Generation:

4.1 GPPC and GSEG have gas based power generation capacity of approx 1200 MW.

➤ Gujarat State Energy Generation Ltd. (GSEG)

Gujarat State Energy Generation Ltd. (GSEG), the associate of the Company, has successfully commissioned its 351.43 MW combined cycle power plant at Hazira. With the commissioning of the expanded capacity of 351.43MW, the total capacity of the Hazira CCPP (Combine Cycle Power Plant) has gone up from 156.1 MW to 507.53 MW.

Financial performance of Gujarat State Energy Generation Limited (GSEG)

- GSEG has recorded total Income of Rs. 365.42 crore during the financial year 2015-16 as against Rs. 125.16 crore in previous financial year.
- GSEG has recorded PBT of Rs. 116.18 Crores during the financial year 2015-16 as against loss of Rs. 130.03 Crores in the previous financial year.
- GSEG has recorded PAT Rs. 104.49 crore during the financial year 2015-16 as against loss of Rs. (178.47) crore in previous financial year.

➤ GSPC Pipavav Power Company Limited (GPPC)

GSPC Pipavav Power Company Limited (GPPC), a subsidiary of your Company, was incorporated to commission 702 MW combined cycle power plant at Pipavav. GPPC has successfully commissioned 702 MW Power Project.

Financial performance of GSPC Pipavav Power Company Limited (GPPC)

- GPPC has recorded total Income of Rs. 666.11 Crores during the financial year 2015-16 as against Rs. 338.20 Crores in previous financial year.
- GPPC has recorded a PBT of Rs. 75.32 Crores during the financial year 2015-16 as against loss of Rs.



35.54 Crores in previous financial year.

- GPPC has recorded a PAT of Rs. 36.71 Crores during the financial year 2015-16 as against loss of Rs. 36.28 Crores in previous financial year.

4.2 Alternate sources of Power Generation :

Your Company being committed to promote clean and green energy has also set up alternate sources of power generation. The Company has set up a 71.4 MW wind farm in Gujarat. GSPL your Company's subsidiary, has also set up a 52.5 MW wind farm in Gujarat. The total wind power generation capacity of GSPC Group is 123.9 MW.

GPPC is also successfully managing a 5MW Solar Power Project at Gujarat Solar Park since last quarter of FY 2011-12.

V Other Operations.

5.1 IT Infrastructure

The Company has promoted GIPL (Guj Info Petro Limited) for providing IT related services. GIPL has been appointed as total solution provider (TSP) for various government organisations.

GIPL has also been awarded 9th e-INDIA Award for innovative use.

Financial Performance of Guj Info Petro Limited (GIPL)

- GIPL has recorded total Income of Rs. 26.06 crores during the financial

year 2015-16 against Rs. 38.70 crores in previous financial year.

- GIPL has recorded PBT of Rs. 8.79 crores during the financial year 2015-16 as against Rs.8.82 crores in previous financial year.
- GIPL has recorded PAT of Rs. 5.82 crores during the financial year 2015-16 as against Rs. 5.76 crores in previous financial year.

5.2 Gujarat Energy Research and Management Institute (GERMI)

GERMI is promoted by GSPC with a vision to establish it as a leading one stop institution for the entire gamut of educational, training and research requirements of the energy sector. This institute develops the talent pool for the oil and gas sector, conduct research and training in petroleum sector, assists in devising techno-economically feasible solutions for various problems encountered in exploration, drilling production and transportation operations. GERMI has also established a centre of excellence in Energy with focus on oil and gas, solar and environmental research.

GERMI is DSIR (Department of Scientific and Industrial research) approved research institute engaged in the field of advance level research in petroleum, solar and nuclear energy, climate change and also offers training and consultancy services to the industry.

MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion & Analysis Report for the year under review is presented separately as **Annexure – I**.



Change in nature of Business

There has been no change in the nature of business of the Company.

Material Change and Commitments affecting financial position between the end of Financial Year and date of Report.

No Material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company other than those specifically highlighted in this report.

Significant or Material Order passed by the Regulator or Tribunal or Court.

No Significant or material orders were passed by the regulator or court or tribunals which impact the going concern status and Company's operations in future.

Credit Rating

CARE has maintained its credit rating to AA (Placed on credit watch) for the Long Term Loan. CARE has maintained its rating of A1+ (Placed on credit watch) for Short Term Loan. CARE has also maintained its rating downwards to AA (Placed on credit watch) for Unsecured NCDs with 8 year, 10 year and 15 year maturity and AA- (Placed on credit watch) for Unsecured NCDs with 60 years of maturity.

CRISIL has revised its rating downwards from AA-/Negative to A+ (Rating Watch with Negative Implication) for the Long Term Loan. CRISIL has revised its rating downwards from A1+ to A1 (Rating Watch with Negative Implication) for Short Term Loan. CRISIL has also revised its rating downwards from CRISIL AA-/Negative' to CRISIL A+ (Rating Watch with Negative Implication) for Unsecured NCDs with 8 year, 10 year and 15 year maturity and A+/Negative to A (Rating Watch with Negative Implication) for Unsecured NCDs

with 60 years of maturity and Compulsorily Convertible Debentures downward from CRISIL AA-r/Negative to CRISIL A+r (Rating Watch with Negative Implication).

The main reason for revision in the rating of CRISIL is on account of

- Delay in commencement of production in GSPC's Krishna-Godavari Deen Dayal West (KG-DDW) block.
- GSPC's cash accruals over the medium term is lower than expected.

Deposits

During the year, the Company has not accepted any Fixed Deposits under Chapter - V of the Companies Act, 2013 from the public.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF ITS SUBSIDIARY, ASSOCIATE AND JOINT VENTURES COMPANIES

Pursuant to the Section – 129 (3) of the Companies Act, 2013 read with Rule – 5 of the Companies (Accounts) Rules, 2014, the salient features of Financial Statement of subsidiaries and associates in Form AOC-1 is attached as **Annexure – II** which forms part of this report.

Particulars of Loans, Guarantees and Investments

The Company being infrastructure Company as specified under Schedule – VI of the Companies Act, 2013, is exempted from the provision of Section – 186 except sub-section-186(1) of Companies Act, 2013 with respect to Inter-Corporate loans, guarantees and securities. However, the relevant details are furnished in the notes to financial statement, which forms part of the Annual Report.



INTERNAL FINANCIAL CONTROL

The Company has put in place efficient internal control systems and processes commensurate with its size and scale of operations. The Company has appointed M/s KPMG to carry out Internal Audit so as to ensure adherence to policies and mitigation of the operational risks. The key findings of Internal Auditor are being reviewed by the Audit Committee from time to time and appropriate action plans are prepared so as to implement the recommendations/observations of the Internal Auditor.

The Company uses SAP system for integration of various business processes across the organization.

The Company has in place adequate internal financial controls with reference to financial statements. The Company has appointed KPMG to review the Internal Financial Controls (IFC) as well as to develop Standard Operation Practice (SOP) for various matters related to finance and other activities.

The Company has an Audit Committee that periodically reviews the Internal Auditor's report, suggests corrective actions in required areas and thereby helps to strengthen the controls. Internal control systems and processes put in place are commensurate with its size and scale of operations.

Further, based on the framework of Internal financial controls and systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial 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 2015-16.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT

At GSPC, adherence to high standards of Quality, Health, Safety & Environment (QHSE), is of paramount importance. The Company is committed to achieve high level of QHSE performance as an integral part of company's business performance for sustainable development, safe workplaces and enrichment of quality of life of the employees, customers and community at large.

To ensure that the QHSE management system is functioning satisfactorily, the Company has established effective management protocols and procedures and adopted auditing mechanisms and the recommendations of such audits are consistently implemented. The Company has taken many initiatives during the year to achieve continuous improvement, which includes comprehensive incident and 'near-miss' reporting and investigation system, establishing Emergency Response Plan, Safety and Environmental audits and Systematic HSE Training for employees. These are periodically reviewed, audited and upgraded for continuous excellence.

The HSE efforts of the Company have been recognized by OISD (Oil Industry Safety Directorate) and on 3rd December 2014, the Company has received the Best "Nearmiss Incident" Reporting Organisation – E&P Drilling Rigs Award. The Company has achieved an impressive milestone of incident free commissioning of both the onshore and offshore facilities of Deen Dayal Project in KG offshore and consistently maintained Zero incident record of operations in both onshore Assets and Offshore operations.

Towards sustainable development of operations, GSPC has been giving importance to environmental protection as



one of our primary objectives in QHSE. During the reporting period GSPC has commenced massive green belt plantation in our Onshore terminal and also encouraged large scale plantations around our onshore work sites. Our efforts of reducing wastes and emissions are reflected through implementation of 3R principles of wastes management (Reduce, Recycle and Reuse) in our operations.

To create safety awareness amongst employees, the Company organizes various programs like Celebration of National Safety Day, Fire Services Day and World Environment Day and other awareness drives towards Nearmiss awareness, Fire Safety, Warehouse Safety and Defensive driving etc from time to time.

Every year during the National Safety campaign, the Company undertakes various programmes and competitions like safety quiz, essay, debate and speech, poster competition for employees and their families throughout the Group Companies.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure - III** to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors have developed and implemented Corporate Social Responsibility Policy of the Company. The brief outline of the Corporate Social Responsibility Policy, composition of CSR Committee of Directors, reasons for not spending CSR expenditure and other required disclosures related to CSR are attached herewith as **Annexure - IV** as per the format prescribed under the Companies (Corporate Social Responsibility) Rules, 2014.

The Company has also actively participated in the "International Coastal Cleanup Day" event, organized by Indian Coast Guard Services (ICGS) for beach cleaning activity as a part of the event at Kakinada.

HR INITIATIVES:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has considered Human Resources as its biggest strength and therefore lot of importance is given on taking up various HR initiatives for the all round development of human resources.

HR initiatives are summarized below:

- As the business grows in size and complexity, the requirements in terms of skills, expertise and experience would increase significantly. The Company continues to focus on initiatives which will contribute towards enhancing the capabilities of the next generation of leaders and promote the development of a high performance culture.
- The Company has worked out the manpower requirement for the next three years as per the business needs in various functional areas at various geographical locations. Similarly, keeping in view the business plan, it has put in place an Organizational Structure as per the functional & operational needs of the Company.
- The Company believes that training and development is of vital importance to create a climate where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities



through their involvement. During the year, employees were sent for various training programs and seminars in line with the Annual Training Calendar.

- The Company has also started following new HR initiatives;
- ✓ Strategy Workshop for the senior cadre employee at IIM Ahmedabad

In order to provide the deep understanding of how to formulate business strategies, a high level strategy workshop was organized by the Company at IIM Ahmedabad. This workshop provided lot of insight about the various facets of the business strategies and helped in enhancing the capabilities of participants.

- ✓ Various Employee Engagement Activities

During the year, the Company organized following learning activities for the employees :

- A Workshop for promoting Innovations: “Idea 2 Implementation ”
- Eight Knowledge Sharing Sessions for functional areas
- Training on Centum VP Operations by Yokogawa India Ltd.
- Programme on Enhancing Communication, Presentation Skills and Business Etiquette
- International Women’s Day Celebrations
- Various Sports Competitions
- Training for Support Staff

DIRECTORS & KEY MANAGERIAL PERSONNELS

Appointment of Directors

Dr. J.N. Singh, IAS was nominated by Government of Gujarat as Managing Director of the Company w.e.f. 11th April, 2016 in place of Shri Atanu Chakraborty, IAS who has tendered his resignation as Managing Director of the Company consequent to his transfer as Director General, Director General of Hydrocarbons. Dr. J. N. Singh, IAS has been nominated by Government of Gujarat as Chairman & Managing Director of the Company consequent to his appointment as Chief Secretary w.e.f. 1st August, 2016 in place of Shri G. R. Aloria, IAS.

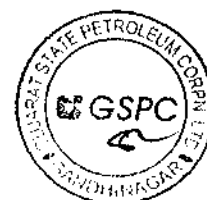
Shri Sujit Gulati, IAS has been appointed as Additional Director of the Company w.e.f. 7th July, 2016 consequent to his appointment as Additional Chief Secretary (Energy and Petrochemical Department in place of Shri L. Chuango, IAS.

Dr. T. Natarajan, IAS has been nominated by Government of Gujarat as Joint Managing Director of the Company w.e.f. 1st August, 2016.

Independent Directors

The Shareholders have approved appointment of Dr. Ravindra Dholakia (DIN:- 00069396) Dr. Manjula Subramaniam, IAS (Retd.) (DIN: 00085783) Prof. Yogesh Singh (DIN: 06600055) and Dr. N. Ravichandran (DIN : 02065298) as Independent Director on the Board

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.



Resignation and Cessation of Directors

The details of resignation and Cessation of Directors during the year under review are as follows;

- Shri M.K. Das, IAS has resigned as Jt. Managing Director of the Company w.e.f. 27th April, 2015 consequent to his transfer as Principal Secretary to Government, Food, Civil Supplies & Consumer Affairs Department
- Shri D. J. Pandian, IAS (Retd.) has ceased to be Nominee Director of Government of Gujarat on the Board and Chairman of the Company w.e.f. 8th April, 2015.
- Dr. T. Harinarayana has ceased to be Nominee Director of Government of Gujarat on the Board w.e.f. 20th June, 2015.
- Shri Atanu Chakraborty, IAS has ceased to be Managing Director of the Company w.e.f. 11th April, 2016 consequent upon his transfer as Director General, Directorate General of Hydrocarbons (DG, DGH), Government of India.
- Shri L. Chuaungo, IAS has ceased to be Director of the Company w.e.f. 27th June, 2016 consequent upon his transfer from Energy & Petrochemicals Department.
- Shri G. R. Aloria, IAS who was appointed w.e.f. 28th July, 2015 has ceased to be Chairman of the Company w.e.f. 31st July, 2016 consequent upon his retirement from services on superannuation.

The Board of Director of your Company place on record appreciation of services rendered by Shri D. J. Pandian, IAS (Retd.), Dr. T. Harinarayana, Shri M. K. Das, IAS, Shri L. Chuaungo, IAS, Shri Atanu Chakraborty, IAS and Shri G. R. Aloria,

IAS.

Appointment and Resignation of Key Managerial Personnel's.

The Board of Directors has approved appointment of Dr. J. N. Singh, IAS as Managing Director of the Company w.e.f. 11th April, 2016 and as Chairman & Managing Director of the Company w.e.f. 1st August, 2016.

The Board of Directors has approved appointment of Dr. T. Natarajan, IAS as Joint Managing Director of the Company w.e.f. 1st August, 2016.

The Board of Directors has also approved appointment of Shri Gopal Pallipuram Srinivasan as Chief Financial Officer being Key Managerial Personnel w.e.f. 1st August, 2015.

Particulars of Managerial Remuneration and Employees

Your Company being Government Company is exempted from furnishing information under Section – 197 of the Companies Act, 2013 vide Ministry of Corporate Affairs notification dated 5th June, 2015.

Meeting of the Board and Committees

9 meetings of Board of Directors were held during the financial year 2015-16.

Pursuant to the requirement of Secretarial Standard - 1 (i.e. Secretarial Standard on meetings of Board of Directors applicable w.e.f. 1st July, 2015), details of number and dates of Meetings of the Board and Committees held during the financial year indicating the number of Meetings attended by each Director is attached as Annexure-V which forms part of this report.



Board Evaluation

The Companies Act, 2013 states that a formal evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule – IV of the Companies Act, 2013 states that the performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the Directors being evaluated.

The evaluation of individual Director, committees and Board as a whole has been carried out by the Board based on the criteria for evaluation adopted by the Board.

MCA has further exempted Government Companies from the provision of evaluation by Nomination & Remuneration Committee and disclosure requirement related to company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;

Separate meeting of Independent Director for evaluation of performance of non-Independent Director was also held in compliance with the provision of Companies Act, 2013.

AUDIT COMMITTEE

The Company has constituted an Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee consists of following Directors:

Name of Directors	Designation
Dr. Ravindra Dholakia	Chairman
Dr. T. Natarajan, IAS	Member
Shri Sujit Gulati, IAS	Member
Dr. N. Ravichandran	Member
Dr. Yogesh Singh	Member

The Audit Committee has recommended the financial statement for the year ended on 31st March, 2016 for approval of the Board at its meeting held on 30th May, 2016.

All the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the Board of Directors have approved Vigil Mechanism policy for Directors and employees to report genuine concerns as per the requirement of Companies Act, 2013.

STATUTORY AUDITORS

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India. Accordingly, M/s P Singhvi & Associates Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company for the financial year 2015-16.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark.

C&AG has given NIL comment reports on the Standalone and consolidated financial statement of the financial year 2015-16 which shall form part of Annual Report.

SECRETARIAL AUDITOR

The Board of Directors have appointed M/s K. K. Patel and Associates, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2015-16.

The Secretarial Audit Report does not contain any qualification, reservation or adverse



remark. The Secretarial Audit Report for the financial year ended on March 31, 2016 is annexed herewith as Annexure – VI to this Report.

COST AUDITORS

The Board of Director has appointed M/s N. D. Birla as Cost auditor for the financial year 2015-16.

The Company has filed the Cost Audit Report for the financial year 2014-15. The Cost Audit for the financial year 2015-16 is being finalized and the same shall be filed as required.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

The Directors confirm that;

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) Accounting policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of Profit of the company for that period.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities is taken.
- (iv) They have prepared annual accounts on a going concern basis.

(v) They 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

(vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and that the provision of Section – 188 (1) of the Companies Act, 2013 was not attracted. Accordingly, the disclosure of Related party Transactions as required under Section - 134(3)(h) read with Rule - 8(2) of the Companies (Accounts) Rules, 2014 in form AOC - 2 is not required.

Your Directors draw attention of the members to Note to Accounts to the financial statement, which sets out related party disclosures.

RISK MANAGEMENT

The Company has in place Risk Management Policy for key business elements, However keeping in view the present scale of operations of the Company, the Board of Directors during the financial year under review has decided to appoint expert agency to identify the potential risks and develop a Risk Management Policy of the Company.

Accordingly expert consultant has been appointed to identify key risks associated with the business activities as well as to develop a detailed risk management policy for the Company which shall lay down the detailed procedure for monitoring, mitigating and reporting risk on periodic basis. The report of



the expert consultant is under review by the Board of Directors.

GENERAL

The Company has put in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

Conservation of Energy

Your Company is in the business of exploration of oil and gas wherein consumption of energy is not significant. However, the Company is still taking all steps for efficient consumption of energy.

Technology Absorption

The Company has been using latest software for geological modeling and reservoirs management. This helps the Company to efficiently manage its Oil and Gas fields and Oil and Gas reserves.

The Company has not imported any technology. However, based on the technology used by the Contractors and Joint Venture partners, the Company is continuously upgrading its skills.

Foreign Exchange Earnings and Outgo

Foreign Exchange	Rs. In crores
Earnings	3053.07
Outgo	0.20

ACKNOWLEDGEMENTS

The lead that GSPC has attained in hydrocarbon sector so far is indeed the end result of persistent hard work of its employees coupled with unstinted support from the Government of Gujarat.

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

The Directors are extremely grateful for all the support given by the Government of Gujarat at all levels.

The Directors place on record their sincere thanks to the Ministry of Petroleum & Natural Gas, Directorate General of Hydrocarbon, PNGRB Government of Gujarat, Natural Gas Suppliers, Customers, Joint Venture partners, Lenders, and investors for their continuous support and guidance.

For and on behalf of the Board of Directors


Chairman & Managing Director

Date: 05/08/2016
Place: Gandhinagar



Annexure – I

Management Discussion & Analysis

India has surpassed China in terms of GDP growth for the first time in the past 15 years by recording a growth rate of 7.6% (advance estimate of Central Statistical Organization (CSO)) for FY 2015-16.

One of the biggest headlines for India's Oil & Gas sector this year, was the successful renegotiation of Petronet LNG Limited's (PLL) term LNG contract with RasGas Company Ltd., Qatar by revising the extant pricing formula wherein the current level of oil indexing closely reflects the prevailing oil prices, giving much respite to the Buyers of LNG from the high LNG prices. In fact, as per Petroleum Planning Analysis & Cell (PPAC), cashing in on such low LNG prices, India's LNG imports rose by an impressive 15% on y-o-y basis to 16.2 MTPA (i.e. 58.2 MMSCMD) during FY 2015-16 as compared to 14.1 MTPA (i.e.50.8 MMSCMD) in FY 2014-15. Natural Gas consumed in the country was pegged at 143.3 MMSCMD in FY 2015-16 and LNG from short, medium & term imports constituted 40% of the country's overall natural gas consumption.

Gas produced from aging domestic fields continued to deplete to 88.1 MMSCMD in FY 2015-16 (Source: PPAC) from 92.2 MMSCMD in 2014-15 making import of LNG imperative to meet the burgeoning demand-supply deficit of the country. Consumption from the two main consuming sectors – Power & Fertilizers – picked up owing to Central Govt. schemes for pooling of gas.

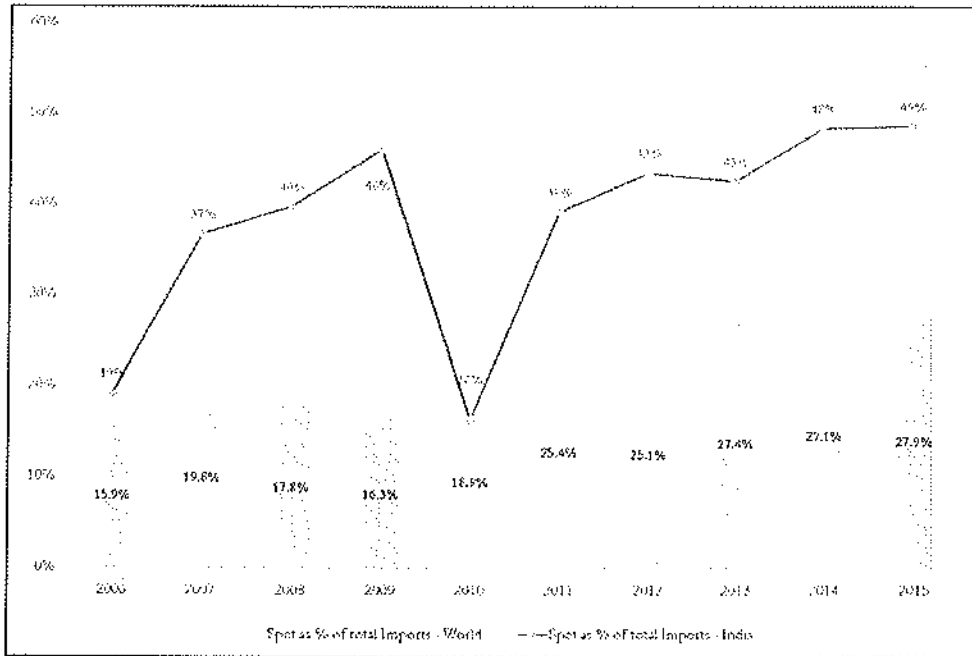
CHANGING LNG MARKET DYNAMICS

Traditionally, LNG was almost exclusively traded under inflexible long-term contracts; however, in the last few years proportion of LNG traded spot or short term basis has risen substantially (refer to Chart indicating spot as a % of total imports). Not only has the number of buyers and sellers increased but at the same time the spot and short-term trading has grown and prices for spot and short-term trades have become less sensitive to individual trades. Moreover, decreasing contract volumes (lesser quantity deals) have gained momentum as buyers are leaning towards developing diverse supply portfolios to prevent undue exposure to any one project / pricing mechanism.

It has been observed that long-term contracts have become more flexible in allowing parties to exploit profitable short-term trading opportunities.

With softened LNG prices and Govt.'s inclination towards promoting gas based markets (PNGRB recently announced bidding for several Geographical Areas across the nation), India may be able to cash on these positive changes in the global LNG market.





(Source: GIIGNL)

GLOBAL OIL & SPOT LNG FLUCTUATION

VARIATION IN CRUDE PRICES

(in US\$/bbl)

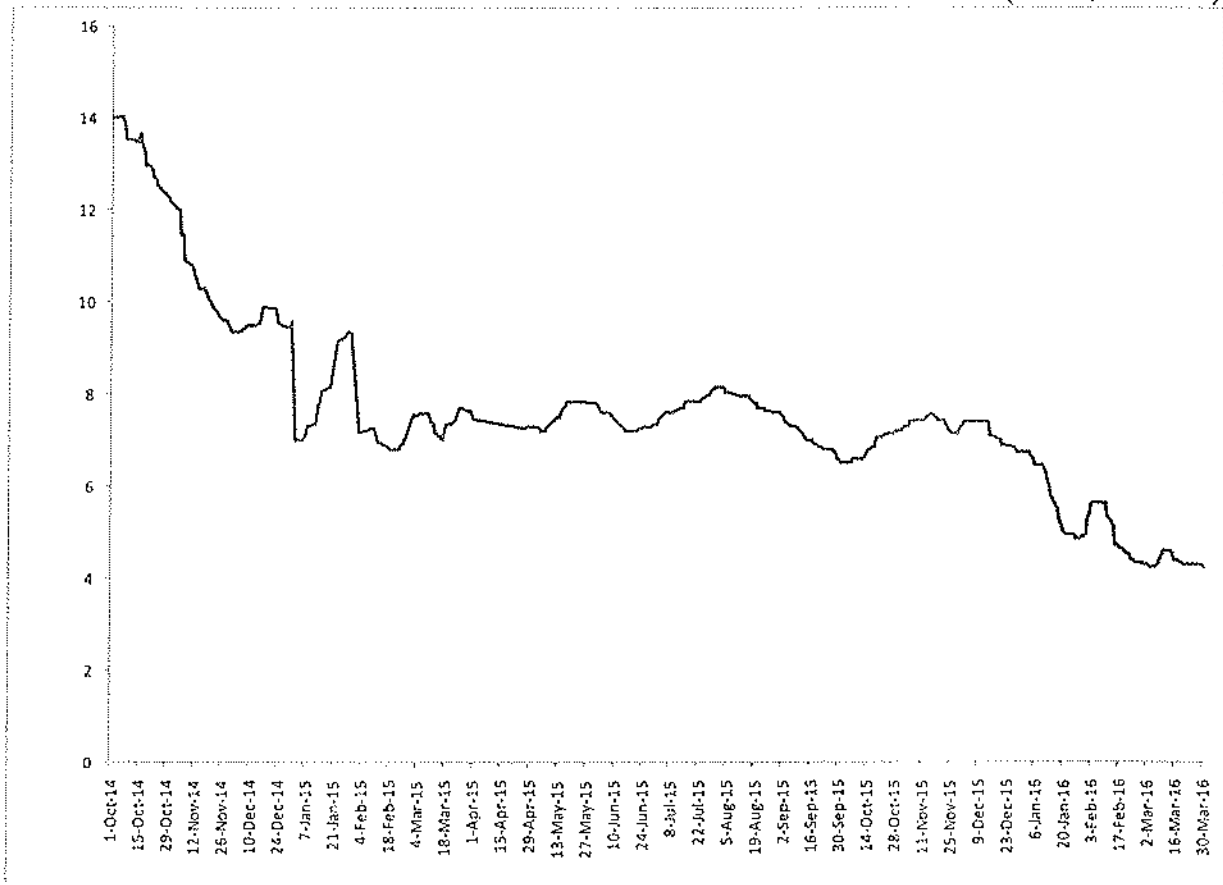


(Source: ICE data)



VARIATION IN LNG PRICES (DES WEST INDIA)

(in US\$/MMBTU)



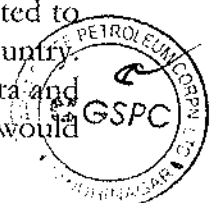
(Source: Platts)

DEVELOPMENT OF ENERGY INFRASTRUCTURE

With LNG prices in the medium term expected to be below long term prices in near future, LNG imports are expected to increase provided the same are fortified by development of requisite energy infrastructure namely pipeline infrastructure, LNG import & regassification terminals and city gas distribution networks.

The Govt. of India has envisaged development of additional 15,000 kms (*existing network of 16,065 kms in the Country – Source: PPAC*) of pipeline network across the country in line with the vision of the Hon'ble Prime Minister of India to create a National Gas Grid. Of such additional envisaged pipelines, GSPC's subsidiary companies namely GSPL India Gasnet Limited (GIGL) and GSPL India Transco Ltd. (GITL) are developing the Mehsana-Bhatinda (MBPL), Bhatinda-Jammu-Srinagar (BJSPL) and Mallavaram-Bhilwara-Bhopal-Vijaipur (MBBVPL) pipelines of ≈ 4000 kms spanning 9 States and 60 districts of the Country. Both the pipeline projects have received all major statutory approvals and are expected to commence construction activities shortly. Development of these cross country pipelines would facilitate flow of gas outside Gujarat and make Gujarat the LNG Gateway of India.

With regards to LNG import & regassification infrastructure, the current nameplate LNG import & regassification capacity of India is around 25 MTPA which is expected to increase to over 55 MTPA by 2020 facilitating increase in LNG imports in the Country. By 2020, apart from the brown field project expansion undertaken at Dahej & Hazira and increased capacity utilization of Kochi and Dabhol LNG terminals, the country would



have Greenfield LNG terminals at Mundra, Jafrabad, Ennore as well as one on the East Coast of India.

In order to ensure growth in gas markets, it is evident that policy makers will have to work towards providing incentives to attract investments in the development of CGD networks, LNG terminals and pipeline infrastructure segment. As policy intervention acts as catalyst for development of infrastructure, we believe that Government will have to focus more on schemes like Viability Gap Funding (VGF) to promote gas infrastructure in the Country.

GOI's POLICY ON PRICING & MARKETING FREEDOM FROM NEW GAS FINDS

Providing a major policy boost to E&P companies, Govt. of India (GoI) has granted marketing & pricing freedom for new gas production from Deepwater, Ultra Deep water and High Pressure-High Temperature (HPHT) Areas.

Earlier the Cabinet Committee of Economic Affairs (CCEA) had approved a premium on gas price to be produced from new discoveries from deep water, ultra deep water and High Pressure-High Temperature (HPHT) areas so as to incentivize exploration of gas from such areas wherein costs and risks involved are much higher than other fields / areas.

Under the new formula, gas prices would be capped at the lowest of the imported cost of fuel oil, landed price of liquefied natural gas (LNG), or weighted average of imported price of coal, fuel oil, and naphtha.

Your Company believes that such favourable decisions of GOI for E&P sector, including providing premium on gas price for discovery from deep water and ultra deep water areas, may lead to the oil & gas sector witnessing boost in E&P segment investments, further leading to improved availability of domestic gas.

E&P business: Producing Assets

Oil and gas production volumes, which depend on the yield from the company's producing fields, have a significant impact on the Company's results of operations. Currently, all of our producing fields are within the Cambay basin, where company holds participating interests in 16 producing fields. The Cambay basin is a maturing resource province with declining production levels, especially of gas. The volume of production from oil and gas fields generally declines as reserves are depleted with ongoing production.

The Company also intends to continue exploration activities in its existing exploration blocks to discover new oil and gas reserves for development. The company's future production will significantly dependent upon success in finding and developing new reserves in a timely and cost effective manner.

DDW field development and New Discoveries

The Company's primary asset is the Deen Dayal Field in the Krishna-Godavari basin (the "KG basin") located off the east coast of the State of Andhra Pradesh, India. The field comprises nine (9) gas discoveries. While the Deen Dayal West reserves are under



development, Genesis Oil & Gas Consultant Limited, London, UK was engaged by your Company to envisage the concept of development for the other new six discoveries (Phase 2) & future of the integrated Deen Dayal Field.

DeenDayal West (DDW) area, that includes three of the nine discoveries, and is expected to have about 1.6 Trillion Cubic feet of Gas (TCF) has almost been developed as the first phase of development. DDW Field Development Project is the first of its kind offshore HPHT (High Pressure High Temperature) field development in India. The DDW field development plan consists of four major segments- Well Head Platform (WHP), an Offshore Process-cum-Living Quarter Platform (PLQP), Sub-sea Pipeline and Onshore Gas Terminal (OGT). All the facilities have been commissioned except OGT which is in the advance stage of completion. To increase the production from DDW field the Company has carried out six stages of hydro-fracturing in the Fourth well with pressure of 13,000 PSI which is first of its kind in HPHT and offshore environment at a depth of 5000 meters. The successful completion of the HF process is expected to significantly increase gas production from the DDW field and also provide an opportunity to achieve the expected target of gas production from the field from future wells. Further, the DDW area also contains an extension to the South East, for which the company has already received the Mining Lease, that is also expected to contain sufficient contingent resources of gas (about 1.1 TCF).

The six discoveries located in the different fault blocks as mentioned below:

- DDW-DT: Deen Dayal West Downthrown block (Well# KG-21 & KG-31)
- DDE:Deen Dayal East Block (Well# KG-22)
- DDN: Deen Dayal North Block (Well#KG-22)
- DDNE-BRU: Deen Dayal North Extension Block (Well#KG-19 & KG-20SS)

The water depth of GSPC's Deen Dayal KG Offshore field in east coast of India varies from 50 m to 800 m in which these six discoveries as mentioned above are located. To exploit these new discoveries, wells and facilities are to be planned in this development program based on selected concept.

A total of 8.48 TCF of in-place hydrocarbon volumes (best estimate) have been established by your Company as the operator for the six Discoveries, which was subsequently validated by an internationally reputed third party resource validating agency M/s Gaffney Cline & Associate (GCA). The Declaration of Commerciality (DoC) for the above Six discoveries by your Company was reviewed/approved by DGH and Management Committee, comprising of members from MoP&NG, DGH and JV partners in January 2014.

Forward Looking Statements:

All the statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expectations and financial results are forward looking statements. Since these are based on certain assumptions and expectations of future event, the company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results performance or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility for



publicly amend modify or revise any such statements on the basis of subsequent developments, information or events.

Date : 05 / 08 / 2016

Place : Gandhinagar



Chairman & Managing Director



Annexure II

AOC - 1 Statement Pursuant to Section 129 of the Companies Act, 2013 relating to Company's interest in the subsidiary companies (Figures in crores)

1	Name of Subsidiary Company	Gujarat State Petronet Limited (GSPL)	GSPL India Gasnet Limited (GIGL)	GSPL India Transco Limited (GITL)	GSPC ENERGY LIMITED	GSPC OFFSHORE LIMITED	GSPC Pipavav Power Company Limited (GPPC)	GSPC (JPDA) Limited	Guj Info Petro Limited (GIPL)	Gujarat Gas Limited (earlier known as GSPC Distribution Network Limited)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16	31-03-16
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.									
4	Share capital	563.34	212.01	168.90	0.05	0.05	861.84	97.39	0.05	137.68
5	Reserves & surplus	3,405.11	4.69	4.88	(0.32)	(0.32)	(315.26)	(98.34)	43.84	1,955.10
6	Total assets	5,841.55	222.42	178.44	0.06	0.06	2,520.17	0.63	78.30	6,074.98
7	Total Liabilities	1,873.10	5.72	4.66	0.33	0.33	1,973.60	1.57	34.41	3,972.20
8	Investments	731.05	-	-	-	-	-	-	-	162.03
9	Turnover	991.93	-	-	-	-	666.11	-	21.57	6,105.86
10	Profit before taxation	667.86	1.74	1.30	(0.32)	(0.32)	75.32	(8.89)	8.79	252.25
11	Provision for taxation	223.39	0.57	0.43	-	-	38.60	-	2.97	99.30
12	Profit after taxation	444.47	1.17	0.87	(0.32)	(0.32)	35.72	(8.89)	5.82	152.95
13	Proposed Dividend	84.50	-	-	-	-	-	-	-	41.43
14	% of Ownership	GSPC holds 37.69%	GSPC holds 19.60%	GSPC holds 19.60%	GSPC holds 100%	GSPC holds 100%	GSPC holds 97.47%	GSPC holds 100%	GSPC holds 69.09%	GSPC holds 38.11%

* Name of subsidiaries which are yet to commence operations - GSPL India Gasnet Limited(GIGL),GSPL India Transco Limited(GITL),GSPC Offshore Limited and GSPC Energy Limited

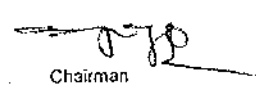


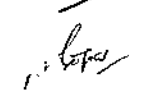
Chairman

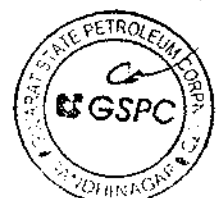
Managing Director

Company Secretary

CFO



AOC - 1 Statement Pursuant to Section 129 of the Companies Act, 2013 relating to Company's interest in the Associate Companies					
(Figures in crores except for no. of shares)					
1	Name of Associates/Joint Ventures	Gujarat State Energy Generation Limited	GSPC LNG Limited	Sabarmati Gas Limited	Alcock Ashdown (Gujarat) Limited
2	Latest audited Balance Sheet Date	31-03-16	31-03-16	31-03-16	31-03-16
3	Shares of Associate/Joint Ventures held by the company on the year end				
	No. of Shares held	11,35,41,817	11,430,060.00	4,494,330.00	11,500,000.00
	Amount of Investment	119.83	11.43	55.10	11.50
	Extent of Holding in %	33.27%	13.49%	32.82%	22.55%
4	Description of how there is significant influence	Control of more than twenty per cent of total share capital			
5	Reason why the associate/joint venture is not consolidated				
6	Networth attributable to Shareholding as per latest audited Balance Sheet	(13.67)	304.61	287.77	53.42
7	Profit / Loss for the year				
	Considered in Consolidation	104.49	-	0.97	(17.69)
	Not Considered in Consolidation				
*Names of associate or joint ventures which are yet to commence operations - GSPC LNG Limited					
**GSPC along with GSPL (Subsidiary of GSPC) holds 23.56% of equity stake in GSPC LNG Limited					
***GSPC along with GSPL (Subsidiary of GSPC) holds 50% of equity stake in Sabarmati Gas Limited					
****GSPC along with GSPL (Subsidiary of GSPC) holds 34.39% of equity stake in Gujarat State Energy Generation Limited					
Date: 30/05/2016 Place: Gandhinagar		 Chairman	 Company Secretary	 Managing Director	 CFO



ANNEXURE – III

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:		
Sr. No.	Particulars	Remark
i)	Corporate Identification Number	U23209GJ1979SGC003281
ii)	Registration Date	January 29, 1979
iii)	Name of the Company	Gujarat State Petroleum Corporation Limited
iv)	Category/ Sub- Category of the Company	Government Company (Public Company/Limited by Shares)
v)	Address of the Registered office and contact details	GSPC Bhavan, B/h Udhog Bhavan, Sector – 11, Gandhinagar PIN :- 382010.
vi)	Whether listed company	Yes (Unsecured Non-Convertible Debenture (NCD's) issued by the Company are listed on National Stock Exchange).
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Plot nos. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 Andhra Pradesh Tel: 079-26465179 Fax: 079-26465179
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY		
	All the business activities contributing 10% or more of the total turnover of the company	As per Annexure – A
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES		
	Particulars of Holding, Subsidiary and Associate companies	As per Annexure - B



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)		
i)	Category-wise Share holding	As per Annexure – C
ii)	Shareholding of Promoters	As per Annexure – D
iii)	Change in Promoters Shareholding	As per Annexure – E There is no change in shareholding pattern of Promotes during the financial year 2015-16 except allotment of 54776434 equity shares to Government of Gujarat on 19 th October, 2015 pursuant to preferential allotment.
iv)	Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	As per Annexure – F
v)	Shareholding of Directors and Key Managerial Personnel	As per Annexure – G
V. INDEBTEDNESS		
i)	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Annexure – H
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
i)	Remuneration to Managing Director , Whole-time Directors and/or Manager:	As per Annexure – I
ii)	Remuneration to other directors	As per Annexure – J
iii)	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Annexure – K
VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES		
iii)	Penalties / Punishment/ Compounding of offences	There were no Penalties / Punishment/ Compounding of offences under Companies Act, 2013.

