



Independent Auditor's Report on the Audit of Ind AS Financial Statements of Gujarat State Energy Generation Limited for the financial year ended 31st March, 2026

To
The Members of
Gujarat State Energy Generation Limited
(CIN: U25199GJ2007PLC051364)

Opinion

We have audited the accompanying Ind AS Financial Statements of **Gujarat State Energy Generation Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2026**, the Statement of Profit & Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, and its loss and other comprehensive Loss, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Ind AS Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IND-AS Financial statement.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS Financial Statements and our auditor's report thereon.



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Corporate Office :

Pipara Corporate House,
Near Bandhan Bank Ltd.,
Netaji Marg, Law Garden,
Ahmedabad - 380006
Gujarat, India

Mumbai Office :

#3, 13th Floor, Tradelink,
'E' Wing, A-Block,
Kamala Mills, Senapati
Bapat Marg, Lower Parel,
Mumbai - 400 013, India

New York Office :

1270, Ave of Americas,
Rockefeller Center, FL7,
New York - 10020
USA +1 (646) 387 - 2034

Delhi Office :

Green Park Desq Work,
Gate No. 1, 49/1 Yusuf Sarai,
Near Green Park Metro Station,
Delhi - 110016.
India

Contact :

T: 91 79 40 370370
F: 91 79 40 370376
E: pipara@pipara.com
info@pipara.com
www.pipara.com

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including other comprehensive Loss), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and other accounting principles generally accepted in India.

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 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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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



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

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

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

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

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



Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Comptroller and Auditor General of India through directors / sub-directions / sub-directions issued under Section 143(5) of the Companies Act, 2013 we give our report in the attached "Annexure 1 & 2".
3. 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 purpose of our audit of the aforesaid Ind AS financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance sheet, the Statement of Profit and Loss (including other Comprehensive Loss), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2026 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. We have also audited the internal financial controls with reference to the Ind AS financial statements of the Company as on 31st March, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date; With Respect to the Adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls with reference to Ind AS Financial Statement.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, (as amended):

The Company being government company provisions of section 197(16) of the Act is not applicable to the company.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in Note No. 37 of its Ind AS financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for-which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2026;
- iv. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note no. 48, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- v. The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note no. 48, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- vi. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (iv) and (v) above, contain any material misstatement.
- vii. The company has not declared or paid any dividend during the year refer Note No. 47.
- viii. In our opinion and according to the information and explanations given by the management and based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has been operational throughout the year for all relevant transactions recorded in the software. Further, in our opinion and basis the management representation during the course of our audit, we did not come across an instance of audit trail feature being tempered with.

Date: 02-05-2026

Place: Ahmedabad



For, Pipara & Co LLP
Chartered Accountants
(FRN:107929W/W100219)

Naman Pipara

Naman Pipara
Partner

M.No.140234

UDIN: 26140234OYKAXQ8462

Annexure A to the Independent Auditor's Report of Gujarat State Energy Generation Limited (for the year ended 31st March, 2026)

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report to the members of Gujarat State Energy Generation Limited on the Ind AS Financial Statements for the Year ended 31st March, 2026

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. a) A. The Company is maintaining register for property, plant and equipment.
B. The company is maintaining register of Intangible assets.
C. As explained to us the company has program of verification to cover all the items of property plant and equipment in once in three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain assets were physically verified by the management during Financial Year 2023-24.
D. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has taken land on 99 years lease from GIDC. The property where the company is lessee the lease agreements are duly executed in favor of the company are held in the name of the company.
E. The company has not revalued any of its Property, Plant and Equipment (including right -of-use assets) during the year.
F. According to the information and explanations given by Management and on the basis of examination of the records of the Company, no proceedings have been initiated during the year or are pending against the company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2020) and rules made there under.
- ii. a) According to the information and explanations given to us physical verification of inventory has been conducted once a year by the management. In our opinion and according to the explanation given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the company and the nature of its operations. No discrepancies were noticed on such physical verification of inventories when compared with the books of accounts.
b) According to the information and explanations given to us, the company has been sanctioned working capital limit exceeding five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with banks, we have observed that there are differences and details of which are as under. Please refer note 45 of the financial statement for the same.



(Amount in INR Lakhs)

Quarter	Name of Bank / FI	Particulars of Security Provided	Amounts as per the Books of Accounts	Amounts as reported in the Quarterly Return Statement	Amounts of Difference	Reason for material discrepancies
Jun-25	Bank of Baroda	Stocks and Book Debts	10,873.34	10,873.34	-	
Sep-25	Bank of Baroda	Stocks and Book Debts	11,531.02	11,531.02	-	
Dec-25	Bank of Baroda	Stocks and Book Debts	5,595.00	5,650.59	(55.59)	Quarterly Stock and Book Debt statement are submitted based on unaudited figures.
Mar-26	Bank of Baroda	Stocks and Book Debts	9,666.36	9,366.36	300.00	GUVNL has adjusted excess amount given.

- iii. In respect of the investments in, provided any guarantee or security and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other Parties during the year:
- The company has not provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence clause 3(iii)(a) of the Companies (Auditor's Report) Order, 2020 is not applicable.
 - According to the information and explanation given to us and on the basis of records examined by us, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
 - According to the information and explanation given to us and on the basis of records examined by us for loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the payments or receipts are regular.
 - According to the information and explanation given to us and on the basis of records examined by us, the company has recovered principal and interest on time.
 - There are no loans or advances in the nature of loan granted, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
 - According to the information and explanation given to us and on the basis of records examined by us, the company has granted staff advances with specific terms of repayment.
- iv. According to the information and explanations given by the management the company has complied with the provisions of section 186 of the company Act 2013 in respect of making investments. Further company has not given any Guarantee or provided any security covered under section 185 of Companies Act 2013.
- v. The Company has not accepted any deposits. Hence, reporting under clause 3(v) of the order is not applicable.



- vi. We have broadly reviewed the books of accounts 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. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) The company does not have liability in respect of Service Tax, Duty of excise, Sales Tax, and Value added Tax during the Year since effective from 1 July 2017, these statutory dues has been subsumed into Goods and Service Tax.

According to information and explanations given by the management and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of custom, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amount payable in respect of Goods and Service tax, provident fund, employees' state insurance, income-tax, duty of custom, Cess and other material statutory dues in arrears as at March 31, 2026 for period of more than six months from the date they became payable.

- b) Details of Statutory dues referred in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

(Amount in INR)

Name of statute	Nature of Dues	Authorities where dispute is pending	Period to amount relates	Amount
Income Tax Act, 1961	Income Tax	High Court	A.Y. 2002-03	2,43,117
Income Tax Act, 1961	Income Tax	High Court	A.Y. 2004-05	1,90,75,937
Income Tax Act, 1961	Income Tax	High Court	A.Y. 2005-06	4,38,83,619
Income Tax Act, 1961	Income Tax	High Court	A.Y. 2010-11	3,22,34,890
Income Tax Act, 1961	Income Tax	CIT(A)	A.Y. 2017-18	85,18,170
Total				10,39,55,733

- viii. In our opinion and according to the information and explanations given by the management, the Company has not surrendered or disclosed as income any transaction not recorded in the books of accounts during the year in the tax assessments under Income Tax Act, 1961
- ix. a) The Company has not availed any funds from any Bank, financial institution, or any other entities. Hence reporting on clause 3(ix)(a) of the Order is not applicable.
- b) According to the information provided by the management, the company has not been declared as a willful defaulter by any bank or financial institution or any government authority.
- c) The Company has not taken loan from any Bank, financial institution, or any other entities during the year. Hence reporting on clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purpose by the Company.



- e) On overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised any loans during the year on pledge of securities held in its subsidiaries, associates or joint venture and therefore reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a) The company has not raised money by way of Initial Public Offer or further public offer (including debt instruments) during the year and hence reporting under clause 3 (x)(a) of the order is not applicable to the company.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a) Based on the information and explanations given by the management, no material fraud by the company or no material fraud on the company has been noticed or reported during the year.
- b) Owing to (xi)(a), report under sub-section (12) of section 143 of the Companies Act, 2013 is not required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
- c) No whistle-blower complaints have been received during the year by the company as represented to us by the management.
- xii. In our opinion and according to the information and explanations given by the management, the Company is not a Nidhi Company as per the Nidhi Rules, 2014. Accordingly, the provisions of the paragraph 3 clause (xii) of the order are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the financial statements in note no. 35 as required under IND AS 24, Related Party Disclosures specified under section 133 of the Companies Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given by the management and based on our examination of the records of the company, the Company, during the year has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 do not apply to the company
- xvi. a) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a), (b), and (c) of the Order are not applicable.



- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses of INR 2,676.80 lakhs during the current financial year and has not incurred cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the company during the year and accordingly the provisions of paragraph 3(xviii) of the Order are not applicable to the Company.
- xix. In our opinion and according to the information and explanations given by the management and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. a) The company is not required to spend any amount towards Corporate Social Responsibility (CSR) and thus there are no unspent CSR amount on other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in accordance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year, refer note no 43.
- b) There is no such amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which has been required to be transferred to special account in compliance with the provision of subsection (6) of section 135 of the said Act; refer note no 43.
- xxi. The said clause of CARO, 2020 requiring commenting on qualifications or adverse remarks by the respective auditors in CARO Report of the companies included in Consolidated Financial Statements is not applicable to the company as the company has no subsidiaries, joint ventures and associates.

Date: 02-05-2026

Place: Ahmedabad



For, Pipara & Co LLP
Chartered Accountants
(FRN:107929W/W100219)

Naman Pipara

Naman Pipara
Partner
M.No.140234
UDIN: 26140234OYKAXQ8462

Annexure B to the Independent Auditor's Report

Referred to in paragraph 3(f) under the heading 'Report on other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Gujarat State Energy Generation Limited on the financial statements for the year ended March 31, 2026

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

We have audited the internal financial controls over financial reporting of **Gujarat State Energy Generation Limited** ("the Company") as of **March 31, 2026** in conjunction with our audit of the Ind AS 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit.

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

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

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



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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the criteria for internal financial control over financial reporting 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.

Date: 02-05-2026

Place: Ahmedabad



For, Pipara & Co LLP
Chartered Accountants
(FRN:107929W/W100219)

Naman Pipara

Naman Pipara
Partner
M.No.140234

UDIN:26140234OYKAXQ8462

Gujarat State Energy Generation Limited

CAG's directions to statutory auditor under Section 143(5) of the Companies Act, 2013 applicable to the financial statements of Government companies for the year 2025-26

Annexure - 1

Sr. No.	Questionaries	Response/ Remedial Measure
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	<p>The Company has post-retirement benefit obligations in the nature of gratuity and leave encashment. The gratuity scheme is managed through an insurer (LIC Of India) and the underlying investments are valued based on the net asset value (NAV) provided by the insurer. Leave encashment being an unfunded scheme, no related investments are held.</p> <p>The valuation of plan assets and obligations has been considered in the actuarial valuation reports as at March 31, 2026 and is in line with Ind AS 19.</p> <p>Based on the review of actuarial reports and supporting documents, the valuation methodology is considered reasonable and no material misstatements have been observed.</p>
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organizations empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the	<p>Yes, the company has system in place to process all the accounting transaction through IT System. Accounting transactions are generally not processed outside IT system.</p> <p>The IT infrastructure and related controls, including cybersecurity, are centralized and managed at the group level by Gujarat State Petroleum Corporation (GSPC). GSPC takes</p>



Sr. No.	Questionaries	Response/ Remedial Measure
	accounts along with the financial implications may also be reported	<p>charge of reviews, audit by CERT-In entities etc.</p> <p>We were explained by the management of GSEG:</p> <p>The system and controls are subject to periodic review, including audit by Information Security Auditing Organizations empanelled with CERT-In.</p> <p>We have been provided VAPT Audit Report prepared by Phoenix Techno Cyber (a CERT-in Empaneled Organization) for audit of data/IT assets of GSPC Group carried out during December 2023. No material discrepancies have been reported in this Audit Report.</p>
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilized as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	Not Applicable
4	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	<p>The Company has identified and represented the following key risk areas, primarily relating to financial risks such as liquidity risk, market risk, currency risk, interest rate risk, and price risk as referred to in note 42 of the notes to accounts.</p> <p>Liquidity risk is managed through available credit facilities from Bank of Baroda. While market, currency, and interest rate risks are largely mitigated</p>



Sr. No.	Questionaries	Response/ Remedial Measure
		<p>due to the terms of the Power Purchase Agreement (PPA) with Gujarat Urja Vikas Nigam Limited. Price risk arising from investments is monitored and managed by the management.</p> <p>a) The company follows robust and efficient risk management system for identifying, assessing, and mitigating risks that could impact the company's operations, profitability, and long-term sustainability. The Board directly interact with Department Heads to review risk mitigation from time to time. Audit Committee is responsible for the evaluation of internal financial controls and risk management systems. Each HOD (e.g., Plant Operations, Finance/ CFO, HR, Commerce Dept., Legal & Compliance) is looking after risk management for their respective departments. They are responsible for identifying real-time risks and briefing the Departmental Risk to the Board of Directors at Board Meeting and Audit Committee from time to time. It involves review of existing material risks and identifies new industry-specific threats.</p> <p>b) With respect to data assets, the Company has identified certain IT infrastructure assets (such as servers, firewall, and security systems), which are centralized and managed at the group level by Gujarat State Petroleum Corporation. Data assets have been Valued appropriately in the Financial Statement.</p>



Sr. No.	Questionaries	Response/ Remedial Measure
5	<p>Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.</p>	<p>The Company is an unlisted entity engaged in power generation and a subsidiary of a Government Company (Gujarat State Petroleum Corporation Limited, which is a unlisted Company) and accordingly The SEBI (LODR) Regulations issued by Securities and Exchange Board of India are not applicable.</p> <p>Applicable requirements of Ministry of Corporate Affairs have been complied with.</p> <p>Other regulations are not applicable to the company.</p> <p>IT and cybersecurity compliances, including those of CERT-In are managed at the group level by Gujarat State Petroleum Corporation. No instances of non-compliance have been reported.</p>



Annexure - 2

Sector specific Sub-direction under Section 143(5) of the Companies Act, 2013

Power Sector – General

Sr. No.	Questionaries	Response/ Remedial Measure
1	Adequacy of steps to prevent encroachment of idle land owned by Company may be examined. In case land of the Company is encroached, under litigation, not put to use or declared surplus, details may be provided.	There is no idle land which was owned by the company hence Not Applicable.
2	Where land acquisition is involved in setting up new projects, report whether settlement of dues done expeditiously and in a transparent manner in all cases. The cases of deviation may please be detailed.	Not Applicable
3	Whether the Company has an effective system for recovery of revenue as per contractual terms and the revenue is properly accounted for in the books of accounts in compliance with the applicable Accounting Standards?	The company has PPA with GUVNL defining terms of revenue. Company is booking revenue as per terms of agreement, kind attention is drawn towards Note 24 and Note 1 (P) of the financial statements.
4	How much cost has been incurred on abandoned projects and out of this how much cost has been written off?	Not Applicable



Power Sector – Generation

Sr. No.	Questionaries	Response/ Remedial Measure
1	In the cases of Thermal Power Projects, compliance of the various Pollution Control Acts and the impact thereof including utilisation and disposal of ash and the policy of the company in this regard, may be checked and commented upon.	<p>Company is having Gas base Power Plant. As per the High Court Order, Payment of Green Cess was discontinued from February, 2013. As per honorable Supreme Court order, company has shown Green Cess of Rs. 824.95 Lacs (Previous year: Rs. 784.43 Lacs) within contingent liabilities as stated above. However, the same is recoverable from GUVNL under PPA.</p> <p>Further the Company is generally compliant with various pollution control Acts.</p>
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?	The Company does not have any revenue sharing agreement.
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?	The Company does not own/ operate a coal based generating facility.
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?	Principal revenue generation of the company is governed by the Power Purchase Agreement/s with GUVNL.
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.	The Company does not own/ operate a hydroelectric power generation facility.



GUJARAT STATE ENERGY GENERATION LIMITED
Standalone Balance sheet as at March 31, 2026

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
I. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	50,251.47	53,332.17
(b) Right of use asset	2A	1,863.13	1,887.95
(c) Capital work-in-progress	2B	566.46	911.04
(d) Other Intangible assets	3	2.47	2.47
(e) Financial Assets			
(i) Investments	4	4,093.29	5,493.47
(ii) Loans	5	3.75	5.58
(iii) Other financial assets	6	260.34	267.16
(f) Other non-current assets	7	685.75	653.18
Total non current assets		57,726.67	62,553.02
(2) Current Assets			
(a) Inventories	8	6,345.25	5,441.87
(b) Financial Assets			
(i) Trade receivables	9	1,672.82	10,899.28
(ii) Cash and cash equivalents	10	11,003.51	9,658.87
(iii) Bank balances other than (ii) above	10	1,859.73	-
(iv) Loans	11	2.18	4.52
(v) Other financial assets	12	1,167.84	7,822.53
(c) Other current assets	13	236.96	152.75
(d) Assets classified as held for sale	14	0.00	0.55
Total current assets		22,288.30	33,980.37
TOTAL ASSETS		80,014.96	96,533.39
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	66,152.80	56,870.38
(b) Other equity	16	(3,416.61)	5,323.99
Total equity		62,736.20	62,194.37
(2) Non current liabilities			
(a) Provision	17	174.83	186.79
(b) Deferred tax liabilities (net)	18	310.02	2,280.70
Total non current liabilities		484.85	2,467.49
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings			
(ii) Trade payables	19	295.03	7,864.06
(iii) Total outstanding dues of Micro, Small and Medium enterprises.	20	166.90	186.80
(iv) Total outstanding dues of creditors other than Micro, Small and Medium enterprises.	20	528.82	5,450.37
(iii) Other financial liabilities	21	15,705.20	18,266.56
(b) Other current liabilities	22	48.71	55.96
(c) Provision	23	49.25	47.77
Total Current liabilities		16,793.92	31,871.53
Total liabilities		17,278.77	34,339.02
TOTAL EQUITY AND LIABILITIES		80,014.96	96,533.39

Material Accounting Policies and Notes to Accounts
The above referred Notes and policy are integral parts of the Financial Statements.
As per our report of even date attached

For, PIPARA & CO LLP
Chartered Accountants
FRN No. 107929W/W/00219

Naman Pipara

CA NAMAN PIPARA
Partner
Membership No:140234

Place: Ahmedabad
Date: 02/05/2026

UDIN: 26140234OYKAXQ8462



For and on Behalf of the Board of Directors
CIN: U40100GJ1998SGC035212

G. H. Fanse
Shri G. H. Fanse
Director
DIN: 10928584

Kalpesh Oza
Kalpesh Oza
Company Secretary

Santosh Joshi
Shri Santosh Joshi
CEO & Director
DIN: 00251487

Shailesh Bivadasan
Shailesh Bivadasan
CFO

Place :- Gandhinagar
Date: 02/05/2026



GUJARAT STATE ENERGY GENERATION LIMITED
Statement of profit and loss for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	Notes	For the year ended	
		March 31, 2026	March 31, 2025
Revenue			
I. Revenue from Operations (Gross)	24	28,382.82	32,707.71
II. Other income	25	98.45	2,393.42
III. Finance income	26	773.58	409.13
IV. Total Income (I+II+III)		29,254.85	35,510.26
V. Expenses			
Generation Expenses	27	29,003.26	31,520.07
Employee Benefits Expenses	28	636.87	702.73
Finance costs	29	493.78	1,024.41
Depreciation and Amortization Expenses	30	3,645.04	3,637.55
Other Expenses	31	2,533.31	1,025.25
Total Expenses (V)		36,312.26	37,910.01
VI. Profit/(loss) before Exceptional Items and Tax		(7,057.41)	(2,399.75)
VII. Exceptional Items	8	2,262.31	-
VIII. Profit/(loss) before Tax		(9,319.72)	(2,399.75)
IX. Tax expense:	18		
1. Current Tax			
2. Deferred Tax		(1,771.22)	(575.69)
3. Tax Adjustment of Earlier year			1.18
XI. Profit/(Loss) for the period from continuing operations		(7,548.49)	(1,825.24)
X. Profit/(Loss) for the period from discontinued operations			
XII. Tax expense of discontinued operations			
XIII. Profit/(Loss) from Discontinued operations after tax			
XIV. Profit/(Loss) for the period		(7,548.49)	(1,825.24)
XV. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Actuarial gain/ (loss)		8.63	(14.33)
Equity Instruments through Other Comprehensive Income		(1,400.18)	(1,757.22)
(ii) Income tax related to items that will not be reclassified to profit or loss			
Actuarial gain/ loss		(2.17)	3.61
Equity Instruments through Other Comprehensive Income		201.63	111.59
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax related to items that will be reclassified to profit or loss		(1,192.10)	(1,656.35)
XVI. Total comprehensive income for the period		(8,740.59)	(3,481.59)
XVII. Earnings per equity share (for continuing operations) (Amount in ₹)	32		
1. Basic		(1.25)	(0.34)
2. Diluted		(1.25)	(0.34)

Material Accounting Policies and Notes to Accounts
The accompanying notes are integral parts of the Financial Statements.
As per our report of even date attached

For, PIPARA & CO LLP
Chartered Accountants
FRN No. 107929W/W100219

Naman Pipara

CA NAMAN PIPARA
Partner
Membership No:140234

Place: Ahmedabad
Date: 02/05/2026

UDIN : 26140234OYKAXQ8462



For and on Behalf of the Board of Directors
CIN: U40100GJ1998SGC035212

Shri G. P. Fansa
Shri G. P. Fansa
Director
DIN: 10928584

Kalpesh Oza
Kalpesh Oza
Company Secretary

Shri Santosh Joshi
Shri Santosh Joshi
CEO & Director
DIN:08251487

Shailesh Sivadasan
Shailesh Sivadasan
CFO

Place :- Gandhinagar
Date: 02/05/2026



GUJARAT STATE ENERGY GENERATION LIMITED

Statement of Changes in Equity (SOCE) for the period ended on 31 March 2026

Particulars	2025-26		2024-25	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
(a) Equity share capital				
As the Beginning of the year	56,87,03,639	56,870.38	50,72,34,695	50,723.47
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	56,87,03,639	56,870.38	50,72,34,695	50,723.47
Changes in equity share capital during the year	9,28,24,100	9.282	6,14,60,144	6.147
As the end of the year	66,15,27,739	66,155.66	56,87,03,839	56,870.38

Particulars	Attributable to the equity holders of the parent				Total	Total Other Equity
	Share Application Money Pending for allotment	Securities Premium Account	Reserves & Surplus	Equity Instruments through OCI		
(b) Other equity						
Balance at March 31, 2024	6,146.91	4,623.49	(4,470.80)	6,652.90	14,952.50	14,952.50
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	6,146.91	4,623.49	(4,470.80)	6,652.90	14,952.50	14,952.50
Profit for the year	-	-	(1,825.24)	-	(1,825.24)	(1,825.24)
Addition during the year	(6,146.91)	-	-	-	(6,146.91)	(6,146.91)
Internal transfer to share capital	-	-	-	-	-	-
Other comprehensive income for the year	-	-	(10.73)	-	(10.73)	(10.73)
Remeasurement of defined benefit obligation (net)	-	-	-	(1,645.63)	(1,645.63)	(1,645.63)
Fair value of investment	-	-	-	(1,645.63)	(1,645.63)	(1,645.63)
Total comprehensive income for the year	(6,146.91)	-	(1,836.57)	-	(7,983.51)	(7,983.51)
Dividends	-	-	-	-	-	-
Any other charge (to be specified)	-	-	(4,206.77)	-	(4,206.77)	(4,206.77)
Balance at March 31, 2025	-	4,623.49	(4,206.77)	5,007.27	5,223.99	5,223.99
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	4,623.49	(4,206.77)	5,007.27	5,223.99	5,223.99
Profit for the year	-	-	(7,548.49)	-	(7,548.49)	(7,548.49)
Addition during the year	-	-	-	-	-	-
Internal transfer to share capital	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-
Remeasurement of defined benefit obligation (net)	-	-	-	6.46	6.46	6.46
Fair value of investment	-	-	-	(1,198.53)	(1,198.53)	(1,198.53)
Total comprehensive income for the year	-	-	(7,542.04)	(1,191.55)	(8,740.59)	(8,740.59)
Dividends	-	-	-	-	-	-
Any other charge (to be specified)	-	-	-	3,808.71	3,808.71	3,808.71
Balance at March 31, 2026	-	4,623.49	(11,848.91)	-	(7,225.42)	(7,225.42)

Material Accounting Policies and Notes to Accounts
The above referred Notes are integral parts of the Financial Statements.
As per our report of even date attached