Date : 05/08/2016
Place: Gandhinagar


Chairman and Managing Director



Annexure - A			
All the business activities contributing 10% or more of the total turnover of the company			
Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the company
1	Anciliary Product- Gas Trading	Not Applicable	98.57%



Annexure - B

Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gujarat State Petronet Limited (GSPL)	L40200GJ1998SGC035188	Subsidiary	37.69	2(87)
2	GSPL India Gasnet Limited (GIGL)****	U40200GJ2011SGC067449	Subsidiary	NIL	2(87)
3	GSPL India Transco Limited (GITL)****	U40200GJ2011SGC067450	Subsidiary	NIL	2(87)
4	Gujarat Gas Limited (GGL)*	L40200GJ2012SGC069118	Subsidiary	28.40	2(87)
5	GSPC (JPDA) Limited	U23201GJ2006SGC049229	Subsidiary	100	2(87)
6	Guj Info petro Limited	U72900GJ2001PLC039162	Subsidiary	49.94	2(87)
7	GSPC Pipavav Power Company Limited	U40100GJ2006SGC047783	Subsidiary	97.47	2(87)
8	GSPC Offshore Limited	U11202GJ2015SGC084562	Subsidiary	100	2(87)
9	GSPC Energy Limited	U11102GJ2015SGC085438	Subsidiary	100	2(87)
8	GSPC LNG Limited**	U23203GJ2007SGC050115	Associate	7.39	2(6)
9	Gujarat State Energy Generation Limited	U40100GJ1998SGC035212	Associate	32.59	2(6)
10	Sabarmati Gas Limited***	U40200GJ2006PLC048397	Associate	22.47	2(6)
11	Alcock Ashdown (Gujarat) Limited	U74999GJ1994SGC022952	Associate	22.55	2(6)

*GSPC Distribution Network Limited is now known as Gujarat Gas Limited after approval of merger of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited into GSPC Distribution Network Limited. GSPC holds 28.4%, GSPL (i.e. subsidiary of GSPC holds 25.76%) and GSEG (i.e. Associate of GSPC holds 0.19%).

**GSPC along with GSPL (Subsidiary of GSPC) holds 23.56% of equity stake in GSPC LNG Limited

***GSPC along with GSPL (Subsidiary of GSPC) holds 49.94% of equity stake in Sabarmati Gas Limited

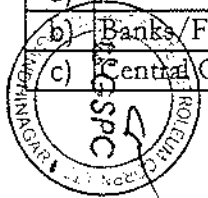
****GIGL, GITL are subsidiary of subsidiary of GSPC and hence it is also subsidiary of GSPC.



Annexure -C

Category-wise Share holding

Category of Shareholders	No. Of shares held at the beginning of the year				No. Of shares held at the end of the year				% Change	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total shares		
A. (Promoters)										
1	Indian									
a)	Individual/ HUF	-	-	-	-	-	-	-	-	
b)	Central Government	-	-	-	-	-	-	-	-	
c)	State Government	0	2186233745	2186233745	86.60	-	2241010179	2241010179	86.89	0.28
d)	Bodies corporates	-	-	-	-	-	-	-	-	
e)	Banks/FI	-	-	-	-	-	-	-	-	
f)	Any other	-	-	-	-	-	-	-	-	
	Sub total (A) (1):-	0	2186233745	2186233745	86.60	0	2241010179	2241010179	86.89	0.28
2	Foreign									
a)	NRIs- Individuals	-	-	-	-	-	-	-	-	
b)	Other- Individuals	-	-	-	-	-	-	-	-	
c)	Bodies Corporates	-	-	-	-	-	-	-	-	
d)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	
e)	Any Other	-	-	-	-	-	-	-	-	
f)	Sub total (A) (2):-	0	0	0	0	0	0	0	0	
Total shareholding of Promoter (A)=										
		0	2186233745	2186233745	86.60	0	2241010179	2241010179	86.89	0.28
B. Public Shareholding										
1	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	
b)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	
c)	Central Govt	-	-	-	-	-	-	-	-	



d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII's	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
1	Non-institutions									
a)	Bodies Corporation									
	i) Indian	97944300	240308441	338252741	13.40	338252741	0	338252741	13.11	-0.28
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									0.00
	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)									
	Sub-total (B)(2):-	97944300	240308441	338252741	13.40	338252741	0	338252741	13.11	-0.28
	Total Public Shareholding - (B)	97944300	240308441	338252741	13.40	338252741	0	338252741	13.11	-0.28
	C. Shares held by Custodian for GDRs & ADRs									
	Grand Total - (A+B+C)	97944300	2426542186	2524486486	100.00	338252741	2241010179	2579262920	100.00	

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Annexure - D

Shareholding of Promoters

Sl	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Government of Gujarat	2186233745	86.60	-	2241010179	86.89	-	0.29
	Total	2186233745	86.60	-	2241010179	86.89	-	0.29

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Annexure - E

Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Name of Promoter :- Government of Gujarat				
Details of Change				
At the beginning of the year	2186233745	86.60	2186233745	86.60
Allotment pursuant to preferential issue 19th October, 2015	54776434		2241010179	86.89
At the End of the year	2241010179	86.89	2241010179	86.89



Annexure - F

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

Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year (i.e. 1st April, 2015)		Cumulative Shareholding during the year (i.e. 31st March, 2016)	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the company
1	Governor of Gujarat (Promoter)	2186233745	86.60	2241010179	86.89
2	Gujarat Alkalies & Chemicals Limited	21543200	0.85	21543200	0.84
3	Gujarat Industrial Development Corporation	12345600	0.49	12345600	0.48
4	Gujarat Industrial Investment Corporation Limited	20555500	0.81	20555500	0.80
5	Gujarat Mineral Development Corporation Limited	26172800	1.04	26172800	1.01
6	Gujarat Narmada Valley Fertilizers Company Limited	21543200	0.85	21543200	0.84
7	Gujarat State Fertilizers & Chemicals Limited	23500000	0.93	23500000	0.91
8	Gujarat State Investments Limited	192592441	7.63	192592441	7.47
9	Gujarat Gas Company Limited	20000000	0.79	20000000	0.78
Total		2524486486	100	2579262920	100

Note :- The only change was in shareholding of Government of Gujarat pursuant to allotment of 54776434 equity shares on 19th October, 2015 pursuant to preferential issue.



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Annexure - G

Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars of Directors and KMP	Shareholding at the beginning of the year (i.e. 1st April, 2015)		Cumulative Shareholding during the year (i.e. 31st March, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<i>NIL</i>					



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Annexure - H

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principla Amount	9,770	9,947		19,716
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	29	155		184
Total (i+ii+iii)	9,798	10,102		19,900
Change in Indebtedness during the financial year				
- Addition	3,697			
- Reduction		(1,752)		
Net Change	3,697	(1,752)		1,946
Indebtedness at the end of the financial year				
i) Principla Amount	13,467	8,195		21,662
ii) Interest due but not paid				
iii) Interest accrued but not due	40	145		185
Total (i+ii+iii)	13,507	8,340		21,847



Remuneration to Managing Director, Whole Time Director and/or Manager

Sl. No.	Particulars of Remuneration		Name of Managing Director	Total Amount
		Shri Manoj Kumar Das, IAS	Shri Atanu Chakraborty, IAS	
		Upto 27/04/2015	1/04/2015 to 31/03/2016	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	133231.00	1939229.00	2,072,460.00
	(b) Value of perquisites u/ 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- As % of Profits			
	- Others, Specify			
5	Others, please specify			
	Total(A)	133231.00	1939229.00	2,072,460
Ceiling as per the Act				

In case of Inadequate Profits - Approx. Rs. 60 lacs (i.e as per the provision of Section - 197 read with provision of Schedule - V of the Companies Act, 2013 Maximum remuneration payable to Managerial Person based on effective capital of the Company.



Annexure - J
Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount
		Shri G. R. Aloria, IAS	Dr. J. N. Singh, IAS	Shri L. Chuaungo, IAS	Dr. Manjula Subramaniam, IAS (Retd.)	Shri M. M. Srivastava, IAS (Retd.)	Shri K. Kailashnathan, IAS (Retd.)	Dr. Ravindra Dholakia	Prof. N. Ravichandran	Prof. Yogesh Singh	Dr. T. Harinarayana	
	Period of Directorship	28/07/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 31/03/2016	01/04/2015 to 20/06/2015	
1	Independent Directors											
	- Fees for attending Board/ Committee Meetings	-	-	-	-	-	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-	120,000.00	75,000.00	82,500.00	-	277,500.00
	-Others (Out of Pocket Expenses)	-	-	-	37,500.00	-	-	-	-	-	-	-
	Total (1)	-	-	-	37,500.00	-	-	24,000.00	15,000.00	16,500.00	-	93,000.00
					37,500.00			144,000.00	90,000.00	99,000.00		370,500.00
2	Other Non Executive Directors											
	- Fees for attending Board/ Committee Meetings	-	-	-	-	112,500.00	37,500.00	-	-	-	-	-
	- Commission	-	-	-	-	-	-	-	-	-	37,500.00	187,500.00
	-Others (Out of Pocket Expenses)	12,000.00	46,500.00	51,000.00	-	22,500.00	7,500.00	-	-	-	-	-
	Total (2)	12,000.00	46,500.00	51,000.00	-	135,000.00	45,000.00	-	-	-	7,500.00	147,000.00
	Total (3) = (1 + 2)	12,000.00	46,500.00	51,000.00	37,500.00	135,000.00	45,000.00	144,000.00	90,000.00	99,000.00	45,000.00	705,000.00
	Total Managerial Remuneration	12,000.00	46,500.00	51,000.00	37,500.00	135,000.00	45,000.00	144,000.00	90,000.00	99,000.00	45,000.00	705,000.00

Amount of Rs. 5,47,500 was deposited with treasury for payment of sitting fees to IAS Directors.

Overall Ceiling as per Act :- Rs. _____ (being 1 % of the net profit calculated as per the provision of Section - 198 of the Companies Act, 2013).

Amounts mentioned in this table are only for meetings held during FY 2015-16.



Annexure - K

Remuneration to Key Managerial Personnel other than Managing Director/M/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	KMP (CS & Group General Manager (Secretarial & Legal)*	KMP (CFO)	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3,109,349	5,081,792	8,191,141
	(b) Value of perquisites u/ 17(2) of the Income-tax Act, 1961		15,000	-	15,000
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- As a % of Profits				
	- Others, Specify				
5	Others, Please Specify				
	Fixed Pay				
	Total		3,124,349	5,081,792	8,206,141

*Including 25% performance linked incentive



ANNEXURE - IV

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company along with its subsidiaries and associates has evolved as an "Integrated Energy Company" with significant presence across the entire energy value chain spanning wide range of oil & gas activities comprising oil and gas exploration, development and production, gas trading, gas transmission, gas distribution and power generation.

The company has always focused on the objectives of energy security, promoting fuel efficiency and conservation of natural resources.

The Company undertakes Corporate Social responsibility as a genuine expression of goodwill and gratitude towards society. The Company being a state sector entity is fully recognizing its social responsibilities and is keen to make significant contributions towards development of social infrastructure, economic, environmental and social upliftment of communities in and around the work centers in the major thrust areas such as community development, infrastructure, literacy enhancement, education aids and healthcare. The Company is committed towards its corporate social responsibility in the areas of its operation. The Company has contributed from time to time for the benefit of local communities.

In the spirit of enhancing "Educational Awareness" among children especially girl child in the rural areas of Gujarat, your company whole heartedly participated in the Kanya Kelvani Mahotsav. The Company has also adopted a school for promoting educational activities in rural areas.

The cultural programs, social awareness campaigns and volunteer activities are just the right opportunities for GSPC to act and reinforce its commitment towards the society. GSPC prides itself in being always there for the society and desires to be closely intertwined with the society in the future as well.

As a socially responsible organization, blood donation camps are organized at regular intervals. Besides, GSPC assumes leading role in promoting awareness about various social issues affecting the society today like education, women empowerment, preserving scarce natural resources, etc.

The company has always focused on the objective of promoting fuel efficiency and conservation aspect of natural resources in line with national wide oil and gas Conservation campaign.

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The Company is committed to enhance value creation in the society in which it operates, through its service, conduct, business practise and social initiatives. The objective of the policy is to contribute positively towards sustainable and inclusive growth of the society with focus on India's most pressing development challenges as highlighted under schedule - VII of the Companies Act, 2013 and as amended from time to time.

The contents of the CSR policy of GSPC are displayed on website of GSPC: <http://gspcgroup.com/documents/pagecontent/Corporate-Social-Responsibility-Policy-GSPC.pdf>

2. The Composition of the CSR Committee.

The Company has constituted CSR Committee of Director as follows;

CSR Committee of Director		Committee Position
1	Dr. J. N. Singh, IAS	Chairman
2	Shri L. Chuaungo, IAS	Member
3	Dr. N. Ravichandran	Member

3. Average net profit of the company for last three financial years :- Rs. 4,63,10,00,013
4. Prescribed CSR Expenditure (i.e 2 % Average net profit of the company for last three financial years) :- Rs. 9,26,20,000
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year :- Rs. 9,26,20,000
 - (b) Amount unspent, if any; Rs. 6,46,20,000

Manner in which the amount spent during the financial year is detailed below. :

Sr. No.	CSR Activity indentified	Sector in which the project is covered	Area in which CSR activity to be undertaken	Amount (Budget)	Amount Spent on the programme	Cumulative Expenditure	Manner in which the amount is spent
1	CSR in and around Dowlaiswaram on account of Raw Water Pipeline work	Rural Development	In the areas in which the Company operates	Rs. 2.8 crores	Rs. 2.8 crores	Rs. 2.8 crores	Deposit to account of District Collector (East Godavari)



The activities of the Company will generally be in consonance with the Schedule - VII of the Companies Act, 2013. The Company would undertake activities as per the CSR Policy of the Company.

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


The CSR Committee in addition to the above CSR expenditure approved CSR activity for promoting preventive health care and towards the same has also approved CSR expenditure of Rs. Rs. 1.75 Crores for purchase of medical equipments/devices. In this regard, the Company has entered into a MoU with Nagarpalika Seva Sadan, Dholka and Block Health Officer, Dholka who will be responsible for procurement and upkeepment of the equipment through the Block Health Officer who will be responsible for its proper utilization and maintenance. However since the strategy to effectively implement such CSR project took some time, the actual expenditure towards the same would be incurred in the financial year 2016-17 and hence it will qualify as CSR expenditure for the financial year 2016-17.

The Company's CSR initiatives usually involve setting the foundation of various programs at small scale to learn from on-ground realities and getting feedback from community. Towards these initiatives the Company has identified areas at small scale for Social upliftment of communities in to area of its operations during the financial year as explained above.

The Company aims to have sustainable CSR programs with greater impact on the community and that the Company is in the process to implement multi-year project which shall help to derive benefits on long term basis and hence the Company has underutilized the Minimum CSR Obligation for the Financial Year 2015-16. However the CSR activities and outgo on such activities will increase in the coming years. The Company strive to undertake the CSR project and activities from the financial year 2016-17.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.


Managing Director & Chairman
(Chairman - CSR Committee)

Date : 05/08/2016
Place : Gandhinagar



Annexure-V

**Meetings of Board and Committees held during the year and Directors' Attendance
(Pursuant to clause 9 of Secretarial Standard -1 Meetings of Board of Directors)**

1. Meetings of Board of Directors

Total 9 Board Meetings were held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meetings of Board of Directors	14 th May, 2015
	26 th May, 2015
	27 th July, 2015
	6 th August, 2015
	8 th October, 2015
	9 th November, 2015
	4 th December, 2015
	3 rd March, 2016
	30 th March, 2016

Attendance of each Director at the Board Meetings during FY 2015-16:

Sr. No.	Name of the Director	Number of Board Meetings held during their tenure as Director	Number of Board Meetings attended
1	Shri G. R. Aloria, IAS (w.e.f. 28 th July, 2015)	06	06
2	Dr. J. N. Singh, IAS	09	08
3	Shri L. Chuaungo, IAS	09	07
4	Dr. Manjula Sunbramaniam, IAS (Retd.)	09	08
5	Shri M. M. Srivastava, IAS (Retd.)	09	09
6	Shri K. Kailashnathan, IAS (Retd.)	09	04
7	Dr. Ravindra Dholakia	09	09
8	Prof. N. Ravichandran	09	05
9	Prof. Yogesh Singh	09	05
10	Dr. T. Harinarayana (Upto 20 th June, 2015)	02	02
11	Shri Atanu Chakraborty, IAS	09	09
12	Shri D. J. Pandian, IAS (Retd.) (Upto 8 th April, 2015)	00	00
13	Shri M. K. Das, IAS (Upto 27 th April, 2015)	00	00

2. Meetings of Audit Committee of Directors

Total 4 Audit Committee Meetings were held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meetings of Audit Committee of Directors	14 th May, 2015
	6 th August, 2015
	9 th November, 2015
	3 rd March, 2016



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Attendance of the Members at the Audit Committee Meetings during FY 2015-16:

Sr. No.	Name of the Director	Tenure of Director as member of the committee	Number of Audit Committee Meetings in which Director was eligible as member of Committee	Number of Audit Committee Meetings attended
1	Dr. Ravindra Dholakia	01-04-2015 to 31-03-2016	04	04
2	Dr. J. N. Singh, IAS	01-04-2015 to 31-03-2016	04	02
3	Shri L. Chuaungo, IAS	14-05-2015 to 31-03-2016	02	02
4	Prof. N. Ravichandran	01-04-2015 to 31-03-2016	04	02
5	Prof. Yogesh Singh	14-05-2015 to 31-03-2016	03	02
6	Shri Atanu Chakraborty, IAS*	-	01	01

**Note: The Audit Committee was reconstituted w.e.f. 8th November, 2015 to include Shri Atanu Chakraborty, IAS in place of Shri L. Chuaungo, IAS for the meeting held on 9th November, 2015. After Audit Committee meeting held on 9th November, 2015, the earlier constitution of Audit Committee (i.e. approved by the Board on 14th May, 2015) was continued to be effective.*

3. Meetings of Nomination & Remuneration Committee of Directors

Total 2 Nomination and Remuneration Committee Meetings were held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meetings of Nomination & Remuneration Committee of Directors	14 th May, 2015
	6 th August, 2015

Attendance of the Members at the Nomination & Remuneration Committee Meetings during FY 2015-16:

Sr. No.	Name of the Director	Tenure of Director as member of the committee	Number of Nomination & Remuneration Committee Meetings in which Director was eligible as member of Committee	Number of Nomination & Remuneration Committee Meetings attended
1	Shri L. Chuaungo, IAS	01-04-2015 to 31-03-2016	02	02
2	Dr. Ravindra Dholakia	01-04-2015 to 31-03-2016	02	02
3	Prof. N. Ravichandran	01-04-2015 to 31-03-2016	02	01
4	Dr. T. Harinarayana (upto 20 th June, 2015)	01-04-2015 to 20-06-2015	01	01



4. Meeting of CSR Committee of Directors

Total 1 CSR Committee Meeting was held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meeting of CSR of Directors	8 th October, 2015

Attendance of the Members at the CSR Committee Meeting during FY 2015-16:

Sr. No.	Name of the Director	Tenure of Director as member of the committee	Number of CSR Committee Meetings in which Director was eligible as member of Committee	Number of CSR Committee Meetings attended
1	Shri L. Chuaungo, IAS	01-04-2015 to 31-03-2016	01	01
2	Prof. N. Ravichandran	01-04-2015 to 31-03-2016	01	00
3	Shri Atanu Chakraborty, IAS	01-04-2015 to 31-03-2016	01	01

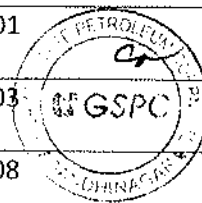
5. Meetings of Project Committee of Directors

Total 8 Project Committee Meetings were held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meetings of Project Committee of Directors	10 th April, 2015
	14 th May, 2015
	9 th June, 2015
	27 th July, 2015
	25 th August, 2015
	8 th October, 2015
	4 th December, 2015
	14 th March, 2016

Attendance of the Members at the Project Committee Meetings during FY 2015-16:

Sr. No.	Name of the Director	Tenure of Director as member of the committee	Number of Project Committee Meetings in which Director was eligible as member of Committee	Number of Project Committee Meetings attended
1	Dr. J. N. Singh, IAS	01-04-2015 to 31-03-2016	08	08
2	Shri L. Chuaungo, IAS	01-04-2015 to 31-03-2016	08	07
3	Dr. Manjula Sunbramian, IAS (Retd.)	14-05-2015 to 31-03-2016	06	06
4	Prof. Yogesh Singh	14-05-2015 to 31-03-2016	06	01
5	Dr. T. Harinarayana (upto 20 th June, 2015)	01-04-2015 to 20-06-2015	03	03
6	Shri Atanu Chakraborty, IAS	01-04-2015 to 31-03-2016	08	08



6. Meetings of HR Committee of Directors

Total 4 HR Committee Meetings were held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meetings of HR Committee of Directors	14 th May, 2015
	6 th August, 2015
	8 th October, 2015
	28 th October, 2015

Attendance of the Members at the HR Committee Meetings during FY 2015-16:

Sr. No.	Name of the Director	Tenure of Director as member of the committee	Number of HR Committee Meetings in which Director was eligible as member of Committee	Number of HR Committee Meetings attended
1	Shri M. M. Srivastava, IAS (Retd.)	14-05-2015 to 31-03-2016	04	04
2	Dr. J. N. Singh, IAS	14-05-2015 to 31-03-2016	04	03
3	Shri L. Chuaungo, IAS	14-05-2015 to 31-03-2016	04	04
4	Prof. N. Ravichandran	14-05-2015 to 31-03-2016	04	01
5	Prof. Yogesh Singh	14-05-2015 to 31-03-2016	04	02
6	Shri Atanu Chakraborty, IAS	14-05-2015 to 31-03-2016	04	04

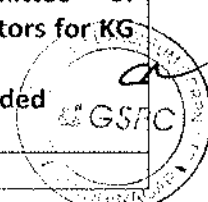
7. Meetings of Committee of Directors for KG Block

Total 8 Meetings of Committee of Directors for KG Block were held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meetings of Committee of Directors for KG Block	9 th June, 2015
	27 th July, 2015
	15 th September, 2015
	4 th December, 2015
	13 th January, 2015
	24 th February, 2015
	1 st March, 2016
	30 th March, 2016

Attendance of the Members at the Meetings of Committee of Directors for KG Block during FY 2015-16:

Sr. No.	Name of the Director	Tenure of Director as member of the committee	Number of Meetings of Committee of Directors for KG Block in which Director was eligible as member of Committee	Number of Meetings of Committee of Directors for KG Block attended
1	Shri G. R. Aloria, IAS	24-02-2016 to	02	02



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		31-03-2016		
2	Dr. J. N. Singh, IAS	14-05-2015 to 31-03-2016	08	08
3	Shri L. Chuaungo, IAS	14-05-2015 to 31-03-2016	08	08
4	Dr. Manjula Sunbramaniam, IAS (Retd.)	14-05-2015 to 31-03-2016	08	07
5	Shri M. M. Srivastava, IAS (Retd.)	24-02-2016 to 31-03-2016	02	02
6	Shri K. Kailashnathan, IAS (Retd.)	24-02-2016 to 31-03-2016	02	01
7	Shri Atanu Chakraborty, IAS	14-05-2015 to 31-03-2016	08	08

8. Meetings of Committee of Directors for Non-Operated Fields

Total 3 Meetings of Committee of Directors for Non-Operated Fields were held during the financial year 2015-16. Details of Meeting are as follows;

Particulars of the Meeting	Date of the Meeting
Meetings of Committee of Directors for Non-Operated Fields	9 th June, 2015
	27 th July, 2015
	15 th September, 2015

Attendance of the Members at the Meetings of Committee of Directors for Non-Operated Fields during FY 2015-16:

Sr. No.	Name of the Director	Tenure of Director as member of the committee	Number of Meetings of Committee of Directors for Non-Operated Fields in which Director was eligible as member of Committee	Number of Meetings of Committee of Directors for Non-Operated Fields attended
1	Dr. J. N. Singh, IAS	14-05-2015 to 31-03-2016	03	03
2	Shri L. Chuaungo, IAS	14-05-2015 to 31-03-2016	03	03
3	Dr. Manjula Sunbramaniam, IAS (Retd.)	14-05-2015 to 31-03-2016	03	03
4	Shri Atanu Chakraborty, IAS	14-05-2015 to 31-03-2016	03	03

Date : 05/08/2016
Place : Gandhinagar


Chairman and Managing Director





SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To,
The Members,
Gujarat State Petroleum Corporation Limited
GSPC Bhawan, Behind Udyog Bhawan,
Sector-11, Gandhinagar-382011

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat State Petroleum Corporation Limited**. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the 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 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings of the Company.



- (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 to the extent applicable to the Company being holding Company of Listed Subsidiary Companies.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 is not applicable to the Company.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not applicable to the Company;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is not applicable to the Company.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, to the extent applicable to the Company;
 - (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 to the extent applicable to the Company since NCDs of the Company is Listed on National Stock Exchange.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable to the Company; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable to the Company.
- (vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following sector specific laws applicable specifically to the Company:
- (i) The Petroleum Act, 1934 and rules made thereunder
 - (ii) The Oilfield (Regulation & Development) Act, 1948 and its rules.
 - (iii) The Oil Industry (Development) Act, 1974
 - (iv) Oil Mines Regulation 1984.
 - (v) Environment Protection Act, 1986



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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Debt Listing Agreements with National Stock Exchange Limited (NSE) & Securities and Exchange Board of India (Listing Obligation and disclosure requirement) Regulation, 2015.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

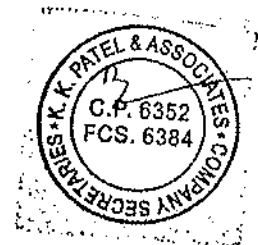
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31.03.2016. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of shorter notice required compliance as per Companies Act, 2013 has been ensured and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors and Committee of the Board as the case may be.

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

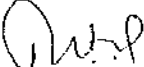


We further report that

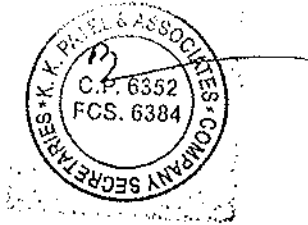
During the audit period the Company has taken major decisions which requires reporting under Companies Act, 2013 are as under:

1. The Board of Directors at its Board Meeting held on 4th December, 2015 has pursuant to the provisions of the Sections 391 to 394 and all other applicable provisions, of the Companies Act, 1956 and Companies Act, 2013 and subject to the requisite approvals, accorded approval for Scheme of Arrangement for structuring of various businesses of GSPCL.
2. The Company has incorporated two subsidiaries (i.e GSPC Offshore Limited and GSPC Energy Limited) as a part of proposed re-structuring during the financial year 2015-16.
3. The Company has issued equity share on preferential basis aggregating to Rs. 443.69 Crores on 19th October, 2015.

For K K Patel & Associates


(Kiran Kumar Patel)

FCS No. 6384, CP No. 6352



Date: 30/05/2016

Place: Gandhinagar

(This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.)



KIRAN KUMAR PATEL B.Com, FCS

K. K. PATEL & ASSOCIATES
Company Secretaries

Plot No. 305, 2nd Floor, Padmavati Apartment, Nr. G11-6 Circle, Sector-29, Gandhinagar - 382 029. Ph. 079-23243088 Mob. 98250 23204 Email : cs_kiranpatel@yahoo.co.in

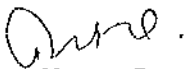
'Annexure A'

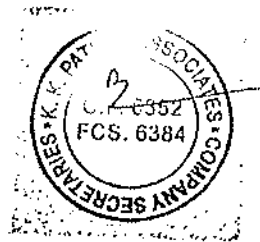
To,
The Members,
Gujarat State Petroleum Corporation Limited
GSPC Bhwan, Behind UdyogBhawan,
Sector-11, Gandhinagar-382011

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial Statements of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is not an assurance as to the future viability of the Company.

For K K Patel & Associates


(Kiran Kumar Patel)
FCS No. 6384, CP No. 6352



Date: 30/05/2016
Place: Gandhinagar

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS
GUJARAT STATE PETROLEUM CORPORATION LIMITED.
GANDHINAGAR (GUJARAT)

Report on the Standalone Financial Statements

We have audited the accompanied standalone financial statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED**, which comprises of the Balance Sheet as on 31ST March, 2016 and the Statement of Profit and Loss and Cash Flow statement for the year ended 31ST March, 2016 and a summary of significant Accounting Policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

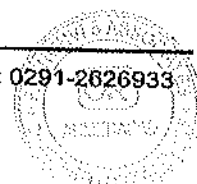
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the adequate information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles Generally Accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31ST March, 2016;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- (a) Note no. 17.1 and 24 regarding non provisioning of disputed Income Tax demands/claims by the Income Tax Authority amounting to Rs. 1,038.70 crores (P.Y. Rs. 1,019.73 crores) and disclosed by way of a note as contingent liability. As the matter is disputed therefore no provision is made in the financial statements. Our opinion is not modified in respect of this matter.
- (b) Accounting Policy J of significant Accounting Policies (Note No. 2), which describes that the financial statements of the unincorporated joint ventures are prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory accounting standards and the Companies Act, 2013 have been made in these accounts to the extent of information available with the Company. Our opinion is not modified in respect of this matter.
- (c) Note no. 35 (h) to the financial statements, regarding the dispute between GSPC and Geo Global Resources (India) Inc. ("GGR") with respect to the obligations of both the parties under the Carried Interest Agreement. The parties are in the process of resolving the dispute. Pending such resolution, the amount of Rs.1834.08 Crores (P.Y. : Rs. 1734.60 Crores), which is due from GGR is shown under note no. 17 "Long Term Loans & Advances-Joint Venture balance" and no impact of adjustment, if any, of possible outcome of such resolution has been given in the financial statements. Our opinion is not modified in respect of this matter.



(d) Note no. 24 (a) to the financial statements which describes the uncertainty related to GSPC's share in alleged claim of Gujarat State Energy Generation Limited ("GSEG") against NIKO Resources Ltd. ("NIKO") and GSPC for Rs. 861.78 crores (USD 129.92 million) (GSPC's share Rs. 574.55 crores) on account of liquidated damages for short supply of natural gas under the GSA, for which based on legal opinion no provision has been made. Our opinion is not modified in respect of this matter.

(e) Note No. 24 (c) to the financial statements which describes the uncertainty related to alleged claim of Tuff Drilling Private Limited ("TDPL") for Rs. 719.33 Crores (GSPC's share Rs. 575.47 crores) on account of loss caused to TDPL on account of illegal termination of contract for which based on management representation that the matter is under Arbitration Proceedings no provision has been made. Our opinion is not modified in respect of this matter.

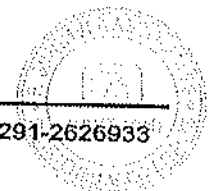
(f) Note No. 46 to the financial statements which describes that based on Transaction Audit by M/s. KPMG appointed by internal committee for investigation and Preliminary Investigation carried out by Government of Gujarat, financial irregularities relating to Delhi Office of GSPC were observed. The Audit Committee has also confirmed the same vide its minutes of meeting held on 03.03.2016. No provision has been made by the Company as the liability, if any, is unascertainable at this point of time. As per Management Representation the matter is under investigation. Our opinion is not modified in respect of this matter.

Other Matter

a) We have placed reliance on technical/commercial evaluation by the management in respect of categorization of wells as exploratory, development and producing, allocation of costs incurred on them, treatment of capitalization, depletion of producing properties on the basis of the proved probable hydrocarbon reserves and liability for abandonment costs.

b) (i). The accounts include gross fixed assets aggregating to Rs. 814.38 crores, other assets aggregating to Rs. 89.20 crores, liabilities aggregating to Rs. 21.37 crores, income aggregating to Rs. 81.48 crores and expenditure aggregating to Rs. 31.50 crores relating to Company's share in Eleven producing joint ventures, which have been incorporated on the basis of accounts audited by other auditors.

(ii). The accounts include gross fixed assets aggregating to Rs. 1546.86 crores, other assets aggregating to Rs. 18.02 crores, liabilities aggregating to Rs.25.44 crores, income aggregating to Rs. 25.41 crores and expenditure aggregating to Rs. 40.68 crores relating to Company's share in Six producing joint ventures, which has been incorporated on the basis of unaudited information approved by the management made available to us, in the absence of audited accounts.

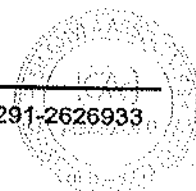


(iii). In respect of Six joint ventures which are under exploration and development phase, exploration/development expenditure aggregating to Rs. 15,122.67 crores, other assets aggregating to Rs. 11.57 crores and liabilities aggregating to Rs. 424.01 crores have been incorporated on the basis of accounts audited by other auditors.

(iv). In respect of Three joint ventures which are under exploration and development phase, exploration/development expenditure aggregating to Rs. 318.93 crores, other assets aggregating to Rs. 13.60 crores and liabilities aggregating to Rs. 32.69 crores, have been incorporated on the basis of unaudited information approved by the management made available to us, in the absence of audited accounts.

Report on other Legal and Regulatory Requirements

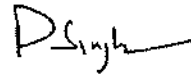
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the 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;
 - e) On the basis of written representations received from the directors as on 31ST March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31ST March, 2016, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24, 38, 45 & 46 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts; and



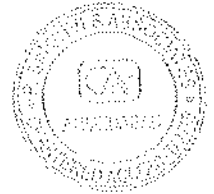
iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. As required by section 143(5) of the Act, Directions and Sub directions are annexed as per "Annexure C".

FOR P SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 113602W



(PRAVEEN SINGHVI)
PARTNER
M. NO. 71608



PLACE : GANDHINAGAR
DATED: 30TH MAY, 2016

"Annexure A" to the Independent Auditors' Report

The annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the standalone financial statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** for the year ended 31ST March, 2016, we report that:

FIXED ASSETS

- 1 (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information provided by the management, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed.
- (c) The title deeds of immovable properties are held in the name of the company.

INVENTORIES

- 2 The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable. The discrepancies noticed during the physical verification of inventory as compared to book records, were not material.

3 LOANS & ADVANCES

The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii)(a) , (iii)(b) & (iii)(c) of paragraph 3 of "the Order" is not applicable to the Company.

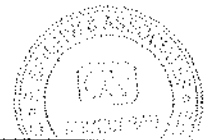
4 LOANS, INVESTMENT & GURANTEES

According to information & explanation given to us, company has not given any loan or provided any guarantee to any person specified under section 185 of Companies Act 2013.

Further, company has not made any investment nor given any loan or provided any guarantee to any body corporate as specified under section 186 of Companies Act 2013. Therefore, clause (iv) of paragraph 3 of "the order" is not applicable to the company.

5 FIXED DEPOSITS

According to the information and explanations given to us, the Company has not accepted any deposits therefore directive issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, clause (v) of paragraph 3 of "the Order" is not applicable to the Company.



COST AUDIT RECORDS

- 6 We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

STATUTORY DUES

- 7 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed applicable statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable with the appropriate authorities.
- (b) According to the information and explanation given to us there are no disputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax **except as stated below:-**

Name of the statute	Nature of dues	Amount under dispute not yet deposited (Rs. in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Act 1961	Income Tax Including interest and penalty as applicable	1.62	1996-1997	High Court
		8.70	1997-1998	
		16.81	1998-1999	
		0.25	1999-2000	
		0.71	2001-2002	
		1.18	2003-2004	
Income Act 1961	Income Tax Including interest and penalty as applicable	1.75	2008-2009	ITAT
		18.02	1999-2000	
		32.39	2000-2001	
		79.10	2001-2002	
		163.11	2002-2003	
		160.66	2003-2004	
		228.86	2003-2004	
		0.19	2004-2005	
		13.28	2005-2006	
		183.08	2005-2006	
		0.63	2006-2007	
		171.65	2006-2007	
		301.84	2007-2008	
7.04	2008-2009			
325.77	2008-2009			
198.07	2009-2010			
259.43	2010-2011			

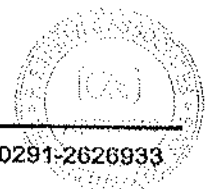
Income Act 1961	Income Tax Including interest and penalty as applicable	1.23 171.66 301.95 325.77 337.34	2004-2005 2006-2007 2007-2008 2008-2009 2011-2012	CIT(A)
Income Act 1961	Income Tax Including interest and penalty as applicable	0.01	2004-2005	AO
Service Tax -Finance Act 1994	Service Tax Including interest and penalty as applicable	0.04 0.11 0.13 0.04 6.69	2009-2010 2010-2011 2010-2011 2010-2011 2011-2012	CESTAT
Service Tax -Finance Act 1994	Service Tax Including interest and penalty as applicable	11.32	2008-2009	Commissioner of Central Excise

DEFAULT IN PAYMENT OF DUES

- 8 According to the records of the Company examined by us and the information and explanations given to us, the Company does not have dues to any financial institution or bank or government or debenture holders as at the balance sheet date. Accordingly, clause (viii) of the paragraph 3 of "the Order" is not applicable to the Company

FUND RAISED BY PUBLIC ISSUE/ FOLLOW ON OFFER / TERM LOAN

- 9 In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).



FRAUD

- 10 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers / employees has been noticed or reported during the year. However, Based on Transaction Audit by M/s. KPMG appointed by internal committee for investigation and Preliminary Investigation carried out by Government of Gujarat, financial irregularities relating to Delhi Office of GSPC were observed. The Audit Committee has also confirmed the same vide its minutes of meeting held on 03.03.2016. No provision has been made by the Company as the liability, if any, is unascertainable at this point of time. As per Management Representation the matter is under investigation. Our opinion is not modified in respect of this matter.

MANAGERIAL REMUNERATION

- 11 Section 197 of The Companies Act 2013 is not applicable to the Government Company. Therefore, clause (xi) of paragraph 3 of the order is not applicable to the company.

NIDHI COMPANY

- 12 The company is not a Nidhi Company as defined under section 406 of The Companies Act 2013. Therefore, clause (xii) of paragraph 3 of the order is not applicable to the company.

TRANSACTIONS WITH RELATED PARTY

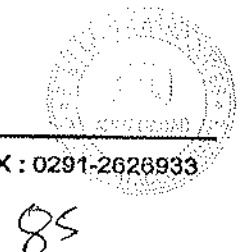
- 13 As per the information and explanation given to us, all transactions with the related parties are in compliance with the provision of section 177 and section 188 of Companies Act, 2013. The relevant disclosure as required by AS-18 has been made in Note No. 38 in the financial statements.

PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT OF SHARE / ISSUE OF DEBENTURE

- 14 During the year company has not made private placement of shares or fully or partly convertible debentures during the year under review. The Company has issued 5,47,76,434 fully paid equity shares of Rs 1 each at a premium of Rs 80 each aggregating to Rs. 4436891154.00 by way of preferential allotment to Government of Gujarat and complied with the requirement of section 42 of The Companies Act 2013 and amount raised have applied for the purpose they have been raised.

NON CASH TRANSACTIONS WITH DIRECTORS

- 15 As per the information and explanation given to us, company has not entered in to any non cash transactions with directors or persons connected with him. Therefore, clause (xv) of paragraph 3 of "the order" is not applicable to the company.



NBFC REGISTRATION

- 16 The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as NBFC. Therefore, clause (xvi) of paragraph 3 of "the order" is not applicable to the company.

FOR P SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 113602W

PSingh

(PRAVEEN SINGHVI)
PARTNER
M. NO. 071608



PLACE : GANDHINAGAR
DATED: 30TH MAY, 2016

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of GUJARAT STATE PETROLEUM CORPORATION 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 PETROLEUM CORPORATION LIMITED** ("the Company") as of 31ST March, 2016 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of The Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

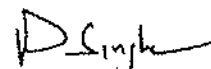
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31ST March, 2016, 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.

FOR P SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 113602W



(PRAVEEN SINGHVI)
PARTNER
M. NO. 071608



PLACE : GANDHINAGAR
DATED: 30TH MAY, 2016

ANNEXURE C AS REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2016

(a) Report on Directions under Section 143(5) of Companies Act 2013:

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

Reply: The Company has clear title / lease deeds for freehold and leasehold properties.

2. Whether there are any cases of waiver/ write off of debts/ loan/ interest etc. if yes, the reasons there for and the amount involved.

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

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

Reply: The Company does not own any inventory lying with third party. Further company has not received any asset as gift / grant from Govt. or other authorities.

b) Sector Specific Sub-directions under Section 143 (5) of the Companies Act, 2013:

Power Sector
Generation

1. In the cases of Thermal power projects, compliance of the various pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.

Reply: Not Applicable

2. Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?

Reply: Not Applicable

3. Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?

Reply: Not Applicable

4. How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?

Reply: NIL



5. In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.

Reply: Not Applicable

Services Sector
Trading

1. Whether the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?

Reply: Yes, the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.

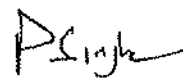
2. Whether the company has an effective system for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

Reply: Yes, the company has an effective system for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

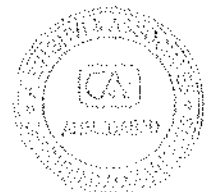
3. The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.

Reply: The Company periodically prepares debtors outstanding and ageing reports and follow-ups with outstanding debtors, if any. The company has also adequate amount of security against debtors in the form of Bank Guarantee or Security deposits except some debtors (considered doubtful) which are outstanding beyond 6 months and no security is available for which provision has been made during the year 2015-2016 as per Debtors Policy of the Company.

FOR P SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 113602W



(PRAVEEN SINGHVI)
PARTNER
M. NO. 71608



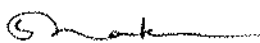
PLACE : GANDHINAGAR
DATED: 30TH MAY, 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2016 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 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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



(Y. N. Thakare)
Pr. Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date: 04-08-2016

Gujarat State Petroleum Corporation Limited

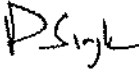
Balance Sheet as at 31st March, 2016

Rs in Crores


	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	257.93	252.45
Reserve & Surplus	4	6,797.31	7,165.07
		7,055.24	7,417.52
Share Application Money Pending Allotment	5	-	-
Non-Current Liabilities			
Long Term Borrowings	6	17,038.97	13,396.96
Net Deferred Tax Liabilities	7	99.16	169.74
Other Long Term Liabilities	8	13.29	12.77
Long Term Provisions	9	90.13	52.09
		17,241.55	13,631.56
Current Liabilities			
Short Term borrowings	10	3,994.39	5,365.40
Trade payables	11	263.39	410.66
Other Current Liabilities	12	1,544.81	2,332.75
Short Term provisions	13	63.47	63.75
		5,866.05	8,172.56
TOTAL		30,162.84	29,221.64
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	14	742.14	977.04
Intangible Assets	14	3.65	4.95
Capital Work in Progress	15	12,813.44	10,712.87
Intangible Assets under development	15	11,114.31	11,175.30
Non-Current Investments	16	1,336.22	1,387.87
Long Term Loans & Advances	17	2,045.77	1,997.37
Other Non-Current Assets	18	139.84	132.82
		28,195.37	26,388.22
Current Assets			
Inventories	19	45.53	67.55
Trade Receivables	20	481.15	699.82
Cash & Bank	21	84.73	416.51
Short Term loan and Advances	22	1,348.11	1,132.37
Other Current Assets	23	6.95	517.17
		1,967.47	2,833.42
TOTAL		30,162.84	29,221.64


The accompanying notes are an integral part of these Financial Statements


As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN 113602W

(Praveen Singhvi)
Partner
M. No.071608


For and on behalf of the Board of Directors


G. R. Aloria, IAS
Chairman
DIN:02913711


Sandeep Dave
Company Secretary


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


Gopal Srinivasan
Chief Financial Officer
Date: May 30, 2016
Place: GandhinagarDate: May 30, 2016
Place: Gandhinagar

Gujarat State Petroleum Corporation Limited

Statement of Profit & Loss for the period ended 31st March, 2016

Rs in Crores

	Note No.	2015-16	2014-15
INCOME			
Revenue from Operations (Gross)	26	10,613.19	10,956.59
Less: Excise Duty		-	-
Revenue from Operations (Net)		10,613.19	10,956.59
Other Income	27	111.78	81.31
Total Revenue		10,724.97	11,037.90
EXPENSES			
Production Expenditure - E&P	28	77.17	116.29
Cost of Traded Goods	29	10,062.57	10,230.03
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	30	21.36	(61.98)
Employee Benefits Expense	31	15.78	14.61
Finance Cost	32	16.40	51.03
Other Expenses	33	58.61	42.08
Depreciation, Amortisation & Depletion	14	166.54	100.99
Total Expenses		10,418.43	10,493.05
Profit Before Tax and Adjustments		306.54	544.85
Prior period Adjustments		(0.08)	0.11
Exceptional Items	34	1,181.62	513.03
Profit Before Tax		(875.00)	31.71
Tax Expenses			
Current Tax			1.86
Deferred Tax		(70.58)	6.15
Short/(Excess) provision of Tax		(70.58)	8.01
Profit for the Period		(804.42)	23.70
Basic Earning per equity share of face value of Rs. 1 each	44	(3.16)	0.09
Diluted Earning per equity share of face value of Rs. 1 each	44	(3.07)	0.09

The accompanying notes are an integral part of these Financial Statements
As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN 113602W

P Singhvi
(Praveen Singhvi)
Partner
M. No.071608



For and on behalf of the Board of Directors

G. R. Aloria
G. R. Aloria, IAS
Chairman
DIN:02913711

Sandeep Dave
Sandeep Dave
Company Secretary

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

Gopal Srinivasan
Gopal Srinivasan
Chief Financial Officer

Date: May 30, 2016
Place: Gandhinagar

Date: May 30, 2016
Place: Gandhinagar



GUJARAT STATE PETROLEUM CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Rs in Crores

PARTICULARS	2015-16	2014-15
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(075.00)	31.71
Add: Depreciation and Amortisations being non-cash item		
Depreciation, Amortisation, Depletion & Impairment	563.89	100.89
Interest & Finance Charges being financing cash outflow	16.40	51.03
Loss on Sale of Assets	0.04	0.01
Misc. Exp. Written Off (net)	6.95	8.67
Exploration Cost Written off	686.68	513.03
Diminution in the value of Investment	07.39	-
Provision for Doubtful Advances	4.21	1.72
	560.78	707.16
Less: Interest / Dividend Income	(100.15)	(88.40)
Profit on sale of Assets	(0.01)	(2.20)
Operating Profit before working capital changes	400.60	636.48
Working Capital Adjustments		
Long Term Loans & Advances	189.75	(703.44)
Other Non-Current Assets	(33.62)	(121.44)
Inventories	(7.02)	(0.80)
Trade Receivables	21.02	(62.02)
Short Term Loan and Advances	216.67	(91.38)
Other Current Assets	(62.05)	(277.45)
Other Long Term Liabilities	524.48	(526.92)
Long Term Provisions	0.52	0.08
Trade payables	38.04	-
Other Current Liabilities	(147.26)	(127.07)
Short Term provisions	(462.77)	511.39
	(0.28)	(8.05)
Loss: Direct Tax Paid	570.35	(66.96)
Loss: Prior Period Adjustment	(14.78)	(56.77)
	0.00	(0.11)
Net Cash Flow from Operating Activities (A)	556.65	(123.84)
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Ventures (Net)	(963.51)	(1,333.82)
Sale of Fixed Assets	0.74	8.44
Investments in Subsidiaries	(45.24)	(406.46)
Proceeds from Investments	0.50	0.36
Intra Corporate Loan to group Companies	(137.94)	(169.60)
Interest / Dividend Income	100.15	66.40
Net Cash Flow from Investing Activities (B)	(1,064.30)	(1,692.68)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Equity Share Issue	442.01	310.00
Equity Share issue expenses	0.44	(0.95)
Proceed from Share Application Money	-	(60.00)
Proceeds/(Repayment) to Secured Loans (net)	3,074.39	2,589.64
Proceeds from Unsecured Loans (net)	(1,371.02)	1,024.43
Interest & Financing Charges Paid	(1,840.57)	(1,701.99)
Net Cash Flow from Financing Activities (C)	300.06	2,166.33
Net increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(210.60)	143.81
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	0.10	0.03
Cheques on Hand	-	80.00
Bank Balances	216.99	13.25
	217.09	73.28
Cash and Cash equivalents at the End of the Year		
Cash on hand	0.02	0.10
Cheques on Hand	-	-
Bank Balances	6.47	216.99
	6.49	217.00

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 issued by The Institute of Chartered Accountants of India.
- Adjustments have not been made to 'Purchase of Fixed Asset' (Investing Activities), on account of increase/decrease in Capital Creditors. The impact of the above is not readily ascertainable.
- Brackets indicate cash outflow/deduction.
- The Company has re-classified previous year figures to conform to this year's classification.

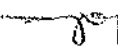
As per report of our even date attached


For P Singhvi & Associates
Chartered Accountants
FRN 113602W


(Pooja Singhvi)
Partner
M. No.071608

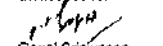


For and on behalf of the Board of Directors


G. R. Aoria, IAS
Chairman
DIN:02913711


Sandeep Dave
Company Secretary


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


Gopal Srinivasan
Chief Financial Officer

Date: May 30, 2016
Place: Gandhinagar

Date: May 30, 2016
Place: Gandhinagar



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Notes to financial statements for the year ended 31st March 2016.**1 GENERAL INFORMATION**

The Company along with its subsidiaries and associates has evolved strategically as an "Integrated Energy Company". with significant presence across the entire energy value chain spanning wide range of oil & gas activities comprising oil & gas exploration, development and production, gas trading, gas transmission, gas distribution and power generation.

2 SIGNIFICANT ACCOUNTING POLICIES**A Basis of Preparation of Financial Statements:**

The Financial Statements are prepared under the historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act 2013, the applicable Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006, Guidance Notes issued by The Institute of Chartered Accountants of India for Oil and Gas Producing Activities and the practices prevalent in the industry in India. All income and expenditures having material bearing on the financial statements are recognized on accrual basis.

Accounting Policies, not specifically referred to otherwise, are consistent with those used in the previous year. In applying the accounting policies, consideration has been given to Prudence, Substance over Form and Materiality.

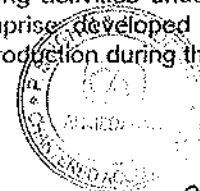
B Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Policy, requires the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, Revenues & Expenses and disclosure of Contingent Liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Any revisions to accounting estimates are recognized prospectively.

C Tangible & Intangibles & Depreciation & Depletion & Amortization.

- C.1 Fixed Assets, other than producing properties, are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any, including attributable interest and financial costs, till such assets are ready for its intended use.
- C.2 The cost of leasehold assets is amortized over the period of the lease.
- C.3 Depreciation is provided on written down value method over the period of useful life prescribed in Schedule - II to the Companies Act, 2013 considering 5% of the original cost as residual value except in respect of the following assets:
- C.3.1 Mobile communication instruments and tablets purchased by the company are expensed in the year of its purchase.
- C.3.2 Costs incurred on intangible assets-software, resulting in future economic benefits are capitalized as intangible assets and amortized at 40% each year on written down value method beginning from the date of capitalization.
- C.4 Depreciation on fixed assets used for exploration and drilling activities is initially capitalized as part of exploration or development costs.
- C.5 No depreciation or depletion is provided in the accounts of the Joint Ventures. However, the depreciation and depletion, as applicable, has been provided for by the Company in its own books based on its participating interest.

The depletion on producing properties has been calculated and provided, using the unit of production method, as described in the Revised Guidance Note on Accounting for Oil and Gas Producing Activities issued by ICAI, in proportion of oil and gas production achieved vis a vis the proved and probable reserves considering the estimated future expenditure (reviewed & revised) and other costs to be incurred for developing the reserves. Para 32 of the Revised Guidance Note on Accounting for Oil and Gas producing activities under Full Cost Method states that "Proved Oil and Gas Reserves" for calculating depletion comprise developed and undeveloped oil and gas reserves estimated at the end of the period as increased by the production during the period.



As per the Revised Guidance Note, for "Producing Activities", the company, keeping in view the prudent petroleum industry practice, considers the assets for depletion only when the commercial production from the asset is commenced after obtaining the approval of the Management Committee in terms of the provisions of the Production Sharing Contract (PSC). Till such time, neither the reserves are taken for depletion nor are the related assets capitalized.

D Site Restoration and Abandonment Costs

- D.1. The estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities which has commence commercial production, is recognized at the initial stage as a part of cost of producing property, based on the latest technical assessment available with the Company and provision is made for the site restoration and abandonment cost.
- D.2. Costs relating to dismantling, abandoning and restoring of well sites and allied facilities which are yet to commence commercial production are accounted for in the year in which such costs are incurred after estimating the salvage value.
- D.3. Wherever applicable, a site restoration fund is created under the Site Restoration fund Scheme 1999 as notified by the Government of India based on approval from the Management Committee formed under the the PSC and Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas (MoP&NG). An annual contribution is made to the fund appropriately.

E Investments

Trade and Non-Trade Investments are classified as Non-Current Investments. Non-Current investments are stated at cost less provision for permanent diminution in value, if any.

F Inventories

- F.1 Crude oil in flow lines is technically not feasible to be quantified due to operational constraints and hence neither valued nor accounted for.
- F.2 Inventory of crude oil with Joint Ventures is valued as per Crude Off take and Sale Agreement (COSA).
- F.3 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.
- F.4 Chemicals, fuels, consumables, stores and spare parts are valued at Weighted Average Cost.

G Revenue Recognition:

- G.1 Company's share of Revenue from Joint Ventures is considered on the basis of Accounts submitted by Joint Ventures.
- G.2 Sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells.
- G.3 Income from sale of gas is recognized when practically all risks and rights connected with ownership have been transferred to the buyer. Sale of Gas is stated net of applicable CST/VAT, as applicable. Any retrospective revision in prices of gas is accounted for in the year of such revision.
- G.4 Revenue from sale of wind power is recognized on a monthly basis in accordance with the terms of Power Purchase Agreement (PPA).
- G.5 Revenue in respect of interest on delayed realizations from customers, if any, is recognized when there is reasonable certainty regarding its collection. All other interest incomes are recognised on accrual basis.
- G.6 Revenue in respect of Take or Pay quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) is recognized when there is reasonable certainty regarding its collection.
- G.7 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.
- G.8 Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.
- G.9 Insurance claim are accounted for on final acceptance by the Insurance Company.



H Prior Period and Extraordinary Items and Changes in Accounting Policies

Items of Income and Expenditure that relate to previous accounting period(s), which arise out of errors and omissions, are accounted for in the Statement of Profit & Loss under head "Prior Period Adjustments" except those that are occasioned by events occurring during or after the close of the year end and which are accounted for in the year in which they occur.

Extraordinary Items and changes in Accounting policies having material impact on the financial affairs of the company are disclosed separately.

I Allocation of General Administrative Expenses

In case of Joint ventures, in which the Company is an operator, the allocation of Common General and Administrative Expenses and Employee cost to various operated blocks, is done on the basis of time allocations notified by each employee.

J Accounting for Oil and Gas Joint Ventures

The company has adopted Full Cost Method (FCM) of accounting for the oil and gas operations with effect from 1-4-2005 and accordingly, all costs incurred in prospecting, acquisition, exploration and development of Contract Areas are accumulated considering a country as a cost center.

However, as an exception to the Full Cost Method, following the basic principle of prudence, 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 and the carrying cost of such contract area is settled against the provision in the subsequent period in which such approvals are received.

All Oil and Gas Joint Ventures are in the nature of un-incorporated Joint Venture (Jointly Controlled Assets). Accordingly, the financial statements of the Company reflect the Company's share of assets, liabilities, income and expenditure of the Joint Venture 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 Company's accounts, to the extent of the Participating Interest of the Company in each joint venture 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 Company. The financial statements of the unincorporated joint ventures 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 financial statements of the Company only to the extent of information available with the Company 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.

K Borrowing Costs

Borrowing Costs, when specifically incurred for the acquisition, construction or production of qualifying assets, are capitalized as a part of cost of such assets till the activities necessary for its intended use or sale are complete. General borrowing costs are apportioned and capitalized at the weighted average of such borrowings outstanding during the period, to the extent the same are attributable to the qualifying assets. Borrowings costs also include exchange differences arising from foreign currency borrowings. All other borrowing costs are charged to statement of profit and loss of the period in which these are incurred.

L Charges relating to Bank guarantees incurred at the time of submission of bids for oil and gas blocks or prior to the award of contract as well as for Annual Work Programme under the PSC are charged to Profit and Loss Account, as and when incurred.

M Income Tax and Deferred Tax

Tax Expenses comprise of Current as well as Deferred Tax. Provision for Current Tax is made at the tax rate applicable to the relevant assessment years on the basis of the assessable income after considering the applicable provisions of the Income Tax Act, 1961.



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Deferred tax is recognized based on the principle of prudence, arising from time differences between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using applicable tax rates and Laws that have been enacted until the date of the balance sheet. Deferred tax assets are reviewed at each balance sheet date and adjusted, if required.

The Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty of its realization.

The Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews such credits at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement, if warranted.

N Employees Benefits

N.1 All short term employee benefits are recognized at their undiscounted amount in the statement of profit and loss in the accounting period in which they are incurred.

N.2 Provident Fund:

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at the time of retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the GSPC Employee's Provident Fund Trust equal to a specified percentage of the eligible employee's salary. The interest rate payable, by the trust to the beneficiaries, every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The company also contributes to a government administered pension fund on behalf of its employees.

N.3 Superannuation Fund

Certain employees of the company are also participants in a defined contribution plan and have accordingly participated in the Group Superannuation Scheme of Life Insurance Corporation of India.

N.4 Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan requires a lump sum payment to eligible employees, at the time of retirement, death, incapacitation or termination of employment, based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by independent actuarial valuation as on the balance-sheet date, based upon which, the Company contributes to the Group Gratuity scheme of Life Insurance Corporation of India.

N.5 Loyalty Bonus

The Company provides for loyalty bonus, a defined benefit retirement plan covering eligible employees. As per the scheme a lump sum payment to eligible employees, at the time of retirement, death, incapacitation or termination of employment, based on the respective employee's salary and the tenure of employment is made. Liabilities with regard to the Loyalty bonus scheme are determined by independent actuarial valuation as on the balance-sheet date, based upon which, the Company provides for the liability towards loyalty bonus.

N.6 Leave Encashment

The Company has participated in Leave Encashment Scheme of Life Insurance Corporation of India; the contribution to the scheme is paid annually as per actuarial valuation at the end of the financial year.

Gratuity and leave encashment are determined using the Projected Unit Credit Method with actuarial valuations being carried out by independent actuaries at each balance sheet date.



O Foreign Currency Transactions

- O.1 All transactions in foreign currency are recorded at the rates of exchange prevailing on the date when the relevant transactions take place.
- O.2 Monetary items denominated in foreign currency at the year end are restated at the rate of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognized in the Statement of Profit and Loss during the year except in case of long term borrowings relating to the acquisition of qualifying assets, which is capitalised as a part of the carrying cost of such assets.
- O.3 In case of non-integrated overseas unincorporated Joint Ventures, the summarized revenue and expenses reflected in Statement of Profit and Loss are translated into Indian Rupees at an average of SBI buying Selling TT Rates for the year. The assets and liabilities are translated into Indian Rupees at the closing exchange rate prevailing on balance sheet date as notified by Reserve Bank of India. The resultant excess/shortfall, arising from reporting of interest in Joint Venture as per Accounting Standard-27 "Consolidated and Separate Financial Statements", has been disclosed as foreign currency translation reserve.

P Derivative Transaction

- P.1 The Company uses derivative instruments to hedge its exposure to movements in foreign exchange and interest rates. The objective of these derivative instruments is to reduce the risk or cost to the Company and is not intended for trading or speculation. Swap and option contracts, entered into by the Company for hedging the exposure to variations in cash flows arising from foreign exchange and interest rate fluctuations that are associated with a recognized asset or liability, are accounted based on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies".
- P.2 The Company uses commodity hedging contracts to cover all potential risk on account of natural gas price fluctuation relating to import of gas. Such commodity hedging contracts are governed by the Company's Natural Gas Price Risk Management Program, approved by the management. Company does not use commodity hedging contracts for speculative purposes.

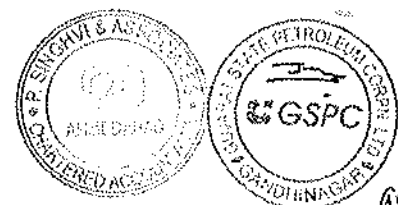
As per announcement of The Institute of Chartered Accountants of India (ICAI) relating to Accounting for derivative contracts, derivative contracts other than those covered under AS 11, as specified in the Companies (Accounting Standard) Rules, 2006; the effect of change in rates, are Marked to Market 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.

Q Impairment

As provided in the Revised Guidance Note on Accounting for Oil & Gas Producing Activities, for the purpose of Accounting Standard 28 on Impairment of Assets, each cost center, used for depreciation / depletion purpose is treated as a Cash Generating Unit. An asset is considered as impaired in accordance with AS-28 when at the balance sheet date, there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and the value in use). In assessing the value in use, the estimated future pre-tax cash flow expected from the continuing use of the asset and its ultimate disposal are discounted to their present value using a weighted average cost of capital. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

R Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity share holders of the company by the weighted average number of equity shares issued during the year. For the purpose of calculating diluted earnings per share net profit or loss attributable to equity share holders and weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive equity shares except where the results would be anti-dilutive.



S Misc./Deferred Revenue Expenditure

S.1 The expenditures incurred on account of raising of Compulsory Convertible Debentures through the process of private placement is written off equally over a period of five years.

S.2 The expenditures incurred for raising of Debt Capital is written off equally over a period of time, based on the maturity of the debt, other than debts issued for an original maturity period of 60 years, wherein period up to first call option as per terms of issue is considered.

T Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimates 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. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties and the same are classified as Contingent Liabilities. Such contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent liability is disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligation arising from past events where it is not probable that an out flow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Provision for doubtful debts are recognised based on the debtors management policy of the company, if required. Contingent assets are neither disclosed nor recognized.

U Cash Flow Statements

The Cash Flow statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from Operating, Investing and Financial activities of the company are presented separately in the Cash Flow Statement.

Cash and cash equivalents presented in the cash flow statements consist of cash on hand, drafts/cheques on hand and demand deposit with banks with original maturity of three months or less.

V Event Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognised in the financial statements. Non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Director's report.



Notes forming part of Financial Statements

3 SHARE CAPITAL:

Particulars	Rs in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Authorised Share Capital:		
300,00,00,000 Equity shares of Rs. 1 each (P.Y. 300,00,00,000 Equity shares of Rs. 1 each)	300.00	300.00
TOTAL	300.00	300.00
Issued, Subscribed and Paid up share Capital:		
257,92,62,920 Equity shares of Rs. 1 each (P.Y. 252,44,86,486 Equity shares of Rs. 1 each)	257.93	252.45
TOTAL	257.93	252.45

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	2015-16		2014-15	
	No of shares	Rs. in Crores	No of shares	Rs. in Crores
At the beginning of the period	2,524,486,486	252.45	2,488,214,881	246.62
Add: Shares Issued during the year	64,778,434	5.48	38,271,605	3.83
Outstanding at the end of the period	2,579,262,920	257.93	2,524,486,486	252.45

During the Financial Year 2013-14, the Company had issued Compulsory Convertible Debentures amounting to Rs 550 crores. For details of shares reserved for issue on conversion of convertible debentures, refer note 6.10.

No bonus shares issued by the company during last five years immediately preceding the reporting date:

Details of share holders holding more than 5% share in the company.

Particulars	As on 31.03.2016		As on 31.03.2015	
	No of shares	% of Holding	No of shares	% of Holding
Equity shares of Rs. 1 each fully paid				
Government of Gujarat	2,241,010,179	88.89%	2,186,233,745	86.60%
Gujarat State Investment Limited	192,592,441	7.47%	192,592,441	7.63%

As per records of the company, including its register of shareholders/members and declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of share.

Terms /Rights attached to equity shares.

The company has only one class of equity shares having a face value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31 March, 2016 the amount of dividend per share recognized as distributions to equity shareholders is Rs. NIL (P.Y Rs NIL).

In the event of liquidation of the company, the holders of equity shares will be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by each shareholder.

4 RESERVES & SURPLUS:

Particulars	Rs in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Capital Reserve		
Balance as per last Balance Sheet	1.28	1.28
Addition/utilisation during the year	-	-
	1.28	1.28
Securities Premium Reserve		
Balance as per last Balance Sheet	3,302.29	2,997.07
Addition during the year	437.33	304.27
	3,739.62	3,301.34
Utilisation during the year	(0.44)	(0.95)
	3,740.06	3,302.29
Debenture Redemption Reserve		
Balance as per last Balance Sheet	347.74	198.03
Addition / (utilisation) during the year	-	149.71
	347.74	347.74



General Reserve				
Balance as per last Balance Sheet	3,245.14		3,245.14	
Transfer from Statement of Profit & Loss	-	3,245.14	-	3,245.14
Foreign Exchange Translation Reserve				
Balance as per last Balance Sheet	1.11		22.15	
Addition / (utilisation) during the year	(1.11)	-	(21.04)	1.11
Surplus in the Statement of Profit & loss				
Balance as per last Balance Sheet	267.51		398.63	
Depreciation Adjustment (Schedule II of Companies Act, 2013)	-		(5.12)	
Add: Profit for the Year	(804.42)		23.70	
	(536.91)		417.22	
Less: Appropriations				
Transferred to Debenture Redemption Reserve	-		149.71	
Total Appropriations	-		149.71	
Net Surplus in the Statement of Profit & Loss		(536.91)		267.51
TOTAL		6,787.31		7,185.07

5 SHARE APPLICATION MONEY PENDING ALLOTMENT:

During the year Company had received amount of Rs.443.69 crores towards share application money on 19th August,2015 against which the company has issued 54,776,434 shares (face value of Rs.1 each having security premium of Rs.80 per share) , during the year to Government of Gujarat.

6 LONG TERM BORROWINGS:

Particulars	Rs in Crores			
	As at 31st March, 2016		As at 31st March, 2015	
	Non - Current	Current	Non - Current	Current
Secured Loans				
Term Loan From Banks				
Ruppee Loan	5,898.25	75.00	3,000.00	-
Foreign Currency Loan	3,542.72	103.85	3,471.96	453.91
Compulsory Convertible Debentures	550.00	-	550.00	-
(A)	9,990.97	178.85	7,021.96	453.91
Unsecured Loans				
Non Convertible Debentures	6,000.00		6,000.00	
Term Loans from others				
GSFS	1,050.00	450.00	375.00	500.00
	7,050.00	450.00	6,375.00	500.00
TOTAL	17,038.97	628.85	13,396.96	953.91

- 6.1 Foreign currency loans (ECB-1) amounting to USD 325 million (Current outstanding is NIL) was borrowed from a consortium of Five banks lead by State Bank of India. The Loan installment of USD 24.375 million has been repaid in June 2015. The loan was secured by way of first ranking pari-passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3. After repayment of the Loan the ROC charge for the same has been released.
- 6.2 State Bank of India has refinanced the entire Rupee Term Loan of Rs.3,000.00 crs in F.Y. 2014-15 with better terms, which was previously held by Consortium of fourteen banks lead by Bank of Baroda. The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 6.3 Consortium of Three member banks lead by Bank of Baroda (ECB-2), London branch has provided Foreign Currency Loan of USD 200 Million (Current outstanding of USD 80.02 Million). The repayment of installments for the facility has started from March, 2015. During the FY 2015-16 the company has repaid normal due installment of USD 33.34 million and prepaid USD 70 million. The loan is secured by way of first ranking pari-passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 6.4 Consortium of five member banks lead by Bank of Baroda (ECB-3), London branch has provided Foreign Currency Loan of USD 250 Million and USD 75 Million from Export Import Bank of India (Current outstanding of USD 269.68 Million). The repayment of installments for the facility has started from March, 2016. During the FY 2015-16 the company has repaid normal due installment of USD 20.3125 million and prepaid USD 35 million. The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 6.5 EXIM bank has provided new Foreign Currency Loan (ECB - 4) of USD 100 Million in FY 2014-15 (Current outstanding of USD 100 Million). The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.



- 6.6 State Bank of India (Nassau) has provided new Foreign Currency Loan (ECB - 5) of USD 100 Million in FY 2015-16 (Current outstanding of USD 100 Million). The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement as well as first-ranking pari passu charge over all such receivables of the Borrower, both present and future, as are charged to the LOC Lenders.
- 6.7 Company has availed Medium Term Loan from Gujarat State Financial Services (GSFS) for the period of 3 years with 6 month of moratorium and repayment in 10 equal quarterly installment. (Current outstanding Rs. 1,500 Crores).
- 6.8 Consortium of thirteen member banks lead by Punjab National Bank has provided Rupee Term Loan of Rs. 4,500 Crore (Current outstanding of Rs. 2971.25 Crore). The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 6.9 Outstanding unsecured NCDs amounting to Rs. 6,000 crores raised on private placement basis are listed with National Stock Exchange. The details of the same are as follows:

Sr. No.	Type of NCD	Amount (Rs. in Crores)	Interest Rate (in %) on p.a. Basis	Issued in
1	8 Yrs	1000	9.39	Sep-12
2	10 Yrs	1000	9.45	
3	60 Yrs*	1000	10.45	
4	15 Yrs	2000	9.03	Mar-13
5	60 Yrs**	1000	9.80	

* The company has the call option for these NCDs after 10 years, from date of allotment and till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

** The company has the call option for these NCDs after 12 years, from date of allotment and till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

- 6.10 In the F.Y. 2013-14, the Company has raised funds to the tune of Rs. 550 Crs through issuance of Secured Compulsory Convertible Debentures (CCD) on private placement basis. The details of the same are as follows:

Sr. No.	Name of the investor	Amount (Rs. in Crores)	Coupon Rate
1	IDBI Bank	150	9.569%
2	IFCI	100	9.385%
3	State Bank of India	300	10.110%

Compulsory Convertible Debentures of face value of Rs. 81 each are secured by a first mortgage and charge over immovable property (Guesthouse Bungalow at Intocity, Gandhinagar) of the company. There is a lock in period of one year for CCD investor from the date of allotment. The debentures will be converted into equity shares at the end of the five years.

6.11 Loan Repayment Schedule

Sr. No.	Particulars	Total Outstanding Rs. in crores	Rate of interest p.a.	Repayable in 12 months	Repayable in 2 to 4 year	Repayable in 5 to 7 year	Repayable in 8 to 10 year	Repayable in 11 to 15 year	Repayable in 16 to 60 year
A	Rupee Term Loan-1	3,000.00	SBI Base Rate + 60 bps	75.00	525.00	1,350.00	1,050.00	-	-
B	Rupee Term Loan-2	2,971.25	SBI Base Rate + 50 bps	-	237.70	638.82	1,129.07	965.66	-
C	External Commercial Borrowing - ECB-2	530.80	6 m Libor + 340 bps	-	419.89	110.91	-	-	-
D	External Commercial Borrowing - ECB-3	1,788.92	6 m Libor + 374 bps	62.19	783.69	808.43	134.71	-	-
E	External Commercial Borrowing - ECB-4 (Exim)	883.33	6 m Libor + 370 bps	-	248.75	248.75	165.83	-	-
F	External Commercial Borrowing - ECB-5 (SBI)	683.33	6 m Libor + 390 bps	41.46	248.75	248.75	124.37	-	-
G	Non Convertible Debentures (refer note no.6.9)	6,000.00	9.39 % 9.45 % 10.45 % 9.03 % 9.80 %	-	-	2,000.00	-	2,000.00	2,000.00
H	GSFS Loan	1,500.00	9.60%	460.00	1,050.00	-	-	-	-
		17,117.63		628.65	3,513.67	5,405.66	2,603.99	2,965.66	2,000.00



6.12 Derivative Contracts:

- The company enters into currency option and interest rate swap contracts to hedge its exposure in foreign exchange rate and interest in connection with Foreign Currency Loans.
- Nominal amounts of derivative contracts entered into by the company and outstanding as on 31st March, 2016 amounts is USD 549.72 millions (P.Y. USD 24.375 Millions) by way of Interest rate swap. Category wise break up is given as below* :

Currency	Particulars	As at 31st March, 2016			As at 31st March, 2015		
		No of Contracts	Rs. in crores	USD in Million	No of Contracts	Rs. in crores	USD in Million
US Dollar	Interest Rate Swaps and Currency Options(Call)	NIL			7	118.22	24.375
US Dollar*	Interest Rate Swaps	4	3,646.37	549.72	NIL		

Foreign Currency loans that are not hedged by derivative instruments (Currency) as on 31st March 2016 is USD 549.72 Millions (P.Y USD 608.34 Million) Rs. 3,646.37 crores (P.Y.Rs. 3607.65 crores)

7 NET DEFERRED TAX LIABILITIES:

As required by Accounting Standard (AS 22) 'Taxes on Income' Issued by The Institute of Chartered Accountants of India, and in view of the company's policy (Refer accounting policy no.2(M)) the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating to Rs. (70.58) Crores (P.Y. Rs. 6.15 crores) in the Statement of Profit and Loss, the details of which are as under:

	Rs in Crores		
	As at 31-March-2015	2015-16	As at 31-March-2016
Deferred Tax Liability			
(a) On excess of WDV as per Books over WDV as per I.T.	150.81	(68.45)	82.36
(b) Others	18.93	(2.13)	16.80
Total (A)	169.74	(70.58)	99.16
Deferred Tax Asset			
(a) On excess of WDV as per I.T. over WDV as per Book Value	-	-	-
(b) Retirement Benefits	-	-	-
(c) Others	-	-	-
Total (B)	-	-	-
Net Deferred Tax Liability (A-B)	169.74	(70.58)	99.16

Deferred Tax Assets recognised in previous years is reversed during the year considering no reasonable certainty.

8 OTHER LONG TERM LIABILITIES:

Particulars	Rs in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Joint Ventures	0.11	0.16
Others*	13.18	12.61
TOTAL	13.29	12.77

* Includes deposits received from customers

9 LONG TERM PROVISIONS:

Particulars	Rs in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Provision for Abandonment Cost	90.13	52.09
TOTAL	90.13	52.09

9.1 Disclosures required by Accounting Standard- 29 "Provisions, Contingent Liabilities and Contingent Assets".

Movement In Provisions

Sr. No	Particulars of Disclosure	Rs in Crores	
		Provision for Contingencies 2015-16	Provision for Contingencies 2014-15
1	Opening Balance	52.09	52.09
2	Provision made during the year	38.04	-
3	Paid during the period	-	-
4	Closing Balance	90.13	52.09

The above provision relates to Site Restoration Fund Created for Ahmedabad, Tarapur, Ankleshwar, Unawa, Asjol, North Batol , Palej and Hazira Blocks/Fields.

9.2 Nature of the Provision

The above amounts relates to provision for Site Restoration & Abandonment Cost.



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10 SHORT TERM BORROWINGS:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured Loans		
From Banks (Loans Repayable on demand)*	3,299.38	2,293.68
Unsecured Loans		
From Banks (Loans Repayable on demand)	695.00	3,071.72
TOTAL	3,994.38	5,365.40

* Part passu charge over the future receivables of the company

11 TRADE PAYABLES:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
- Micro, small and medium Enterprises	-	-
- Others	283.39	410.66
TOTAL	283.39	410.66

11.1

The company has not received any Memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprise Development Act, 2008) claiming their status as micro, small and medium enterprise as on the Balance Sheet date. Consequently, the amount payable to micro, small and medium enterprises during the year Rs. Nil (Previous year Rs. Nil).