For PIPARA & CO LLP
Chartered Accountants

FRN No. 107939W/N10071

Sanjay P. Pare
SANJAY P. PARE
Partner
Membership No. 140234

Place: Ahmedabad

Date: 02/05/2026



Shri C. P. Farse
Shri C. P. Farse
Director
DIN: 10928584

Kuldeep Datta
Kuldeep Datta
Company Secretary

For and on behalf of the Board of Directors
CIN: U40100G1998SGC035212

Sanjeev Jethi
Sanjeev Jethi
CEO & Director
DIN: 08251087

Prakash S. Jaisankar
Prakash S. Jaisankar
CFO

Place: Gandhinagar,
Date: 02/05/2026

UDIN : 26140234-0YKAXQ8462



GUJARAT STATE ENERGY GENERATION LTD Statement of Cashflows for the year ended 31st March 2026		
Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2026	For the year ended 31st March 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(9,319.72)	(2,399.75)
Adjustments for:		
Depreciation	3,645.04	3,637.55
Finance Cost	480.86	1,023.04
Unadmitted revenue claims written off	769.08	49.48
(Profit) / Loss on Sale Replacement of Asset	0.09	(0.81)
Provision for doubtful Debts	104.88	-
Employee benefit expenses (OYVS)	9.93	7.06
Loss / (Gain) in Foreign Exchange	735.57	146.29
Inventory written down	2,262.31	-
Loss made on retirement of asset	1.86	-
GST Credit Written Off	-	28.13
Provision written back	-	(205.50)
Interest Income	(771.53)	(407.08)
Dividend Income	(77.54)	(75.40)
Operating Profit before Working Capital Changes	(2,159.16)	1,803.01
Adjustments for changes in operating assets and liabilities		
(Increase) / Decrease In Trade Receivables	8,352.50	822.74
(Increase) / Decrease In Inventories	(3,165.69)	(192.85)
(Increase) / Decrease In Other Current Assets	6,573.56	(2,904.80)
(Increase) / Decrease in Loans	4.17	18.31
Increase / (Decrease) In Trade Payables & Other Liabilities	(5,058.39)	4,909.14
Increase / (Decrease) In Provisions	(1.86)	31.50
Changes in operating assets and liabilities	6,704.29	2,684.03
Cash generated from / (Used in) Operations	4,545.13	4,487.04
Direct taxes (paid)/refund	(42.75)	5.40
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)	4,502.38	4,492.45
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets, capital work in progress (including capital advances and less creditors for capital expenditure and retention money)	(88.79)	(0.19)
Proceeds from sale of Assets	0.03	3.49
Bank deposits (placed) / matured	(1,859.73)	1,093.05
Interest Received	771.53	407.08
Dividends Received	77.54	75.40
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	(1,099.43)	1,578.83
C. CASH FLOW FROM FINANCING ACTIVITIES		
Refundable Share Application Money	-	-
Proceed from Issue for Equity Shares	9,282.42	-
Share Application Money Pending for Allotment	-	-
Net Proceed (repayment) from Borrowings	-	(0.00)
Net Increase / (Decrease) in Cash Credit Facilities	(1,905.22)	1,024.58
Interest Paid	(9,435.50)	(88.45)
Net Cash from Financing Activities	(2,058.30)	936.13
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	1,344.64	7,007.41
Cash and Cash Equivalents at the beginning of the year	9,658.87	2,651.46
Cash and Cash Equivalents at the end of the year	11,003.51	9,658.87
Closing Cash and Cash Equivalents comprise:		
Cash in hand	0.69	0.44
Balance in Current Account	0.20	0.19
Balance in Cash Credit Account	-	-
Balances in Fixed Deposits	11,002.63	9,658.24
Total	11,003.51	9,658.87



Notes to Statement of Cashflows:

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

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

(iii) In Part A of the cash flow statement, figures in brackets indicate deductions made from the Net Profit for deriving the Net cash flow from operating activities. In Part B and Part C, figures in bracket indicate cash-outflow.

(iv) Effective April 1, 2017 the company adopted the amendment to Ind AS 7, which require the entities to provide the disclosure that users of financial statements to evaluate changes in liabilities arising from financial activities including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between opening and closing in the Balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

(v) During the previous year, a non-cash transaction amounting to ₹ 6146.91 lakhs occurred, wherein share capital was issued by utilizing the share application money already received. Consequently, no fresh cash inflow was recorded at the time of share issuance.


Material Accounting Policies and Notes to Accounts

The above referred Notes are integral parts of the Financial Statements.
As per our report of even date attached

For, PIPARA & CO LLP
Chartered Accountants
FRN No. 107929W/W100219



CA NAMAN PIPARA
Partner
Membership No:140234



Shri G. P. Fanse
Director
DIN: 10928584



Kalpesh Oza
Company Secretary



Shri Santesh Joshi
CEO & Director
DIN:08251487



Shallesh Sivadasan
CFO

Place :- Gandhinagar
Date: 02/05/2026

Place: Ahmedabad
Date: 02/05/2026

UDIN : 261402340YKAXQ8462



Gujarat State Energy Generation Limited

CIN: U40100GJ1998SGC035212

Notes to financial statements for the year ended 31st March, 2026

Note-1 Material Accounting Policies

1. Corporate information

Gujarat State Energy Generation Limited (GSEG) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GSEG is a Government Company u/s 2(45) of Companies Act, 2013. The Company is a Special Purpose Vehicle (SPV) of GSPC engaged in the generation of power using advanced, eco-friendly technology.

GSEG is committed to deliver true value in efficiency, economy and sustainable development activities in Gujarat. It presently operates a 156.1 MW & 351.43 MW Combined Cycle Power Plant (CCPP) near Hazira, Surat.

2. Material accounting policies

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

(a) Basis of preparation

(i) Statement of compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

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

- certain financial assets and liabilities measured at fair value;
- leases measurements that have some similarities to fair value but are not fair value
- defined benefit plans - plan assets measured at fair value; and

(iii) Use of estimates and judgements

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is



Gujarat State Energy Generation Limited

CIN: U40100GJ1998SGC035212

Notes to financial statements for the year ended 31st March, 2026

included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 18 - Current / Deferred tax expense

Note 33 - Measurement of defined benefit obligations

Note 37 - Provisions and contingencies

Note 42 - Expected credit loss for receivables

(iv) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- A. expected to be realised or intended to be sold or consumed in its normal operating cycle;
- B. held primarily for the purpose of trading;
- C. expected to be realised within twelve months after the reporting period; or
- D. cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The liability is classified as current when:

- A. it is expected to be settled in its normal operating cycle;
- B. it is held primarily for the purpose of trading;
- C. it is due to be settled within twelve months after the reporting period; or
- D. There is no unconditional right to defer settlement of the liability for an at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Property, plant and equipment

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

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

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



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

(c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

(d) Depreciation and amortisation methods, estimated useful lives and residual values

Depreciation on property, plant and equipment is provided on over the estimated useful life using Straight Line Method (SLM). For the power plants, the rate and methodology as notified by Central Electricity Regulatory Commission (CERC) pursuant to provisions of Electricity Act, 2003 have been duly considered to determine the useful life. For other assets, useful life provided in schedule II has been duly considered. Further, the residual values are not more than 10% of the original cost of the assets. The residual values and useful life are reviewed at the end of each reporting date. For Computers and Vehicle company has considered useful life as per Company Policy as determined by the management based on technical estimates.

Useful lives of the items of property, plant and equipment are as follows:

Asset	Estimated Useful Life/Rate
Building	25 years
Plant & Machinery	25 years
Communication Equipment	6.33%
Electrical Installations and Equipment	6.33%
Computers	3 Years
Furniture and Fittings	6.33%
Office Equipment	6.33%
Vehicles	5 Years

Mobile instruments purchased by the Company are fully written off as expenses in the year of purchase.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

Intangible assets with finite lives are amortised over their useful life and assessed for impairment whenever there is an indication that the item of intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible



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assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Useful lives of the items of intangible assets i.e. software as determined by the management based on technical estimates is as follows:

Asset	Estimated Useful Life
SAP software	5 Years
Other computer software	6 Years

Assets having a cost of ₹ 5,000/- or less are fully depreciated in the year of acquisition.

(e) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. Property, plant, and equipment are not depreciated or amortized once classified as held for sale.

(f) Impairment of non-financial assets

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.



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(g) Insurance

Insurance claims are accounted for on the basis of claims admitted by the insurers when the amount can be reliably measured and it is probable that future economic benefits will flow to the Company.

(h) Leases

The Company assess whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a definite period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value



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leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

As a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. When the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term.

Adoption of Ind AS 116 and Transition

Effective from 1 April 2019 ('the date of transition'), the Company applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019, if any. Accordingly, the comparative information was not restated - i.e. it was presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

On transition to Ind AS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

On transition, for leases that were classified as finance lease under Ind AS 17, the carrying amount of the right-of-use asset and the lease liability at the date of transition to Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of INR 20.37 Crore has been reclassified from property, plant and equipment to right-of-use assets and there is no impact on profit for the year as well as retained earnings on the date of transition.

(i) Borrowing costs

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

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(j) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition



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

Initial measurement

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

Subsequent measurement

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

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

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

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

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

- A. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- B. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

- A. The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- B. The asset's contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Trade receivables

Trade receivables are recognised initially at fair value which is generally the transaction price if the trade receivables do not contain a significant financing component and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable



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election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

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

- A. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- B. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. Under the simplified approach, the Company is not required to track changes



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in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

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

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

- A. Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- B. Loan commitments and financial guarantee contracts - ECL is presented as a provision in the balance sheet, i.e. as a liability.
- C. Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



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All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loan and borrowings

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

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all the facility will be draw down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of reporting period with the effect



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that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

Trade and other payables

These amounts represent liability for good and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

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

(k) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when, there is a legally enforceable right to offset the recognised amount and there is intention either to settle on net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

(l) Fair value measurement

The Company measures certain financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- A. Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- B. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- C. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises the accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- A. Disclosures for valuation methods, significant estimates and assumptions (note 42).
- B. Quantitative disclosures of fair value measurement hierarchy (note 42).
- C. Financial instruments (including those carried at amortised cost) (note 42).

(m) Inventories

Inventories including project inventory, stock of stores, spares (not meeting the definition of PPE), and consumables required for maintenance and running the power plant in ordinary course of business. Inventories are valued at cost or net realizable value, whichever is lower. The Company follows moving weighted average method of valuation of Inventory.

Gas inventory is valued at cost or net realisable value, whichever is lower.

Stores and spares having cost of more than Rs. 30 lakhs and meeting the definition of PPE are capitalised and depreciated from the date of purchase over the estimated useful life.

(n) Employee benefits

(i) Short term employee benefit obligations

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

(ii) Other long term employee benefit obligations

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



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of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as gratuity, leave encashment etc. and
- B. Defined contribution plan such as provident fund, superannuation fund etc.

Gratuity obligations

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

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

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

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

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

Defined contribution plans

The Company pays provident fund and superannuation fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefit at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognised costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer



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made to employee voluntary redundancy, the termination benefits are measured based on number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(o) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (₹), which is GSEG's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(p) Revenue recognition

Recognition and Measurement

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue is measured at transaction price as per the contract with customer. The amount of consideration to which the Company is entitled in exchange for transferring goods or services is considered as transaction price while recognition of revenue. Amounts disclosed as revenue are net of the amounts collected on behalf of third parties.

Revenue from sale of electricity is recognised on monthly basis when it can be reliably measured and it is reasonable to expect the ultimate collection.

Contract balances

Trade receivables



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Notes to financial statements for the year ended 31st March, 2026

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's gross carrying amount on initial recognition.

Dividend income is accounted for when the right to receive the same is established, which is generally when the shareholders approve the dividend.

(q) Taxation

Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, along with Income Computation and Disclosure Standards – ICDS as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in standalone financial statements. Deferred tax are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.



Gujarat State Energy Generation Limited

CIN: U40100GJ1998SGC035212

Notes to financial statements for the year ended 31st March, 2026

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit available is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

A specific measurement requirement applies to a deferred tax asset or liability that arises from investment property. This requirement establishes a rebuttable presumption that the carrying amount of investment property will be recovered through sale. The presumption may be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property, rather than through sale. If the presumption is rebutted, then the normal requirements of measuring deferred tax asset or liability are applicable.

Where an investment property comprises land only, then because the land would not be depreciated, the presumption cannot be rebutted. Accordingly, the Company has created deferred tax asset on indexation benefit available on freehold land held as investment properties at the appropriate tax rate.

(r) Earnings per share

Basic earnings per share



Gujarat State Energy Generation Limited

CIN: U40100GJ1998SGC035212

Notes to financial statements for the year ended 31st March, 2026

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Provisions, contingent liabilities and contingent assets

- Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
- Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

- Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liability is disclosed in the case of:

- A. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- B. A present obligation arising from the past events, when no reliable estimate is possible;
- C. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Contingent liabilities are not provided for & if material, are disclosed by way of notes to accounts. Contingent assets are not recognized in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

(t) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.