12 OTHER CURRENT LIABILITIES:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term Borrowings		
From Bank		
Rupee Term Loan	75.00	-
Foreign Currency Loans	103.85	453.91
From GSFS	450.00	500.00
Interest accrued but not due on borrowings	185.22	183.95
Share Application Money Due for refund Rs 125/- (P.Y. Rs 64/-) (Refer note no.5)	-	-
Forward Contract Payables	-	514.24
Other Payables		
Subsidiaries	2.11	1.10
Joint Ventures (Refer Note No 35 & 39)	682.13	585.98
Payables for Fixed Assets	2.30	2.30
Others*	64.40	91.21
TOTAL	1,544.81	2,332.75

* includes statutory dues.

13 SHORT TERM PROVISIONS:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Provision for Gratuity & Loyalty Bonus	5.44	5.47
Provision for Leave benefits	1.60	1.85
	7.04	7.32
Other Provision		
Provision for Profit Petroleum	56.43	56.43
Provision for Doubtful loans & Advances	-	-
Provision for other Expenses	56.43	66.43
TOTAL	63.47	63.75



Note: 14 FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION, DEPLETION, IMPAIRMENT and AMORTISATION						NET BLOCK		
	As at 31-Mar-2015	Additions / Adjustments	Deduction/ Adjustments	As at 31-March-2016	As at 31-Mar-2016	During the Year*	Impairment during the Year	Impairment reversed during the Year	Deductions	As at 31-March-2016	As at 31-March-2016	As at 31-Mar-2015	
Tangible Assets													
Land													
Freehold Land	123.24	-	-	123.24	-	-	-	-	-	-	123.24	123.24	
Leasehold Land	11.11	-	-	11.11	1.90	0.37	-	-	-	2.27	8.84	9.21	
Buildings	39.53	0.55	-	40.08	17.32	1.23	-	-	-	18.55	21.53	22.21	
Plant & Machinery	434.83	1.30	-	436.13	238.52	24.17	-	-	-	262.69	173.44	195.31	
Producing Properties (being Company's share in Joint Venture)	1,769.03	322.67	-	2,091.70	1,155.52	136.19	397.35	-	-	1,689.06	402.64	613.51	
Furniture & Fixtures	14.35	0.05	0.18	14.22	11.03	0.92	-	-	0.17	11.78	2.44	3.32	
Vehicles	11.45	3.08	2.32	12.21	6.20	1.84	-	-	1.63	6.41	5.80	5.25	
Office Equipments	20.28	0.81	-	21.09	18.32	0.65	-	-	-	19.00	2.09	1.96	
Computer Equipments	22.59	1.00	1.15	22.44	20.56	0.84	-	-	1.08	20.32	2.12	2.03	
	2,446.41	329.46	3.65	2,772.22	1,469.37	166.24	397.35	-	2.88	2,030.08	742.14	977.04	
Previous Year	2,186.93	264.32	4.84	2,446.41	1,363.59	108.07	-	-	2.29	1,469.37	977.04	623.34	
The above Tangible Assets includes Company's Share in Unincorporated Joint Venture Assets	1,809.50	324.54	0.01	2,134.03	1,180.42	137.81	397.35	-	0.01	1,715.57	418.46	629.08	
Intangible Assets													
Intangibles-(Software)	33.18	0.90	-	34.08	28.24	2.21	-	-	-	30.43	3.65	4.95	
	33.18	0.90	-	34.08	28.24	2.21	-	-	-	30.43	3.65	4.95	
Previous Year	32.87	1.64	1.32	33.18	28.59	2.77	-	-	1.12	28.24	4.95	6.28	
The above Intangible Assets includes Company's Share in Unincorporated Joint Venture Assets	5.77	0.01	-	6.78	4.07	0.71	-	-	-	4.77	1.01	1.70	

1. Depreciation includes depreciation of Rs. 1.82 crore (P.Y. Rs. 3.39 crore) which has been capitalised during the year as per policy. [refer policy no 2.C(4)]

2 Impairment Test was carried out as per Guidance Note on Oil and Gas accounting read with Accounting Standard-28 "Impairment of Assets", mainly due to sharp decline in the commodity prices of crude and natural gas in the international market and downward revision of reserves



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15 CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
15.1 CAPITAL WORK IN PROGRESS		
Tangible		
Exploration & Development		
Exploration	2.64	13.38
Development	8,380.08	7,599.63
	<u>8,382.72</u>	<u>7,613.01</u>
Borrowing Cost	4,421.71	3,091.87
	<u>12,804.43</u>	<u>10,704.88</u>
CWIP Building	2.86	2.84
CWIP Others	6.15	5.15
TOTAL	<u><u>12,813.44</u></u>	<u><u>10,712.87</u></u>
15.2 INTANGIBLE ASSETS UNDER DEVELOPMENT		
Exploration & Development		
Exploration	6,547.22	7,223.25
Development	728.74	724.10
	<u>7,275.96</u>	<u>7,947.35</u>
Borrowing Cost	3,837.92	3,227.66
	<u>11,113.88</u>	<u>11,175.01</u>
Software	0.43	0.29
	<u><u>11,114.31</u></u>	<u><u>11,175.30</u></u>

Exploration and Development cost incurred by the joint ventures has been bifurcated into CWIP tangible and intangible assets under Development as per the requirement of Revised Guidance note on Accounting for Oil & Gas Producing Activities issued by ICAI.

Borrowing Costs and Test Production

- The borrowing costs amounting to Rs. 2068.19 crores (P.Y Rs. 1,753.03 crores) and depreciation amounting to Rs. 1.82 crores (P.Y. Rs. 3.39 crores) has been capitalized in the current year as a part of CWIP Tangibles- Exploration & Development.
- In the current year, an amount of Rs. 59.43 crores (P.Y. Rs. 66.87 crores) being revenue from test production of gas, crude oil/ condensate from various exploratory wells have been credited to the cost of wells under the head CWIP. These blocks are not considered as producing property in accordance with the accounting policy (Refer note no.2.C.5 and no.2.G.2 of Significant accounting policies).

16 NON-CURRENT INVESTMENTS:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
I. TRADE INVESTMENT (Valued at cost unless stated otherwise)		
INVESTMENT IN EQUITY INSTRUMENTS		
INVESTMENT IN SUBSIDIARY		
Quoted Equity Investments		
In 212,305,270 (P.Y. 212,305,270) Equity Shares of Gujarat State Petronet Ltd. of Rs.10 per share (M.V.Rs. 30,083,656,759/- (P.Y. Rs.26,336,468,744/-))	213.31	213.31
In 39,106,328 shares of Gujarat Gas Limited of Rs.10 per share fully paid up (Erstwhile GSPC Distribution Networks Ltd.)(M.V.Rs.21,608,201,536/- (P.Y. NA)) (Refer Note No 16.1)	57.42	-
Unquoted Equity Investments		
In 25,000(P.Y.25,000) shares of Guj Info Petro Ltd. at Rs.10 per share fully paid up	0.03	0.03
In CY NIL (P.Y.36,692,338) shares of GSPC Gas Co Ltd. of Rs.10 per share fully paid up(Refer Note No 16.1)	-	57.42
In 840,002,936 (P.Y. 840,002,936) shares of GSPC Pipavav Power Co. Ltd at Rs.10 per share fully paid up	840.00	840.00
In 97,390,000 (P.Y. 97,390,000) shares of GSPC JPDA Ltd at Rs.10 per share fully paid up	97.39	97.39
In 50,000 (P.Y. NIL) shares of GSPC Offshore Ltd. at Rs.10 per share fully paid up	0.05	0.00
In 50,000 (P.Y. NIL) shares of GSPC Energy Ltd. at Rs.10 per share fully paid up	0.05	0.00



INVESTMENT IN ASSOCIATES		
Unquoted Equity Investments		
In 113,541,817 (P.Y.113,541,817) shares of Gujarat State Energy Generation Ltd of Rs. 10 per share fully paid up	119.83	119.83
In 11,430,000 (P.Y.11,430,000) shares of GSPC LNG Ltd at Rs.10 per share fully paid up	11.43	11.43
In 11,500,000 (P.Y. 11,500,000) shares of Alcock Ashdown (Gujarat) Ltd at Rs. 10 per share fully paid up	11.50	11.50
In 4,494,330(P.Y. 2,250,000) shares of Sabarmati Gas Ltd at Rs.10 per share fully paid up	55.10	8.96
	<u>1,406.11</u>	<u>1,359.87</u>
Less : Provision for Diminution in Value of Shares of Alcock Ashdown(Gujarat) Ltd. & GSPC (JPDA) Ltd.(Refer Note No 16.3)	(108.89)	(11.50)
TOTAL TRADE INVESTMENT (A)	<u>1,297.22</u>	<u>1,348.37</u>
II. NON TRADE INVESTMENTS (Valued at cost unless stated otherwise)		
Quoted Equity Investments		
In 3,697,000(P.Y.3,697,000) Equity Shares of Rs.10/- of Gujarat Industries Power Company Ltd.(M.V.Rs.294,466,050 (P.Y. Rs.317,572,300))	10.00	10.00
Unquoted Equity Investments		
In Nil (P.Y.500,000) equity shares of Rs.10/-per share of Gujarat Science At Action Ltd fully paid up(Refer Note No 16.2)	-	0.50
In 29,004,033 (P.Y. 29,004,033) shares of ONGC Petro Additions Ltd at Rs.10/- per share fully paid up	29.00	29.00
	<u>39.00</u>	<u>39.50</u>
TOTAL NON TRADE INVESTMENT (B)	39.00	39.50
TOTAL	<u>1,336.22</u>	<u>1,387.87</u>
Total Quoted Investments	280.73	223.31
Total Unquoted Investments	1,164.38	1,176.06
Total Provision for Diminution in Value of investment	(108.89)	(11.50)
TOTAL	<u>1,336.22</u>	<u>1,387.87</u>
Market Value of Quoted Investments	<u>5198.63</u>	<u>2,665.40</u>

16.1 In pursuance of the Composite scheme of Amalgamation and Arrangement approved by Hon'ble High Court of Gujarat w.e.f 28th May'2015, for every seventy six shares of GSPC Gas Company Ltd. Of face value of Rs.10/-, eighty one shares of Gujarat Gas Ltd (Erstwhile GSPC Distribution Network Limited) of face value of Rs.10/- were allotted.

16.2 The company had made Investment in shares of Gujarat Science At Action Ltd. to the tune of Rs. 0.50 crores. As per letter received from the official liquidator of Gujarat Science At Action Ltd., the company had opted the voluntary winding up and had refunded the investment made. Company has received in FY 2015-16 Rs. 0.11 crores from Official Liquidator on account of surplus amount as dividend @Rs. 2.19/-per share which is part of dividend income from other companies and Rs.0.50 crores on liquidation of the company as full and final against the investment made. Hence, there is no investment in Gujarat Science At Action Ltd. as on last day of the year.

16.3 A)-The company had made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of Rs.11.50 crores. As per audited financial statement of the company for FY 2011-12, accumulated losses of the company had exceeded its net worth. Hence, as per AS -13 "Accounting for Investment" considering the same as permanent diminution in the value of investment, full provision for Diminution in value of investment had been provided in the FY 2012-13 for Rs. 11.50 crores.

B)-The company had made an investment through Special Purpose Vehicle (SPV) in GSPC (JPDA) LTD. amounting to Rs.97.39 crores to carry out exploration activities in Australia. The exploration activities had created significant commercial uncertainty which has negatively impacted the ability of the Joint Venture partners to meet the obligations under the PSC. Hence, the company had provided for impairment in its books of accounts and accordingly as per AS -13 "Accounting for investment" considering the same as permanent diminution in the value of investment, full provision for Diminution in value of investment had been provided in the FY 2015-16 for Rs 97.39 crores.



17 LONG TERM LOANS & ADVANCES

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good unless otherwise stated		
<u>Sundry deposits</u>		
Sundry deposits*	3.62	3.59
<u>Loans & Advances to related parties**</u>		
-Loans & Advances to Associate Companies		
i) Gujarat State Energy Generation Ltd	-	69.00
Advances Recoverable in cash or in kind or for value to be received		
Joint Venture	1,857.07	1,754.44
Others	0.84	0.69
Advance Income Tax (Net of Provisions)	174.50	159.72
Advances to Employees***	9.74	9.93
	<u>2,045.77</u>	<u>1,997.37</u>

* Includes deposits from vendors

** Please refer Note No.39

*** Out of Total advances to employees Rs. 8.78 crores (P.Y. Rs. 8.53 crores) is secured.

17.1 Advance Income Tax (Net of Provision)

17.1.1 Provision of Tax for the current year is NIL Crores (P.Y Rs.1.86 crores). Provision for Wealth tax included in Rent, Rates & Taxes is of Rs. NIL Crores (P.Y. Rs. 0.06 crores).

17.1.2 The company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80IB (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 80IB(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. 80IB (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 80IB (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80IB (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80IB(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80IB (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.

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. 1,038.70 Crores (P.Y. Rs.1,019.73 Crores). However the same is disclosed by way of a note as contingent liabilities vide note no.24.

17.1.3 The Company has availed deduction U/s.42 as well as claiming tax holiday U/s 80IB (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.

17.1.4 MAT Credit for the current year amounting to Rs.NIL Crores (P.Y. Rs.1.86 Crore) is not recognized as asset as the same does not have a virtual certainty for its utilization.



18 OTHER NON CURRENT ASSETS:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good unless otherwise stated		
Site Restoration Fund - Deposits with bank*	92.30	78.32
Unamortised Expenses	47.54	54.50
	<u>139.84</u>	<u>132.82</u>

*Deposited u/s 33ABA of Income Tax Act, 1961 and could be withdrawn only for the purposes specified in the scheme.

19 INVENTORIES:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
As taken, valued & certified by the Management		
Finished Goods - Crude Oil (Valued at Rate specified in COSA)	2.70	4.24
Stock in Trade - Liquefied Natural Gas (Valued at Cost)	43.83	63.31
	<u>46.53</u>	<u>67.55</u>

20 TRADE RECEIVABLES:

Rs in Crores

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured, considered good		
- More than Six Months	1.78	0.05
- Others	297.24	413.21
	<u>299.02</u>	<u>413.26</u>
Unsecured, considered good		
- More than Six Months	85.45	80.71
- Others	100.64	205.85
	<u>186.09</u>	<u>286.56</u>
Provision for Doubtful debt	(3.96)	286.56
	<u>182.13</u>	<u>286.56</u>
	<u>481.15</u>	<u>699.82</u>



21 CASH & BANK BALANCES:

Particulars	Rs in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Cash & Cash Equivalent		
Balance with Banks – Current accounts	6.47	104.84
Cheques on Hand	-	-
Cash on Hand	0.02	0.10
Bank Deposits	-	112.15
Other Bank Balance		
Fixed Deposits with Bank (More than 3 months but less than 12 months) (Refer note no:44)	78.24	199.42
	<u>84.73</u>	<u>416.51</u>

22 SHORT TERM LOANS & ADVANCES:

Particulars	Rs in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good unless otherwise stated		
<u>Sundry deposits</u>		
Sundry deposits	1.02	10.27
<u>Loans & Advances to related parties*</u>		
I. Subsidiary Companies	1.85	2.49
II Associates	339.04	201.10
<u>Other Loans & Advances</u>		
Others	0.15	0.04
Advances Recoverable in cash or in kind or for value to be received		
Advance to Joint Venture (Refer note no:35 & 39)	732.46	658.33
Others**	272.07	258.52
Advances to Employees***	1.53	1.62
	<u>1,348.11</u>	<u>1,132.37</u>

- * Please refer note no.39
 ** Includes prepaid expenses.
 *** Out of Total advances to employees Rs. 0.67 crores (P.Y. Rs. 0.65 crores) is secured.

23 OTHER CURRENT ASSETS:

Particulars	Rs in Crores	
	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good unless otherwise stated		
Interest Accrued but not due	-	2.00
Unamortised Expenses	6.95	6.95
Forward Contract Receivables	-	502.26
Deferred Forward Premium	-	5.96
	<u>6.95</u>	<u>517.17</u>



24 CONTINGENCIES:

Contingent liabilities

Claims against the company not acknowledged as debts which in the opinion of the Management are not tenable/under appeal at various stages:

Particulars	Rs in Crores	
	As on 31st March 2016	As on 31st March 2015
Income Tax (Ref. note no.17.1)	1,038.70	1,019.73
Joint Ventures	1,188.37	1,914.19

Above Joint venture contingent liability includes our share in following matters:

- a) Gujarat State Energy Generation Limited (hereinafter referred to as GSEG) is one of the customers of Hazira Field. The Hazira Field is operated by NIKO Resources Limited (hereinafter referred to as NIKO) where the Company has 66.67% Participating Interest while NIKO has 33.33% Participating Interest.

A Gas Sales Agreement dated February 16, 2000 (hereinafter referred to as GSA) was executed between GSEG (as Buyer) and NIKO & GSPC (as Sellers) where GSEG agreed to purchase and NIKO & GSPC agreed to sell certain quantity of natural gas produced from the Hazira Field. The said GSA is valid till April 30, 2016. The Daily Contracted Quantity in terms of the GSA is 8 Lakhs SCMD. The said GSA is a firm commitment GSA i.e. the Buyer is bound to off-take and the Sellers are bound to offer for supply a minimum of 80% of the daily contracted quantity under the GSA on Six Monthly basis.

The production of natural gas from Hazira Field started declining drastically from early 2006 which resulted into NIKO and GSPC being unable to supply the minimum guaranteed quantities under various gas sales agreements for Hazira Field including the GSA with GSEG. The said decline in production from Hazira Field was owing to the extraordinary geological conditions, as reported by NIKO. With a view to address the situation, GSPC started supplying gas to Hazira Customers including to GSEG from various other sources of gas available with GSPC.

However, on and from August 2010, the production from the field dropped so drastically that it was no more possible to supply the minimum guaranteed quantities to GSEG. NIKO (on behalf of unincorporated joint venture of NIKO & GSPC) put GSEG to Notice that the short-supply of gas under the GSA is due to depletion of production from Hazira Field caused by natural geological reasons stating that the same is a Force Majeure situation under the GSA. However, GSEG has not agreed to such claim of Force Majeure.

GSEG has invoked arbitration proceedings against NIKO & GSPC claiming that NIKO and GSPC are liable to pay liquidated damages to GSEG for short supply of natural gas under the GSA on and from August 2010 till the end of the GSA in April 2016. As alleged by GSEG, such claim of GSEG amounts to USD 129,917,884/- (Rs.861.78/- Crores) [31 st March 2016: USD 129,917,884/- (Rs.813.17 Crores)]. NIKO and GSPC have disputed such claims and asserted that the short-supply of gas under the GSA was on account of Force Majeure Condition i.e. depletion of reservoir due to natural geological reasons and therefore the obligation of NIKO and GSPC to supply minimum guaranteed quantity to GSEG under the GSA was excused by such Force Majeure Condition.

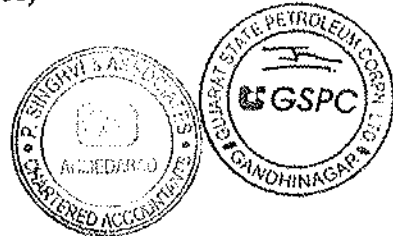
The Arbitration Proceedings is pending as of date and the matter is sub-judice.



- b) In September 2005, GSPC, as the Operator in KG-OSN-2001/3 block, had entered into a contract with Atwood Oceanics Pacific Limited ('AOPL') for drilling, completing or abandoning the wells identified by GSPC's drilling program. With respect to certain invoices raised by AOPL during July and August 2009, AOPL has claimed that the said invoices were paid by GSPC after a delay of 733 days in September 2011. Accordingly, AOPL had initiated arbitration proceeding against the JV claiming interest on delayed payment towards the said invoices claiming an amount of Rs.101,148,531 (USD1,523,895) [31 March 2015: Rs.95,426,305 (USD1,523,895)] along with interest at the rate of 1.5% per month from 11 January 2013 till the date of payment. The Honorable Sole Arbitrator, vide arbitral award dated 12 May 2015, has concluded that the JV is not liable to pay the claims of interest on delayed payment towards the invoices as aforesaid and rejected the claims made by AOPL in this regard. AOPL has preferred an appeal under Section 34 of the Arbitration and Conciliation Act, 1996 praying for setting aside of the award passed by the Sole Arbitrator before the District Court, Gandhinagar. The matter is subjudice.
- c) GSPC, as the Operator in KG-OSN-2001/3 block, has entered into a contract with Tuff Drilling Private Limited ('TDPL') for supply and installation of 3,000 hp modular rig in May 2010. Due to the inability of TDPL to provide the rig in the stipulated timelines, the Operator terminated the contract. Against the above actions of the Operator, TDPL has raised claims for Rs. 719.33 Crores (GSPC's share Rs. 575.47 crores) [31 st March, 2015: Rs. 719.33 Crores of which GSPC's share: Rs. 575.47 crores]. The matter is pending in arbitration.

25 CAPITAL COMMITMENTS:

- a Estimated amount of Contracts remaining to be executed on capital accounts and not provided for:
- i In respect of Joint Ventures Rs. 94.97 crores (P.Y Rs. 1,913.90 crores)
 - ii In respect of others Rs. 2.08 crores (P.Y. Rs. 0.90 crores)
- b Minimum Work Programme Committed under various Production Sharing Contracts in India and Outside India.
- i In India Rs. 16.16 crores (P.Y. Rs. 75.34 crores)
 - ii Outside India Rs. 15.07 crores (P.Y. Rs. 14.22 crores)



26 REVENUE FROM OPERATIONS:

Rs. in Crores

Particulars	2015-16		2014-15	
Sale of Products				
Natural Gas	10,209.91		10,721.66	
Sale of Gas-Joint Ventures	29.71		54.61	
Sale of Oil-Joint Ventures	70.27		108.05	
Sale of Electricity - Wind Mill	45.46	10,355.37	45.37	10,929.89
Sale of Services				
Re-gasification Income	141.19		15.87	
Transportation Income	110.88	251.87	0.54	16.41
Total Sales		<u>10607.24</u>		<u>10,946.30</u>
Other Operating revenues				
Take or Pay Income		5.95		10.29
Total Revenue from operations		<u>10,813.19</u>		<u>10,956.59</u>

27 OTHER INCOME

Rs. in Crores

Particulars	2015-16		2014-15	
Interest Income*				
Interest on Deposits	17.49		10.95	
Other Interest	36.03	53.52	34.65	45.80
Income From Long term Investments				
Dividend From Subsidiary Companies	45.03		21.23	
Dividend From Other Companies	1.60	46.63	1.37	22.60
Other Non Operating Income				
Usage Charges	3.40		2.79	
Other Income-Joint Ventures	6.91		7.14	
Net Profit on Sale of Fixed Assets	-		2.28	
Miscellaneous Income	1.32	11.63	0.70	12.91
TOTAL		<u>111.78</u>		<u>81.31</u>

*Interest Income includes interest amounting to Rs. NIL crores (P.Y. Rs. 12.75 crores) from subsidiary company and Rs. 34.08 crores (P.Y. Rs. 20.23 crores) from associate company.

28 Production Expenditure - E&P

Rs. in Crores

Particulars	2015-16		2014-15	
Production Expenditure		52.72		41.06
Duties & Taxes (includes Profit Petroleum)		10.91		60.13
Other G&A Expenses		13.54		15.10
TOTAL		<u>77.17</u>		<u>116.29</u>

29 Cost of Traded Goods

Rs. in Crores

Particulars	2015-16		2014-15	
Local Purchase of Gas	2,438.01		4,284.16	
Import Purchase of Gas	6,711.48		5,420.72	
		9,149.49		9,704.88
Import Gas Regasification Charges	643.08		281.53	
Gas Transmission Charges	180.44		24.28	
Commodity Hedging Cost	78.92		217.72	
Annully & Meter Validation Charges	0.64		1.14	
Other Expenses	-		0.48	
		913.08		525.15
TOTAL		<u>10,062.57</u>		<u>10,230.03</u>



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30 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE

Rs. in Crores

Particulars	2015-16	2014-15
FINISHED GOODS		
Closing stock of Oil	2.70	4.24
Opening stock of Oil	4.24	5.53
	1.54	1.29
Increase/ decrease in stock of Oil (Hazira)	0.33	0.04
	1.87	1.33
STOCK IN TRADE		
Closing stock of Liquefied GAS	43.82	63.31
Opening stock of Liquefied GAS	83.31	-
	19.49	(63.31)
(Increase)/Decrease in stock	21.38	(61.98)

31 EMPLOYEE BENEFITS EXPENSE

Rs. in Crores

Particulars	2015-16	2014-15
Salaries, wages & allowances	13.82	12.23
Contribution to Provident Fund and Other Funds	1.78	2.33
Staff welfare Expenses	0.10	0.05
	15.78	14.61

Details of Allocation of Expenditure: Expenditure Incurred during the year on Payments to and Provision for employees

Rs. in Crores

Particulars	2015-16	2014-15
Salaries, wages & allowances	85.18	61.82
Contribution to Provident Fund and Other Funds	8.23	11.79
Staff welfare Expenses	0.45	0.25
TOTAL	73.84	73.88
Allocated to Operated E&P Blocks	58.06	59.25
Net Expenditure for Corporate	15.78	14.61

Employee Benefits:

- A. Defined Contribution Plans
 i. Company's contribution to Provident Fund is Rs. 0.84 Crores (P.Y. Rs. 0.71 Crores)
 ii. Company's contribution to Super Annuation fund Rs. 0.21 Crores (P.Y. Rs. 0.27 crores)
- B. Defined Benefit Plans

The following table sets out the funded status of the Gratuity and Leave Encashment Plan and the amounts recognized in company's financial statements as at 31st March, 2016 as required by Accounting Standard (AS) 15 (Revised 2005)

Rs. in Crores

Particular	Gratuity (Funded)		Leave Encashment (Funded)	
	2015-16	2014-15	2015-16	2014-15
I Change in obligation during the year ended 31st March, 2016				
1 Liability at the beginning of the year	5.20	4.08	7.66	8.05
2 Interest cost	0.52	0.20	0.58	0.53
3 Current service cost	1.41	0.43	0.68	0.48
4 Past service cost	-	-	-	-
5 Benefit Paid	(0.18)	(0.49)	(0.63)	(0.97)
6 Actuarial (gain) / Losses	(0.79)	1.06	0.18	1.57
7 Liability at the end of the year	6.24	5.28	8.45	7.66
II Change in assets during the year ended 31st March, 2016				
1 Plan assets at the beginning of the year	5.69	3.69	5.81	4.10
2 Expected return of plan assets	0.54	0.30	0.52	0.37
3 Contributions	1.61	2.11	1.10	2.16
4 Benefit paid	(0.57)	(0.49)	(0.83)	(0.97)
5 Actuarial gain / (Loss)	(0.01)	0.08	0.04	0.06
7 Plan assets at the end of the year	7.26	5.69	6.84	5.81
6 Total Actuarial Gain/(Loss) To Be Recognized	0.78	(0.98)	(0.14)	(1.51)
III Actual Return on plan assets				
1 Expected return of plan assets	0.54	0.30	0.52	0.37
2 Actuarial gain / (loss)	(0.01)	0.08	0.04	0.06
3 Actual return on plan assets	0.63	0.38	0.56	0.43
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2016				
1 Liability at the end of the year	6.24	5.28	8.45	7.66
2 Plan assets at the end of the year	7.26	5.69	6.84	5.81
3 Amount recognized in the Balance Sheet Accrued (Pre paid)	(1.02)	(0.41)	1.61	1.85



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V Expenses recognized in the statement of profit & loss account for the year ended 31st March, 2016				
1 Current service cost	1.41	0.43	0.66	0.48
2 Interest cost	0.52	0.20	0.58	0.53
3 Expected return on plan assets	(0.54)	(0.30)	(0.52)	(0.37)
4 Actuarial (gain) / Losses	(0.78)	0.98	0.14	1.51
5 Past service cost	-	-	-	-
6 Total expenses	0.61	1.31	0.86	2.15
VI Balance Sheet reconciliation				
1 Opening net liability	(0.41)	0.39	1.85	1.86
2 Expenses as above	0.61	1.31	0.86	2.15
3 Employer contribution	(1.22)	(2.11)	(1.10)	(2.18)
4 Amount recognized in the Balance Sheet	(1.02)	(0.41)	1.61	1.85
VII Actuarial Assumptions				
1 Discount Rate	8.00%	7.80%	8.00%	7.80%
2 Rate of return on plan assets	9.00%	8.25%	8.00%	8.75%
3 Salary Escalation	7.00%	7.00%	7.00%	7.00%

VIII Amount for the current & previous four periods are as follows:

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Gratuity (Funded)					
Defined Benefit obligation	6.24	6.28	7.79	6.33	2.87
Plan asset	7.28	5.69	3.69	3.78	3.11
Surplus/(deficit)	1.02	0.41	(4.10)	(2.55)	0.44
Experience adjustment on plan liability	(0.58)	0.26	0.21	2.45	(0.91)
Experience adjustment on plan assets	(0.01)	0.08	0.01	0.01	-
Leave Encashment (Funded)					
Defined Benefit obligation	8.46	7.68	6.05	5.51	4.18
Plan asset	6.84	5.81	4.19	4.33	4.05
Surplus/(deficit)	(1.61)	(1.85)	(1.88)	(1.18)	(0.13)
Experience adjustment on plan liability	0.42	0.37	0.69	0.60	(0.04)
Experience adjustment on plan assets	0.04	0.08	0.01	-	(0.01)

IX Investment details:

Both the funds are managed by LIC and as per the bifurcation provided for planned assets 100% investment as on 31st March 2016 (100% as on 31st March, 2015) is made in Special deposit Scheme.

X Expected Employers contribution for the next financial year:

For the gratuity & leave encashment which are funded, company is expecting to contribute the amount which can mitigate future liability. The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market. The above information is certified by the actuary.

Gratuity and Leave Encashment is administered through duly constituted and approved independent trusts, also through Group gratuity / leave encashment scheme with Life Insurance Corporation of India.

XI The company has also provided for Rs.0.15 crores (P.Y. Rs. 0.54 crores) towards liability of loyalty bonus (a non-funded defined benefit plan) during the year as per the actuarial valuation.

32 FINANCE COST

Rs. in Crores

Particulars	2016-18	2014-15
Interest on Buyer's Credit	6.40	39.11
Interest on Income Tax	10.00	11.92
Other Finance Cost*	16.40	51.03

*Includes Bank Guarantee & L C charges



33 OTHER EXPENSES

Rs. in Crores

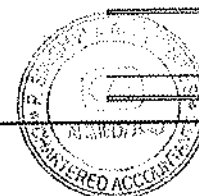
Particulars	2015-16	2014-15
Expenses related to Wind Mills		
Operation & Maintenance Exps	9.07	7.36
Wind Mills Insurance Exps	0.47	0.61
TOTAL (A)	9.54	7.97
Administrative Expenses		
Electricity Expenses	0.43	0.47
Rent, Rates & Taxes	0.14	0.19
Repairs & Maintenance:		
Building Repairs		
Others	1.81	1.31
Insurance expenses	0.68	0.07
Business Development & Promotion	1.20	2.39
Advertisement & publicity	0.61	0.10
Administration & establishment	2.09	1.89
Travelling Expenses	1.18	0.36
Stationery & Printing	0.61	0.54
Professional & Technical Expenses	16.31	9.79
Conveyance	-	-
Donations	2.80	0.02
Telephone, Trunkcalls & Postage	0.27	0.25
Vehicle running Expenses	0.08	0.07
Bandwidth Expenses	0.02	0.03
Payment to Auditors		
As Auditor	0.14	0.13
Other Services	0.23	0.10
For reimbursement of expenses	0.07	0.02
Net Loss on Sale/discarding of Fixed Assets	0.03	-
Net Foreign Exchange Loss	8.98	5.57
Other expenses	0.25	0.42
TOTAL (B)	37.91	23.72
Misc. Expenditure W/off during the year (C)	6.05	8.67
Provision for Doubtful Advances (D)	4.21	1.72
Total (A+B+C+D)	68.81	42.08

33.1 Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof : Rs 2.80 crore

33.2

Details of Allocation of Expenditure : Expenditure incurred during the year on payments to and provision for Administrative Expenses. Rs. in Crores

Particulars	2015-16	2014-15
Administrative Expenses		
Electricity Expenses	1.82	1.72
Rent, Rates & Taxes	0.97	1.02
Repairs & Maintenance:		
Building Repairs		
Others	2.57	2.43
Insurance expenses	1.81	1.14
Business Development & Promotion	1.20	2.39
Advertisement & publicity	0.61	0.13
Administration & establishment	7.09	6.36
Travelling Expenses	1.87	1.18
Stationery & Printing	2.75	2.56
Professional & Technical Expenses	21.02	16.48
Conveyance	0.02	0.01
Donations	2.80	0.02
Telephone, Trunkcalls & Postage	0.40	0.36
Vehicle running Expenses	0.25	0.31
Bandwidth Expenses	0.31	0.14
Payment to Auditors		
As Auditor	0.14	0.13
Other Services	0.23	0.10
For reimbursement of expenses	0.07	0.02
Net Loss on Sale/discarding of Fixed Assets	0.03	-
Net Foreign Exchange Loss	8.98	5.57
Other expenses	0.90	1.44
TOTAL	56.54	43.49
Allocated to Operated E&P Blocks	18.63	19.77
Net Expenditure for Corporate	37.91	23.72



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34 Exceptional Items

The Exceptional Items comprises of the following:

Particulars	Rs. in Crores	
	2015-16	2014-15
Impairment (Refer note no.34.1)	397.35	-
Diminution in the value of Investment (Refer note no.34.2)	97.39	-
Exploration cost written off (Refer note no.34.3)	686.88	513.03
Total	1,181.62	513.03

34.1 Based on Accounting Standard-28 "Impairment of Assets", impairment test was carried out by calculating the sum of present value of the all estimated future cash flows and compared it with the carrying value of the asset. Due to sharp decline in the commodity prices of crude and natural gas in the international market and downward revision of the reserves, the assets were impaired by Rs.397.35 crores and were written down to its fair value.

34.2 The company had made an investment in Special Purpose Vehicle (SPV), GSPC (JPDA) LTD amounting to Rs.97.39 crores to carry out exploration activities in Australia. Due to commercial uncertainty arising out of exploration activities which will negatively impact Joint Venture partners to meet the obligation under PSC, the company has provided for full provision of Rs.97.39 crores for Diminution in value of investment as per Accounting Standard-13 "Accounting for Investments".

34.3 The Company has written off Rs. 686.88 crores (P.Y. Rs.513.03 crores) towards exploration cost for the blocks which have been surrendered to DGH/ Government or where the intention to surrender the block has been established. Though the company follows full cost Method of Accounting for its oil and gas assets where in unsuccessful exploration cost is capitalised however as an exception to the policy the company has written off unsuccessful explorations cost. This being not a routine business activity and hence considered and reclassified as exceptional item during the current period.



35. Joint Venture Operations

The Company 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 company 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, unincorporated Joint Ventures (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 Venture/PSCs	GSPC's PI	Operatorship/Other Partner's PI	PI
a	Non Operated JVs			
1	Hazira	66.67% (66.67%)	Niko Resources Ltd (Operator)	33.33%
2	Bhandut	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	40%
3	Cambay	55% (55%)	Oilex NL (Operator)	30%
			Oilex NL Holdings (India) Ltd	15%
4	Asjol	50% (50%)	Hindustan Oil and Exploration Company Limited (Operator)	50%
5	Palej	50% (50%)	Exploration Hindustan Oil and Exploration Company Limited (Operator)	50%
			Development Hindustan Oil and Exploration Company Limited (Operator)	35%
			Oil and Natural Gas Corporation	30%
6	North Babol	45% (45%)	Hindustan Oil and Exploration Company Limited (Operator)	25%
			Gujarat Natural Resources Limited (GNRL)(Operator) (Formerly Heramec ltd.)	30%
7	Dholasan	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly as Heramec ltd.)	30%
8	North Kathana	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly Heramec ltd.)	30%
9	Kanawara	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly Heramec ltd.)	30%
10	Allora	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly Heramec ltd.)	30%
11	CB-ONN-2004/1 (Refer Note I)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
12	CB-ONN-2004/2 (Refer Note I)	45% (45%)	Oil and Natural Gas Corporation Limited (Operator)	55%
13	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited (Operator)	65%
14	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
15	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd	40%
			Bengal Energy Inc.	30%
16	CB-ONN-2009/4	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%
17	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Indian Oil Corporation Limited	20%
			Adani Welspun Exploration Ltd	20%



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b GSPC-Operated					
18a	Tarapur		Exploration		
			80% (80%)	Geo Global Resources (Barbados) Inc.	20%
			Development:		
		56% (56%)	Geo Global Resources (Barbados) Inc.	14%	
			Oil and Natural Gas Corporation	30%	
18b.	Tarapur - Extension phase (Refer Note g)	80% (80%)	Geo Global Resources (Barbados) Inc.	20%	
19	Unawa	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Formerly Heramec Ltd.)	30%	
20a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%	
20b	CB-ONN-2000/1 -(Extension phase)	50% (50%)	GAIL (India) Ltd	50%	
21	CB-ONN-2002/3 (Sanand)	55% (55%)	Jubilant Enpro Private Limited	20%	
			Hindustan Petroleum Corporation	15%	
			Geo Global Resources (Barbados)	10%	
22	CB-ONN-2003/2 (Ankleshwar)	50% (50%)	GAIL (India) Ltd	20%	
			Jubilant Enpro Private Limited	20%	
			Geo Global Resources (Barbados) Inc.	10%	
23	KG-OSN-2001/3 (Refer Note h)	80% (80%)	Jubilant Enpro Limited	10%	
			Geo Global Resources (Barbados) Inc.	10%	

*PI - Participating Interest

II Blocks/Fields proposed for surrender

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partner's PI	PI
a Non Operated JVs				
1	MB-OSN-2000/1 (Mumbai) (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai) (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Lt.	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note e)	60% (60%)	Jubilant Oil & Gas Pvt. Limited	30%
			Geo Global Resources (Barbados)	10%
4	CY-ONN-2002/1 (Cavery) (Refer Note e)	20% (20%)	Jubilant Oil & Gas Pvt. Limited	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note e)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
6	CY-DWN-2004/1 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
7	CY-DWN-2004/2 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
8	CY-DWN-2004/4 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
9	CY-PR-DWN-2004/2 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%



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10 - *	<u>KG-DWN-2004/1</u> (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan	10%
11 - *	<u>KG-DWN-2004/2</u> (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
12 - *	<u>KG-DWN-2004/3</u> (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
13 - *	<u>KG-DWN-2004/5</u> (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
			Oil India Limited	10%
14	<u>KG-DWN-2004/6</u> (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
15 - *	<u>MB-OSN-2004/2</u> (Refer Note e)	20% (20%)	Petrogas E&P LLC(Operator)	20%
			GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
16	<u>CB-ONN-2004/4</u> (Refer Note e)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
17	<u>RJ-ONN-2004/1</u> (Refer Note e)	22.225% (22.225%)	GAIL (India) Ltd	22.225%
			Hindustan Petroleum Corporation Limited	22.22%
			BPCL	11.11%
			Hailworthy Shipping Ltd. SA	11.11%
			Nitin Fire Protection Industries Ltd.	11.11%
18 - *	<u>KG-OSN-2005/1</u> (Refer Note b)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			HPCL - Mittal Energy Ltd.	20%
19	<u>KG-DWN-2005/1</u> (Refer Note b)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Indian Oil Corporation Limited	20%
20	<u>KK-DWN-2005/2</u> (Refer Note b)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
21	<u>AN-DWN-2009/5</u> (Refer Note d)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
22	<u>AN-DWN-2009/13</u> (Refer Note d)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	80%
			GAIL (India) Ltd	10%
			NTPC Ltd	10%
23	<u>AA-ONN-2003/1(Assam)</u> (Refer Note a)	20% (20%)	Jubilant oil & Gas Pvt Limited (Operator)	10%
			Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%



24	CY-DWN-2004/3 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
25	CY-PR-DWN-2004/1 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
26	MB-OSN-2005/5 (Refer Note a)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
27	MB-OSN-2005/6 (Refer Note a)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
28	CB-ONN-2005/4 (Refer Note a)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
29	CB-ONN-2005/10 (Refer Note a)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
30	JPDA-06-103 (Australia/East Timor) (Refer Note f)	20% (20%)	Oilex (JPDA 06/103) Ltd (Operator)	10%
			Global Energy	20%
			Bharat Petro Resources JPDA Ltd	20%
			Japan Energy Corporation	15%
			Pan Pacific Petroleum NL	15%
31-*	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	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			
32	South Diyar (Egypt)	80% (80%)	Alkor Petro Ltd	20%
33	North Hap'y (Egypt)	80% (80%)	Petrogas E&P LLC	20%
34	MB-OSN-2004/1 (Refer Note e)	20% (20%)	GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
			Western Drilling Contractors Pvt. Ltd.	20%
35	Block No 19 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
36	Block No 28 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
37	Block No 57 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
38	South Gulf of Suez (Egypt)	60% (60%)	Adani Welspun Exploration Ltd	40%
39	KG-ONN-2004/2 (Refer Note a)	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
40	RJ-ONN-2005/3 (Refer Note a)	60% (60%)	Oil and Natural Gas Corporation Limited	40%
41	South East Tungal (Indonesia) (Refer Note a)	50.50%(50.50%)	Essar Oil Ltd	49.50%

a During the year the company along with its Joint Venture partners have recommended block KG ONN 2004/2, RJ ONN 2005/3, South East Tungal Indonesia, 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. Accordingly a total exploration cost of Rs.679.42 crores have been written off during the year.