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Notes to financial statements for the year ended 31st March, 2026

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(u) Statement of Cash Flows

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

(v) Dividends

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(w) Segment Reporting

The Chief Operating Decision Maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. The Chief Executive Officer (CEO) has been identified as the CODM. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. Refer note 34 for segment information presented.

(x) Rounding off

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

(y) Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

(z) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.



Notes forming part of standalone financial statements
Note 2

Property, Plant and Equipment (PPE) - As at 31st March 2026

Particulars	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION / IMPAIRMENT LOSS		NET CARRYING AMOUNT	
	Balance as at 1st April, 2025	Balance as at 31st March, 2026	Balance as at 1st April, 2025	Balance as at 31st March, 2026	Balance as at 31st March, 2025	Balance as at 31st March, 2026
Building	5,277.27	5,277.27	2,249.99	2,512.72	2,764.55	3,027.28
Plant and machinery	1,16,388.00	1,16,845.58	66,204.87	69,546.37	47,299.21	50,183.13
Furniture and fixtures	104.40	107.44	56.47	61.13	46.31	47.93
Vehicles	0.38	55.50	0.32	4.94	50.56	0.06
Office equipments	52.34	52.34	15.35	18.88	33.46	36.99
Communication Equipments	24.05	24.05	0.10	0.11	23.94	23.96
Computer equipment	34.00	47.83	21.18	14.38	33.45	12.82
TOTAL	1,21,880.43	1,22,410.01	68,548.27	72,158.53	50,251.47	53,332.17

Property, Plant and Equipment (PPE) - As at 31st March 2025

Particulars	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION / IMPAIRMENT LOSS		NET CARRYING AMOUNT	
	Balance as at 1st April, 2024	Balance as at 31st March, 2025	Balance as at 1st April, 2024	Balance as at 31st March, 2025	Balance as at 31st March, 2025	Balance as at 31st March, 2024
Building	5,277.27	5,277.27	1,987.26	2,249.99	3,027.28	3,290.01
Plant and machinery	1,16,388.00	1,16,388.00	62,867.84	66,204.87	50,183.13	53,520.16
Furniture and fixtures	104.40	104.40	51.81	56.47	47.93	52.59
Vehicles	0.38	0.38	0.32	0.32	0.06	0.06
Office equipments	52.34	52.34	11.82	15.35	36.99	40.53
Communication Equipments	24.05	24.05	0.08	0.10	23.96	23.97
Computer equipment	33.99	34.00	20.80	21.18	12.82	13.19
TOTAL	1,21,880.43	1,21,880.43	64,939.92	68,548.27	53,332.17	56,940.51



Note: 2A

Right of use asset - As at 31st March 2026

Particulars	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT			
	Balance as at 1st April, 2025	Additions	Disposals	Balance as at 31st March, 2026	Balance as at 1st April, 2025	Charge for the year	Balance as at 31st March, 2026	Balance as at 31st March, 2025
Leasehold land	2,036.88	-	-	2,036.88	148.92	24.82	1,863.13	1,887.95
TOTAL	2,036.88	-	-	2,036.88	148.92	24.82	1,863.13	1,887.95

Right of use asset - As at 31st March 2025

Particulars	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT			
	Balance as at 1st April, 2024	Additions	Disposals	Balance as at 31st March, 2025	Balance as at 1st April, 2024	Charge for the year	Balance as at 31st March, 2025	Balance as at 31st March, 2024
Leasehold land	2,036.88	-	-	2,036.88	124.10	24.82	1,887.95	1,912.77
TOTAL	2,036.88	-	-	2,036.88	124.10	24.82	1,887.95	1,912.77

Note 2B

Capital work-in-progress

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	As at 1st April, 2025	Additions	Transferred to PPF	As at 31st March, 2026
Capital work-in-progress	911.04	4.20	348.78	566.46
TOTAL	911.04	4.20	348.78	566.46

As at 31st March, 2025

Particulars	As at 31st March, 2025		As at 31st March, 2025	
	As at 1st April, 2024	Additions	Transferred to PPF	As at 31st March, 2025
Capital work-in-progress	911.04	-	-	911.04
TOTAL	911.04	-	-	911.04



Capital-Work-in Progress (CWIP)

As at 31st March 2026

(a) For capital-work-in progress ageing schedule :

Projects in progress (A) Project - 351.43 MW Plant Project	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 yrs.	2-3 yrs.	
	2.55	0.75	-	566.46
(A) Project - 351.43 MW Plant Project				566.46

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following is the CWIP completion schedule **:

Projects in progress (A) Project - 351.43 MW Plant Project	To be completed in*		
	Less than 1 year	1-2 yrs.	2-3 yrs.
	566.46	-	-
(A) Project - 351.43 MW Plant Project			

As at 31st March 2025

(a) For capital-work-in progress ageing schedule :

Projects in progress (A) Project - 351.43 MW Plant Project	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 yrs.	2-3 yrs.	
	1.08	-	-	909.96
(A) Project - 351.43 MW Plant Project				911.04

(b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following is the CWIP completion schedule **:

Projects in progress (A) Project - 351.43 MW Plant Project	To be completed in*		
	Less than 1 year	1-2 yrs.	2-3 yrs.
	911.04	-	-
(A) Project - 351.43 MW Plant Project			



Note

Capitalization of 351.43MW project:

(a) In FY 2011-12 the Company had raised claim for liquidated damages (aggregating to ₹ 94.70 crores) on the EPC contractor BHEL for delay in execution of 351.43 MW expansion project. The said claim has been disputed by BHEL and thus it being a contingent asset, accounting for the same has not been considered. Further as decided by the management, the LD receivable from BHEL shall be settled on the issuance of Provisional Acceptance Certificate (PAC) and performance of Performance Guarantee Test as per term and conditions of the EPC contract with BHEL. Other Amount in respect of the project are Retention money amounting to ₹ 12,275.16 lacs (P.Y. 11583.11 lacs), capital creditors outstanding at the year end ₹ 3211.70 lacs (P.Y. 3064.62 lacs) and advance for capital goods ₹ 378.40 lacs (P.Y. 378.40 lacs). The company has formed a project committee including representative from GIPCL and GSECL which reviews the work as and when needed.

(b) Contribution received ₹ 79.72 Lakhs towards cost of water pipeline from HLLPL as upfront fixed charges has been treated as Other financial Liabilities (current) please Refer note Z1.

(c) Borrowing cost ₹ Nil (₹ Nil in the FY 2024-25) is capitalized for 351.43 MW power plant.

Note

The assets i.e. 156.1 MW & 351.43 MW gas based combined cycle power plant located at Hazira, Surat is commissioned for generation of power (electricity). Presently, the Company is generating power as per the Power Purchase Agreement (PPA) executed with GUVNL. Although, GUVNL is the sole procurer of electricity generated from the assets at this point in time, the Company has right to use the assets for other customer/s in future, if any.

In light of the above aspects of the arrangement, the Company had previously examined the parameters of determining whether this arrangement contains a Lease with respect to Appendix C of Ind AS 17. Leases in light of the Power Purchase Agreement, Articles of Association, its relationship with the promoters and the Government of Gujarat. The company had concluded that the arrangement did not fulfil the criteria for the determination of lease and accordingly classified as PPE. On transition to Ind AS 116, the Company had elected to apply the practical expedient in Para C3 of Appendix C, which states that an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application. The Company applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

• Note

• During the previous year, company had classified certain vehicle as held for sale due to Ministry of Road Transport and Highway mandate dated 16th January 2023 for Public sector undertakings for vehicles older than 15 years. Vehicle held for sale are valued at are measured at the lower of carrying amount and fair value less costs to sell. In current year, vehicle which was held for sale in books of accounts as on 31-03-2025, has been written off.



Notes forming part of standalone financial statements

Note 3

Intangible assets - As at 31st March 2026

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 1st April, 2025	Additions	Balance as at 31st March, 2026	Balance as at 1st April, 2025	Eliminated on Written Off	Balance as at 31st March, 2026	Balance as at 31st March, 2026	Balance as at 1st April, 2025
Computer Software	19.70	-	19.70	17.23	-	17.23	2.47	2.47
TOTAL	19.70	-	19.70	17.23	-	17.23	2.47	2.47

Intangible assets - As at 31st March 2025

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 1st April, 2024	Additions	Balance as at 31st March, 2025	Balance as at 1st April, 2024	Eliminated on Written Off	Balance as at 31st March, 2025	Balance as at 31st March, 2025	Balance as at 1st April, 2024
Computer Software	19.70	-	19.70	14.82	2.41	17.23	2.47	4.88
TOTAL	19.70	-	19.70	14.82	2.41	17.23	2.47	4.88



Note 4

Non-current financial assets:- Investments

(₹ in Lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Investment in equity shares measured at fair value through other comprehensive income (FVOCI)		
Quoted equity instruments		
13,32,235 (31 March, 25 : 13,32,235) shares of Gujarat Gas Limited** Face value of ₹ 2 each (31 March, 2025 : Face value of ₹ 2 each)	4,093.29	5,493.47
Total Fair Value through OCI Investments	4,093.29	5,493.47
Aggregate value of Quoted Investments	4,093.29	5,493.47
Market value of Quoted Investment	4,093.29	5,493.47

Investments at fair value through OCI (fully paid) reflect investment in quoted equity securities. Refer note - 42 for detailed disclosure on the fair values.

Note 5

Non-Current Financial assets - Loans (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Loan to related parties		
Loan Receivable Considered Good - Unsecured		
Loans to Employees	0.25	1.41
Principal Outstanding on House Building Advance to Employees	3.50	4.17
	3.75	5.58

Note 6

Non-current financial assets : Others (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Receivable from employees (OYVS)	3.54	5.37
Security Deposits	246.69	250.69
Interest Outstanding on House Building Advance to Employees	10.11	11.10
	260.34	267.16

Note 7

Other Non-current assets

(₹ in Lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Capital Advances	378.40	378.40
Income Tax Refundable (net of Provision)	286.43	243.68
Deferred Employee Cost OYVS	20.03	29.87
Prepaid expenses	0.89	1.23
	685.75	653.18

Note 8

Inventories

(₹ in Lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Consumable Stores and Spares*	3,253.15	5,441.87
Gas Inventory	3,092.10	-
	6,345.25	5,441.87

*There are three items of spares having cost of more than ₹ 30 lakhs amounting to ₹ 51.31 Lakh (1 item) and two items of ₹ 35.27 Lakh each (total ₹ 70.54 lakh), are included in inventory since they are not fulfilling the definition of PPE.

*Inventories are Hypothecated as security againsts the working capital limit as disclosed under note 19.

During the year, the company has certain inventories of consumable stores and spares which are written down to its net realisable value (NRV) amounting to ₹ 2262.31 lakhs. The same has been recognized as an expense and disclosed under "Exceptional item" considering its nature and materiality.



Note 9

Trade Receivables

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Trade Receivables considered Good - Secured	-	-
- Considered Doubtful	-	-
Unsecured	-	-
- Considered Good	-	-
- Considered Doubtful	-	-
Other	-	-
Unsecured	-	-
Trade Receivables considered Good - Secured	-	-
Trade Receivables considered good - Unsecured	1,672.82	10,899.28
Trade Receivables - Credit impaired	104.88	-
	1,777.70	10,899.28
Less: Provision for doubtful debts	104.88	-
Total Trade Receivables	1,672.82	10,899.28

Note:

- The company has received intimation from GETCO that payment receivable pertaining to DSM receivable is presently not being carried out by SLDC on account of the same not being received by SLDC from counter parties. In view of the said facts, same has been classified as credit impaired and a provision is created against the same for ₹ 104.88 lakhs.
- Trade receivable as security against the working capital limit as disclosed under note 19.

Trade Receivables ageing schedule for the year ended 31 March 2026

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	
Undisputed trade receivables- considered good	1,638.31	2.72	-	-	31.79	1,672.82
Undisputed Trade Receivables - credit impaired	-	28.25	76.63	-	-	104.88
Less : Provision for doubtful debts	-	28.25	76.63	-	-	104.88
Total	1,638.31	2.72	-	-	31.79	1,672.82

Trade Receivables ageing schedule for the year ended 31 March 2025

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 yrs	2-3 yrs	More than 3 years	
Undisputed trade receivables- considered good	3,102.52	112.97	7,626.95	0.01	56.83	10,899.28
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Less : Provision for doubtful debts	-	-	-	-	-	-
Total	3,102.52	112.97	7,626.95	0.01	56.83	10,899.28

Note:

For the 351MW plant, GUVNL has an internal process and method of computation and admissibility of invoices raised which is not a time bound activity. Hence balance outstanding is subject to reconciliation and confirmation from GUVNL. The company provides for any shortfall in the year in which the amount is crystallised.

Note 10

Cash and other bank balances

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Cash and cash equivalents		
Cash on hand	0.69	0.44
Balance with banks :		
In current account	0.20	0.19
In cash credit account	-	-
From Financial Institution:		
Fixed deposit with original maturity of less than 3 months with GSFS	11,002.63	9,658.24
	11,003.51	9,658.87
Other Bank Balances		
Deposits with GSFS with maturity of more than 3 months but less than 12 months	1,859.73	-
	1,859.73	-

Note 11

Current financial assets : Loans (measured at amortised cost)

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Loan and Advance to related Parties		
Loan Receivables Consider Good-Unsecured		
Loans to Employees	1.51	3.85
Principal Outstanding on House Building Advance to Employees	0.67	0.67
	2.18	4.52



Note 12

Current financial assets : Others (measured at amortised cost)

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Loans and advances to employees (OYVS & Others)	1.79	1.79
Unbilled revenue	1,164.49	7,819.19
Interest Outstanding on House Building Advance to Employees	1.56	1.56
	1,167.84	7,822.53

Note 13

Current assets : Others

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Prepaid Expenses	222.11	114.50
Advances to supplier	5.01	28.40
	311.86	311.86
Balances with Government Authorities *	(311.86)	(311.86)
Less: Provision for Custom duty	-	-
	9.85	9.85
Deferred Employee Cost OYVS	236.96	152.75

*Balance with government authorities includes an amount of ₹ 309.36 Lakhs for which the company had claimed a refund of excess custom duty paid from the customs department during FY 2011-12. The management is of the view that the refund claim shall be admitted in due course.

Note 14

Assets classified as held for sale

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Vehicles *	-	0.55
	-	0.55

*During the previous year, company had classified certain vehicle as held for sale due to Ministry of Road Transport and Highway mandate dated 16th January 2023 for Public sector undertakings for vehicles older than 15 years. Vehicle held for sale are valued at are measured at the lower of carrying amount and fair value less costs to sell. In current year, vehicle which was held for sale in books of accounts as on 31-03-2025, has been written off.



Note 15

a) Share Capital

(₹ In Lakhs)

Particulars	As at			
	31-Mar-26		31-Mar-25	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	1,00,00,00,000	1,00,000.00	60,00,00,000	60,000.00
	1,00,00,00,000	1,00,000.00	60,00,00,000	60,000.00
Issued and subscribed share capital				
Equity shares of ₹ 10 each	56,87,03,839	56,870.38	56,87,03,839	56,870.38
Issued and subscribed share capital during the year	9,28,24,190	9,282.42	-	-
	66,15,28,029	66,152.80	56,87,03,839	56,870.38
Fully paid up share capital				
Equity shares of ₹ 10 each	66,15,28,029	66,152.80	56,87,03,839	56,870.38
	66,15,28,029	66,152.80	56,87,03,839	56,870.38
Total share capital	66,15,28,029	66,152.80	56,87,03,839	56,870.38

b) Rights, preferences and restrictions attached to shares

Equity Shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation the equity share holders are eligible to receive remaining assets of the Company after distribution of all preferential amounts in proportion to their share holding.

c) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% Holding	No. of Shares	% Holding
Gujarat State Petroleum Corporation**	42,66,90,710	64.50%	33,38,66,520	58.71%
Krishak Bharati Co-operative Ltd.	9,71,95,453	14.69%	9,71,95,453	17.09%
State Bank of India	-	-	3,12,50,000	5.49%
Gujarat Urja Vikas Nigam Ltd.	-	-	2,90,03,636	5.10%

As per the records of the company, including the register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) Share holding pattern of the promoters are as under

Promoter's Name	As at 31st March, 2026		As at 31st March, 2025		% change during the year***
	No. of shares	% of total shares	No. of shares	% of total shares	
Gujarat State Petroleum Corporation**	426690710	64.50	333866520	58.71	5.79%
Krishak Bharati Co-operative Ltd.	97195453	14.69	97195453	17.09	-2.40%
State Bank of India	31250000	4.72	31250000	5.49	-0.77%
Gujarat Urja Vikas Nigam Limited	29003636	4.38	29003636	5.10	-0.72%
GAIL (India) Limited	20760000	3.14	20760000	3.65	-0.51%
IFCI Limited	17590000	2.66	17590000	3.09	-0.43%
Gujarat Power Corporation Limited	15815454	2.39	15815454	2.78	-0.39%
Gujarat Industries Power Company Limited	9718181	1.47	9718181	1.71	-0.24%
Gujarat Industrial Investment Corporation Ltd.	7254545	1.10	7254545	1.28	-0.18%
Gujarat State Petronet Limited**	6250000	0.94	6250000	1.10	-0.16%
Shri Rupesh Shah (GSPC Nominee)	10	0.00	10	0.00	Nil
Shri Jayesh Dave (GSPC Nominee)	10	0.00	10	0.00	Nil
Shri Sandeep Dave (GSPC Nominee)	10	0.00	10	0.00	Nil
Shri Rajesh Sivadasan (GSPC Nominee)	10	0.00	10	0.00	Nil
Shri Subhasis Dutta (GSPC Nominee)	10	0.00	10	0.00	Nil

e) Pursuant to directive of Government of Gujarat vide its Order bearing Number: GSP/11-2018/732/E dated 20.04.2018 and the resolution passed by the Board of Directors of the Company at its meeting held on 12.09.2017, the Company offered 22,03,24,753 equity shares by way of Rights Issue to its existing equity shareholders on proportionate basis. The Right issue remained open for subscription for the period from 25th May, 2018 to 11th June, 2018 during which the Company has received subscription for 22,03,24,753 equity shares only from one exiting equity shareholder viz. GSPC.

KRIBHCO, one of the equity shareholders of the Company, filed a Petition under Sections 241, 242, 244 and other applicable provisions of the Companies Act, 2013 before the National Company Law Tribunal, Ahmedabad (NCLT) inter alia seeking directions with respect to the said Rights issue

In the said Petition, the Hon'ble NCLT had issued an Interim Order on 11th June, 2018 (as clarified/modified vide order dated 24th October, 2018) and directed the Company to complete the Rights Issue after leaving aside the proportionate shares of the KRIBHCO's entitlement. The Company was also directed not to allot, transfer the proportionate shares of the KRIBHCO's entitlement under the Right Issue to a third party until further order.

Accordingly GSEG allotted 15,80,55,609 equity shares to GSPC on 27.11.2018 after leaving aside 6,14,69,144 equity shares pertaining to KRIBHCO's entitlement in the Rights Issue.



The excess amount of ₹ 61,46,91,440 as received from GSPC by way of share application money remained with the Company as amount received from GSPC.

Hon'ble NCLT dismissed the above said petition of KRIBHCO vide order dated 9th November, 2023. Pursuant to that, GSEG could allot the remaining additional shares to GSPC as applied for by them in the Rights Issue. The Company already received the share application money of ₹ 61,46,91,440 under Section 62 of the Companies Act, 2013 from GSPC. Accordingly, GSEG allotted 6,14,69,144 equity shares to GSPC on 18th October, 2024.

It may be noted that pursuant to such dismissal of the petition, the entire shareholding of GSPC carried the voting rights and thus GSEG became a Government company as it is subsidiary company of GSPC which is a government company.

KRIBHCO filed Restoration Application and Interlocutory Application with Hon'ble NCLT, Ahmedabad which are also dismissed.

KRIBHCO has filed appeal challenging above said order of Hon'ble NCLT Ahmedabad before Appellate Tribunal of NCLT at New Delhi and the matter is pending.

Pursuant to the directive of Energy & Petrochemicals Department, Government of Gujarat no. EPCD/MSM/e-file/20/2025/0702/E Section dated 16th September, 2025 under Articles 26 of Articles of Association, GSEG offered 9,28,24,190 equity shares of ₹ 10 each to all the shareholders in proportion to their existing holding to raise fund to repay above said financial liability of ₹ 92.82 Crs.

GSPC submitted an application dated 6th November, 2025 by subscribing to the said rights issue by applying for 9,28,24,190 equity shares comprising of 5,44,97,081 equity shares of their entitlement and 3,83,27,109 additional equity shares for additional allotment contingent upon non-subscription by other shareholders of GSEG.

GSEG did not receive application for subscription from any other shareholders (other than application from GSPC as noted above) and accordingly 3,83,27,109 equity shares remained unsubscribed by the other shareholders towards their entitlement in the said Right Issue.

GSEG allotted 9,28,24,190 equity shares to GSPC on 14th November, 2025 as per the terms and conditions of offer letter of the said issue.

- f) ** The Hon'ble Ministry of Corporate Affairs, New Delhi ("Hon'ble MCA") vide final order dated 8th April 2026 (received by the company on 17th April, 2026) ("Order") sanctioned a Composite Scheme of Amalgamation and Arrangement among Gujarat State Petroleum Corporation Limited (GSPC /Transferor Company 1), Gujarat State Petronet Limited (GSPL /Transferor Company 2), GSPC Energy Limited (GEL /Transferor Company 3), Gujarat Gas Limited (GGL/Transferee Company/Demerged Company) and GSPL Transmission Limited (GTL/Resulting Company) and their respective Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder ("Scheme"). The Scheme inter alia provides for amalgamation of GSPC, GSPL and GEL with GGL with appointed date as 1st April, 2024; and post the amalgamation, demerger of "Gas Transmission Business Undertaking - GTBU" into GTL with appointed date as 1st April, 2025. The Effective Date of the scheme is 1st May 2026 i.e. the date of filing of certified copy of aforesaid Order, along with a copy of the Scheme, with the Registrar of Companies, Ahmedabad and the Scheme has become effective. Accordingly, post Effective Date, Gujarat Gas Limited is the Holding Company/Promoters of the Company.



Note 16

Other Equity

Particulars	(₹ In Lakhs)	
	As at 31 March 2026	As at 31 March 2025
Share Application Pending for Allotment	-	-
Retained Earnings	(11,848.81)	(4,306.77)
Securities Premium	4,623.49	4,623.49
Reserves representing unrealised gains/ losses	3,808.71	5,007.27
TOTAL	(3,416.61)	5,323.99

Share Application Money pending for Allotment

Particulars	(₹ In Lakhs)	
	As at 31 March 2026	As at 31 March 2025
Opening Balance	-	6,146.91
Add: Addition during the year	-	-
Less: Allotment during the year	-	(6,146.91)
Closing Balance	-	-

Retained Earnings

Particulars	(₹ In Lakhs)	
	As at 31 March 2026	As at 31 March 2025
Opening Balance	(4,306.77)	(2,470.80)
Add:		
Profit During the Year	(7,548.49)	(1,825.24)
Remeasurement of post - employment benefit obligation, net of tax	6.46	(10.73)
Closing Balance	(11,848.81)	(4,306.77)

Securities Premium

Particulars	(₹ In Lakhs)	
	As at 31 March 2026	As at 31 March 2025
Opening Balance	4,623.49	4,623.49
Add:		
During the Year	-	-
Closing Balance	4,623.49	4,623.49

Reserves representing unrealised gains/ losses

Particulars	(₹ In Lakhs)	
	As at 31 March 2026	As at 31 March 2025
Opening Balance	5,007.27	6,652.90
Add:		
Net Gain(Loss) during the Year	(1,198.55)	(1,645.63)
Closing Balance	3,808.71	5,007.27



Note 17

Provision

Particulars	(₹ in Lakhs)	
	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefit		
Gratuity	139.34	146.86
Compensated Absences	35.49	39.93
	174.83	186.79



Particulars	31st March, 2026						Deferred tax liability
	Net balance April 1, 2025	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	
Deferred tax asset/ (liabilities) [Net]							
Related to items of PPE	(8,972.98)	257.96				(8,715.02)	8,715.02
Assets given on finance lease	-	-				-	-
Reversal of Restated Capital	-	-				-	-
Capitalisation of stores meeting definition of PPE	(305.85)	409.35				103.50	-
Fair valuation of investments	(461.48)	-	201.63			(259.85)	259.85
Other items	7,459.62	1,103.91	(2.17)			8,561.36	-
Tax assets/ (liabilities)	-	-				-	-
Tax assets/ (liabilities)	(2,280.70)	1,771.22	199.45			(310.02)	8,974.87
Set off tax							
Net tax assets/ (liabilities)	(2,280.70)	1,771.22	199.45			(310.02)	8,974.87
Movement in deferred tax balances							
Particulars	31st March, 2025						Deferred tax liability
	Net balance April 1, 2024	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Other	Net	
Deferred tax asset/ (liabilities)							
Related to items of PPE	(9,122.13)	149.15				(8,972.98)	8,972.98
Assets given on finance lease	-	-				-	-
Reversal of Restated Capital	-	-				-	-
Capitalisation of stores meeting definition of PPE	(158.91)	(146.95)				(305.85)	305.85
Fair valuation of investments	(573.06)	-	111.59			(461.48)	461.48
Other items	6,882.53	573.48	3.61			7,459.62	-
Tax assets/ (liabilities)	-	-				-	-
Tax assets/ (liabilities)	(2,971.58)	575.69	115.19			(2,280.70)	9,740.31
Set off tax							
Net tax assets/ (liabilities)	(2,971.58)	575.69	115.19			(2,280.70)	9,740.31



Tax losses carried forward			
Particulars	(₹ in Lakhs)		
	31-Mar-26	Expiry date	31-Mar-25
Expire	1,048.96		-
Never Expire	31,368.67		28,120.52

Notes

- The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.
- The figures of last year i.e. FY 2024-2025 have been regrouped as and when required.