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- b During F.Y 2014-15, the company along with its Joint Venture partners have recommended block KG OSN 2005/1, KG DWN 2005/1 and KK DWN 2005/2 to be surrendered to Government of India. Accordingly a total exploration cost of Rs. 105.13 crores have been written off during the FY.2014-15.
- c During F.Y. 2014-15 the company along with its Joint Venture partners has decided to withdraw from South Diyar (Egypt) and South Gulf of Suez (Egypt) blocks and accordingly a total exploration cost of Rs.397.25 crores have been written off during F.Y.2014-15. During FY 2013-14 the company along with its Joint Venture partners has decided to withdraw from North Ha'py (Egypt) block.
- d During FY 2013-14 the company 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.
- e The company along with its Joint Venture 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 and BS (3)-CBM-2003/II to be surrendered to Government of India.
- f JPDA-06-103 block is being operated through a Special Purpose Vehicle (SPV) i.e. GSPC JPDA Ltd a 100% subsidiary of the company as per the terms of the PSC. During the year company has made provision for diminution in value of off its investments in the block amounting to Rs.97.39 crores.
- g Company has applied for the extension of exploration phase in Tarapur block and a separate Ring Fence PSC is to be signed under the review of MoPNG on grant of further extension.
- h In August 2002, the Company entered into Carried Interest Agreement (CIA) with GeoGlobal Resources (India) Inc (GGR), under which the Company granted GGR a 10.0% carried interest in the KG-OSN-2001/3 block. The CIA provides that the Company is responsible for GGR's share of costs incurred during the exploration phase prior to the date of initial commercial production, and that the Company shall recover such costs from GGR's share of gas and oil upon the commencement of production. Accordingly Rs. 1,834.08 Crores is due from GGR and is shown in Note 17 - 'Long Term Loans and Advances'. The Company has issued Notice of Termination/Forfeiture of Participating Interest to GeoGlobal Resources (India) Inc (GGR). Vide letter dated August 18, 2010. As per the provisions of Joint Operating Agreement and Production Sharing Contract for the Block KG-OSN-2001/3, the Termination/Forfeiture of Participating Interest requires an amendment to the PSC. Any amendment to the PSC becomes effective only after the same has been approved by the Management Committee/Government of India. Accordingly, GSPC has submitted the proposal to DGH/Government of India in relation to amendment of PSC pursuant to termination of GGR's participating interest. The issue of amendment to the PSC and the response of DGH/Gol is still awaited. In view of above, forfeiture/termination of GGR's share of Participating Interest in favour of GSPC will be effective after the Management Committee approves the necessary amendments to Production Sharing Contract. Consequent upon DGH/MoPNG's approval declaring Geo Global Resources (India) Inc. (GGR) as defaulter in Production Sharing Contract for KG-OSN-2001/3, the participating interest of GGR will be transferred to the company. Subsequently it would not be possible for the company to recapitalise the amount of interest in future. Therefore, interest amounting to Rs.221.33 crores is capitalised on the contribution made by the company amounting to Rs. 1,834.08 crores as on 31st March, 2016.
- i During the financial year 2012-13 the company 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\$ 42 million) issued in their favor by the International bank of Yemen;
 - Arbitral Tribunal has awarded costs of approx. USD 3.79 million 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 has been placed on February 28, 2017. The Matter is sub-judice.



- j During the F.Y. 2014-15 ONGC operated two fields namely CB-ONN-2004/1 and CB-ONN-2004/2 had commenced the commercial production.
- k Of the above, 16 fields/blocks are in production, namely Hazira, Bhandul, Cambay, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dhoiasan, North Kathana, Kanawara, Allora, CB-ONN-2000/1 (Ahmedabad), Tarapur, CB-ONN-2003/2 (Ankleshwar), CB-ONN-2004/1 and CB-ONN-2004/2 block. Net quantity of Company's interest (on gross basis) in proved developed reserves is as follows:

Particulars	Proved Developed Reserves (Oil) (Million BBL)*	Proved Developed Reserves (Gas) (Billion Cubic Feet)
Beginning of the Period	10.12	9.11
	(9.90)	(10.88)
Additions	-	-
	(0.51)	-
** Adjustments on account of change in Reserve estimate	(6.24)	(0.17)
	-	-
Deletions	-	-
	-	-
Production	0.29	1.54
	(0.29)	(1.77)
Closing Balance for the year ended on 31.03.2016	3.59	7.40
	(10.12)	(9.11)

*Figures in brackets relate to previous year

The Company's share of reserve has been considered on the basis of the "Reserve" certification provided by M/s. Gaffney, Cline & Associates (GCA) as on 31st August, 2015 and accordingly the reserves as on 31st March, 2016 has been worked based on the reserve estimates certified by GCA and only includes the blocks which are in production.

** Adjustments on account of change in reserve estimate reflects the change in reserve estimation due to change in the reserves as certified by GCA. Wherein till previous year the reserve estimates for Cambay block was taken based on the management estimates while in the current year the same is based on the GCA certification.

- l The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture operations which are accounted on a line to line basis with similar items in the Company's accounts to the extent of participating interest of the company as per the various joint venture agreements, in compliance of AS-27. The income and expenditure from Joint Ventures are disclosed separately in the Statement of Profit and Loss. The summary of the Company's share in Assets & Liabilities of Joint Ventures are as follow:

PARTICULARS	Rs. in crores	
	As on 31-03-2016	As on 31-03-2015
Fixed Assets		
Gross Block	2,139.81	1,815.24
Depreciation/Depletion Fund	1,720.34	1,184.70
Net Block	419.46	630.54
CWIP*	15,663.03	15,560.36
Current Assets	132.39	232.50
Current Liabilities and Provisions	503.52	439.04
Contingent Liabilities	1,188.37	1,914.19

*includes stores & spares



- m The Statement of Profit and Loss of the Company includes its share in Profit or Loss pertaining to the respective Joint Ventures. The summary of Statement of Profit and Loss for the year ended 31st March 2016 is given as under:

Rs In crores

PARTICULARS	2015-16		2014-15	
	Aggregate of all JVs	GSPC's Share	Aggregate of all JVs	GSPC's Share
INCOME				
Sale of Crude Oil	134.89	70.27	206.08	108.05
Sale of Gas	54.42	29.71	97.78	38.65
Increase/(Decrease) in Stock*	(3.91)	(1.87)	(3.24)	(1.33)
Other Income	10.46	6.91	10.87	7.14
Total	195.86	105.02	311.49	152.51
EXPENDITURE				
Production Expenses	89.38	52.72	62.43	41.06
Duties & Taxes	23.72	10.91	58.50	28.91
Administrative exps.	21.94	13.54	30.51	15.10
Total Expenditure before Depreciation	135.04	77.17	151.44	85.07
PROFIT BEFORE DEPRECIATION	60.82	27.85	160.05	67.44

*It includes increase/ (decrease) in stock of crude oil of Hazira Field amounting to INR (0.33) crore. The same is not considered in closing stock of crude oil, in line with Joint Venture Venture's accounting policy where the company's share in net current assets is adjusted in the capital contribution adjustment account.

- 36 The Company has neither accepted nor renewed any fixed deposits from the public since June, 2001 as per Companies (Acceptance of Deposits) Rules, 2014 u/s 73 of the Companies Act, 2013. There is no amount outstanding, which is required to be credited to Investor Education and Protection Fund.



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		2014-15						2013-14						
		E & P		Gas Trading		Wind Power		E & P		Gas Trading		Wind Power		
		Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	Unallo-	
		ated	ated	ated	ated	ated	ated	ated	ated	ated	ated	ated	ated	
		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
1	Revenue													
	External Sales	104.31	104.31	170.30	170.30	10,738.07	10,738.07	45.37	45.37	-	-	-	-	-
	Inter Segment Sales	(4.33)	(4.33)	(7.44)	(7.44)	-	-	-	-	-	-	-	-	(7.44)
	Total Revenue	99.98	99.98	162.86	162.86	10,738.07	10,738.07	45.37	45.37	-	-	-	-	10,948.30
2	Results													
	Segment Results													
	Profit/(Loss)-	373.32	373.32	35.04	35.04	201.68	201.68	45.24	45.24	592.24	592.24	37.40	37.40	614.88
	Indicated Expa	-	-	(88.82)	(88.82)	(88.82)	(88.82)	-	-	-	-	-	-	(151.34)
	Operating Profit	(117.58)	(117.58)	35.94	35.94	104.76	104.76	45.24	45.24	592.24	592.24	37.40	37.40	463.54
	Inter dividend	-	-	100.15	100.15	-	-	-	-	-	-	-	-	68.40
	Other Income	8.91	8.91	4.72	4.72	11.03	11.03	7.14	7.14	-	-	-	-	12.91
	Exceptional Item	(1,101.82)	(1,101.82)	-	-	(1,181.82)	(1,181.82)	-	-	-	-	-	-	(613.03)
	Provision for Taxation	-	-	70.58	70.58	0.08	0.08	-	-	-	-	-	-	(8.01)
	Prior period adjustments	-	-	-	-	0.08	0.08	-	-	-	-	-	-	(0.11)
	Profit/Loss from Ordinary Activities	(1,282.29)	(1,282.29)	373.32	373.32	78.01	78.01	(804.42)	(804.42)	(480.05)	(480.05)	592.24	592.24	(85.20)
	Excess / Short Prov of IT	-	-	-	-	-	-	-	-	-	-	-	-	23.70
	Net Profit/(Loss)	(1,282.29)	(1,282.29)	373.32	373.32	78.01	78.01	(804.42)	(804.42)	(480.05)	(480.05)	592.24	592.24	(66.28)
3	Other Information													
	Segment Assets	27,064.00	27,064.00	538.56	538.56	178.52	178.52	-	-	21,781.08	21,781.08	25,288.71	25,288.71	26,787.42
	Unallocated Assets	-	-	-	-	-	-	-	-	2,381.78	2,381.78	2,381.78	2,381.78	2,424.22
	Total Assets	27,064.00	27,064.00	538.56	538.56	178.52	178.52	2,381.78	2,381.78	25,288.71	25,288.71	27,670.49	27,670.49	29,211.64
	Segment Liabilities	22,623.44	22,623.44	22,655.75	22,655.75	20,037.72	20,037.72	1,195.12	1,195.12	20,037.72	20,037.72	1,195.12	1,195.12	21,236.89
	Unallocated Liabilities	-	-	-	-	-	-	-	-	4.05	4.05	-	-	567.23
	Total Liabilities	22,623.44	22,623.44	22,655.75	22,655.75	20,037.72	20,037.72	1,195.12	1,195.12	20,037.72	20,037.72	1,195.12	1,195.12	21,804.12
	Capital Expenditure	3,651.00	3,651.00	2.88	2.88	3,053.88	3,053.88	3,068.87	3,068.87	3,068.87	3,068.87	10.52	10.52	3,079.39
	Depreciation	158.52	158.52	23.70	23.70	4.32	4.32	188.54	188.54	73.36	73.36	28.87	28.87	110.64
	Non Cash Expenses other than Depreciation	1,182.05	1,182.05	3.78	3.78	6.85	6.85	1,182.78	1,182.78	513.03	513.03	-	-	521.70

Business Segments as its reportable segment
 In compliance of Accounting Standard 17 on 'Segment Reporting' issued by Institute of Chartered Accountants of India, the company has adopted following

SEGMENT INFORMATION:

Note No:37

- a) E & P
- b) Gas Trading
- c) Wind power

Ra. In Crores

38 In the year 1998-99, the Hazira joint venture started the construction of 36" pipeline with a view to evacuate the natural gas production expected from the new Land Based Drilling Platform to major industrial customers lying on the 14 km stretch from Hazira to Mora. The joint venture pursued the Management Committee for approval of the laying of the pipeline and shifting of the delivery point (since no delivery point was defined for natural gas in Hazira PSC), to which DGH/ Government of India ('Gol') did not agree for several reasons including but not limited to the reserves, size of the pipeline etc.

In the year 1999-2000, the Company sold this pipeline to its subsidiary company, Gujarat State Petronet Limited (GSPL) for a consideration of Rs.49.50 Crores on as is where is basis. However the joint venture partner M/s. Niko Resources initiated arbitration proceedings against the company and Gol for seeking cost recovery of the said 36" pipeline and settlement of the dispute under PSC.

Arbitral Tribunal has passed its award dated 23rd December, 2009. As per the Arbitration Award, the pipelines forms part of the development plan of the joint venture and 'cost recovery' status is applicable to it as per PSC. It is further directed in the Award that the investment multiple ratio and the accounting of profit petroleum be revised with retrospective effect.

The impact of the arbitration award has been given in the audited joint venture accounts for the year ended 31-March-2010 as under:

Particular	Corresponding effect on	Rs in crores
Pipeline Revenue	Sundry debtors	137.97
Profit Petroleum to MOP&NG (reversal)	Advances recoverable in cash or kind or value to be received	93.44
Plant & machinery (incurred by joint venture)	Producing properties in progress	25.71
Plant & machinery (additionally incurred by GSPCL)	Other liabilities	70.35
Pipeline expenses (direct & indirect operating expenses)	Other liabilities	65.74

The above mentioned impact of the award is based on the computation performed by the operator M/s Niko Resources. Moreover as per the Arbitration Award, Gol is liable to pay interest at the rate of 9% p.a on the amount of profit petroleum refundable to joint venture from 31/3/2003 till date of payment. The above figures with respect to 36" pipeline for the year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 have not been updated.

Subsequently, the arbitration award has been challenged by the Government of India under Section 34 of the Arbitration and Conciliation Act, 1994 before the Delhi High Court. The High Court of Delhi has set aside the Arbitration Award vide its Order and Judgment dated July 2, 2012 resulting into cost-recovery in respect of the pipeline being disallowed. However, NIKO has preferred a further appeal u/s 37 of the Arbitration and Conciliation Act, 1994 before the division bench of the Delhi High Court. NIKO had also prayed for stay on the Judgment of Single Judge of Delhi High Court however no such stay has been granted. Accordingly, the issue of cost recovery for the pipeline is still sub-judice. Further, the Arbitral Award is still not final in terms of Section 36 of the Arbitration and Conciliation Act, 1994 and in view of the same, the Company has not considered the Arbitration Award and directions under the same as aforesaid while consolidating the Joint Venture accounts on a line by line basis.



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39 RELATED PARTY TRANSACTIONS

As per the Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows.

39.1.1 Subsidiary Company - Gujarat State Petronet Limited, GSPC Pipavav Power Company Ltd, Guj Info Petro Limited, GSPC Gas Company Ltd, GSPC (JPDA) Ltd, GSPL India Gasnet Limited and GSPL India Transco Limited, Gujarat Gas Company Limited, Gujarat Gas Trading Company limited, Gujarat Gas Financial Services Ltd, GSPC Offshore Ltd, GSPC Energy Ltd.

39.1.2 Associate Companies - Gujarat State Energy Generation Limited, Sabarmati Gas Company Ltd, Alcock Ashdown (Gujarat) Limited, GSPC LNG Ltd.

39.1.3 Joint Ventures & Venturers – As per Note No.35 of Notes forming part of Financial Statements.

39.1.4 Key Managerial Personnel:

Name of Key Managerial Personnels:	F.Y.2015-16		F.Y.2014-15	
	From Date	To Date	From Date	To Date
Shri Atanu Chakraborty, IAS	1/4/2015	31/03/2016	1/11/2014	31/03/2015
Shri Tapan Ray, IAS	N.A.	N.A.	1/4/2014	30/09/2014
Shri Manoj Kumar Das, IAS	1/4/2015	27/04/2015	8/7/2014	31/03/2015
Shri Manish Verma, (CFO)	N.A.	N.A.	1/4/2014	16/03/2015
Shri Gopal Srivastava (CFO)	1/8/2015	31/03/2016	N.A.	N.A.
Shri Sandeep Dave (Company Secretary)	1/4/2015	31/03/2016	1/4/2014	31/03/2015

Transactions during the year with related parties:

Rs. in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2015-16	2014-16	2015-16	2014-16	2015-16	2014-16	2015-16	2014-16	2015-16	2014-16
	Income:									
Sale of LNG	3,972.83	6,430.81	318.04	527.60	1,828.93	1,328.31	-	-	6,150.93	8,893.27
Gujarat State Petronet Ltd	0.08	48.78	-	-	-	-	-	-	0.08	48.78
Gujarat Gas Limited	3,900.89	6,377.48	-	-	-	-	-	-	3,900.89	6,377.48
GSPC Pipavav Power Company Ltd	65.12	0.37	-	-	-	-	-	-	65.12	0.37
Gujarat Gas Company Limited	-	-	-	-	-	-	-	-	-	-
Sabarmati Gas Ltd	-	-	228.30	278.35	-	-	-	-	228.30	278.35
Gujarat State Energy Generation Ltd	-	-	1.73	81.15	-	-	-	-	1.73	81.15
Joint Venture - Essar Oil Ltd	-	-	-	-	418.02	553.00	-	-	418.02	553.00
Joint Venture - IOC	-	-	-	-	1,513.02	750.55	-	-	1,513.02	750.55
Joint Venture - NPCL	-	-	-	-	0.08	15.00	-	-	0.08	15.00
Joint Venture - HPCL	-	-	-	-	-	0.21	-	-	-	0.21
Regulatory Income	81.71	-	-	-	-	-	-	-	81.71	-
Gujarat Gas Limited	81.71	-	-	-	-	-	-	-	81.71	-
Rent received	1.21	1.50	0.16	0.18	2.24	1.87	-	-	3.71	3.65
Gujarat State Petronet Ltd	0.08	0.20	-	-	-	-	-	-	0.08	0.20
GSPC Pipavav Power Company Ltd	0.17	0.18	-	-	-	-	-	-	0.17	0.18
GSPC Gas Ltd	0.87	0.90	-	-	-	-	-	-	0.87	0.90
Guj Info Petro Ltd	0.21	0.19	-	-	-	-	-	-	0.21	0.19
Gujarat State Energy Generation Ltd	-	-	0.16	0.18	-	-	-	-	0.16	0.18
KG-OSN-2001G	-	-	-	-	1.00	1.32	-	-	1.00	1.32
Other Joint Ventures	-	-	-	-	0.56	0.53	-	-	0.56	0.53
Dividend Income	48.03	21.33	0.16	0.44	-	-	-	-	48.19	21.64
Gujarat State Petronet Ltd	25.46	21.23	-	-	-	-	-	-	25.46	21.23
Guj Info Petro Ltd	0.00	-	-	-	-	-	-	-	0.00	-
Gujarat Gas Limited	19.55	-	-	-	-	-	-	-	19.55	-
Sabarmati Gas Company Ltd	-	-	0.06	0.43	-	-	-	-	0.06	0.43
Interest Income	-	12.78	34.08	20.41	-	-	-	-	34.08	20.42
GSPC Gas Company Ltd	-	12.78	-	-	-	-	-	-	-	12.78
GSPC (JPDA) Ltd	-	-	-	-	-	-	-	-	-	-
Gujarat State Energy Generation Ltd	-	-	34.08	20.42	-	-	-	-	34.08	20.42
Reimbursement of Exp. Received	2.82	1.47	1.27	-	-	-	-	-	3.79	1.44
Gujarat Gas Limited	0.43	0.03	-	-	-	-	-	-	0.43	0.03
Gujarat State Petronet Ltd	0.70	1.25	-	-	-	-	-	-	0.70	1.25
GSPC Pipavav Power Company Ltd	0.22	0.18	-	-	-	-	-	-	0.22	0.18
GSPC Energy Limited	0.32	-	-	-	-	-	-	-	0.32	-
GSPC Offshore Limited	0.32	-	-	-	-	-	-	-	0.32	-
Sabarmati Gas Company Ltd	-	-	0.28	-	-	-	-	-	0.28	-
Guj Info Petro Ltd	0.13	-	-	-	-	-	-	-	0.13	-
Gujarat State Energy Generation Ltd	-	-	0.78	-	-	-	-	-	0.78	-
GSPC (JPDA) Ltd	0.07	-	-	-	-	-	-	-	0.07	-
GSPL INDIA GASNET LTD	0.21	-	-	-	-	-	-	-	0.21	-
GSPL INDIA TRANSCO LTD	0.09	-	-	-	-	-	-	-	0.09	-
GSPC LNG LTD	-	-	0.14	-	-	-	-	-	0.14	-
Pre/IL Petroleum Received	-	-	4.60	-	-	-	-	-	4.60	-
Gujarat State Energy Generation Ltd	-	-	4.60	-	-	-	-	-	4.60	-
Management Fees	-	-	-	-	0.20	0.18	-	-	0.20	0.18
Others (Joint Ventures)	-	-	-	-	0.20	0.18	-	-	0.20	0.18



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40 Value of Imports on CIF Basis in respect of

Rs in Crores

PARTICULARS	2015-16	2014-15
i) Capital Goods	-	-
ii) LNG Import	6,382.59	5,150.52
iii) Incurred by Joint ventures (our share)	58.80	64.76
Total	6,441.39	5,215.28

41 EXPENDITURE IN FOREIGN CURRENCY:

Rs in Crores

PARTICULARS	2015-16	2014-15
i) Seminar & conference exp.	-	0.01
ii) Consultancy & Technical Fees	4.25	2.67
iii) Subscription	3.07	1.36
iv) Payments to Oil & Gas Joint Ventures	22.86	1,586.85
v) Interest & bank charges	761.63	113.95
v) Repayment on Loan	1,694.56	1,235.48
vi) Hedging Loss paid	78.91	217.72
vii) Incurred by Joint ventures (company share)	487.79	577.91
Total	3,053.07	3,735.95

INCOME IN FOREIGN CURRENCY:

Rs in Crores

PARTICULARS	2015-16	2014-15
i) Commodity Hedging Gain	-	-
ii) Received by Joint Venture(company share)	0.20	0.16
Total	0.20	0.16

42 Value of Traded Goods Purchased

PARTICULARS	2015-16		2014-15	
	Rs in Crores	% of Purchase	Rs in Crores	% of Purchase
i) Imported	6,711.48	73.35%	5420.72	55.86%
ii) Indigenous	2,438.01	26.65%	4284.16	44.14%
Total	9149.49	100.00%	9704.88	100.00%

43 The information given below represents gas trading activities and the Company's share in the joint ventures. (figures in bracket relates to previous year.)

a. Sales Turnover

Description	Unit	Quantity	Value Rs In Crores
Crude Oil	Barrels	260,767	70.27
		(232,662)	(108.05)
Gas	BCF	1.36	29.71
		(1.55)	(38.65)
Gas Trading*	MMSCM	4,261.54	10,209.91
		2,997.56	(10,721.66)



(3)

b. Opening and Closing Stock of Goods Produced & Traded

Description	Unit	Quantity	Value Rs In Crores
Opening Stock			
Crude Oil	Barrels	15,381	4.24
		(10,605)	(5.53)
Gas Trading*	MMSCM	29.82	63.31
		-	-
Closing Stock			
Crude Oil	Barrels	13,382	2.70
		(15,381)	(4.24)
Gas Trading*	MMSCM	35.09	43.82
		(29.82)	(63.31)

c. Purchases (Trading)

Description	Unit	Quantity	Value Rs In Crores
Gas Trading*	MMSCM	4,269.19	9,149.49
		(3,003.17)	(9,704.88)

* Difference in reconciliation of opening stock, purchase, sales and closing stock is on account of measurement tolerance.

44 EARNING PER SHARE (EPS):

The basic/diluted earning per equity share is calculated as stated below

PARTICULARS	2015-16	2014-15
Net Profit After Tax (Rs. In Crores)	(804.42)	23.70
Basic EPS:		
Weighted average numbers of equity shares	2,549,180,780	2,496,984,372
Basic Earnings Per Share (Rs.)	(3.16)	0.09
Diluted EPS:		
Weighted average numbers of equity shares	2,617,082,015	2,564,885,607
Diluted Earning per Share (Rs.)	(3.07)	0.09
Nominal Value per share (Rs.)	1	1

- 45 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. 140 Crs. Accordingly, GSPC has opened and deposited equivalent amount in a separate bank account.
- ii From the date of change of delivery point, GSPC shall open a separate bank account and deposit the Interconnectivity Charges. Accordingly company had deposited Rs. 78.24 crore 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 Orders.

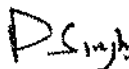


The Company has filed an appeal before the Hon'ble Supreme Court against the APTEL Judgment and the Hon'ble Supreme Court has vide its order dated 28.02.2014 directed the Company, as an interim arrangement, to pay the interconnectivity charges at the rate of Rs. 12 / MMBTU form the account separately maintained for the said purpose in accordance with APTEL's Order dated 23.01.2012 as narrated in (i) above. The appeal is pending before the Hon'ble Supreme Court.

- 46 Based on Transaction Audit by M/s. KPMG, appointed by internal committee for investigation and Preliminary Investigation carried out by Government of Gujarat, financial irregularities relating to Delhi Office of GSPC were observed. The Audit Committee has also taken note of the same vide its minutes of meeting held on 03.03.2016. No provision has been made by the Company as the liability, if any, is unascertainable at this point of time. The matter is under investigation.
- 47 In case of balances of Joint Venture 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.
- 48 The Company has re-classified previous year figures to conform to this year's classification.

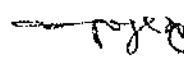
As per our separate report of even date.


For P Singhvi & Associates
Chartered Accountants
FRN 113602W

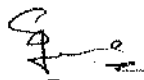

(Praveen Singhvi)
Partner
M. No.071608



For and on behalf of the Board of Directors


G. R. Aloria, IAS
Chairman
DIN:02913711


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


Sandeep Dave
Company Secretary


Gopal Srinivasan
Chief Financial Officer

Date : 30th May, 2016
Place : Gandhinagar

Date : 30th May, 2016
Place : Gandhinagar



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** (Herein after referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, Comprising of the Consolidated Balance Sheet as at 31ST March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

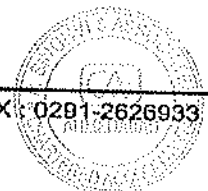
Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") that give a true and fair view of the consolidated financial position, consolidated financial Performance and consolidated cash flows of the Group including its Associates and jointly controlled Entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for Preventing and detecting frauds and other irregularities; the selection and application of appropriate Accounting policies; making judgments and estimates that are reasonable and prudent; and the design, Implementation and maintenance of adequate internal financial controls that were operating effectively For ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31ST March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

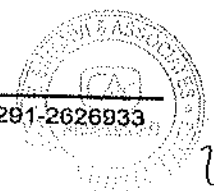
Emphasis of Matter

We draw attention to:

(a) Accounting Policy III (j) of significant Accounting Policies (Note No. 1), which describes that the financial statements of the unincorporated joint ventures are prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory accounting standards and the Companies Act, 2013 have been made in these accounts to the extent of information available with the Company. Our opinion is not modified in respect of this matter.

(b) Note no.24 regarding non provision of disputed Income Tax demands/claims by the Income Tax Authority amounting to Rs. 1156.69 crores (P.Y. Rs. 1163.40 crores) and disclosed by way of a note as contingent liability. As the matter is disputed therefore no provision is made in the financial statements. Our opinion is not modified in respect of this matter.

(c) Note no. 24 (a) to the consolidated financial statements which describes the uncertainty related to GSPC's share in alleged claim of Gujarat State Energy Generation Limited ("GSEG") against NIKO Resources Ltd. ("NIKO") and GSPC for Rs. 861.78 crores (USD 129.92 million) (GSPC's share Rs. 574.55 crores) on



112, UNIVERSITY PLAZA, VIJAY CHAR RASTA, NAVRANGPURA, AHMEDABAD – 380009 ☎TELEFAX:(O) 27910833, (R) 65159933 Mob.: 94-261-79643

account of liquidated damages for short supply of natural gas under the GSA, for which based on legal opinion no provision has been made. Our opinion is not modified in respect of this matter.

(d) Note No. 24 (c) to the consolidated financial statements which describes the uncertainty related to alleged claim of Tuff Drilling Private Limited ("TDPL") for Rs. 719.33 Crores (GSPC's share Rs. 575.47 crores) on account of loss caused to TDPL on account of illegal termination of contract for which based on management representation that the matter is under Arbitration Proceedings no provision has been made. Our opinion is not modified in respect of this matter.

(e) Note No. 47 to the consolidated financial statements which describes that based on Transaction Audit by M/s. KPMG appointed by internal committee for investigation and Preliminary Investigation carried out by Government of Gujarat, serious financial irregularities relating to Delhi Office of GSPC were observed. The Audit Committee has also taken note of the same vide its minutes of meeting held on 03.03.2016. No provision has been made by the Company as the liability, if any, is unascertainable at this point of time. As per Management Representation the matter is under investigation. Our opinion is not modified in respect of this matter.

(f) Note No. 24 (d) to the consolidated financial statements which describes that, as per news reports, certain ex employees and ex internal auditor of GIPL have been arrested by ACB [Anti Corruption Bureau] in relation to state wide check post scam, as the persons are alleged to have financial interest in the outsource agency by M/s Phoenix Manfin Pvt Ltd. deployed by GIPL. No provisions has been made by the company in the consolidated financial statements as the liability, if any, is unascertainable at this point of time. As per management representation the company is under process to obtain legal opinion in the matter. Our opinion is not modified in respect of this matter.

(g) Note no. 36 (h) to the consolidated financial statements, regarding the dispute between GSPC and Geo Global Resources (India) Inc. ("GGR") with respect to the obligations of both the parties under the Carried Interest Agreement. The parties are in the process of resolving the dispute. Pending such resolution, the amount of Rs. 1834.08 Crores (31st March 2015 : Rs. 1734.60 Crores), which is due from GGR is shown under Note no. 16 "Long Term Loans & Advances-Joint Venture balance" and no impact of adjustment, if any, of possible outcome of such resolution has been given in the consolidated financial statements. Our opinion is not modified in respect of this matter.

Other Matters

(I) We did not audit the financial statements / financial information of 9 subsidiaries and 17 jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. 28,859.50 Crores as at 31ST March, 2016, total revenues of Rs. 3,680.62 Crores and net cash flows amounting to Rs. (270.35) Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. 10.68 Crores for the year ended 31ST March, 2016, as considered in the consolidated financial statements, in respect of 2 associates.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as



it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

(II) We did not audit the financial statements / financial information of 9 jointly controlled entities, whose financial statements / financial information reflect total assets of Rs. 1,897.41 Crores as at 31ST March, 2016, total revenues of Rs. 25.41 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Nil for the year ended 31ST March, 2016, as considered in the consolidated financial statements, in respect of 2 associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is 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 / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31ST March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities, none of the directors of the Group companies, its associate companies and jointly controlled entities is disqualified as on 31ST March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "Annexure A"; and

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note No. 24 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts for the consolidated financial position of the Group, its associates and jointly controlled entities.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly entities.

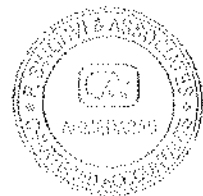
2. According to the information and explanation given to us and on the basis of our examination of the records of the group company, the title deeds of immovable properties are held in the name of the company except in respect of one land of Gujarat Gas Limited situated at Hazira having book value of Rs. 15.88 Crores and one land admeasuring 11.28 hectares of GSPC Pipavav Power Company Ltd. as on 31ST March, 2016 title deeds of which are not held in the name of Company.

3. As required by Section 143(5) of the Act, direction and sub direction are annexed as per Annexure 'B'

FOR P SINGHVI & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN 113602W

P Singh

(PRAVEEN SINGHVI)
PARTNER
M. NO.071608



PLACE: GANDHINAGAR
DATED: 30TH MAY, 2016

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of GUJARAT STATE PETROLEUM CORPORATION LIMITED.

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **GUJARAT STATE PETROLEUM CORPORATION LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled entities.

Management's Responsibility for Internal Financial Controls

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

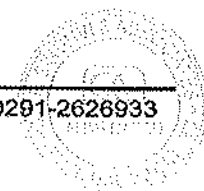
Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to



provide a basis for our audit opinion on the Company's internal **financial controls system over financial reporting.**

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

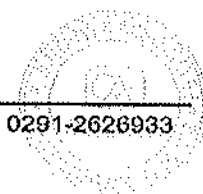
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Qualified Opinion

Subsidiary Company GSPC Pipavav Company Ltd. did not have an appropriate internal control system with respect to purchase of Inventory, Inventory management and payroll. The control deficiencies were related to the application controls. Further it also includes implementation of Inventory system maintaining timely and adequate Inventory and exercising adequate controls before releasing of payroll. These could potentially result in occurrence of fraud, excess or short booking of expenses, undervaluation or overvaluation of inventory and booking of unauthorized transaction.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, **except for the effects/ possible effects of the material weakness prescribed above on the achievement of the objectives of the control criteria**, the Holding Company, its subsidiary companies, its associate companies and jointly controlled entities have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated

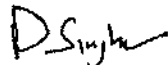


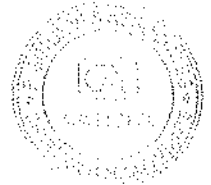
in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 9 subsidiary companies, 4 associate companies and 26 jointly controlled entities, is based on the corresponding reports of the auditors of such companies incorporated in India.

FOR P SINGHVI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 113602W


(PRAVEEN SINGHVI)
PARTNER
M. NO. 071608



PLACE : GANDHINAGAR
DATED: 30TH MAY, 2016

ANNEXURE B AS REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2016

a) Directions under Section 143(5) of The Companies Act, 2013:

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

Reply: According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company except in respect of:

- 1) Gujarat Gas Ltd. where one property situated at Survey No. 185, Plot No. 364, Post- Hazira, Taluka Choryasi, District- Surat admeasuring 13,057 sq. Mtrs., having book value of Rs. 15.88 crore as at 31ST March, 2016; and
- 2) GSPC Pipavav Power Company Ltd.: 11.28 hectares of land for 702 MW Pipava Project in the name of Government of Gujarat

Titles of the properties are not held in the name of the Company.

2. Please report whether there are any cases of waiver/ write off of debts/ loan/ interest etc. If yes, the reasons there for and the amount involved.

Reply: No such cases noticed

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.

Reply: Not Applicable

b) Sector Specific Sub-directions under Section 143 (5) of The Companies Act, 2013:

Power Sector Generation

1. In the cases of Thermal power projects, compliance of the various pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.

Reply: Not Applicable

2. Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?

Reply: Not Applicable

3. Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?

Reply: Not Applicable

4. How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?

Reply: in case of GPPC- Principal revenue generation of the company is governed by the Power Purchase Agreement with GUVNL.

In case of GSPC: NIL



5. In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.

Reply: Not Applicable

Services Sector Trading

1. Whether the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?

Reply: Yes, the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.

2. Whether the company has an effective system for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

Reply: Yes, the company has an effective for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

3. The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.

Reply: In our opinion and according to the information and explanation given to us, the company has a policy and procedure for effective monitoring of credit exposure and recovery of dues from its customers in respect of its sales activities. Wherever applicable, provision for doubtful debts has been made as per Debtors Policy.

Technology Oriented:

1. Examine and report the cases of dispute if any on the contract relating to supply of hardware as well as software. In the event of such assets remaining with the company, please report on its valuation and accounting in the books.

Reply: There are no such cases therefore not applicable.

2. What is the system of recovering fees/ charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.

Reply: Monthly invoices are raised and fee/charges are recovered from various organizations. There is no case where no such recovery has been affected.

3. What is the system of receiving revenue share from the franchise?

Reply: There are no such cases therefore not applicable.

4. Report the cases wherein software, hardware or IT enabled system is lying redundant/ outdated.

Reply: NIL

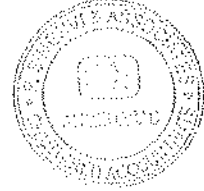


5. What is system of accounting of grants/ subsidies received from Central / State Government or its agencies for performing certain activity? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received
Reply: Not applicable, as such no grant / subsidies received from Central or State Government.