Note 18						
Tax expense						
(a) Amounts recognised in profit and loss (₹ in Lakhs)						
Particular	For the year ended 31 March, 2026			For the year ended 31 March, 2025		
Current income tax						
Deferred income tax (liability) / asset, net						
Origination and reversal of temporary differences				1,771.22		575.69
Reduction in tax rate						
Recognition of previously unrecognised tax losses						
Change in recognised deductible temporary differences						
Deferred tax (expense) / income				1,771.22		575.69
Tax (expense) / income for the year				1,771.22		575.69
(b) Amounts recognised in other comprehensive income (₹ in Lakhs)						
Particular	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus	8.63	(2.17)	6.46	(14.33)	3.61	(10.73)
Remeasurements of the defined benefit plans						
Equity Instruments through Other Comprehensive Income	(1,400.18)	201.63	(1,198.55)	(1,757.22)	111.59	(1,645.63)
Items that will be reclassified to profit or loss						
Exchange differences in translating the financial statements of a foreign						
	(1,391.55)	199.45	(1,192.10)	(1,771.55)	115.19	(1,656.36)



Gujarat State Energy Generation Limited (CIN No: U40100GJ1998SGC035212)

(c) Reconciliation of effective tax rate		
Particular	(₹ in Lakhs)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit before tax	(9,319.72)	(2,399.75)
Tax using the Company's domestic tax rate 25.168% (2022-23: 25.168%)	(2,345.59)	(603.97)
Reduction in tax rate		
Tax effect of:		
Depreciation as per Profit and Loss Account	917.38	915.50
Provision for Doubtful Debt	26.40	-
Disallowed - Others	1,140.24	38.92
Loss on Sale of Assets	0.49	-
Disallowance U/s 43B		9.38
Any sum payable by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees-Gratuity		1.89
Leave Encashment		
Medical Benefits		
Deductions		
Incomes considered under other head		
Interest on HBA	(0.14)	(0.16)
Interest on Income Tax Refund	(0.37)	(0.35)
Interest on GSFS	(194.18)	(102.45)
Depreciation as per Income tax act	(817.49)	(934.51)
Deduction allowable - Others		(16.29)
Reversal of Provision of Doubtful Debts		(0.20)
Profit on Sale of Asset		(18.98)
Dividend	(19.51)	(18.98)
Amount allowable U/s 43B disallowed during previous year		
Gratuity	(1.85)	-
Any sum payable towards leave	(1.08)	-
<u>INCOME FROM OTHER SOURCES</u>		
Interest on Others	194.69	102.97
Dividend	19.51	18.98
Recognition of tax effect of previously unrecognised tax losses utilised during the year	1,081.50	589.28
Impact on account of Ind AS profit - FV of investment	1,771.22	575.69
	1,771.22	575.69
<p>The Company's weighted average tax rates for the years ended March 31, 2026 and 2025 were 25.168% and 25.168%, respectively.</p> <p>During the year under consideration, Deferred Tax Assets of ₹ 8664.86 lacs and Deferred Tax Liabilities of ₹ 8974.87 lacs has been worked out. Hence, as per Ind AS - 12 on Income Taxes, company has been reversed net DTL of ₹ 310.01 lacs during the year under consideration.</p> <p>The company has opted for reduced tax rates u/s 115BAA newly introduced through Taxation Laws (Amendment Act) 2019. Accordingly, company is not required to pay tax under the provisions of Minimum Alternate Tax – MAT u/s 115JB.</p>		



Note 19

Short Term Borrowings

(₹ in Lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Loan Repayable of demand		
(A)From Banks -Secured		
Cash credit*	295.03	2,200.25
(B)From Other Parties-Unsecured		
Intercompany loans from Associates**	-	5,663.81
	295.03	7,864.06

* The credit facilities from banks is ₹ 295.03 lacs (31 March, 25 : ₹ 2200.25 lacs) are secured on through pari passu charge against all the assets both present and future including land at Hazira. Interest would be payable at the rate of varying from 8.95% -9% (31 March, 25: 8.75% - 9%).

** Intercompany loans from associates represents loans received from GSPC at SBI Rate+0.4% rate of interest.

Note 20

Current financial liabilities: Trade payables

(₹ in Lakhs)

Particulars	As at March 31,2026	As at March 31,2025
Total outstanding dues of creditors other than micro enterprises and small enterprises	528.82	5,450.37
Total outstanding dues of micro enterprises and small enterprises*	166.90	186.80
	695.72	5,637.17

Trade Payables ageing schedule for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 Year	1-2 yrs	2-3 yrs	More than 3 years	
Undisputed - MSME	166.90	-	-	-	166.90
Undisputed - Others	518.09	0.01	0.00	10.72	528.82
Total	684.99	0.01	0.00	10.72	695.72

Trade Payables ageing schedule for the year ended 31 March 2025

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 Year	1-2 yrs	2-3 yrs	More than 3 years	
Undisputed - MSME	186.80	-	-	-	186.80
Undisputed - Others	5,438.27	-	-	12.10	5,450.37
Total	5,625.07	-	-	12.10	5,637.17

* There is no amount outstanding in excess of 45 days due to vendors who are registered under Micro Small and Medium Enterprise Development Act, 2006.

Micro, Small and Medium enterprises, pursuant to notification dated - September 4, 2015 issued by Ministry of Corporate Affairs, have been currently identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

Particulars	As at March 31,2026	As at March 31,2025
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year:		
- Principal Amount due	166.90	186.80
- Interest due	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:		
- Principal Amount due	-	-
- Interest due	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	166.90	186.80

Explanation: The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning assigned to those under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.



Note 21

Current financial liabilities : Others (measured at amortised cost)

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Capital creditors (Refer note No.2 for further detail.)	3,211.73	3,064.62
Payables for Other Expenditure	15.48	124.94
Interest on Share Application Money Pending for Allotment	-	3,290.83
Earnest Money Deposits	11.94	12.17
Payable for Retention money (Refer note No.2 for further detail.)	12,275.16	11,583.11
Deposits from customer and others	106.00	106.00
Upfront fixed charges refundable *	79.72	79.72
Other financial liabilities	5.18	5.18
	15,705.20	18,266.56

* The company has been entrusted with laying of pipelines in two phases for water transport to be used by GSEG, HLPL and L&T. The company has recovered proportionate share of the cost for construction of pipelines incurred till date from the other two users of the pipeline. The further construction of pipeline is not certain and as per the terms of the agreement, the same needs to be refunded back if the project is not completed.

Note 22

Current liabilities : Others

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Statutory Dues Payables	48.71	55.96
	48.71	55.96

Note 23

Provision

(₹ in Lakhs)

Particulars	(₹ in Lakhs)	
	As at March 31,2026	As at March 31,2025
Provision for Employee Benefit		
Gratuity	14.63	14.46
Compensated Absences	4.30	4.14
Super Annuation scheme	30.32	29.17
	49.25	47.77



Note 24

Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sales of products and Services		
<i>Revenue from contract with customers</i>		
Sale of electricity	28,382.82	14,707.07
Sale of electricity (other than PPA)	-	18,000.64
Less:		
Rebate on Sales	-	-
	28,382.82	32,707.71
Total revenue from operations	28,382.82	32,707.71

GSEG is having 156.1 MW and 351.43 MW CCPP. GSEG presently operates 351.43 MW combined cycle power plant (CCPP) near Hazira, Surat. For 351.43 MW CCPP, Company is having power purchase agreement (PPA) with GUVNL whereby GUVNL pays bare minimum fixed cost containing Debt servicing and bare minimum operation and maintenance cost of the plant. After expiry of 156.1 MW CCPP, Company has signed new PPA with GUVNL for the period of 5 years based on per unit tariff. The approval of new PPA is pending with GERC.

Further, in the previous year, the Government of India (GOI), Ministry of Power (MOP) vide 12th April, 2024 issued the order for directions to Gas Based Generating Stations (GBSS) under Section 11 of the Electricity Act, 2003 to ensure maximum generation from GBSS.

Note 25

Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividend on Long-Term Investments	77.54	75.40
Scrap Sales	7.09	-
Profit on Sale / Disposal of Assets (net)	-	0.81
Provision written back**	-	205.50
Other Non-Operating Income*	13.82	1,602.31
Late Payment Surcharge Income***	-	509.39
Total Other income	98.45	2,393.42

* i) During the previous year insurance claim of ₹1,581.21 lakhs included in other non-operating income. Refer to note no. 27 for further details.

** i) The provision for 7th Pay Commission arrears amounting to ₹140.80 lakhs has been reversed during the previous year as for the same an expenditure of ₹140.74 lakhs was recorded during the previous year and the balance amount of ₹0.06 lakh was reversed during the previous year.

ii) The provision for doubtful debts amounting to ₹64.70 lakhs, pertaining to the O&M debit note of GUVNL, has been reversed during the previous year. Further, an expense of ₹49.48 lakhs had also been recorded.

*** During the previous year, in accordance with the provisions of the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, notified by the Ministry of Power, the Company has recognized Late Payment Surcharge (LPS) income in respect of delayed payments received from the sale of power to NLDC.

Accordingly, the Company had accounted for LPS income amounting to ₹ 509.39 lacs, based on the delay in receipt of payments from NLDC. The same has been written off during the current financial year. (Refer note no.31)



Note 26

Finance Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Deposits with Financial institutions	771.53	407.08
Others	2.05	2.04
Total Finance Income	773.58	409.13

Note 27

Generation Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Gas Consumption during the year		
Opening Stock	-	-
Add; Purchase during the Year	24,802.62	26,796.82
Less : Closing Stock	3,092.10	-
Consumption during the Year	21,710.52	26,796.82
Transportation charges	1,376.71	1,049.23
Operation & maintenance expenses	5,916.03	3,674.02
Total Generation Expense	29,003.26	31,520.07

During the plant operation of 351 MW on 23.12.2022, The Steam Turbine Generator (STG) tripped due to high vibrations issue at barring gear, OEM BHEL was engaged for rectification of issue. Steam turbine vibration issues was resolved in the month of March 2024 and plant is now available for operation. The expenses for the same had been claimed under bare minimum fixed cost under PPA with GUVNL in the FY 2023-24. The Company had also lodged the insurance claim under Industrial All risk Policy (IAR) in the month of April, 2024 to the insurance company New India Assurance Company Ltd. This Claim was approved by the insurance company as on the 8th April 2025 for amount of ₹.1581.21 lacs as full and final settlement. Moreover, the expense reimbursement of ₹.1191.37 lacs previously claimed from GUVNL in relation to this loss had been reversed in the previous year, as it would be recovered from the insurance company.