FOR P SINGHVI & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN 113602W

PSinghvi

(PRAVEEN SINGHVI)
PARTNER
M. NO.071608



PLACE: GANDHINAGAR
DATED: 30TH MAY, 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH THE SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of Consolidated financial statements of Gujarat State Petroleum Corporation Limited for the year ended 31 March 2016 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) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the Consolidated financial statements of Gujarat State Petroleum Corporation Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of **Gujarat State Petroleum Corporation Limited, Gujarat State Petronet Limited, GSPL India Transco Limited, GSPL India Gasnet Limited, Gujarat Gas Limited, GSPC Pipavav Power Company Limited, GSPC (JPDA) Limited, GSPC Energy Limited, GSPC Offshore Limited, Gujarat State Energy Generation Limited, Sabarmati Gas Limited and GSPC LNG Limited**, but did not conduct supplementary audit of the financial statements of **Guj Info Petro Limited and Alcock Ashdown (Gujarat) Limited** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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



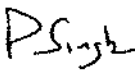
(Y. N. Thakare)
Pr. Accountant General (E&RSA), Gujarat

Place: Ahmedabad
Date: 04.08.2016

Gujarat State Petroleum Corporation Limited			
Consolidated Balance Sheet as at 31st March, 2016			
Rs. in Crores			
	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	255.93	250.45
Reserves & Surplus	3	8,074.02	8,350.07
		8,329.95	8,600.52
Minority Interest		3,833.49	3,515.45
Non-Current Liabilities			
Long Term Borrowings	5	20,826.18	17,228.62
Net Deferred Tax Liabilities	6	1,027.52	958.57
Other Long Term Liabilities	7	650.66	620.02
Long Term Provisions	8	126.54	76.38
		22,830.90	18,003.57
Current Liabilities			
Short Term borrowings	9	4,003.88	5,365.41
Trade payables	10	541.05	513.17
Other Current Liabilities	11	3,424.22	5,404.74
Short Term provisions	12	221.15	140.25
		8,190.31	11,423.57
TOTAL		42,984.65	42,423.11
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	10,633.62	8,724.06
Intangible Assets	13	354.89	2,383.20
Capital Work in Progress	14	14,252.55	12,195.77
Intangible Assets under development	14	11,114.51	11,175.30
Goodwill on Consolidation		186.14	186.14
Non-Current Investments	15	181.99	138.21
Long Term Loans & Advances	16	2,771.69	2,351.54
Other Non-Current Assets	17	154.37	151.90
		39,649.76	37,307.12
Current Assets			
Current Investments	18	20.00	936.99
Inventories	19	194.02	206.93
Trade Receivables	20	857.29	984.34
Cash & Bank	21	732.67	1,167.35
Short Term loan and Advances	22	1,424.19	1,194.96
Other Current Assets	23	106.73	625.42
		3,334.89	5,115.99
TOTAL		42,984.65	42,423.11

The accompanying notes are an integral part of these Financial Statements
As per our report of even date attached


For P Singhvi & Associates
Chartered Accountants
FRN. 113692W

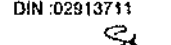

(Praveen Singhvi)
Partner
M. No. 071808

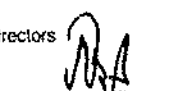


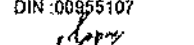
Date: May 30, 2016
Place: Gandhinagar

For and on behalf of the Board of Directors


G. R. Aoria, IAS
Chairman
DIN : 02913711


Sandeep Dava
Company Secretary


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


Gopal Srinivasan
Chief Financial Officer

Date: May 30, 2016
Place: Gandhinagar



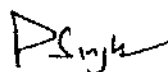
Gujarat State Petroleum Corporation Limited
Consolidated Statement of Profit & Loss for the year ended 31st March, 2016

Rs. in Crores

	Note No.	2015-16		2014-15	
INCOME					
Revenue from Operations (Gross)	26	14,295.50		14,898.72	
Less: Excise Duty		139.90		131.17	
Revenue from Operations (Net)			14,155.60		14,767.55
Other Income	27		168.51		213.13
Total Revenue			14,324.11		14,980.68
EXPENSES					
Cost of Materials Consumed	28		971.26		889.63
Production Expenditure - E&P	29		77.17		116.29
Purchases of Stock in Trade	30		10,028.28		10,206.75
Changes in Inventories of Finished Goods, Stock in process and Stock in Trade	31		21.66		(63.62)
Employee Benefits Expense	32		195.61		186.78
Finance Cost	33		491.96		718.29
Depreciation, Amortization, Depletion	13		739.85		625.37
Other Expenses	34		526.19		469.39
Total Expenses			13,051.98		13,147.88
Profit Before Tax and Adjustments			1,272.13		1,632.80
Less: Prior period Adjustments			0.06		12.78
Less: Exceptional Items	35		1,212.40		512.49
Profit Before Tax			59.87		1,307.53
Tax Expenses					
Current Tax		259.71		428.25	
Mat credit entitlement		(10.33)		-	
Deferred Tax		49.29		151.94	
Short/(Excess) provision of Tax		(3.98)	294.69	0.19	580.38
Profit for the Period			(235.02)		727.15
Less: Transferred to Pre operative Expenses			-		-
Less: Share of Profit Transferred to Minority Interest			391.52		504.18
Add: Share of Profit/(Loss) in Associates for the Year			10.68		(21.38)
Profit for the Period			(615.86)		201.58
Basic Earning per equity share of face value of Rs. 1 each	43		(2.44)		0.81
Diluted Earning per equity share of face value of Rs. 1 each	43		(2.37)		0.79

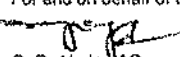
The accompanying notes are an integral part of these Financial Statements
As per our report of even date attached

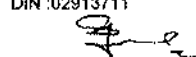
For P Singhvi & Associates
Chartered Accountants
FRN. 113802W



(Praveen Singhvi)
Partner
M. No. 071608

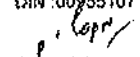


For and on behalf of the Board of Directors


G. R. Aloora, IAS
Chairman
DIN : 02913711


Sandeep Dave
Company Secretary


Dr. J. N. Shah, IAS
Managing Director
DIN : 00955107


Gopal Srinivasan
Chief Financial Officer

Date: May 30, 2016
Place: Gandhinagar

Date: May 30, 2016
Place: Gandhinagar



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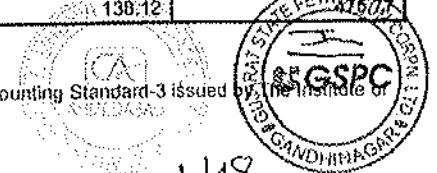
GUJARAT STATE PETROLEUM CORPORATION LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

Rs in Crores

PARTICULARS	2015-16	2014-15
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	59.67	1,307.53
Add : Depreciation and Amortisations being non-cash item		
Depreciation, Amortisation, Depletion & Impairment	1,239.72	637.63
Interest & Finance Charges being financing cash outflow	491.98	715.91
Profit /Loss on Sale of Assets/Investment	6.42	1.60
ESOP Compensation expenses	(0.44)	0.10
Misc. Exp. Written Off (net)	6.95	8.67
Exploration Cost Written off	686.88	513.03
Diminution in the value of Investment	-	(0.04)
Provision for Doubtful Advances	6.95	8.90
	2,498.13	3,193.53
Less : Interest / Dividend income	(125.42)	(153.36)
Profit on sale of Assets	(0.29)	(1.76)
Operating Profit before working capital changes	2,372.42	3,038.41
Working Capital Adjustments	79.27	(1,028.39)
Long Term Loans & Advances	297.04	(644.73)
Inventories	13.06	(106.44)
Trade Receivables	139.47	118.22
Other Current Assets	121.18	(817.45)
Trade Payables	(525.83)	(135.15)
Long Term Provisions	3.41	1.33
Other Current Liabilities	30.93	555.83
	2,461.69	2,010.02
Less : Direct Tax Paid	(281.54)	(426.09)
Less : Prior Period Adjustment	0.08	(0.11)
Net Cash Flow from Operating Activities (A)	2,170.23	1,583.82
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Ventures (Net)	(1,876.17)	(2,170.94)
Sale of Fixed Assets	7.04	9.77
Investment in Fixed Deposits	(18.72)	198.56
Other Investments	(240.58)	(722.09)
Proceeds from investments	937.78	-
Interest / Dividend Income (net of taxes)	123.84	180.28
Net Cash Flow from Investing Activities (B)	(1,066.81)	(2,506.42)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Equity Share issue	473.51	810.92
Equity Share Issue expenses	0.44	(0.95)
Proceed from Share Application Money	-	(60.00)
Proceeds /(Repayment) to Secured Loans (net)	552.53	2,201.38
Proceeds from Unsecured Loans (net)	9.50	759.08
Interest & Financing Charges Paid	(2,375.86)	(2,543.29)
Dividend Paid (including dividend tax)	(101.19)	(66.04)
Net Cash Flow from Financing Activities (C)	(1,441.07)	1,101.10
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(337.65)	178.50
Cash and Cash equivalents at the Beginning of the Year	475.77	297.27
Cash and Cash equivalents at the End of the Year	138.12	475.77
Cash and Cash equivalents at the End of the year includes		
Cash on hand	1.00	1.14
Bank Balances	137.12	474.63
	138.12	475.77

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 issued by the Institute of Chartered Accountants of India.



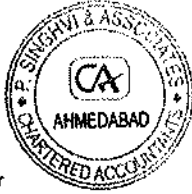
2. Adjustments have not been made to 'Purchase of Fixed Asset' (Investing Activities), on account of increase/decrease in Capital Creditors. The impact of the above is not readily ascertainable.
3. Brackets indicate cash outflow/deduction.
4. The Company has re-classified previous year figures to conform to this year's classification.

As per Report of our even date attached

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

P Singhvi

(Praveen Singhvi)
Partner
M. No.071608



For and on behalf of the Board of Directors

G. R. Aforia
G. R. Aforia, IAS
Chairman
DIN:02913711

Sandeep Dave
Sandeep Dave
Company Secretary

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

Gopal Srinivasan
Gopal Srinivasan
Chief Financial Officer

Date: May 30, 2016
Place: Gandhinagar

Date: May 30, 2016
Place: Gandhinagar



Additional information - Instruction No 2 of Schedule III

Name of the entity	Net Assets i.e. total assets				Share in profit or loss			
	as % of consolidated net assets as on 31.03.2016	Amount (Rs. in Crore) as on 31.03.2016	as % of consolidated net assets as on 31.03.2015	Amount (Rs. in Crore) as on 31.03.2015	As % of consolidated profit or loss for FY 2015-16	Amount (Rs. in Crore) for FY 2015-16	As % of consolidated profit or loss FY 2014-15	Amount (Rs. in Crore) for FY 2014-15
Parent	48.07%	5,758.04	50.87%	6,069.19	124%	(764.83)	1.23%	2.48
Subsidiaries:								
Indian								
Gujarat State Petronet Limited	26.32%	3,152.85	24.88%	2,967.96	-26%	160.53	76.86%	154.94
GSPL India Transco Limited	1.45%	173.78	1.21%	144.00	0%	0.17	0.14%	0.29
GSPL India Gasnet Limited	1.81%	216.71	1.60%	190.55	0%	0.23	0.12%	0.25
Gujarat Gas Company Limited			12.84%	1,532.21			-0.72%	(1.45)
Gujarat Gas Limited (earlier known as GSPC Distribution Network Limited)	16.23%	1,943.96	-1.21%	(144.66)	-7%	42.97	-1.11%	(2.23)
GSPC Gas Company Limited			2.99%	356.75			49.70%	100.18
Gujarat Gas Financial Services Limited			0.30%	36.09			0.07%	0.15
Gujarat Gas Trading Company Limited			0.13%	15.41			0.15%	0.29
Guj Info Petro Limited	0.37%	43.89	0.32%	38.07	0%	2.92	2.21%	4.45
GSPC Pipavav Power Company Limited	4.56%	546.58	4.27%	509.86	-6%	34.80	-17.99%	(36.26)
GSPC (JPDA) Limited	-0.01%	(0.95)	1.14%	135.70	17%	(102.68)	-0.06%	(0.12)
GSPC Energy Limited	0.00%	(0.27)	-	-	0%	(0.32)	-	-
GSPC Offshore Limited	0.00%	(0.27)	-	-	0%	(0.32)	-	-
Associates (Investment as per the equity method)								
Indian								
Gujarat State Energy Generation Limited	0.08%	9.13	0.00%	-	-1%	9.13	-19.64%	(39.59)
Sabarmati Gas Limited	0.81%	97.41	0.35%	42.26	0%	1.55	9.03%	18.21
GSPC LNG Limited	0.30%	36.45	0.31%	36.45	0%	-	-	-
Alcock Ashdown (Gujarat) Limited	0.00%	-	0.00%	-	0%	-	-	-



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Notes to Consolidated Financial Statements for the year ended 31st March 2016.

1. SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information:

GSPC along with its subsidiaries/JVs/associates has evolved into an integrated energy company. The company is engaged directly in gas marketing, exploration and production of oil & gas. The other related businesses viz. gas transmission & distribution, power generation, city gas distribution, Information Technology business and setting up of LNG terminal are held through its subsidiaries and associate companies.

ii. Significant Accounting Policies for Consolidated Financial Statements:

A. Basis of Preparation of Financial Statements:

The Financial Statements are prepared under the historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act 2013, the applicable Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006, Guidance Notes issued by The Institute of Chartered Accountants of India for Oil and Gas Producing Activities and the practices prevalent in the industry in India. All income and expenditures having material bearing on the financial statements are recognized on accrual basis.

Accounting Policies, not specifically referred to otherwise, are consistent with those used in the previous year. In applying the accounting policies, consideration has been given to Prudence, Substance over Form and Materiality.

B. Principles of Consolidation:

The consolidated financial statement of GSPC represents consolidation of its financial statements with its nine subsidiaries (P.Y. eleven subsidiaries) as per Accounting Standard 21 'Consolidated Financial Statements' and four associates (P.Y. four associates) as per Accounting Standard 23 'Accounting for Investments in associates' in consolidated financial statement.

The proportion of ownership interest in each subsidiary and associate is as follows:

Sr. No.	Name of Company	Relation with GSPC	Direct Control or Control through Subsidiary (Indirect Control)	Proportion of Ownership Interest as on 31st March 2016	Proportion of Ownership Interest as on 31st March 2015
1.	Gujarat State Petronet Ltd.	Subsidiary	Direct Control	37.69%	37.71%
2.	GSPC Pipavav Power Company Ltd.	Subsidiary	Direct Control	97.47%	97.47%
3.	GSPC (JPDA) Ltd.	Subsidiary	Direct Control	100.00%	100.00%
4.	Guj Info Petro Ltd.	Subsidiary	Direct Control	69.09%	77.20%
5.	GSPC Gas Company Ltd.*	Subsidiary	Direct Control	N.A.	54.34%
6.	Gujarat Gas Limited (earlier known as GSPC Distribution Networks Limited)*	Subsidiary	Direct Control	38.11%	38.82%



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7.	GSPC Offshore Limited	Subsidiary	Direct Control	100.00%	N.A.
8.	GSPC Energy Limited	Subsidiary	Direct Control	100.00%	N.A.
9.	Gujarat Gas Company Limited*	Subsidiary	Indirect Control	N.A.	28.61%
10.	Gujarat Gas Financial Services Limited*	Subsidiary	Indirect Control	N.A.	19.99%
11.	Gujarat Gas Trading Company Limited*	Subsidiary	Indirect Control	N.A.	28.61%
12.	GSPL India Gasnet Limited	Subsidiary	Indirect Control	19.60%	19.61%
13.	GSPL India Transco Limited	Subsidiary	Indirect Control	19.60%	19.61%
14.	Gujarat State Energy Generation Ltd.	Associate		34.38%	34.38%
15.	GSPC LNG Ltd.	Associate		23.56%	23.56%
16.	Sabarmati Gas Company Ltd.	Associate		50.00%	25.00%
17.	Alcock Ashdown (Gujarat) Ltd.	Associate		22.55%	22.55%

**The scheme of amalgamation and arrangement was sanctioned by the Hon'ble Gujarat High Court at Ahmedabad vide its order dated 30th March 2015 between the following transferors companies -*

1. GSPC Gas Company Limited (GSPC Gas)
2. Gujarat Gas Company Limited (GGCL)
3. Gujarat Gas Financial Services Limited (GFSL)
4. Gujarat Gas Trading Company Limited (GTCL)
(Collectively called Transferor Companies)

with Gujarat Gas Limited (formerly known as GSPC Distribution Networks Limited-GDNL)(the transferee) under the Scheme of Amalgamation and Arrangement with appointed date as 1st April, 2013. The certified copy of order was received on 18th April 2015 and filed with Registrar of Companies (ROC) at Ahmedabad on 14th May 2015. The Scheme of Amalgamation became effective on 14th May, 2015 with an appointed date of 1st April, 2013. Subsequently, the company's name has been changed from GSPC Distribution Networks Limited to Gujarat Gas Limited (GGL) with effect from 15th May 2015.

The effects of the above scheme of amalgamation are given in the consolidated accounts of the company during F.Y 2015-16 and hence figures of the previous year are not comparable to that extent.

- The financial statements of Company and its subsidiary companies are consolidated on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21- "Consolidated Financial Statements".
- Interest in Joint Venture has been accounted by using the proportionate consolidation method as per Accounting Standard 27- "Financial Reporting of Interest in Joint Ventures".
- The difference between the cost of investment in the associates /subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries is recognized in the financial statements as Goodwill or Capital reserve, as the case may be.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- Minority Interest's share of net profit of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of company's shareholders.



- Investment in Associates has been accounted using the equity method in accordance with accounting standard 23-“Accounting for Investment in Associates in Consolidated Financial Statement”.
- The company accounts for its share of post acquisition changes in net assets of associates after eliminating unrealized profit and losses resulting from transactions between the company and its associates to the extent of its shares, through its consolidated profit and loss statement, to the extent such change is attributable to the associate’s Profit and Loss statement and through its reserves for the balance.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s standalone financial statements.
- Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13- “Accounting for Investments”.

III. Other Significant Accounting Policies:

(a) Use of Estimates:

The preparation of financial statements, in conformity with Generally Accepted Accounting Policy, requires the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, Revenues & Expenses and disclosure of Contingent Liabilities. Such estimation and assumptions are based on management’s evaluation of relevant facts and circumstances as on date of the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Any revisions to accounting estimates are recognized prospectively.

(b) Tangibles, Intangibles, Depreciation, Depletion & Amortization:

Fixed Assets, other than producing properties, are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any, including attributable interest and financial costs, till such assets are ready for its intended use.

The cost of leasehold assets is amortized over the period of the lease.

Depreciation for all the assets are provided on written down value method over the period of useful life prescribed in Schedule - II to the Companies Act, 2013 considering 5% of the original cost as residual value except in respect of the following assets:

- Mobile communication instruments and tablets purchased by the company are expensed in the year of its purchase.
- Costs incurred on intangible assets-software, resulting in future economic benefits are capitalized as intangible assets and amortized at 40% each year on written down value method beginning from the date of capitalization.



- Depreciation on Plant and Machinery - pipelines (Steel and MDPE) is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years.
- CNG Stations to be written off SLM method based on industry practice.
- Power Generation Assets at SLM wherein rate in PPA is arrived based on SLM depreciation.
- 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 fixed assets used for exploration and drilling activities is initially capitalized as part of exploration or development costs.

No depreciation or depletion is provided in the accounts of the Oil & Gas Joint Ventures formed as per the provision of Production Sharing Contracts & Joint Operating Agreements. However, the depreciation and depletion, as applicable, has been provided for by the Company in its own books based on its participating interest.

The depletion on producing properties has been calculated and provided, using the unit of production method, as described in the Revised Guidance Note on Accounting for Oil and Gas Producing Activities issued by ICAI, in proportion of oil and gas production achieved vis a vis the proved and probable reserves considering the estimated future expenditure (reviewed & revised) and other costs to be incurred for developing the reserves. Para 32 of the Revised Guidance Note on Accounting for Oil and Gas producing activities under Full Cost Method states that "Proved Oil and Gas Reserves" for calculating depletion comprise developed and undeveloped oil and gas reserves estimated at the end of the period as increased by the production during the period.

As per the Revised Guidance Note, for "Producing Activities", the company, keeping in view the prudent petroleum industry practice, considers the assets for depletion only when the commercial production from the asset is commenced after obtaining the approval of the Management Committee in terms of the provisions of the Production Sharing Contract (PSC). Till such time, neither the reserves are taken for depletion nor are the related assets capitalized.

In case of transmission and city gas distribution business, the Company 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.



(c) Site Restoration and Abandonment Costs:

The estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities which has commence commercial production, is recognized at the initial stage as a part of cost of producing property, based on the latest technical assessment available with the Company and provision is made for the site restoration and abandonment cost.

Costs relating to dismantling, abandoning and restoring of well sites and allied facilities which are yet to commence commercial production are accounted for in the year in which such costs are incurred after estimating the salvage value.

Wherever applicable, a site restoration fund is created under the Site Restoration fund Scheme 1999 as notified by the Government of India based on approval from the Management Committee formed under the the PSC and Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas (MoP&NG). An annual contribution is made to the fund appropriately.

(d) Investments:

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

Non-Current investments are stated at cost less provision for permanent diminution in value, if any.

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

(e) Inventories:

- Crude oil in flow lines is technically not feasible to be quantified due to operational constraint and hence neither valued nor accounted for.
- Inventory of crude oil with Joint Ventures is valued as per Crude Off take and Sale Agreement (COSA).
- 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.
- 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.

(f) Revenue Recognition:

- Company's share of Revenue from Joint Ventures is considered on the basis of Accounts submitted by Joint Ventures.
- Sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells.



- Income from sale of gas is recognized when practically all risks and rights connected with ownership have been transferred to the buyer. Sale of Gas is stated net of applicable CST/VAT, as applicable. Any retrospective revision in prices of gas is accounted for in the year of such revision.
- Gas transmission income is recognized net of service tax in the same period in which the related volumes of gas are delivered to the customers.
- In case of city gas distribution business, Sale of Natural Gas is recognized on supply of gas to customers by metered/assessed measurements as no significant uncertainty exists regarding the measurability or collectability of the sale consideration. Sales are billed bi-monthly for domestic customers, monthly/fortnightly for commercial and non-commercial customers and fortnightly for industrial customers. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets. Sales of natural gas are stated inclusive of excise duty and net of value added tax.
- The amounts charged from customers for gas connections are accounted based on the terms of the underlying contract with customers by accounting the revenue on commencement of the supply of gas to the customer as Connection, Service and Fitting Income under other operating revenue.
The amounts collected towards connection charges from certain domestic customers are "non-refundable charges". Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and such amount is charged to customers. Until then, the amounts so collected are shown as "Advances received from customers" in the balance sheet. The company has provided the installments facility to certain domestic customers towards "connection charges" which are non-refundable, the total amount of such installments are recognized as revenue as and when the company commences the supply of gas to the customers.
The amounts collected from certain domestic customers which include amount "refundable" in nature. Accordingly, the same are recognized as a liability under head "Deposit from Customers" in the balance sheet.
- In case of power generation business, Sale of electricity is recognized on the basis of amount of invoices for supply of energy determined in accordance with the Techno-Commercial parameters approved in the Power Purchase Agreement / Tariff orders by Gujarat Electricity Regulatory Commission. Revenue is recognized when no significant uncertainty as to the measurability and ultimate collection.
- Revenue from sale of electricity generated from windmills and Solar Plants are recognized on a monthly basis in accordance with the terms of power purchase agreement (PPA).
- In case of IT business, Income from operation & maintenance contracts are recognized over the period of the respective agreements on a time proportion basis.
- Revenue in respect of interest on delayed realizations from customers, if any, is recognized when there is reasonable certainty regarding its collection. All other interest incomes are recognised on accrual basis.
- Revenue in respect of Take or Pay quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) is recognized when there is reasonable certainty regarding its collection.
- 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.



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- Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.
- Insurance claim are accounted for on final acceptance by the Insurance Company.
- Liquidated damages income, if any is recognized at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the Management.

(g) Leases:

Operating Lease

As a lessee:

The Company has entered into cancellable operating lease arrangements for office premises, staff quarters and others. The lease rentals paid for the same are charged to the Statement of Profit and Loss. The lease rentals on non-cancellable lease contract are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

As a lessor:

The Company has leased certain tangible assets and such leases where the group has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

Finance lease

As a lessor:

The Company has leased certain tangible assets and such leases where the Company has passed on substantially all the risks and rewards of ownership are classified as finance leases.

The aggregate of minimum lease payments less unearned finance income is recognized as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

(h) Prior Period and Extraordinary Items and Changes in Accounting Policies:

Items of Income and Expenditure that relate to previous accounting period(s), which arise out of errors and omissions, are accounted for in the Statement of Profit & Loss under head "Prior Period Adjustments" except those that are occasioned by events occurring during or after the close of the year end and which are accounted for in the year in which they occur.

Extraordinary Items and changes in accounting policies having material impact on the financial affairs of the company are disclosed separately.



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(i) Allocation of General Administrative Expenses:

In case of Oil & Gas Joint ventures, in which the Company is an operator, the allocation of Common General and Administrative Expenses and Employee cost to various operated blocks, is done on the basis of time allocations notified by each employee.

(j) Accounting for Oil and Gas Joint Ventures:

The company has adopted Full Cost Method (FCM) of accounting for the oil and gas operations with effect from 1-4-2005 and accordingly, all costs incurred in prospecting, acquisition, exploration and development of Contract Areas are accumulated considering a country as a cost center.

However, as an exception to the Full Cost Method, following the basic principle of prudence, 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 and written off in the subsequent period in which such approvals are received.

All Oil and Gas Joint Ventures are in the nature of un-incorporated Joint Venture (Jointly Controlled Assets). Accordingly, the financial statements of the Company reflect the Company's share of assets, liabilities, income and expenditure of the Joint Venture 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 Company's accounts, to the extent of the Participating Interest of the Company in each joint venture 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 Company. The financial statements of the unincorporated joint ventures 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 financial statements of the Company only to the extent of information available with the Company 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.

(k) Borrowing Costs:

Borrowing Costs, when specifically incurred for the acquisition, construction or production of qualifying assets, are capitalized as a part of cost of such assets till the activities necessary for its intended use or sale are complete. General borrowing costs are apportioned and capitalized at the weighted average of such borrowings outstanding during the period, to the extent the same



are attributable to the qualifying assets. Borrowings costs also include exchange differences arising from foreign currency borrowings. All other borrowing costs are charged to statement of profit and loss of the period in which incurred.

- (l) Charges relating to Bank guarantees incurred at the time of submission of bids for oil and gas blocks or prior to the award of contract as well as for Annual Work Programme under the PSC are charged to Profit and Loss Account, as and when incurred.

(m) Income Tax and Deferred Tax

Tax Expenses comprise Current as well as Deferred Tax. Provision for Current Tax is made at the tax rate applicable to the relevant assessment years on the basis of the assessable income after considering the applicable provisions of the Income Tax Act, 1961.

Deferred tax is recognized based on the principle of prudence, arising from time differences between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using applicable tax rates and Laws that have been enacted until the date of the balance sheet. Deferred tax assets are reviewed at each balance sheet date and adjusted, if required.

The Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty of its realization.

The Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews such credits at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement, if warranted.

(n) Employees Benefits:

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Provident Fund: Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at the time of retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the GSPC Employee's Provident Fund Trust equal to a specified percentage of the eligible employee's salary. The interest rate payable, by the trust to the beneficiaries, every year is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The company also contributes to a government administered pension fund on behalf of its employees.



Superannuation Fund: Certain employees of the company are also participants in a defined contribution plan and have accordingly participated in the Group Superannuation Scheme of Life Insurance Corporation of India.

Gratuity: The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan requires a lump sum payment to eligible employees, at the time of retirement, death, incapacitation or termination of employment, based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by third party actuarial valuation as on the balance-sheet date, based upon which, the Company contributes to the Group Gratuity scheme of Life Insurance Corporation of India.

Loyalty Bonus: The Company provides for loyalty bonus, a defined benefit retirement plan covering eligible employees. As per the scheme a lump sum payment to eligible employees, at the time of retirement, death, incapacitation or termination of employment, based on the respective employee's salary and the tenure of employment is made. Liabilities with regard to the Loyalty bonus scheme are determined by third party actuarial valuation as on the balance-sheet date, based upon which, the Company provides for the liability towards loyalty bonus.

Leave Encashment: The Company has participated in Leave Encashment Scheme of Life Insurance Corporation of India; the contribution to the scheme is paid annually as per actuarial valuation at the end of the financial year.

Gratuity, Loyalty Bonus and leave encashment are determined using the Projected Unit Credit Method with actuarial valuations being carried out by third party actuaries at each balance sheet date.

Employee Stock Option Plan: In respect of employees stock options, in accordance with SEBI (Employee stock option Plan and Employee Share Purchase Plan) guidelines, 2014, the difference between market price as on the date of grant of option and the exercise price of total no. of options granted is recognized as an asset called 'Deferred ESOP Compensation' and as a liability called 'ESOP Outstanding Account'. The asset called 'Deferred ESOP Compensation' is amortized over the vesting period on straight line basis and considered as a part of 'Employee Benefit Expenses' in the Statement of Profit & Loss Account, whereas the liability called 'ESOP Outstanding Account' is derecognized at the time of exercise of options by the employees.

(o) Foreign Currency Transactions:

All transactions in foreign currency are recorded at the rates of exchange prevailing on the date when the relevant transactions take place.

Monetary items denominated in foreign currency at the yearend are restated at the rate of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognized in the Statement of Profit and Loss during the year except in case of long term borrowings relating to the acquisition of qualifying assets, which is capitalised as a part of the carrying cost of such assets.



In case of non-integrated overseas unincorporated Joint Ventures, the summarized revenue and expenses reflected in Statement of Profit and Loss are translated into Indian Rupees at an average of SBI buying Selling TT Rates for the year. The assets and liabilities are translated into Indian Rupees at the closing exchange rate prevailing on balance sheet date as notified by Reserve Bank of India. The resultant excess/shortfall, arising from reporting of interest in Joint Venture as per AS-27, has been disclosed as foreign currency translation reserve.

(p) Derivative Transaction:

The Company uses derivative instruments to hedge its exposure to movements in foreign exchange and interest rates. The objective of these derivative instruments is to reduce the risk or cost to the Company and is not intended for trading or speculation. Swap and option contracts, entered into by the Company for hedging the exposure to variations in cash flows arising from foreign exchange and interest rate fluctuations that are associated with a recognized asset or liability, are accounted based on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies".

The Company uses commodity hedging contracts to cover all potential risk on account of natural gas price fluctuation relating to import of gas. Such commodity hedging contracts are governed by the Company's Natural Gas Price Risk Management Program, approved by the management. Company does not use commodity hedging contracts for speculative purposes.

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 AS 11, as specified in the Companies (Accounting Standard) Rules, 2006; 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.

(q) Impairment:

As provided in the Revised Guidance Note on Accounting for Oil & Gas Producing Activities, for the purpose of Accounting Standard 28 on Impairment of Assets, each cost center, used for depreciation / depletion purpose is treated as a Cash Generating Unit. An asset is considered as impaired in accordance with AS-28 when at the balance sheet date, there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and the value in use). In assessing the value in use, the estimated future pre-tax cash flow expected from the continuing use of the asset and its ultimate disposal are discounted to their present value using a weighted average cost of capital. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

(r) Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity share holders of the company by the weighted average number of equity shares issued during the year.



Gujarat State Petroleum Corporation Limited
Notes Forming Part of Financial Statements

2 SHARE CAPITAL:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Authorise Share Capital:			
300,00,00,000 Equity shares of Rs. 1 each (P.Y. 300,00,00,000 Equity shares of Rs. 1 each)	300.00		300.00
TOTAL	300.00		300.00
Issued, Subscribed and Paid up share Capital:			
2,579,262,920 Equity shares of Rs. 1 each (P.Y. 2,524,486,488 Equity shares of Rs. 1 each)	257.93		252.45
Treasury Shares (held by Subsidiary) [2,00,00,000 (P.Y. 2,00,00,000) equity shares of Rs. 1 each of GSPCL held by GCL]	(2.00)		(2.00)
TOTAL	255.93		250.45

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

EQUITY SHARE	2015-16		2014-15	
	No of shares	Rs. In Crores	No of shares	Rs. In Crores
At the beginning of the period	2,524,486,488.00	252.45	2,486,214,881	248.62
Add: Shares Issued during the year	54,776,434.00	5.48	38,271,605	3.83
Outstanding at the end of the period	2,579,262,920.00	257.93	2,524,486,488	252.45

During the Financial Year 2013-14, the Company had issued Compulsory Convertible Debentures amounting to Rs. 550 crores. For details of shares reserved for issue on conversion of convertible debentures, refer note 5.10.

Details of share holders holding more than 5% share in the company.

Name of Shareholders	As on 31.03.2016		As on 31.03.2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of Rs. 1 each fully paid Government of Gujarat	2,241,010,179	86.89%	2,186,233,745	86.80%
Gujarat State Investment Limited	192,592,441	7.47%	192,592,441	7.63%

As per records of the company, including its registers of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of share.

Terms /Rights attached to equity shares.

The company has only one class of equity shares having a face value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share.

During the year ended 31 March 2016 the amount of per share dividend recognized as distributions to equity shareholders is Nil (PY NIL)

In the events of liquidation of the company, the holders of equity shares will be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity share held by each shareholder.



3 RESERVES AND SURPLUS:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Capital Reserve			
Balance as per last Balance Sheet	5.71	5.71	
Addition/(Deduction/utilisation) during the year	<u>1.33</u>	<u>-</u>	5.71
		7.04	
Amalgamation Adjustment Reserve - Free Reserve		229.44	-
Capital Reserve on Consolidation		18.62	81.10
Securities Premium Reserve			
Balance as per last Balance Sheet	3,524.51	3,216.70	
Addition/ (Deduction/utilisation) during the year	<u>366.95</u>	<u>307.72</u>	3,524.51
Debtenture Redemption Reserve			
Balance as per last Balance Sheet	347.74	198.03	
Addition/(Deduction/utilisation) during the year	<u>44.92</u>	<u>148.71</u>	347.74
		392.66	
General Reserve			
Balance as per last Balance Sheet	3,272.03	3,271.43	
Transfer from Statement of Profit & Loss	0.58		
Adjustment of Amalgamation	<u>(7.77)</u>	<u>0.60</u>	3,272.03
		3,264.84	
Employees Stock Options Outstanding (Net)			
Gross Compensation for ESOPs Granted	0.31	4.03	
Adjustment of Amalgamation	3.55		
Less: Deferred Employee Stock Compensation		0.26	
Less: Transferred to Securities Premium on exercise of ESOPs	1.43	1.10	
Less: ESOP Lapsed / Cancelled	<u>0.70</u>	<u>2.36</u>	
Closing Balance		1.73	0.31
Foreign Exchange Translation Reserve			
Balance as per last Balance Sheet	35.08	50.36	
Addition (Deduction/utilisation) during the year	<u>(35.08)</u>	<u>(15.28)</u>	35.08
Surplus In the Statement of Profit & loss			
Balance as per last Balance Sheet	1,083.59	1,186.06	
Add: Profit for the Year	(615.86)	201.59	
Adjustment of Amalgamation	94.28		
Less: Change in Associates share of profit due to policy / holding pattern change	149.79	4.88	
Less: Adjustment for Assets with expired useful life as on 01.04.2014	<u>-</u>	<u>12.15</u>	
	412.21	1,370.62	
Less: Appropriations			
Proposed Dividend on Equity Shares	118.92	115.85	
Tax on Dividend	24.21	14.14	
Transferred to Debtenture Redemption Reserve	-	149.71	
Transfer to Capital Reserve	0.61	0.70	
Transferred to General Reserve	0.58	0.58	
Difference in Final Dividend for Equity Share	0.01	-	
Difference in Tax on Final Dividend for Equity Share	(0.38)	-	
Adjustment to P & L Reserve on exercise of options during the y	-	0.63	
Depreciation Adjustments	-	5.74	
Stock Option Adjustment	<u>-</u>	<u>(0.32)</u>	
Total Appropriations	143.96	287.93	
Net Surplus in the Statement of Profit & Loss		268.23	1,083.59
TOTAL	<u>8,074.02</u>	<u>8,360.07</u>	



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4 SHARE APPLICATION MONEY PENDING ALLOTMENT

During the year Company had received amount of Rs.443.69 crores towards share application money against which the company has issued 54,776,434 shares (face value of Rs.1 each having security premium of Rs.80 per share) to Government of Gujarat.

5 LONG TERM BORROWINGS:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Secured Loans			
Term Loan From Banks			
Rupee Loan	9,531.62	5,767.07	
Foreign Currency Loan	3,546.90	3,471.98	
Term Loan From Financial Institution	147.66	424.59	
Compulsory Convertible Debentures	590.00	550.00	
	13,776.18		10,213.62
Redeemable, Unsecured, Listed, and Non-Convertible Debentures - NCD	6,000.00		6,000.00
Redeemable, Unsecured, Unlisted, and Non-Convertible Debentures - NCD			500.00
Unsecured Loans			
From Financial Institution	1,050.00		515.00
TOTAL	20,826.18		17,228.62

- 5.1 Foreign currency loans (ECB-1) amounting to USD 325 million (Current outstanding is NIL) was borrowed from a consortium of Five banks lead by State Bank of India. The Loan installment of USD 24.375 million has been repaid in June 2015. The loan was secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3. After repayment of the Loan the ROC charge for the same has been released.
- 5.2 State Bank of India has refinanced the entire Rupee Term Loan of Rs.3,000.00 crs in F.Y. 2014-15 with better terms, which was previously held by Consortium of fourteen banks lead by Bank of Baroda. The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.3 Consortium of Three member banks lead by Bank of Baroda (ECB-2), London branch has provided Foreign Currency Loan of USD 200 Million (Current outstanding of USD 80.02 Million). The repayment of installments for the facility has started from March, 2015. During the FY 2015-16 the company has repaid normal due installment of USD 33.34 million and prepaid USD 70 million. The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.4 Consortium of five member banks lead by Bank of Baroda (ECB-3), London branch has provided Foreign Currency Loan of USD 250 Million and USD 75 Million from Export Import Bank of India (Current outstanding of USD 325 Million). The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.5 EXIM bank has provided new Foreign Currency Loan (ECB - 4) of USD 100 Million in FY 2014-15 (Current outstanding of USD 100 Million). The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.6 State Bank of India (Nassau) has provided new Foreign Currency Loan (ECB - 5) of USD 100 Million in FY 2015-16 (Current outstanding of USD 100 Million). The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement as well as first-ranking pari passu charge over all such receivables of the Borrower, both present and future, as are charged to the LOC Lenders.
- 5.7 Company has availed Medium Term Loan from Gujarat State Financial Services (GSFS) for the period of 3 years with 6 month of moratorium and repayment in 10 equal quarterly installment. (Current outstanding Rs. 1,500 Crores).
- 5.8 Consortium of thirteen member banks lead by Punjab National Bank has provided Rupee Term Loan of Rs. 4,500 Crore (Current outstanding of Rs. 2971.25 Crore). The loan is secured by way of first ranking pari passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.



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5.9 Outstanding unsecured NCDs amounting to Rs. 6,000 crores raised on private placement basis are listed with National Stock Exchange. The details of the same are as follows:

Sr. No.	Type of NCD	Amount (INR in Crores)	Interest Rate (in %) on p.a. basis	Issued in
1	8 Yrs.	1,000.00	9.39	Sept-12
2	10 Yrs.	1,000.00	9.45	
3	60 Yrs.*	1,000.00	10.45	
4	15 Yrs.	2,000.00	9.03	Mar-13
5	60 Yrs.**	1,000.00	9.80	

* The company has the call option for these NCDs after 10 years, from date of allotment, till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

** The company has the call option for these NCDs after 12 years, from date of allotment, till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

5.10 In the F.Y. 2013-14, the Company has raised funds to the tune of INR 550 Crores through issuance of Secured Compulsory Convertible Debentures (CCD) on private placement basis. The details of the same are as follows:

Sr. No.	Name of Investor	Amount (Rs. in Crs.)	Coupon Rate
1	IDBI Bank	150.00	9.559%
2	IFCI	100.00	9.365%
3	State Bank of India	300.00	10.110%

Compulsory Convertible Debentures of face value of Rs. 81 each are secured by a first mortgage and charge over certain immovable property of the company. There is a lock in period of one year for CCD investor from the date of allotment. The debentures will be converted into equity shares at the end of the five years.

5.11 Derivative Contracts:

a. The company enters into Currency option and interest rate swap contracts to hedge its exposure in foreign exchange rate and interest in connection with Foreign Currency Loans.

b. Nominal amounts of derivative contracts entered into by the company and outstanding as on 31st March, 2016 amounts is USD 549.72 millions (P.Y. USD 24.375 Millions) by way of interest rate swap.

c. Foreign Currency loans that are not hedged by derivative instruments as on 31st March 2016 is USD 549.72 Millions (P.Y. USD 608.34 Million) Rs. 3,646.37 crores (P.Y. Rs. 3,807.65 crores)

5.12 Maturity Profile & Rate of Interest of Term Loans

Rate of interest	Outstanding as at 31st March 2016	Maturing in FY 2016- 17	(Rs. in Crores) 2017-2014
SBI Base Rate + 50 bps	3,000.00	75.00	2,925.00
SBI Base Rate + 50 bps	2,971.25	-	2,971.25
6 m Libor + 340 bps	530.80	-	530.80
6 m Libor + 374 bps	1,788.92	62.19	1,726.73
6 m Libor + 370 bps	683.33	-	683.33
6 m Libor + 390 bps	663.33	41.46	621.87
9.39 %	1,000.00	-	1,000.00
9.45%	1,000.00	-	1,000.00
10.45%	1,000.00	-	1,000.00
9.03%	2,000.00	-	2,000.00
9.80%	1,000.00	-	1,000.00
9.50%	1,500.00	450.00	1,050.00
8.64%	36.46	5.63	30.63
7.50%	104.17	16.67	87.50
8.11%	35.16	5.63	29.53
Base Rate + 0.35%	47.67	14.67	33.00
1 Year GSEC + 2.175%	54.29	12.07	42.23
Base Rate + 0.25%	9.86	9.86	-
Base Rate + 0.25%	23.91	10.72	13.19
Base Rate + 0.25%	27.92	12.52	15.40
Base Rate + 0.35%	35.71	14.29	21.43
10.10% - Reset at every year	32.14	14.29	17.86
Base Rate + 0.25	70.86	3.57	67.29
Base Rate + 0.45	87.00	-	87.00
Base Rate + 0.25	27.99	1.56	26.43
Base Rate + 0.25	40.98	-	40.98
Base Rate + 0.40	110.63	2.77	107.86
Base Rate + 0.25	174.97	6.25	168.72
9.50%	140.00	140.00	-
Base rate	150.00	16.67	133.33
Base rate+0.20%	1,283.17	141.67	1,141.51
Base rate+0.50%(Solar Proj.)	19.09	3.32	15.77
9.70%	570.84	95.16	475.68
9.34%	1,227.67	-	1,227.67
10.25%	36.33	32.14	4.19
Total	21,464.45	1,188.28	20,276.18



In case of Pipavav Power Project, the Term loan from banks are secured by pari-passu charge by way of mortgage of the project's immovable properties both present and future; and hypothecation of entire movable properties of the project both present and future situated at Dist. Amreli, Pipavav for 702 MW power project is subject.

Further, in case of Pipavav Power Project, the term loan from Vijaya bank for 5 MW solar project is secured by pari-passu charge by way of mortgage of the project's immovable properties both present and future; and hypothecation of entire movable properties of the project both present and future situated at Dist. Patan, Charanka for 5 MW Solar Power Project and receivables.

6 NET DEFERRED TAX LIABILITIES:

As required by Accounting Standard (AS 22) "Taxes on income" issued by The Institute of Chartered Accountants of India, and in view of the company's policy (Refer accounting policy no.1(N)) the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating to Rs. 49.29 Crores (P.Y. Rs. 151.94 Crores) in the Statement of Profit and Loss, the details of which are as under:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Deferred tax liabilities	1,033.37		975.29
Deferred tax assets	(5.85)		(16.72)
TOTAL	1,027.52		958.57

7 OTHER LONG TERM LIABILITIES:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Joint Ventures	0.11	0.16	
Security deposit from customers	636.24	581.63	
Deposit from collection centres and others	-	2.79	
Interest Accrued but not due on long term borrowings	-	22.65	
Others*	14.32	12.79	620.02
TOTAL	650.66		620.02

* Includes Deposits received from Customers

B LONG TERM PROVISIONS:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Provision for Abandonment Cost	90.13		52.09
Provision for employee benefits			
Provision for Gratuity	3.43	2.74	
Provision for Leave Salary	31.85	21.53	
Provision for Superannuation	1.12	-	
	36.41		24.27
TOTAL	126.54		76.36

B.1 Disclosures required by Accounting Standard- 29 "Provisions, Contingent Liabilities and Contingent Assets".

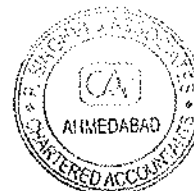
Movement in Provisions

Sr. No.	Particulars of Disclosure	Provision for Contingencies	Provision for Contingencies
		2015-16	2014-15
1	Opening Balance	76.36	61.50
2	Net Movement	50.18	14.86
4	Closing Balance	126.54	76.36

Provision for Abandonment Cost relates to Site Restoration Fund Created for Asjol, North Balol, Palej, Hazira, CB ONN 2000/1, Tampur, CB ONN 2003/2 and Unawa Blocks.

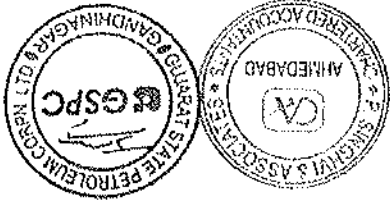
8.2 Nature of the Provision

The above amounts relates to provision for Abandonment Cost and Employee benefits.



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As At 31st March, 2016		As At 31st March, 2015	
Current Maturities of Long Term Borrowings	802.49	421.22	453.91
Secured			
From Bank			
Rupee Term Loan			
Foreign Currency Loans	103.85	453.91	
From Financial Associates	32.14	161.65	
Unsecured			
From Financial Institutions	950.00	2,083.33	
Other payable			
BG Asia Pacific Holdings Limited	464.78	464.78	
Less : Amount deposited in Escrow Account with CIL			
Bank	(464.78)	(464.78)	
Deposit from Customers	39.82	33.64	
Dues to Micro, Small and Medium Enterprises	4.75	4.52	
Advances Received from Customers	36.75	80.10	
Advance billing	15.88	0.38	
Security Deposit received from Suppliers		5.80	
Interest accrued but not due on borrowings	215.76	199.03	
Dividend	3.90	3.64	
Forward Contract Payables		514.24	
Earnest Money Deposit	0.45	0.35	
Imbalance, Overrun & Other Charges	29.51	26.09	
Other Payables			
Joint Ventures	662.13	585.98	
Payables for Fixed Assets	138.81	533.65	
Other statutory liabilities	49.94	19.71	
Others*	539.47	266.89	
TOTAL	3,424.22	3,424.22	5,404.74

* includes statutory dues.

As At 31st March, 2016		As At 31st March, 2015	
Trade payables	1.14	4.52	513.17
- Micro, small and medium Enterprises			
- Others	539.92	541.05	513.17
TOTAL	541.05	541.05	513.17

10 TRADE PAYABLES:

As At 31st March, 2016		As At 31st March, 2015	
Secured Loans	704.50	3,299.38	2,293.88
From Banks (Loans Repayable on demand)*			
Unsecured Loans			
From Banks (Loans Repayable on demand)			
		704.50	3,071.73
TOTAL	4,003.88	4,003.88	5,388.41

9 SHORT TERM BORROWINGS:

* Part passu charge over the future receivables of the company.

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12 SHORT TERM PROVISIONS:

	As At 31st March, 2016	As At 31st March, 2015
<i>Provision for employee benefits</i>	16.14	8.35
<i>Provision for Gratuity</i>	3.40	9.92
<i>Provision for Leave benefits</i>	0.46	0.45
<i>Provision for Leave Travel Allowance</i>	1.08	0.43
<i>Provision for Superannuation</i>		
<i>Other Provision</i>		
<i>Provision for Proposed Dividend</i>	118.92	42.08
<i>Provision for Dividend Distribution Tax</i>	24.21	14.14
<i>Provision for Profit Petroleum</i>	59.43	58.43
<i>Provision for other Expenses</i>	0.51	8.45
TOTAL	221.16	121.10

Rs. in Cro

12.1 Further in accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounts) Rules, 2014 the company has charged an amount of Nil to the Statement of Profit & Loss in respect of derivative contracts other than those contracts which are effective hedges.

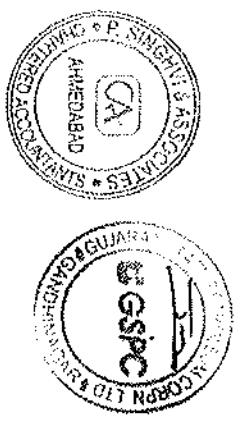
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Particulars	GROSS BLOCK					DEPRECIATION, IMPAIRMENT AND AMORTISATION					NET BLOCK			
	As at 31-Mar-2015	Additions	Adjustment due to Amalgamations ¹	Deduction	As at 31-March-2016	As at 31-Mar-2015	During the Year	Adjustment due to Amalgamations ¹	Impairment during the Year	Impairment reversed during the Year	Deductions	As at 31-March-2016	As at 31-Mar-2015	
Tangible Assets														
Land														
Freehold Land	303.15	112.96	294.22	4.69	795.04	-	-	-	-	-	-	795.04	303.15	
Leasehold Land	61.68	0.29	(0.55)	-	61.42	7.74	(2.34)	-	-	-	6.98	64.64	53.54	
Buildings	451.61	28.53	56.07	-	536.21	132.00	(4.77)	-	-	-	153.23	362.98	319.55	
Plant & Machinery	10,229.61	607.87	1,045.18	16.42	11,696.24	2,928.38	(484.38)	-	-	-	2,946.40	8,918.84	7,301.23	
Producing Properties (being Company's share in Joint Venture)	1,709.04	322.66	-	-	2,091.70	1,155.52	-	397.35	-	-	1,693.06	402.64	613.52	
Furniture & Fixtures	40.06	2.13	(2.50)	0.23	39.40	34.48	(10.94)	-	-	0.22	28.40	11.00	5.60	
Vehicles	31.42	4.24	(1.50)	3.67	30.53	19.98	(1.87)	-	-	2.57	29.22	10.41	11.44	
Office Equipments	147.08	18.46	127.40	0.48	282.46	89.53	80.66	-	-	0.45	209.54	82.92	47.45	
Computer Equipments	82.07	3.07	(23.97)	1.74	59.43	73.99	(24.81)	-	-	1.56	92.53	6.50	8.08	
Books	0.23	-	-	-	0.23	0.20	0.03	-	-	-	-	0.23	0.02	0.02
Share/Bond	0.10	-	-	-	0.10	0.03	0.01	-	-	-	0.06	0.05	0.07	
Previous Year	13,176.05	1,059.61	1,484.43	27.23	15,742.36	4,451.93	722.39	(448.42)	397.35	-	14.07	5,109.24	10,633.62	8,721.06
The above Tangible Assets includes Company's Share in Unincorporated Joint Venture	1,809.50	324.54	-	0.01	2,134.03	1,180.42	-	397.35	-	0.01	1,715.57	418.40	626.08	
Intangible Assets														
Goodwill (Intangible-Software) ROL/ROW	2,057.00	6.64	(2,057.00)	-	-	0.12	(0.12)	-	-	-	-	-	2,056.96	
	141.97	57.45	(35.57)	0.04	113.80	106.55	(19.22)	-	-	-	96.00	14.80	32.42	
	319.35	-	(6.88)	0.74	389.37	28.45	(7.14)	-	-	-	28.48	340.85	290.50	
Previous Year	2,518.32	64.09	(2,059.25)	0.78	482.37	135.12	(18.84)	-	-	-	127.48	354.89	2,383.20	
The above Intangible Assets includes Company's Share in Unincorporated Joint Venture	2,463.25	57.83	-	2.76	2,518.32	118.81	18.23	-	-	1.92	135.12	2,383.20	2,244.44	
	5.77	0.01	-	-	6.78	4.07	0.71	-	-	-	4.77	1.01	1.70	

1. Depreciation includes depreciation of Rs. 2.39 crore (P.Y. Rs. 3.39 crore) which has been captured during the year as per policy (refer policy no 2 C14);

2. Impairment Test was carried out as per Guidance Note on Oil and Gas accounting read with Accounting Standard-28 "Impairment of Assets", mainly due to sharp decline in the international prices of crude and natural gas in the international market and downward revision of reserves

3. Refer accounting policy (IFB) Principles of Consolidation



14 CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT:

14.1 CAPITAL WORK IN PROGRESS

Rs. in Crs

	As At 31st March, 2016	As At 31st March, 2015	
Tangible			
Exploration & Development			
Exploration	2.64	13.38	
Development	<u>8,380.08</u>	<u>7,599.63</u>	
	8,382.72	7,613.01	
Borrowing Cost	<u>4,421.71</u>	<u>3,091.87</u>	
	12,804.43	10,704.88	
CWIP Land	-	22.48	
Other CWIP	1,448.12	1,469.41	
TOTAL	<u><u>14,252.55</u></u>	<u><u>12,106.77</u></u>	

14.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

Rs. in Crs

Exploration & Development			
Exploration	6,547.22	7,223.25	
Development	<u>728.74</u>	<u>724.10</u>	
	7,275.96	7,947.35	
Borrowing Cost	<u>3,837.92</u>	<u>3,227.66</u>	
	11,113.88	11,175.01	
Software	0.63	0.29	
TOTAL	<u><u>11,114.51</u></u>	<u><u>11,175.30</u></u>	

Exploration and Development cost incurred by the joint ventures has been bifurcated into CWIP tangible and intangible assets under Development as per the requirement of Revised Guidance note on Accounting for Oil & Gas Producing Activities issued by ICAI.

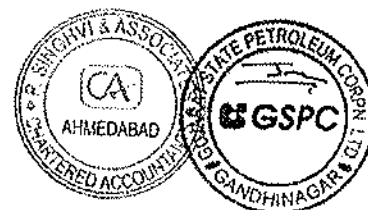
Borrowing Costs and Test Production

a. The borrowing costs amounting to Rs. 2,127.85 crores (P.Y Rs. 1,703.79 crores) and depreciation amounting to Rs. 1.82 crores (P.Y. Rs. 3.38 crores) has been capitalized in the current year as a part of CWIP Tangibles- Exploration & Development.

b. In the current year, an amount of Rs. 59.43 crores (P.Y. Rs. 66.87 crores) being revenue from test production of gas, crude oil condensate from various exploratory wells have been credited to the cost of wells under the head CWIP. These blocks are not considered as producing property in accordance with the accounting policy (Refer note no.2.C.5 and no.2.G.2 of Significant accounting policies).

15 NON-CURRENT INVESTMENTS:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
I. TRADE INVESTMENT (Valued at cost unless stated otherwise)			
Investments in Associate			
Unquoted Equity Investments			
In 113541817 (P.Y. 113541817) shares of Gujarat State Energy Generation Ltd of Rs. 10 per share fully paid up [including Rs. 13.26 crs capital reserve (net of goodwill) arising on consolidation]	129.83	129.83	
Add: Share of profit/(loss) net of dividend received	(147.83)	(156.96)	
Add: Gain on stake dilution	<u>27.13</u>	<u>27.13</u>	
	9.13	-	
In 11500000 (P.Y. 11500000) shares of Alcock Ashdown (Gujarat) Ltd at Rs.10 per share fully paid up [including Rs. 2.09 crs Capital Reserve arising on consolidation]	11.50	11.50	
Add: Share of profit/(loss) net of dividend received	(11.50)	(11.50)	
Add: Gain on stake dilution	-	-	



In 1,00,00,000 (P.Y. 50,00,000) shares of Sabarmati Gas Company Ltd.(at cost) at Rs.10 per share fully paid up (including Rs.43.08 crs capital reserve (net of goodwill) arising on consolidation)	122.50		19.96	
Add: Share of profit/(loss) net of dividend received	(24.58)		22.81	
Less: Impact of stake dilution trfd to Reserves	(0.51)		(0.51)	
		97.41		42.26
In 36430060 (P.Y. 36430060) shares of GSPC LNG Ltd at Rs.10 per share fully paid up	36.43		36.43	
(including Rs.0.02 crs Goodwill arising on consolidation)	-			
Add: Share of profit/(loss) net of dividend received	0.02		0.02	
Add: Gain on stake dilution	-			
		36.45		36.45
Investments in other companies				
Unquoted Equity Investments				
The Kalapur Co Op Comm Bank Ltd	0.00		0.00	
		0.00		0.00
Unquoted Debentures of Other Companies				
2,000 (P.Y 2000) 6% Optionally Convertible Debentures of ₹1,00,000 each of Sabarmati Gas Ltd.(Fully Paid Up)	-		20.00	
				20.00
Total Trade Investments (A)		<u>142.99</u>		<u>98.71</u>
II. NON TRADE INVESTMENTS (Valued at cost unless stated otherwise)				
Quoted Equity Investments				
In 3,697,000 (P.Y. 3,697,000) Equity Shares of Rs.10 of Gujarat Industries Power Company Ltd. M.V.Rs.341,972,500 (P.Y. Rs.317,572,300)	10.00		10.00	
Unquoted Equity Investments				
In NIL (P.Y. 500000) equity shares of Rs.10/- per share of Gujarat Science At Action Ltd fully paid up	-		0.50	
In 29004033 (P.Y.29004033) shares of ONGC Petro Additions Ltd at Rs.10 per share fully paid up	29.00		29.00	
		39.00		39.50
Total Non-Trade Investments (B)		<u>39.00</u>		<u>39.50</u>
Total Quoted Investments	10.00		10.00	
Total Unquoted Investments	171.99		128.21	
TOTAL		<u>181.99</u>		<u>138.21</u>
Market Value of Quoted Investments		<u>34.20</u>		<u>31.76</u>

15.1 The company had made investment in shares of Gujarat Science At Action Ltd. to the tune of Rs. 0.50 crores. As per letter received from the official liquidator of Gujarat Science At Action Ltd., the company had opted the voluntary winding up and had refunded the investment made. Company has received in FY 2015-16 Rs. 0.11 crores from Official Liquidator on account of surplus amount as dividend @Rs. 2.19/-per share which is part of dividend income from other companies and Rs.0.50 crores on liquidation of the company as full and final against the investment made. Hence, there is no investment in Gujarat Science At Action Ltd. as on last day of the year.



16 LONG TERM LOANS & ADVANCES:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Capital Advance - Considered doubtful	38.20	3.73	
Less: Provision against doubtful advances	-	(3.73)	
	38.20	-	
Capital Advances	22.31		78.15
<u>Sundry deposits</u>			
To others	31.13	42.42	
To related parties	-	-	
	31.13	42.42	42.42
<u>Loans & Advances</u>			
Advances for Investments (Pending Allotment)	-		69.00
Secured, considered good			
Advances Recoverable in cash or in kind or for value to be received	0.92	1.89	
Joint Venture (Refer Note 35 & Related Party Note 39)	1,857.07	1,754.44	
	1,858.00	1,756.33	1,756.33
Advances			
For Advance -other [Unsecured, considered good]	-	0.18	
For Advance -other [Unsecured, considered doubtful]	7.08	0.04	
Less: Provision for doubtful	(7.08)	(0.04)	
	-	0.18	0.18
Others			
Advance Income Tax and TDS (Net of Provisions)	372.04	117.47	
Advance Value Added Tax (VAT)	0.02	-	
Payment under Protest	35.99	7.73	
Balance of Service Tax & Excise Duty	87.26	96.97	
Prepaid Expenses	31.59	1.05	
Amount recoverable from ESOP Trust	2.58	3.01	
Advances to Employees*	26.19	25.09	
Other advances	266.38	154.14	
	822.05	405.46	405.46
TOTAL	2,771.69	2,361.54	

* Out of Total advances to employees Rs.20.75 crores (P.Y.Rs.19.96 crores) is secured.

16.1 Advance Income Tax (Net of Provision)

16.1.1 Provision of Tax for the current year is Rs.259.71 Crores (P.Y Rs.428.25 crores). Provision for Wealth tax included in Rent, Rates & Taxes is of NIL (P.Y. Rs 0.06 crores).

16.1.2 The company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80IB (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 80IB(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. 80IB (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 80IB (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80IB (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80IB(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80IB (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.

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.



16.1.3 The Company has availed deduction U/s.42 as well as claiming tax holiday U/s 80IB (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.

No provision is made for such disputed income tax liabilities, which is estimated at Rs. 1,038.70 Crores (P.Y. Rs.1,019.73 Crores). However the same is disclosed by way of a note as contingent liabilities vide note no.24.

The Company has availed deduction U/s.42 as well as claiming tax holiday U/s 80IB (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.

16.1.4 MAT Credit for the current year amounting to Rs.NIL Crores (P.Y. Rs.1.86 Crore) is not recognized as asset as the same does not have a virtual certainty for its utilization.

17 OTHER NON CURRENT ASSETS:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Long term trade receivables (Including trade receivables on deferred credit terms)			
Unsecured, considered good	0.09	-	
Doubtful	-	0.25	
Less: Provision for doubtful trade receivables	-	(0.25)	
	0.09		
Unsecured considered good unless otherwise stated			
Non-Current Bank Balances (Margin money)	12.37	17.94	
Site Restoration Fund - Deposits with bank*	92.30	78.32	
Unamortised Expenses	47.54	54.50	
Interest Accrued-But Not Due	2.00	1.03	
Other security deposits	0.05	0.05	
Others Receivables	0.36	0.41	
Less : Provision for Doubtful	(0.36)	(0.36)	
Fixed Deposit with original maturity of more than 12 months	0.01	0.01	
	154.28	151.90	
TOTAL	164.37	151.90	

*Deposited u/s 33ABA of Income Tax Act, 1961 and could be withdrawn only for the purposes specified in the scheme.

18 CURRENT INVESTMENTS:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
In Units of Mutual Funds (Unquoted)	-	-	936.99
Unquoted Debentures of Sabarmati Gas	20.00	-	-
TOTAL	20.00	-	936.99

19 INVENTORIES:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
As taken, valued & certified by the Management			
Finished Goods - Crude Oil (Valued at Rate specified in COSA)	2.70	4.24	
Stock in Trade - Liquefied Gas (Valued at Cost)	43.83	63.31	
Stores & Spares	55.47	55.63	
Line Pack Gas & CNG in Cascades	92.02	83.75	
	194.02	206.93	
TOTAL	194.02	206.93	



20 TRADE RECEIVABLES:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Secured, considered good			
- More than Six Months	3.09	1.18	
- Others	213.72	186.76	
	216.81	187.94	
Unsecured, considered good			
- More than Six Months	177.57	177.83	
- Others	497.53	657.35	
	675.10	835.18	
Unsecured, considered doubtful			
- More than Six Months	11.20	6.48	
- Others	0.04	-	
	11.32	6.48	
Less: Provision for doubtful debts	(11.32)	(6.48)	
Less: Advance From Customers towards MGO	(34.63)	(36.70)	
TOTAL	867.28	984.34	

21 CASH & BANK:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Cash & Cash Equivalent			
Balance with Banks - Current accounts (including in Sweep-in-facility account)	45.74	151.66	
Cash on Hand	1.00	1.14	
Fixed Deposit with banks/ financial institution original maturity of less than 3 months	91.39	322.97	476.77
Earmarked Balances with Banks			
Unpaid Dividend Account	3.00	3.53	
Balance in Escrow A/c-PNGB [Incl. TD]	30.05	22.95	
Margin Money Deposit - Bank Guarantees	2.11	111.01	136.89
Other Bank Balance			
Fixed Deposits with Bank or Financial Institution for the period of more than three months but less than twelve months	558.49	554.89	
Fixed Deposits with Bank towards Margin money	-	-	554.69
TOTAL	732.67	1,167.35	

* The Group has maintained separate escrow account as per PNGRB guidelines for modalities of maintaining and operation of escrow account for charges towards system discipline in terms of positive or negative imbalance or over runs. In this regard, since F.Y. 2011-12, amount recovered from customers is deposited in the said account and amount invoiced (net of taxes) is recognised as liability.

22 SHORT TERM LOANS & ADVANCES:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Unsecured considered good unless otherwise stated			
Sundry deposits			
Sundry deposits	1.53	-	11.32
Loans & Advances to related parties			
II Associates	339.10	-	201.10
Secured, considered good			
Other Loans & Advances			
ii) Others	0.15	0.05	0.05
Advances to Joint Ventures	732.45	658.33	
Advances to others	344.89	318.90	
Advances to Employees*	6.06	5.28	
	1,083.40	992.51	902.49
TOTAL	1,424.19	1,194.98	

* Out of Total advances to employees Rs.1.69 crores (P.Y.Rs.1.48 crores) is secured.



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23 OTHER CURRENT ASSETS:

	As At 31st March, 2016	As At 31st March, 2015	Rs in Crs
Intercompany deposits	50.60	74.84	
Interest Accrued but not due	14.34	16.47	
Insurance claim receivable	0.10	0.75	
Prepaid expenses	0.32	0.57	
Advances for employee benefits	0.04	0.03	
Unamortised Expenses	6.86	6.95	
Forward Contract Receivables	-	502.26	
Deferred Forward Premium	-	5.96	
Unbilled revenue	33.03		
Others Receivables	1.34	17.59	
	106.73	625.42	
TOTAL	106.73	625.42	

24 CONTINGENCIES

Claims against the company not acknowledged as debts which in the opinion of the Management are not tenable/under appeal at various stages:

Particulars	Rs. In crores	
	As on 31st March 2016	As on 31st March 2015
Income Tax	1,156.68	1,163.40
Joint Ventures	1,188.37	1,914.19
Guarantees	2,690.35	2,149.22
Others	1,054.21	449.67

Above contingent liability includes our share in following matters:

- a) Gujarat State Energy Generation Limited (hereinafter referred to as GSEG) is one of the customers of Hazira Field. The Hazira Field is operated by NIKO Resources Limited (hereinafter referred to as NIKO) where the Company has 66.87% Participating Interest while NIKO has 33.33% Participating Interest.

A Gas Sales Agreement dated February 18, 2000 (hereinafter referred to as GSA) was executed between GSEG (as Buyer) and NIKO & GSPC (as Sellers) where GSEG agreed to purchase and NIKO & GSPC agreed to sell certain quantity of natural gas produced from the Hazira Field. The said GSA is valid till April 30, 2016. The Daily Contracted Quantity in terms of the GSA is 8 Lakhs SCMD. The said GSA is a firm commitment GSA i.e. the Buyer is bound to off-take and the Sellers are bound to offer for supply a minimum of 80% of the daily contracted quantity under the GSA on Six Monthly basis.

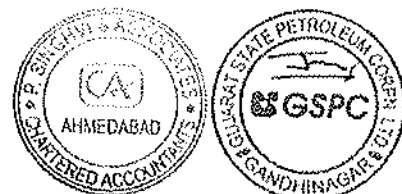
The production of natural gas from Hazira Field started declining drastically from early 2006 which resulted into NIKO and GSPC being unable to supply the minimum guaranteed quantities under various gas sales agreements for Hazira Field including the GSA with GSEG. The said decline in production from Hazira Field was owing to the extraordinary geological conditions as reported by NIKO. With a view to address the situation, GSPC started supplying gas to Hazira Customers including to GSEG from various other sources of gas available with GSPC.

However, on and from August 2010, the production from the field dropped so drastically that it was no more possible to supply the minimum guaranteed quantities to GSEG. NIKO (on behalf of unincorporated joint venture of NIKO & GSPC) put GSEG to Notice that the short-supply of gas under the GSA is due to depletion of production from Hazira Field caused by natural geological reasons stating that the same is a Force Majeure situation under the GSA. However, GSEG has not agreed to such claim of Force Majeure.

GSEG has invoked arbitration proceedings against NIKO & GSPC claiming that NIKO and GSPC are liable to pay liquidated damages to GSEG for short supply of natural gas under the GSA on and from August 2010 till the end of the GSA in April 2016. As alleged by GSEG, such claim of GSEG amounts to USD 129,917,884/- (Rs. 861.78/- Crores) [31 st March 2016: USD 129,917,884/- (Rs. 813.17 Crores)]. NIKO and GSPC have disputed such claims and asserted that the short-supply of gas under the GSA was on account of Force Majeure Condition i.e. depletion of reservoir due to natural geological reasons and therefore the obligation of NIKO and GSPC to supply minimum guaranteed quantity to GSEG under the GSA was excused by such Force Majeure Condition.

The Arbitration Proceedings is pending as of date and the matter is sub-judice.

- b) In September 2005, GSPC, as the Operator in KG-OSN-2001/3 block, had entered into a contract with Alwood Oceanics Pacific Limited ('AOPL') for drilling, completing or abandoning the wells identified by GSPC's drilling program. With respect to certain invoices raised by AOPL during July and August 2009, AOPL has claimed that the said invoices were paid by GSPC after a delay of 733 days in September 2011. Accordingly, AOPL had initiated arbitration proceeding against the JV claiming interest on delayed payment towards the said invoices claiming an amount of Rs.101,148,531 (US\$1,523,895) [31 March 2015: Rs.95,426,305 (US\$1,523,895)] along with interest at the rate of 1.5% per month from 11 January 2013 till the date of payment. The Honorable Sole Arbitrator, vide arbitral award dated 12 May 2015, has concluded that the JV is not liable to pay the claims of interest on delayed payment towards the invoices as aforesaid and rejected the claims made by AOPL in this regard. AOPL has preferred an appeal under Section 34 of the Arbitration and Conciliation Act, 1996 praying for setting aside of the award passed by the Sole Arbitrator before the District Court, Gandhinagar. The matter is sub-judice.
- c) GSPC, as the Operator in KG-OSN-2001/3 block, has entered into a contract with Tuff Drilling Private Limited ('TDPL') for supply and installation of 3,000 hp modular rig in May 2010. Due to the inability of TDPL to provide the rig in the stipulated timelines, the Operator terminated the contract. Against the above actions of the Operator, TDPL has raised claims for Rs. 719.33 Crores (GSPC's share Rs. 575.47 crores) [31 st March, 2015: Rs. 719.33 Crores of which GSPC's share: Rs. 575.47 crores]. The matter is pending in arbitration.



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- d) As per news reports certain ex-employees and ex-internal auditor of Guj Infrapetro Limited (A subsidiary Company) (GIPL) have been arrested by ACB (Anti Corruption Bureau) in relation to state wide check post scam, as the persons are alleged to financial interest in the outsource agency deployed by GIPL. The investigating agency is probing the matter and the company has been providing all support and information as requested from time to time. It may be noted that there are no allegations against GIPL. GIPL is not a party to any such investigation/litigation and potential liability, if any on this account can not be ascertained at this juncture. However as a measure of good corporate governance, the company has disclosed the aforesaid details.

26 CAPITAL & OTHER COMMITMENTS

		Rs. In Crores	
		As on 31st March 2016	As on 31st March 2015
a.	Estimated amount of Contracts remaining to be executed on capital accounts and not provided for:		
	i. In respect of Joint Ventures	94.97	1913.90
	ii. In respect of others	1,199.02	894.65
b.	Minimum Work Programme Committed under various Production Sharing Contracts in India and Outside India:		
	i. In India	16.16	75.34
	ii. Outside India	33.27	14.22
c.	Other Commitments		
	i. Advance adjustable against re-qualification services	-	50.00

The Joint Venture (JPDA 06-103) is committed to drill three wells in the block along with the acquisition of 1060 sq. kms 2D and 1020 sq. kms of 3D seismic data. Of the committed work programme the Joint Venture (JPDA 06-103) has acquired 2140 sq. kms of 3D seismic data (as 2D data was compensated with additional 100 sq. kms of 3D data). The joint venture (JPDA 06-103) has also drilled 2 exploratory well which were found to be dry. The company has till date invested INR 129.22 Cr (shown in CWIP) for the completed work programme. However, drilling 1 more exploratory well is still pending and joint venture (JPDA 06-103) would undertake the balance work programme at the estimated cost of US\$ 16,975,000 (GSPC Share US\$ 3,395,000).



26 REVENUE FROM OPERATIONS:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Sales of Products			
Natural Gas Trading			
- Finished Goods (CNG)	6,050.58	9,071.76	
- Traded Goods (LNG)	6,388.21	4,338.02	
Sale of Gas-Joint Ventures	29.64	54.81	
Sale of Oil-Joint Ventures	70.27	108.05	
Sale of Electricity - Wind Mill	45.48	82.88	
Sale of Electricity - Others	703.42	338.20	
Sale of Trading Goods	2.05	6.28	
	<u>13,287.64</u>	<u>14,000.00</u>	
TOTAL	<u><u>13,287.64</u></u>	<u><u>14,000.00</u></u>	
Sales of Services			
Revenue from Transportation of Gas (net)	841.06	789.05	
Re-gasification Income	88.37	8.60	
Project, Software & Consultancy Income	9.83	18.59	
Facility Management Service Income	4.67	0.18	
Others	3.78	15.19	
	<u>947.71</u>	<u>841.59</u>	
TOTAL	<u><u>947.71</u></u>	<u><u>841.59</u></u>	
Other Operating revenues			
Registration Charges Income from Domestic, Comm-Non Commercial Connections	29.51	2.49	
Contract Renewal Charges Income	7.97	7.62	
Lease Income	-	0.06	
Late Payment Charges Income	-	9.82	
Alteration, Modification and Extra Connection Charges Income	-	5.96	
Take or Pay Income	18.18	18.11	
Connectivity Charges	4.92	13.72	
Other Operating Income	1.59	1.35	
	<u>80.15</u>	<u>57.13</u>	
TOTAL	<u><u>14,295.50</u></u>	<u><u>14,898.72</u></u>	

*Initial Connection Charges collected from customers in case of City Gas distribution, towards infrastructure facility has been reflected at gross both in revenue and expenditure.