Note 28

Employee Benefit Expense

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and Wages	502.88	524.55
Contribution to Provident and Other Funds	87.31	126.63
Staff Welfare Expenses	43.91	49.43
Director Sitting Fees	2.76	2.12
Total of employee benefit expense	636.87	702.73

Note 29

Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on Borrowings	480.86	1,023.04
Other Borrowing Costs (includes bank charges, etc.)	12.92	1.34
Interest-Others	-	0.03
Total Finance Costs	493.78	1,024.41



Note 30

Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2025
Depreciation on Property, Plant & Equipments	3,620.22	3,610.32
Amortisation of right of use Asset	24.82	24.82
Amortisation on Intangible Assets	-	2.41
Total Depreciation Costs	3,645.04	3,637.55

Note 31

Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2025
Bandwidth, Computer & ERP expenses	30.43	34.53
Payment to Auditors*	14.51	14.98
Repairs and Maintenance:		
- Others	4.03	8.63
Rent	31.53	30.03
Insurance	561.24	429.29
Membership Fees	1.03	1.03
Postage, Telephone and Internet Expenses	4.75	5.25
Travelling and Conveyance	32.38	25.62
Guest house expenses	20.52	20.52
Legal and Professional Charges	72.69	86.17
Office Expenses	32.19	31.86
Stationery & Printing Expenses	3.82	4.18
Advertisement Expenses	1.02	0.43
Net Loss / (Gain) on Foreign Currency Transactions**	735.57	146.29
Loss on Sale / write-off of Assets	1.96	-
Provision for Doubtful Debts	104.88	-
Payment to Contractual staff	86.47	80.89
Unadmitted revenue claims written off^^	769.08	49.48
GST Credit Written Off	-	28.13
Miscellaneous Expenses	25.20	27.95
Total of other expenses	2,533.31	1,025.25

**This pertains to reinstatement of Forex payment withheld under the BHEL EPC contract as per Ind AS 21.

^^ The Company had accounted for LPS income amounting to ₹ 509.39 lacs during the previous year, based on the delay in receipt of payments from NLDC. However, the company has received intimation from Grid controller of India Limited that the same is not payable in view of consolidated energy accounting framework under the SCUC procedure w.e.f. 16.4.2024. Hence, the same has been written off during the year and recognised as an expense.

*Payment to Statutory Auditors as:

Statutory Audit fees	6.75	11.47
Other Certification Matters	6.45	2.15
For Reimbursement of expenses	1.32	1.36
	14.51	14.98



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Note 32

Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
	₹	₹
i. Profit attributable to Equity holders		
Profit attributable to equity holders		
Continuing operations	(75,48,49,415)	(18,25,24,494)
Discontinued operations	-	-
Profit attributable to equity holders for basic earnings	(75,48,49,415)	(18,25,24,494)
Effect of dilution	-	-
Profit attributable to equity holders adjusted for the effect of dilution	(75,48,49,415)	(18,25,24,494)
ii. Weighted average number of equity shares		
Outstanding equity shares	60,37,99,012	53,50,22,116
Effect of dilution	-	-
	60,37,99,012	53,50,22,116
Basic earnings per share	(1.25)	(0.34)
Diluted earnings per share	(1.25)	(0.34)

Note: Number of shares for the last year have been restated in line with Ind AS 33.



Note 33**Gratuity and other post employment benefit plans**

The Company operates post employment and other long term employee benefits defined plans as follows:

- I. Funded
i. Gratuity

Defined Contribution plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under:

Particulars	(₹ in Lakhs)	
	31-Mar-26	31-Mar-25
Employer's Contribution to Provident Fund	36.21	44.04
Employer's Contribution to Superannuation Fund	30.32	46.28

Defined Benefit Plan

The employee's gratuity fund scheme managed by a Life Insurance corporation of India is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

Description	As at		As at	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	Gratuity		Leave Encashment	
1. Reconciliation of opening and closing				
a. Obligation as at the beginning of the year	353.36	303.15	228.42	202.20
b. Interest Cost	23.85	21.49	15.45	14.37
c. Current Service Cost	14.46	14.57	1.33	3.35
d. Actuarial (Gain)/Loss	(7.95)	14.14	(6.91)	8.50
e. Benefits Paid	-	-	-	-
f. Past Service Cost	-	-	-	-
g. Obligation as at the end of the year	383.72	353.36	238.29	228.42
2. Reconciliation of opening and closing				
a. Fair Value of Plan Assets as at the beginning of	192.04	179.09	184.34	165.63
Less : Expense deducted from the fund				
b. Expected return on Plan Assets	13.30	13.09	14.04	12.62
c. Actuarial Gain/(Loss)	0.67	(0.19)	0.06	0.28
d. Employer's Contributions	23.74	0.05	0.05	5.82
e. Benefits Paid	-	-	-	-
f. Fair Value of Plan Assets as at the end of the	229.75	192.04	198.50	184.34
3. Reconciliation of fair value of assets and				
a. Fair Value of Plan Assets as at the end of the	229.75	192.04	198.50	184.34
b. Present Value of Obligation as at the end of	383.72	353.36	238.29	228.42
c. Amount recognised in the Balance Sheet	(153.96)	(161.32)	(39.79)	(44.08)
4. Investment Details of Plan Assets				
Invested with LIC of India	100%	100%	100%	100%
5. Assumptions				
a. Discount Rate (per annum)	7.15%	6.85%	7.15%	6.85%
b. Estimated Rate of return on Plan Assets (per	8.00%	8.00%	8.00%	8.00%
c. Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%



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(₹ in Lakhs)				
Description	As on		As on	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	Gratuity		Leave Encashment	
4. Expense recognised during the year				
a. Current Service Cost	14.46	14.57	1.33	3.35
b. Interest Cost	10.56	8.41	1.41	1.76
c. Expected return on Plan Assets	-	-	-	-
d. Actuarial (Gain)/Loss	(8.63)	14.33	(6.97)	8.22
e. Past Service Cost	-	-	-	-
f. Expense recognised during the year	16.39	37.31	(4.24)	13.33
<p>The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.</p> <p>The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for management of plan assets.</p> <p>7. Sensitivity analysis Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.</p>				
Particulars	31-Mar-26			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	3,68,79,095	2,28,40,437	3,99,59,223	2,48,83,608
Salary growth rate (0.5% movement)	3,94,99,068	2,48,80,065	3,73,48,159	2,28,34,594
Particulars	31-Mar-25			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	3,38,37,722	2,18,06,412	3,69,34,275	2,39,51,202
Salary growth rate (0.5% movement)	3,64,35,511	2,39,44,264	3,42,95,490	2,18,03,120
<p>Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.</p>				



Gujarat State Energy Generation Limited (CIN No: U40100GJ1998SGC035212)

Note 34

(a) Description of segments and principal activities

The Company's management, consisting of the chief executive officer, the chief financial officer and the manager for corporate planning, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment and has only one reportable segment i.e. Sale of electricity through Gas power plant

(b) Details for reportable segments as required by Ind AS 108 is as follows:

Sale of electricity - Company is into generation of Electricity. Management monitors the performance in this segment closely.

(c) Information about products and services

The Company's revenue from external customers is same as that disclosed above.

(d) Information about geographical areas

1. The Company does not have geographical distribution of revenue hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

2. None of the company's assets are located outside India hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

(e) Information about major customers

The entity has entered into a power purchase agreement for a period of 20 years and 5 years for its 351.43 MW and 156.1 MW Plant respectively with GUVNL which is our major customer. Further, in the previous year, the Government of India (GOI), Ministry of Power (MOP) vide 12th April, 2024 issued the order for directions to Gas Based Generating Stations (GBSs) under Section 11 of the Electricity Act, 2003 to ensure maximum generation from GBSs.



Note 35

Related party transactions

The names of related parties with relationship and transactions with them:

(a) Holding Company, Associate & Other Related Party

Name of the entity	Type
Gujarat State Petroleum Corporation**	Holding
Krishak Bharti Co-Operative Limited	Associate
Gujarat State Petronet Limited**	Other related party
GSPC Pipavav Power Company Limited	Other related party
Gujarat Gas Limited (GGL)	Other related party
Guj Info Petro Limited	Other related party
Gujarat Energy Research & Management Institute	Other related party

**The Hon'ble Ministry of Corporate Affairs, New Delhi ("Hon'ble MCA") vide final order dated 8th April 2026 ("Order") sanctioned a Composite Scheme of Amalgamation and Arrangement among Gujarat State Petroleum Corporation Limited (GSPC /Transferor Company 1), Gujarat State Petronet Limited (GSPL /Transferor Company 2), GSPC Energy Limited (GEL /Transferor Company 3), Gujarat Gas Limited (GGL/Transferee Company/Demerged Company) and GSPL Transmission Limited (GTL/Resulting Company) and their respective Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules made thereunder ("Scheme"). The Scheme inter alia provides for amalgamation of GSPC, GSPL and GEL with GGL with appointed date as 1st April, 2024; and post the amalgamation, demerger of "Gas Transmission Business Undertaking - GTBU" into GTL with appointed date as 1st April, 2025. The Effective Date is 1st May 2026 i.e. the date of filing of certified copy of aforesaid Order, along with a copy of the Scheme, with the Registrar of Companies, Ahmedabad and the Scheme has become effective. Accordingly, the Company has reported all related party transactions and balances with the respective companies before giving the impact of the Scheme for the FY 2025-26 & FY 2024-25.

Relationship:

Key Management Personnel:

Particulars	Designation
Mr. Shallesh Sivadasan - From 23.2.2015	Chief Financial Officer
Mr. Kalpesh Oza - From 13.10.2015	Company Secretary
Mr. Santosh Joshi - From 30.05.2016 - Upto 17.10.2022, from 05.10.2023	Chief Executive Officer

The following transactions were carried out with the related parties referred in above in the ordinary course of business (excluding reimbursement).

Particulars	₹ in Lakhs	
	2025-26	2024-25
Short-term employee benefits	178.38	155.22
Post-employment benefits	8.45	12.19
Long-term employee benefits	3.37	7.42
Termination benefits	-	-
Employee share-based payments	-	-
Total compensation	190.20	174.82

Name of Key Management Personnel	₹ in Lakhs	
	2025-26	2024-25
Santosh Joshi	98.21	85.55
Shallesh Sivadasan	47.17	39.64
Kalpesh Oza	33.01	30.02
Total compensation	178.38	155.22



Transactions during the year :

Transactions with related parties during the year as per Indian Accounting Standard - 24 on "Related Party Disclosures" are as follows:

Particulars	(₹ In Lakhs)	
	As at 31-Mar-26	As at 31-Mar-25
Name of Related Party, relationship & nature of transactions		
Gujarat State Petroleum Corporation		
Interest on ICL	364.99	574.36
Interest on Share Application Money pending for Allotment	-	360.63
Issuance of equity shares	9,282.42	-
Purchase of Gas & LNG Paid	23,784.43	26,505.52
Regasification charges paid	1,018.19	291.27
Rent Expense	31.53	30.03
Expenditure Reimbursement Paid	19.68	45.91
Expenditure Reimbursement Received	-	0.12
Gujarat State Petronet Ltd.		
Gas Transportation Paid	1,376.71	1,049.23
Expenditure Reimbursement Received	12.98	8.62
Expenditure Reimbursement paid	-	0.53
Gujarat Gas Limited (GGL)		
Expenditure Reimbursement Paid	3.53	-
Dividend Received	77.54	75.40
GSPC Pipavav Power Company Limited		
Expenditure Reimbursement Paid	29.48	43.72
Expenditure Reimbursement Received	65.72	69.69
Krishak Bharti Co-operative Ltd. (KRIBCO)		
Utility Charges	479.62	355.01
Guj Info Petro Limited		
Expenditure Reimbursement Paid	16.27	12.42
Gujarat Energy Research & Management Institute (GERMI)		
Consultancy Charges Paid	-	11.99
Key Managerial Personnels		
Sitting Fees & Out of Pocket Expenses	3.40	2.66

* The above transactions are inclusive of all taxes, wherever applicable.

Sitting Fees includes GST paid under reverse charge mechanism, wherever applicable.

Balance with related Party.