27 OTHER INCOME:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Interest Income :			
Interest on Deposits	64.98	73.14	
Optionally Convertible Debentures	1.20	1.20	
Interest on Income tax refund	0.13	7.67	
Other Interest Gross*	66.80	31.48	
	<u>133.12</u>	<u>113.47</u>	
From Long term Investments			
Dividend From Associate Company	0.69	0.55	
Dividend from Mutual Funds	11.06	54.71	
Dividend From Other Companies	1.60	1.37	
	<u>13.35</u>	<u>56.63</u>	
Other Non Operating Income			
Usage Charges	1.62	0.85	
Profit on Sale of Current Investments (Net)	0.29	1.78	
Interest Income	-	12.28	
Other Income-Joint Ventures	6.92	7.14	
Provision Liability No Longer Required	1.53	1.77	
Profit on sale of fixed assets	2.89	1.30	
Miscellaneous Income	8.80	13.69	
	<u>22.04</u>	<u>38.77</u>	
Net Foreign Exchange-Gain	-	4.28	
TOTAL	<u><u>168.51</u></u>	<u><u>213.13</u></u>	



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28 COST OF MATERIAL CONSUMED:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Purchases of Natural Gas for CNG	921.31	822.94	
Add: Gas Transportation Charges	42.72	32.18	
Purchase of Computer Hardware & Electronics	1.66	5.83	
Purchases of CNG	4.39	28.37	
Consumable and commissioning charges	1.18	0.31	
TOTAL	971.26	889.63	889.63

29 PRODUCTION EXPENDITURE - E&P

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Production Expenditure	52.72	49.07	
Duties & Taxes (includes Profit Petroleum)	10.91	60.13	
G&A Expenses	13.54	7.09	
	<u>77.17</u>		<u>116.29</u>
TOTAL	77.17		116.29

30 PURCHASE OF STOCK IN TRADE:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Purchase of Gas	2,438.01	4,284.16	
Import Purchase of Gas	6,711.48	5,420.72	
	<u>9,149.49</u>		<u>9,704.88</u>
Expenses related to Gas Trading			
Gas transmission charges	156.15	-	
Import Expenses	643.06	281.53	
Commodity Hedging Cost	78.92	217.72	
Annuity & Meter Validation Charges	0.64	1.14	
Other Expenses	-	0.48	
TOTAL	<u>878.79</u>	<u>500.87</u>	
TOTAL	10,028.28	10,205.75	
Purchase of Gas - Local	2,438.01	4,284.16	
Purchase of Gas - Imported	6,711.48	5,420.72	

31 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
FINISHED GOODS			
Closing stock of Oil	2.70	4.24	
Opening stock of Oil	4.24	5.53	
	<u>1.54</u>	<u>1.29</u>	
Increase/ decrease in stock of Oil	0.33	0.04	
	<u>1.87</u>		<u>1.33</u>
STOCK IN TRADE			
Closing stock of Liquefied GAS	47.60	69.20	
Opening stock of Liquefied GAS	67.39	4.25	
	<u>19.78</u>		<u>(64.95)</u>
TOTAL	21.66		(63.62)



32 EMPLOYEE BENEFITS EXPENSE:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Salaries, wages & allowances	157.69	140.52	
Leave Salary	4.68	13.33	
Contribution to Provident Fund and Other Funds	23.51	20.07	
ESOP Compensation Expenses	(0.43)	0.13	
Facility Management & call Centre Charges	3.63	7.20	
Staff welfare Expenses	0.53	5.53	
	195.61	186.78	
TOTAL	195.61	186.78	

Employee Benefits:

A. Defined Contribution Plans

- 1 Company's contribution to Provident Fund is Rs. 9.23 Crores
- 2 Company's contribution to Super Annuation fund Rs. 1.20 Crores

B. Defined Benefit Plans

The following table sets out the funded status of the Gratuity and Leave Encashment Plan and the amounts recognized in company's financial statements as at 31st March, 2016 as required by Accounting Standard (AS) 15 (Revised 2005)

Particular	Gratuity (Funded)		Leave Encashment (Funded)	
	2015-16	2014-15	2015-16	2014-15
I Change in obligation during the year ended 31st March, 2016				
1 Liability at the beginning of the year	35.47	24.34	37.62	21.02
2 Interest cost	2.83	2.01	2.88	1.86
3 Current service cost	5.37	3.15	4.68	2.87
4 Past service cost	3.75	0.04	0.01	0.08
5 Prior Year Charge	0.34	-	0.17	-
6 Benefit Paid	(1.13)	(1.74)	(1.57)	(2.09)
7 Actuarial (gain) / Losses	1.72	7.67	(1.05)	13.89
8 Liability at the end of the year	48.34	35.47	42.75	37.62
II Change in assets during the year ended 31st March, 2016				
1 Plan assets at the beginning of the year	30.28	23.72	6.31	4.71
2 Expected return of plan assets	2.85	2.18	0.56	0.41
3 Contributions	3.98	5.80	1.28	2.21
4 Benefit paid	(1.52)	(1.65)	(0.68)	(1.08)
5 Actuarial gain / (Loss)	(0.22)	0.23	0.04	0.06
6 Plan assets at the end of the year	35.37	30.28	7.53	6.31
7 Total Actuarial Gain/(Loss) To Be Recognized	(1.94)	(7.44)	1.09	(13.83)
III Actual Return on plan assets				
1 Expected return of plan assets	2.85	2.18	0.56	0.41
2 Actuarial gain / (loss)	(0.22)	0.23	0.04	0.06
3 Actual return on plan assets	2.62	2.41	0.60	0.47
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2016				
1 Liability at the end of the year	48.34	35.47	42.75	37.62
2 Plan assets at the end of the year	35.37	30.28	7.53	6.31
3 Amount recognized in the Balance Sheet	12.97	5.19	35.22	31.32
V Expenses recognized in the statement of profit & loss account for the year ended 31st March, 2016				
1 Current service cost	5.37	3.15	4.68	2.87
2 Interest cost	2.83	2.01	2.88	1.86
3 Expected return on plan assets	(2.85)	(2.18)	(0.56)	(0.41)
4 Actuarial (gain) / Losses	1.94	7.44	(1.09)	13.83
5 Past service cost	3.75	0.04	0.01	0.08
6 Total expenses	11.37	10.46	6.09	18.21
VI Balance Sheet reconciliation				
1 Opening net liability	5.19	0.62	31.31	10.32
2 Expenses as above	11.37	10.46	6.09	18.21
3 Employer contribution	(3.59)	(5.89)	(2.19)	(3.22)
4 Amount recognized in the Balance Sheet	12.97	5.19	35.22	31.32



Notes

1 Investment details:

Both the funds are managed by LIC and as per the bifurcation provided for planned assets 100% investment as on 31st March 2016 (100% as on 31st March, 2015) is made in Special deposit Scheme.

2 Expected Employers contribution for the next financial year:

For the gratuity & leave encashment which are funded, company is expecting to contribute the amount which can mitigate future liability. The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market. The above information is certified by the actuary. Gratuity and Leave Encashment is administered through duly constituted and approved independent trusts, also through Group gratuity / leave encashment scheme with Life Insurance Corporation of India.

33 FINANCE COST:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Interest on Term Loan	418.14	610.87	
Interest on NCD	51.51	51.50	
Interest on buyers' credit / Security deposits	11.92	39.11	
Interest - Others	0.94	2.54	
Interest on Income Tax	0.00	0.01	
Other Finance Cost*	11.45	14.25	
	491.96	718.28	
TOTAL	491.96	718.29	

*Includes Bank Guarantee & L C Charges

34 OTHER EXPENSES:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Expenses related to Wind Mills			
Insurance expenses - Wind Project	0.47	0.61	
Rebate on Wind Energy Sales	0.02	-	
Operation & Maintenance Exp	13.98	13.23	
	14.44	13.84	
TOTAL (A)	14.44	13.84	
Administrative Expenses			
Electricity Expenses	85.82	58.81	
Rent, Rates and Taxes	22.72	20.48	
<u>Repairs & Maintenance:</u>			
Building Repairs	1.82	1.59	
Machinery	110.39	125.46	
Others	18.27	10.23	
Insurance expenses	8.44	9.91	
Franchisee, Commission and Profit Margin Exp.	29.34	4.61	
Software Operation and Maintenance Charges	26.01	2.85	
Business Development & Promotion	1.40	3.14	
Seminar & Conference	0.13	4.31	
Advertisement & publicity	6.12	3.74	
Administration & establishment	3.79	6.77	
Travelling Expenses	2.31	3.13	
Stationery & Printing	2.62	3.63	
Legal, Professional & Technical Expenses	33.10	28.90	
Donations	5.25	1.33	
Telephone, Trunk calls & Postage	4.93	5.35	
Maintenance Contracts	28.91	27.53	
Payment to Outsourced Persons	23.60	13.28	
Consumption of Stores & Spare Parts	8.27	3.37	
System Usage Gas	2.85	15.60	
Security Expense	8.88	12.60	
Loss on Sale and disposal of Asset	6.37	2.43	
Bad Debts Written Off	0.00	0.25	
Provision for doubtful debts	0.53	2.46	
Provision for Assets write off	2.48	0.53	
Provision against doubtful capital advances	1.28	0.74	
Provision / write off for inventory obsolescence	0.16	0.15	
Service & Fitting expenses	6.18	12.88	
Service charges	1.23	17.08	
HSE Expenses	0.44	0.50	
Safety and Environment Expenses	-	0.86	
Listing Fee	0.14	0.14	
Bank charges	2.30	0.53	
Vehicle running Expenses	7.90	10.03	



SLDC Charges	8.85	1.25	
Office expenses	4.38	1.44	
Demat charges	7.51	-	
Project Expenses	1.20	8.15	
Bandwidth Expenses	0.22	0.18	
Payment to Auditors			
As Auditor	0.79	0.67	
Other Services	0.25	0.19	
For reimbursement of expenses	0.08	0.04	
Net Loss on Sale/discarding of Fixed Assets	0.03	2.02	
Net Foreign Exchange Loss	21.35	5.58	
Stamp Duty Expense	1.72		
Other expenses	12.88	8.48	
		<u>501.02</u>	<u>445.20</u>
TOTAL (B)		<u>501.02</u>	<u>445.20</u>
Misc. Expenditure W/off during the year (C)	8.96		8.67
Diminution in the value of Investment (D)	-		(0.04)
Provision for Doubtful Advances (E)	3.76		1.72
TOTAL (A+B+C+D+E)		<u>526.19</u>	<u>469.39</u>

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof :
Rs.2.80 crores

35 Exceptional items:

	As At 31st March, 2016	As At 31st March, 2015	Rs. in Crs
Impairment (Refer note no.35.1)	499.90	-	-
Exploration cost written off (Refer note no.35.2)	886.88	-	513.03
Amalgamation and Arrangement expenses	25.62	-	-
Material Shortage (Gain)/Loss	-	-	(0.54)
	<u>1,212.40</u>	<u>-</u>	<u>512.49</u>

35.1 Based on Accounting Standard-28 "Impairment of Assets", impairment test was carried out by calculating the sum of present value of the all estimated future cash flows and compared it with the carrying value of the asset. Due to sharp decline in the commodity prices of crude and natural gas in the international market and downward revision of the reserves, the assets were impaired by Rs.397.35 crores and were written down to its fair value.

Further, the company had made an investment in Australia through Special Purpose Vehicle (SPV) i.e. GSPC (JPDA) LTD to carry out exploration activities. Due to commercial uncertainty arising out of exploration activities which will negatively impact Joint Venture partners to meet the obligation under PSC, the company has impaired its investment in the joint venture to the full extent for Rs.102.55 crores.

35.2 Rs.886.88 crores (P.Y.Rs.513.03 crores) towards exploration cost written off for the blocks which have been surrendered to DGH/ Government of where the intention to surrender the block has been established. Though the company follows full cost Method of Accounting for its oil and gas assets where in unsuccessful exploration cost is capitalised however as an exception to the policy the company has written off unsuccessful explorations cost. This being not a routine business activity and hence considered and reclassified as exceptional item during the current period.



36. Joint Venture Operations

The Company 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 company 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, unincorporated Joint Ventures (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:

f Blocks/Fields currently under exploraiton, development and production

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partner's PI	PI
a	Non Operated JVs			
1	Hazira	66.67% (66.67%)	Niko Resources Ltd (Operator)	33.33%
2	Bhandut	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	40%
3	Cambay	55% (55%)	Oilex NL (Operator)	30%
			Oilex NL Holdings (India) Ltd	15%
4	Asjol	50% (50%)	Hindustan Oil and Exploration Company Limited (Operator)	50%
5	Palej	50% (50%)	Exploration Hindustan Oil and Exploration Company Limited (Operator)	50%
		35% (35%)	Development Hindustan Oil and Exploration Company Limited (Operator)	35%
			Oil and Natural Gas Corporation Limited	30%
6	North Balol	45% (45%)	Hindustan Oil and Exploration Company Limited (Operator)	25%
			Gujarat Natural Resources Limited (GNRL)(Operator) (Formerly Heramec ltd.)	30%
7	Dholasan	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly as Heramec ltd.)	30%
8	North Kathana	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly Heramec ltd.)	30%
9	Kanawara	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly Heramec ltd.)	30%
10	Allora	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Operator) (Formerly Heramec ltd.)	30%
11	CB-ONN-2004/1 (Refer Note i)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
12	CB-ONN-2004/2 (Refer Note i)	45% (45%)	Oil and Natural Gas Corporation Limited (Operator)	55%
13	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited (Operator)	65%
14	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
15	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd Bengal Energy Inc.	40% 30%
16	CB-ONN-2009/4	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%



17	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Indian Oil Corporation Limited	20%
			Adani Welspun Exploration Ltd	20%
b	GSPC-Operated			
18a	Tarapur		Exploration	
		80% (80%)	Geo Global Resources (Barbados) Inc.	20%
			Development:	
		56% (56%)	Geo Global Resources (Barbados) Inc.	14%
			Oil and Natural Gas Corporation	30%
18b.	Tarapur - Extension phase (Refer Note g)	80% (80%)	Geo Global Resources (Barbados) Inc.	20%
19	Unawa	70% (70%)	Gujarat Natural Resources Limited (GNRL) (Formerly Heramec Ltd.)	30%
20a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%
20b	CB-ONN-2000/1 -(Extension phase)	50% (50%)	GAIL (India) Ltd	50%
21	CB-ONN-2002/3 (Sanand)	55% (55%)	Jubilant Enpro Private Limited	20%
			Hindustan Petroleum Corporation Limited	15%
			Geo Global Resources (Barbados) Inc.	10%
22	CB-ONN-2003/2 (Ankleshwar)	50% (50%)	GAIL (India) Ltd	20%
			Jubilant Enpro Private Limited	20%
			Geo Global Resources (Barbados) Inc.	10%
23	KG-OSN-2001/3 (Refer Note h)	80% (80%)	Jubilant Enpro Limited	10%
			Geo Global Resources (Barbados) Inc.	10%

*PI - Participating Interest

ii Blocks/Fields proposed for surrender

Sr No	Joint Venture/PSCs	GSPC's PI	Operatorship/Other Partner's PI	PI
a	Non Operated JVs			
1	MB-OSN-2000/1 (Mumbai) (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai) (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Ltd.	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note e)	60% (60%)	Jubilant Oil & Gas Pvt. Limited	30%
			Geo Global Resources (Barbados) Inc.	10%
4	CY-ONN-2002/1(Cavery) (Refer Note e)	20% (20%)	Jubilant Oil & Gas Pvt. Limited	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note e)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
6	CY-DWN-2004/1 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
7	CY-DWN-2004/2 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%



8	CY-DWN-2004/4 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
9 -*	CY-PR-DWN-2004/2 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
10 -*	KG-DWN-2004/1 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
11 -*	KG-DWN-2004/2 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
12 -*	KG-DWN-2004/3 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
13 -*	KG-DWN-2004/5 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
			Oil India Limited	10%
14	KG-DWN-2004/6 (Refer Note e)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
15 -*	MB-OSN-2004/2 (Refer Note e)	20% (20%)	Petrogas E&P LLC (Operator)	20%
			GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
16	CB-ONN-2004/4 (Refer Note e)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
17	RJ-ONN-2004/1 (Refer Note e)	22.225% (22.225%)	GAIL (India) Ltd	22.225%
			Hindustan Petroleum Corporation Limited	22.22%
			BPCL	11.11%
			Hallworthy Shipping Ltd. SA	11.11%
			Nitin Fire Protection Industries Ltd.	11.11%
18 -*	KG-OSN-2005/1 (Refer Note a)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			HPCL – Mittal Energy Ltd.	20%



19	KG-DWN-2005/1 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Indian Oil Corporation Limited	20%
20	KK-DWN-2005/2 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
21	AN-DWN-2009/5 (Refer Note d)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
22	AN-DWN-2009/13 (Refer Note d)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	80%
			GAIL (India) Ltd	10%
			NTPC Ltd	10%
23	AA-ONN-2003/1(Assam) (Refer Note a)	20% (20%)	Jubilant oil & Gas Pvt Limited (Operator)	10%
			Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%
24	CY-DWN-2004/3 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
25	CY-PR-DWN-2004/1 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
26	MB-OSN-2005/5 (Refer Note a)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
27	MB-OSN-2005/6 (Refer Note a)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
28	CB-ONN-2005/4 (Refer Note a)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
29	CB-ONN-2005/10 (Refer Note a)	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
30	JPDA-06-103 (Australia/East Timor) (Refer Note f)	20% (20%)	Oilex (JPDA 06/103) Ltd (Operator)	10%
			Global Energy	20%
			Bharat Petro Resources JPDA Ltd	20%
			Japan Energy Corporation	15%
			Pan Pacific Petroleum NL	15%
31-*	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	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			
32	South Diyur (Egypt)	80% (80%)	Alkor Petro Ltd	20%
33	North Hap'y (Egypt)	80% (80%)	Petrogas E&P LLC	20%
34	MB-OSN-2004/1 (Refer Note e)	20% (20%)	GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
			Western Drilling Contractors Pvt. Ltd.	30%
35	Block No 19 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
36	Block No 28 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
37	Block No 57 (Yemen) (Refer Note i)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
38	South Gulf of Suez (Egypt)	60% (60%)	Adani Welspun Exploration Ltd	40%
39	KG-ONN-2004/2 (Refer Note a)	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
40	RJ-ONN-2005/3 (Refer Note a)	60% (60%)	Oil and Natural Gas Corporation Limited	40%
41	South East Tungal (Indonesia) (Refer Note a)	50.50%(50.50%)	Essar Oil Ltd	49.50%

- a During the year the company along with its Joint Venture partners have recommended block KG ONN 2004/2, RJ ONN 2005/3, South East Tungal Indonesia, 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. Accordingly a total exploration cost of Rs.679.48 crores have been written off during the year.
- b During F.Y 2014-15, the company along with its Joint Venture partners have recommended block KG OSN 2005/1, KG DWN 2005/1 and KK DWN 2005/2 to be surrendered to Government of India. Accordingly a total exploration cost of Rs. 105.13 crores have been written off during the FY.2014-15.
- c During F.Y. 2014-15 the company along with its Joint Venture partners has decided to withdraw from South Diyur (Egypt) and South Gulf of Suez (Egypt) blocks and accordingly a total exploration cost of Rs.397.25 crores have been written off during F.Y.2014-15. During FY 2013-14 the company along with its Joint Venture partners has decided to withdraw from North Ha'py (Egypt) block.
- d During FY 2013-14 the company 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.
- e The company along with its Joint Venture 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 and BS (3)-CBM-2003/II to be surrendered to Government of India.
- f JPDA-06-103 block is being operated through a Special Purpose Vehicle (SPV) i.e. GSPC JPDA Ltd a 100% subsidiary of the company as per the terms of the PSC. During the year company has made provision for diminution in value of off its investments in the block amounting to Rs.97.39 crores.
- g Company has applied for the extension of exploration phase in Tarapur block and a separate Ring Fence PSC is to be signed under the review of MoPNG on grant of further extension.



h In August 2002, the Company entered into Carried Interest Agreement (CIA) with GeoGlobal Resources (India) Inc (GGR), under which the Company granted GGR a 10.0% carried interest in the KG-OSN-2001/3 block. The CIA provides that the Company is responsible for GGR's share of costs incurred during the exploration phase prior to the date of initial commercial production, and that the Company shall recover such costs from GGR's share of gas and oil upon the commencement of production. Accordingly Rs. 1,834.08 Crores is due from GGR and is shown in Note 16 - 'Long Term Loans and Advances'. The Company has issued Notice of Termination/Forfeiture of Participating Interest to GeoGlobal Resources (India) Inc (GGR). Vide letter dated August 18, 2010. As per the provisions of Joint Operating Agreement and Production Sharing Contract for the Block KG-OSN-2001/3, the Termination/Forfeiture of Participating Interest requires an amendment to the PSC. Any amendment to the PSC becomes effective only after the same has been approved by the Management Committee/Government of India. Accordingly, GSPC has submitted the proposal to DGH/Government of India in relation to amendment of PSC pursuant to termination of GGR's participating interest. The issue of amendment to the PSC and the response of DGH/Gol is still awaited. In view of above, forfeiture/termination of GGR's share of Participating Interest in favour of GSPC will be effective after the Management Committee approves the necessary amendments to Production Sharing Contract. Consequent upon DGH/MoPNG's approval declaring Geo Global Resources (India) Inc. (GGR) as defaulter in Production Sharing Contract for KG-OSN-2001/3, the participating interest of GGR will be transferred to the company. Subsequently it would not be possible for the company to recapitalise the amount of interest in future. Therefore, interest amounting to Rs.221.33 crores is capitalised on the contribution made by the company amounting to Rs. 1,834.08 crores as on 31st March, 2016.

i During the financial year 2012-13 the company 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, 29, 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\$ 42 million) issued in their favor by the International bank of Yemen;

- Arbitral Tribunal has awarded costs of approx. USD 3.79 million 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 has been placed on February 28, 2017. The Matter is sub-judice.

j During the F.Y. 2014-15 ONGC operated two fields namely CB-ONN-2004/1 and CB-ONN-2004/2 had commenced the commercial production.



k Of the above, 16 fields/blocks are in production, namely Hazira, Bhandut, Cambay, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dholasan, North Kathana, Kanawara, Allora, CB-ONN-2000/1 (Ahmedabad), Tarapur, CB-ONN-2003/2 (Ankleshwar), CB-ONN-2004/1 and CB-ONN-2004/2 block. Net quantity of Company's interest (on gross basis) in proved developed reserves is as follows:

Particulars	Proved Developed Reserves (Oil) (Million BBL)*	Proved Developed Reserves (Gas) (Billion Cubic Feet)
Beginning of the Period	10.12	9.11
	(9.90)	(10.88)
Additions	-	-
	(0.51)	-
** Adjustments on account of change in Reserve estimate	(6.24)	(0.17)
Deletions	-	-
	-	-
Production	0.29	1.54
	(0.29)	(1.77)
Closing Balance for the year ended on 31.03.2016	3.59	7.40
	(10.12)	(9.11)

*Figures in brackets relate to previous year

The Company's share of reserve has been considered on the basis of the "Reserve" certification provided by M/s. Gaffney, Cline & Associates (GCA) as on 31st August, 2015 and accordingly the reserves as on 31st March, 2016 has been worked based on the reserve estimates certified by GCA and only includes the blocks which are in production.

** Adjustments on account of change in reserve estimate reflects the change in reserve estimation due to change in the reserves as certified by GCA. Wherein till previous year the reserve estimates for Cambay block was taken based on the management estimates while in the current year the same is based on the GCA certification.

The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture operations which are accounted on a line to line basis with similar items in the Company's accounts to the extent of participating interest of the company as per the various joint venture agreements, in compliance of AS-27. The income and expenditure from Joint Ventures are disclosed separately in the Statement of Profit and Loss. The summary of the Company's share in Assets & Liabilities of Joint Ventures are as follow:

PARTICULARS	Rs. In crores	
	As on 31-03-2016	As on 31-03-2015
Fixed Assets		
Gross Block	2,139.81	1,815.24
Depreciation/Depletion Fund	1,720.34	1,184.70
Net Block	419.46	630.54
CWIP*	15,663.03	15,696.17
Current Assets	133.02	233.28
Current Liabilities and Provisions	505.09	439.09
Contingent Liabilities	1,946.09	1,914.19

*includes stores & spares



- m The Statement of Profit and Loss of the Company includes its share in Profit or Loss pertaining to the respective Joint Ventures. The summary of Statement of Profit and Loss for the year ended 31st March 2016 is given as under:

PARTICULARS	Rs In crores			
	2015-16		2014-15	
	Aggregate of all JVs	GSPC's Share	Aggregate of all JVs	GSPC's Share
INCOME				
Sale of Crude Oil	134.89	70.27	206.08	108.05
Sale of Gas	54.42	29.71	97.78	38.65
Increase/(Decrease) in Stock	(3.91)	(1.87)		(1.33)
Other Income	10.46	6.91	10.87	7.14
Total	195.86	105.02	314.73	152.51
EXPENDITURE				
Production Expenses	89.38	52.72	62.43	41.06
Duties & Taxes	23.72	10.91	58.50	28.91
Administrative exps.	21.94	13.54	30.51	15.10
Total Expenditure before Depreciation	135.04	77.17	151.44	85.07
PROFIT BEFORE DEPRECIATION	60.82	27.85	163.29	67.44

*It includes increase/ (decrease) in stock of crude oil of Hazira Field amounting to INR (0.33) crore. The same is not considered in closing stock of crude oil, in line with Joint Venture Venture's accounting policy where the company's share in net current assets is adjusted in the capital contribution adjustment account.

- 37 The Company has neither accepted nor renewed any fixed deposits from the public since June, 2001 as per Companies (Acceptance of Deposits) Rules, 2014 u/s 73 of the Companies Act, 2013. There is no amount outstanding, which is required to be credited to Investor Education and Protection Fund.

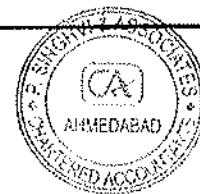


38 SEGMENT INFORMATION:

In compliance of Accounting Standard 17 on "Segment Reporting" issued by Institute of Chartered Accountants of India, the company has adopted following Business Segments as its reportable segment.

- a) E & P
b) Gas Trading
c) Power Generation
d) Gas Transmission
e) City Gas Distribution
f) Internet, IT & LNG

									In crores
I	2015-16								
Sr. No.		E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Gas Internet, IT and LNG	Unallocated	Total
1	Revenue								
	External Sales	104.30	10,506.80	748.89	1,066.28	5,954.67	21.51	-	18,402.45
	Inter Segment Sales	(4.39)	(4,016.06)	-	(225.22)	-	(1.18)	-	(4,246.85)
	Total Revenue	99.91	6,490.74	748.89	841.06	5,954.67	20.33	-	14,155.60
2	Results								
	Segment Results								
	Profit(+)/Loss(-)	(117.71)	373.32	85.28	704.81	233.20	5.82	-	1,284.72
	Unallocated Other Income	-	-	-	-	-	-	(181.11)	(181.11)
	Operating Profit	(117.71)	373.32	85.28	704.81	233.20	5.82	(181.11)	1,103.61
	Interest/Dividend	-	-	-	-	-	-	146.47	146.47
	Other Income	6.92	-	-	-	-	-	15.13	22.04
	Exceptional Items	(1,186.78)	-	-	-	-	-	(25.62)	(1,212.40)
	Provision for Taxation	-	-	-	-	-	-	(259.71)	(259.71)
	Prior period adjustments	-	-	-	-	-	-	(0.06)	(0.06)
	Profit/Loss from Ordinary Activities	(110.79)	373.32	85.28	704.81	233.20	5.82	(1,491.68)	(200.05)
	Excess / Short Prov of IT	-	-	-	-	-	-	3.98	3.98
	Deferred Tax	-	-	-	-	-	-	(38.96)	(38.96)
	Net Profit/(Loss)	(110.79)	373.32	85.28	704.81	233.20	5.82	(1,526.66)	(235.02)
3	Other information								
	Segment Assets	27,064.63	538.56	2,840.87	4,494.11	6,074.97	77.57	-	41,090.71
	Unallocated Assets	-	-	-	-	-	-	1,893.94	1,893.94
	Total Assets	27,064.63	538.56	2,840.87	4,494.11	6,074.97	77.57	1,893.94	42,984.65
	Segment Liabilities	22,523.44	125.72	1,982.16	605.49	3,972.20	33.68	-	29,242.69
	Unallocated Liabilities	-	-	-	-	-	-	1,578.52	1,578.52
	Total Liabilities	22,523.44	125.72	1,982.16	605.49	3,972.20	33.68	1,578.52	30,821.21
	Capital Expenditure (Cost to Acquire FA incl CWIP)	3,051.00	-	128.52	285.98	443.22	-	10.23	3,918.95
	Depreciation	138.52	-	183.70	158.40	247.85	0.31	11.07	739.85
	Non Cash Expenses other than Depreciation	1,186.78	3.78	-	-	-	-	6.95	1,197.51



In the year 1998-99, the Hazira joint venture started the construction of 36" pipeline with a view to evacuate the natural gas production expected from the new Land Based Drilling Platform to major industrial customers lying on the 14 km stretch from Hazira to Mora. The joint venture pursued the Management Committee for approval of the laying of the pipeline and shifting of the delivery point (since no delivery point was defined for natural gas in Hazira PSC), to which DGH/ Government of India ('GoI') did not agree for several reasons including but not limited to the reserves, size of the pipeline etc.

In the year 1999-2000, the Company sold this pipeline to its subsidiary company, Gujarat State Petronet Limited (GSPCL) for a consideration of Rs.49.50 Crores on as is where is basis. However the joint venture partner M/s. Niko Resources initiated arbitration proceedings against the company and GoI for seeking cost recovery of the said 36" pipeline and settlement of the dispute under PSC.

Arbitral Tribunal has passed its award dated 23rd December, 2009. As per the Arbitration Award, the pipelines forms part of the development plan of the joint venture and 'cost recovery' status is applicable to it as per PSC. It is further directed in the Award that the investment multiple ratio and the accounting of profit petroleum be revised with retrospective effect.

The impact of the arbitration award has been given in the audited joint venture accounts for the year ended 31-March-2010 as under:

Particular	In crores	
	Corresponding effect on	Amount
Pipeline Revenue	Sundry debtors	137.97
Profit Petroleum to MOP&NG (reversal)	Advances recoverable in cash or kind or value to be received	93.44
Plant & machinery (incurred by joint venture)	Producing properties in progress	25.71
Plant & machinery (additionally incurred by GSPCL)	Other liabilities	70.35
Pipeline expenses (direct & indirect operating expenses)	Other liabilities	65.74

The above mentioned impact of the award is based on the computation performed by the operator M/s Niko Resources. Moreover as per the Arbitration Award, GoI is liable to pay interest at the rate of 9% p.a on the amount of profit petroleum refundable to joint venture from 31/3/2003 till date of payment. The above figures with respect to 36" pipeline for the year 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 have not been updated.

Subsequently, the arbitration award has been challenged by the Government of India under Section 34 of the Arbitration and Conciliation Act, 1994 before the Delhi High Court. The High Court of Delhi has set aside the Arbitration Award vide its Order and Judgment dated July 2, 2012 resulting into cost-recovery in respect of the pipeline being disallowed. However, NIKO has preferred a further appeal u/s 37 of the Arbitration and Conciliation Act, 1994 before the division bench of the Delhi High Court. NIKO had also prayed for stay on the Judgment of Single Judge of Delhi High Court however no such stay has been granted. Accordingly, the issue of cost recovery for the pipeline is still sub-judice. Further, the Arbitral Award is still not final in terms of Section 36 of the Arbitration and Conciliation Act, 1994 and in view of the same, the Company has not considered the Arbitration Award and directions under the same as aforesaid while consolidating the Joint Venture accounts on a line by line basis.



40 RELATED PARTY TRANSACTIONS:

Related Party Disclosures

As per the Accounting Standard-18 on 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

- 1 Associate Companies - Gujarat State Energy Generation Limited, Sabarmati Gas Company Ltd, Alcock Ashdown (Gujarat) Limited, GSPC LNG Ltd
- 2 Joint Ventures & Ventures* - As per Note No. 36 of Notes forming part of Financial Statements.

3 Key Managerial Personnel:

Name of Key Managerial Personnel	F.Y. 2015-16		F.Y. 2014-15	
	From Date	To Date	From Date	To Date
Shri Atanu Chakraborty, IAS	04-01-15	31-03-16	11-01-14	31-03-15
Shri Tapan Ray, IAS	N.A.	N.A.	04-01-14	30-03-14
Shri Manoj Kumar Das, IAS	04-01-15	27-04-15	07-08-14	31-03-15
Shri Manish Verma (CFO)	N.A.	N.A.	04-01-14	16-03-15
Shri Gopal Srinivasan (CFO)	08-01-15	31-03-16	N.A.	N.A.
Shri Sandeep Dave (Company Secretary)	04-01-15	31-03-16	04-01-14	31-03-15
Shri PPG Sharma (CEO, GGL)	01-04-15	01-03-16	01-04-14	31-03-15
Shri Nitin Patil (I/C CEO, GGL)	02-03-16	31-03-16	-	-

4 Relative of Key Managerial Personnel :

Ms. P Subbalakshmi- Relative of Mr PPG Sharma (up to 01.03.2015)

Nature of Transaction	Associates		Joint Ventures / Venturers		KMP		Relative of KMP		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-16	2016-16	2014-15	2015-16	2014-16
Income:										
Sale of LNG	228.04	327.60	1,929.89	1,325.16	-	-	-	-	2,158.03	1,652.86
CNG Sales	-	0.01	-	-	-	-	-	-	-	0.01
PNG Gas Sales	-	23.41	-	-	-	-	-	-	-	23.41
Sale of Capital Goods	-	0.53	-	-	-	-	-	-	-	0.53
Gas Transportation Income	-	2.21	-	-	-	-	-	-	-	2.21
Other Income	-	0.01	-	-	-	-	-	-	-	0.01
Rent received	-	0.18	-	2.24	-	-	-	-	-	2.40
Interest received on Investments	0.55	20.42	-	-	-	-	-	-	0.55	20.42
Dividend received	-	0.45	1.80	-	-	-	-	-	1.80	0.45
Profit Petroleum Received	4.60	-	-	-	-	-	-	-	4.60	-
Reimbursement for expenses made	0.88	-	-	-	-	-	-	-	0.88	-
Reimbursement received for expenses	-	-	-	-	-	-	-	-	-	-
Management Fees	-	-	0.20	-	-	-	-	-	0.20	-
Purchase of Gas	-	-	1,891.27	3,130.48	-	-	-	-	1,891.27	3,130.48
Annuity & Meter validation charges	-	-	-	-	-	-	-	-	-	-
Gas Transportation Charges paid	-	0.63	0.64	-	-	-	-	-	0.64	0.63
CNG Purchased	-	32.63	137.11	-	-	-	-	-	137.11	32.63
Interest on OGDs paid	0.30	-	-	-	-	-	-	-	0.30	-
Dividend Paid	-	-	0.01	-	0.21	-	-	-	0.22	-
Rent Expense	-	-	-	-	-	-	-	0.04	-	0.04
Remuneration to Managing Director	-	-	-	-	-	1.04	-	-	-	1.04
Sitting Fees	-	-	-	-	-	-	-	-	-	0.03
Debtors	44.69	135.87	0.91	87.77	-	-	-	-	45.60	223.64
Advance/Receivables	-	12.41	-	2,006.62	-	0.00	-	-	-	2,019.03
Payable	-	3.20	-	87.31	0.00	-	-	-	0.00	100.51
Investment in Share Capital (Allotment)	1.10	140.29	-	-	-	-	-	-	1.10	140.29
Inter Corporate Loan	-	200.00	-	-	-	-	-	-	-	200.00
Advance for Investment (Pending Allotment)	-	89.00	-	-	-	-	-	-	-	89.00
Deposits(Liability)	-	0.12	-	-	-	-	-	-	-	0.12

*During the Current Year, the Company has paid Rent of Rs.NIL (previous year Rs.3,80,000) for hiring residential premises from Ms. P Subbalakshmi.



41 MSME DISCLOSURES:

Information in respect of Micro, Small and Medium Enterprise Development Act, 2006 the company has sought confirmation from the vendors, whether they fall in the category of micro, small and medium enterprise as on the Balance Sheet date. Basen on the information available the required disclosure are given below.

Particulars	₹ in crores	
	2015-16	2014-15
Principal amount remaining unpaid as at the end of accounting year	15.94	4.52
Interest paid by the company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest accrued and remaining unpaid at the end of accounting year	0.01	0.02
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small	-	-

42 LEASES:

Assets given on lease

Leasing operations of the company mainly involved leasing of gas based generator sets.

Assets on finance lease:

Under finance lease arrangements, the lease agreements had been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

Company has entered into irrevocable finance lease arrangements for office space at Infocity, Gandhinagar, for an upfront one time consideration of Rs. 0.23 crores and freehold premium payable at the end of 62 years Rs. 0.02 crores. Total minimum lease payments at the end of 62 years amounting to Rs. 0.02 crores is reflected under Other Liabilities.

Assets on operating lease:

The Company has entered into operating lease arrangements for office space (Points of Presence - 'POP') at various locations in Gujarat for supply of bandwidth to its customers. These lease arrangements provide for cancellation by either party subject to a notice period of one month. Lease payments on cancellable operating lease arrangements debited to the profit and loss are summarized below:

Particulars	₹ in crores	
	2015-16	2014-15
Lease payments debited to the profit and loss account		
- Cancellable operating leases	0.22	0.25
Total	0.22	0.25

43 EARNINGS PER SHARE:

The basic/diluted earning per equity share is calculated as stated below :

Particulars	2015-16	2014-15
Net Profit After Tax (INR In Crores)	(615.86)	201.59
Basic EPS:		
Weighted average numbers of equity shares	2,529,180,780	2,476,984,372
Basic Earnings Per Share (INR)	(2.44)	0.81
Diluted EPS:		
Weighted average numbers of equity shares	2,597,082,015	2,544,885,607
Diluted Earning per Share(INR)	(2.37)	0.79
Nominal Value per share (INR)	1	1



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44 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 INR 140 Crs. Accordingly, GSPC has opened and deposited equivalent amount in a separate bank account.

ii. From the date of change of delivery point, GSPC shall open a separate bank account and deposit the Interconnectivity Charges. Accordingly company had deposited INR 78.24 crore 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 has 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 INR 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) above. The appeal is pending before the Hon'ble Supreme Court.

45 In case of balances of Joint Venture 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.

46 EMPLOYEE STOCK OPTION PLAN 2008:

GGL

GGL (now merged in GGL) implemented an Employee Stock Option Plan 2008 ("ESOP 2008") which provides for the allotment of equity shares of Rs. 2 /- each to eligible employees of the holding Company and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Group, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme. For the 12 months ended on 31st March 2016, there are no purchases from the market.

Pursuant to the above scheme, the Group has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of the holding Company and its subsidiaries. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved by board of directors and shareholders. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.

% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ("First Vesting Date")
50%	75%	on expiry of three years from their Grant date ("Second Vesting Date")
25%	100%	on expiry of four years from their Grant date ("Third Vesting Date")

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

Details of movement under the Stock option plan for the year ended 31 March, 2016 is as follows:

Particulars	Year Ended 31-03-2016		Year Ended 31-03-2015	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	25,500.00	334.00	245,250.00	303.00
Add: Options granted during the year	-	-	11,250.00	335.00
Less: Options forfeited during the year	-	-	-	-
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	12,500.00	337.00	208,500.00	298.00
Options outstanding at end of the year	13,000.00	332.00	25,500.00	334.00



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GSPL

ESOP 2005 Scheme:

During the Financial Year 2005-06, GSPL instituted ESOP-2005. The Board of Directors and the Shareholders approved the plan in the meeting held on 13-Oct-05 and 18-Oct-05 respectively, which provides for the issue of 23,27,940 equity shares to the employees of the company and of Gujarat State Petroleum Corporation Ltd. The Compensation Committee administers ESOP-2005. These ESOPs are granted at an exercise price of Rs. 14 per share to be vested equally over the period of four years and to be exercised within a period of five years from the date of vesting.

ESOP 2010 Scheme:

During the Financial Year 2010-11, GSPL 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.

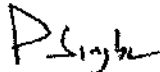
No. of options reserved for issue (No. of options in force) under both ESOP 2005 & ESOP 2010 is as follows:

Particulars	31.03.2016	31.03.2018
ESOP 2005 Scheme	2	2
ESOP 2010 Scheme	883,694	1,392,788
Total	883,696	1,392,790

- 47 Based on Transaction Audit by M/s. KPMG, appointed by internal committee for investigation and Preliminary Investigation carried out by Government of Gujarat, financial irregularities relating to Delhi Office of GSPC were observed. The Audit Committee has also taken note of the same vide its minutes of meeting held on 03.03.2016. No provision has been made by the Company as the liability, if any, is unascertainable at this point of time. The matter is under investigation.
- 48 In view of the general clarification issued by the Institute of Chartered Accountants of India on Accounting Standard 21 "Consolidated Financial Statements", the consolidated financial statements do not include notes such as quantitative information, forex earnings/expense etc. which are not necessary to present true and fair view of the financial statements.

As per our report of even date attached

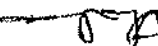
For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

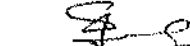

(Praveen Singhvi)
Partner
M. No. 071608




Date: May 30, 2016
Place: Gandhinagar

For and on behalf of the Board of Directors


G. R. Aloria, IAS
Chairman
DIN :02913711


Sandeep Dave
Company Secretary

Date: May 30, 2016
Place: Gandhinagar


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


Gopal Srinivasan
Chief Financial Officer