Particulars	(₹ in Lakhs)	
	As at 31-Mar-26	As at 31-Mar-24
Name of Related Party, relationship & nature of transactions		
Gujarat State Petroleum Corporation		
Account Receivable	0.03	0.26
Account Payable	10.73	5,140.07
Unsecured Intercorporate loans from Associates	-	5,663.81
Interest accrued but not due on Share Application Money Pending for Allotment	-	3,290.83
Gujarat State Petronet Ltd.		
Account Receivable	2.48	1.98
Account Payable	10.25	182.27
Gujarat Gas Limited (GGL)		
Account Receivable	10.10	10.10
GSPC Pipavav Power Company Limited		
Account Receivable	16.60	13.11
Account Payable	6.52	2.07
Krishak Bharti Co-operative Ltd. (KRIBCO)		
Account Payable	21.93	24.74
Guj Info Petro Limited		
Account Payable	0.58	0.48
Gujarat Energy Research & Management Institute (GERMI)		
Account Payable	-	11.99



Note 36

Capital Commitments

(₹ in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Estimated amount of contracts, remaining to be executed, on capital account (Net of payment)	388.96	388.96
Total	388.96	388.96

Note 37

Contingent liabilities not provided for in accounts :

(₹ in Lakhs)

Particulars	31-Mar-26	31-Mar-25
Claims against the Company not acknowledged as debts		
For direct tax*	1039.56	1,039.56
Others - Green Cess**	824.95	784.43
Total	1,864.51	1,823.99

Figures in USD

Particulars	31-Mar-26	31-Mar-25
Claims against the Company not acknowledged as debts		
Letter of Credit	2,00,088.54	2,46,229.81

* For direct tax

(₹ in Lakhs)

Nature of statute	Nature of dues	Forum where dispute is pending	Period to which amount relates (Assessment Year)	Contingent Liability
Income Tax Act, 1961	Income Tax	High Court	2002-03, 2004-05, 2005-06,	632.03
Income Tax Act, 1961	Income Tax	CIT(A)	2017-18	85.18
Income Tax Act, 1961	Income Tax	High Court	2010-11	322.35
			Total	1039.56

*

i) Company has received judgement from ITAT pertaining to AY 2009-10 & 2010-11 and company has not preferred further appeal before High court of Gujarat. The order does not have any effect on the tax liability of the company. However, in FY 2023-24 department has preferred further appeal before highcourt of Gujarat for AY 10-11 and the same is pending.

ii) The Company has received order U/s. 263 of the Act for A.Y. 2017-18 & A.Y. 2018-19 and Hon'ble Pr. CIT-3 Ahmedabad has directed the AO to verify the claim of depreciation on huge capitalisation of stores items on last day of the financial year and to pass fresh assessment order.

The AO has issued the assessment orders U/s. 143(3) r.w.s. 263 r.w.s. 144B of the Income Tax Act, 1961, for both the years, which were received by the Company on 24-03-25 for A.Y. 2017-18 and on 20-03-25 for A.Y. 2018-19. Further, the Company has filed appeal against both the orders before CIT (Appeals) on 18-04-2025.

** As per the High Court Order, payment of Green cess was discontinued from February, 2013. Further as per Supreme Court order dated 3rd July 2013, the Company has not made provision for Green cess of ₹ 824.95 Lakhs (Previous Year: - ₹ 784.43 Lakhs)



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Note 38
Foreign Currency Exposure not hedged by derivative or otherwise

Particulars	Currency	(₹ in Lakhs)	
		31-Mar-26	31-Mar-25
Creditors for capital expenditure and retention Money	USD	4,772.14	4,314.45
	EURO	1,824.73	1,545.48
Total	-	6,596.87	5,859.93

Note 39

On periodical basis and as and when required, the Company reviews the carrying amounts of its assets. In case the fair value is less than the carrying value an impairment charge is created.

GSEG Ltd. had commissioned 156.1 MW Gas based Power Plant at Village Mora, Post Bhatha- 394510 in GIDC, Surat Hazira Road, Surat, Gujarat, India. in the year 2002-03.

The Power Purchase Agreement of with GUVNL was expired in May 2022 for 156.1 MW CCPP. Due to significant increase in cost of fuel (i.e. Gas), Plant load factor (PLF) has gone down drastically. Thereby, there is absence of steady stream of revenue which has contributed to trigger of impairment indicators.

Therefore, in the financial year 2022-23, the company had reviewed the carrying amount of GSEG's 156.1 MW CCPP's (considered as a CGU) assets and the recoverable amount as per Ind AS 36 and recognized, impairment loss of ₹ 316.44 lakh, difference between carrying amount and recoverable amount.

During the year 2025-26, In the meeting conducted under the chairmanship of Additional Secretary (Power) on 1.7.2025, the said plant was categorized under "Power Plants not likely to be operated in future" and the company was asked to send proposal for the retirement of unit along with the BOD approval. Considering the said facts, the company has again reviewed the carrying amount of its assets as against the recoverable amount and found that to be higher. Hence, no such impairment loss has been provided.

Note 40

In the opinion of management, any of the assets other than fixed assets and non - current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

Note 41

Balances of receivables and payables as on 31st March 2026 where balance confirmations have not been received, have been reconciled on the basis of amounts received and payments made in due course.



Note 42

Financial Instruments - Fair values and risk management
A. Accounting classification and fair values

(₹ in Lakhs)

31-Mar-26	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets measured at each reporting date								
Investments								
Mutual funds - Liquid funds	-	-	-	-	-	-	-	-
Listed equity instruments	-	-	-	-	-	-	-	-
Quoted equity instruments	-	4,093.29	-	4,093.29	4,093.29	-	-	4,093.29
Financial assets measured at amortised cost								
Investment in subsidiaries	-	-	-	-	-	-	-	-
Unquoted government securities	-	-	-	-	-	-	-	-
Loans	-	-	5.93	5.93	-	-	5.93	5.93
Other non current financial assets	-	-	260.34	260.34	-	260.34	-	260.34
Other current financial assets	-	-	1,167.84	1,167.84	-	-	-	-
Trade receivables	-	-	1,672.82	1,672.82	-	-	-	-
Cash and cash equivalents	-	-	11,003.51	11,003.51	-	-	-	-
Other bank balances	-	-	-	-	-	-	-	-
	-	4,093.29	14,110.44	18,203.73	4,093.29	266.22	-	4,359.56
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	295.03	295.03	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	695.72	695.72	-	-	-	-
Other financial liabilities	-	-	15,705.20	15,705.20	-	-	-	-
	-	-	16,695.96	16,695.96	-	-	-	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

(₹ in Lakhs)

31-Mar-25	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	
Financial assets measured at each reporting date								
Investments								
Mutual funds - Liquid funds	-	-	-	-	-	-	-	-
Listed equity instruments	-	-	-	-	-	-	-	-
Quoted equity instruments	-	5,493.47	-	5,493.47	5,493.47	-	-	5,493.47
Financial assets measured at amortised cost								
Investment in subsidiaries	-	-	-	-	-	-	-	-
Unquoted government securities	-	-	-	-	-	-	-	-
Loans	-	-	10.09	10.09	-	10.09	-	10.09
Other non current financial assets	-	-	267.16	267.16	-	267.16	-	267.16
Other current financial assets	-	-	7,822.53	7,822.53	-	-	-	-
Trade receivables	-	-	10,899.28	10,899.28	-	-	-	-
Cash and cash equivalents	-	-	9,658.87	9,658.87	-	-	-	-
Other bank balances	-	-	-	-	-	-	-	-
	-	5,493.47	28,657.94	34,151.41	5,493.47	277.25	-	5,770.72
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	7,864.06	7,864.06	-	-	-	-
Non current financial liabilities- Others	-	-	-	-	-	-	-	-
Trade payables	-	-	5,637.17	5,637.17	-	-	-	-
Other financial liabilities	-	-	18,266.56	18,266.56	-	-	-	-
	-	-	31,767.80	31,767.80	-	-	-	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

Types of Inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.



B. Measurement of fair values**i) Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial Instruments measured at fair value**ii) Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods.

iii) Level 3 fair values

There are no unquoted investments in the books of the Company as on 31st March 2026 and on 31st March 2025.

C. Financial risk management

The Company has exposure to the following risks arising from financial Instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

i. Risk management framework

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Director. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Other financial assets

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Trade receivables

Trade receivables of the company are typically unsecured. All the customers of the company are a government entities. Hence, no credit risk is perceived by the Company.

At March 31, 2026, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

(₹ in Lakhs)

	Carrying amount	
	31-Mar-26	31-Mar-25
Domestic	1,672.82	10,899.28
Other regions	-	-
	1,672.82	10,899.28

Impairment

The ageing of trade and other receivables that were not impaired was as follows:

(₹ in Lakhs)

Particulars	31-Mar-26			31-Mar-25		
	Gross	Less: Provision	Net	Gross	Less: Provision	Net
	Neither past due nor impaired	-	-	-	-	-
Upto 180 days	1,638.31	-	1,638.31	3,102.52	-	3,102.52
More than 180 days	139.39	104.88	34.51	7,796.76	-	7,796.76
	1,777.70	104.88	1,672.82	10,899.28	-	10,899.28



Note 42

Financial Instruments – Fair values and risk management

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit:

Cash credit facility of ₹ 295.03 Lacs (March 31, 2025: ₹ 2200.25 Lacs) that is secured through pari passu charge against all the assets both present and future including land at Hazira. Interest would be payable at the rate of varying from 8.95% - 9% (31 March, 25: 8.75% - 9%).

Inter-corporate loan from GSPC of ₹ Nil (March 31, 2025: ₹ 5663.81 Lacs). Interest would be payable at the rate ranging from SBI Rate+ 0.4%.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Lakhs)						
March 31, 2026	Carrying amount	Total	Contractual cash flows			
			Less than 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings	-	-	-	-	-	-
Non-current financial liabilities	-	-	-	-	-	-
Current borrowings	295.03	295.03	295.03	-	-	-
Trade and other payables	695.72	695.72	695.72	-	-	-
Other current financial liabilities	15,705.20	15,705.20	15,705.20	-	-	-
	16,695.96	16,695.96	16,695.96	-	-	-

(₹ in Lakhs)						
March 31, 2025	Carrying amount	Total	Contractual cash flows			
			Less than 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Non-current borrowings	-	-	-	-	-	-
Non-current financial liabilities	-	-	-	-	-	-
Current borrowings	7,864.06	7,864.06	7,864.06	-	-	-
Trade and other payables	5,637.17	5,637.17	5,637.17	-	-	-
Other current financial liabilities	18,266.56	18,266.56	18,266.56	-	-	-
	31,767.80	31,767.80	31,767.80	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to non derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.



Note 42

Financial instruments – Fair values and risk management

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is not exposed to any market risk as all the risk is being borne by the GUVNL as per PPA.

v. Currency risk

The functional currency of the Company is Indian Rupee. The Company is not exposed to any currency risk as per the terms of PPA with GUVNL and other revenue sources.

vi. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company does not have any interest rate risk as on date.

There is no exposure of interest rate risk to The Company based on the terms agreed with GUVNL.

vi. Fair value sensitivity analysis for fixed-rate instruments

The Company does not have any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps) . Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps) . Therefore, a change in interest rates at the reporting date would not affect profit or loss.

vii. Price risk

The Company is exposed to price risk, which arises from investments in FVOCI equity securities. The management monitors the proportion of equity securities in its investment portfolio based on market price of equity securities. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are duly approved. The primary goal is to maximise investment returns.

Note 43

Company Social Responsibility (CSR) Activity

In view of the Section 135 of the Companies Act 2013 and rules made there under, due to past accumulated losses, GSEG is not required to spend any amount towards CSR expenditure in the year 2025-26. Further, in order to meet the statutory requirement, an appropriate disclosure in this regard has been made in the Directors report of the Company for FY 2025-26.

Note 44

Capital Management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's adjusted net debt to equity ratio at March 31, 2026 was as follows.

	(₹ in Lakhs)	
	As at	
	31-Mar-26	31-Mar-25
Total liabilities	295.03	7,864.06
Less : Cash and Cash Equivalent	11,003.52	9,658.87
Adjusted net debt	(10,708.48)	(1,794.81)
Total equity	62,736.20	62,194.37
Adjusted net debt to adjusted equity ratio	(0.17)	(0.03)

* Debt Equity Ratio disclosed here differs from the Debt Equity Ratio disclosed in note 46 as part of statutory disclosure requirement under schedule III.



Note 45

Borrowings from Banks & FI

Summary of Quarterly returns filed by the Company to Its Bank In which Company has borrowed working capital funds are as under

(₹ in Lakhs)

Quarter	Name of Bank / FI	Particulars of Security Provided	Amounts as per the Books of Accounts	Amounts as reported in the Quarterly Return Statement	Amounts of Difference	Reason for material discrepancies
Jun-25	Bank of Baroda	Stocks and Book Debts	10,873.34	10,873.34	-	
Sep-25	Bank of Baroda	Stocks and Book Debts	11,531.02	11,531.02	-	
Dec-25	Bank of Baroda	Stocks and Book Debts	5,595.00	5,650.59	-55.59	Quarterly Stock and Book Debt statement are submitted based on un audited figures.
Mar-26	Bank of Baroda	Stocks and Book Debts	9,666.36	9,366.36	300.00	GUVNL has adjusted excess amount given

Note 46

Various Financial ratios are disclosed as under:

Particulars	Numerator	Denominator	31-Mar-26	31-Mar-25	Variance	Reason for Change If Variance exceed 25%
a. Current Ratio (times)	Current Assets	Current Liabilities	1.33	1.07	24%	
b. Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	0.00	0.13	-96%	Inter Corporate loan interest converted to share capital thereby reduction in
c. Debt Service Coverage Ratio (times)	Earnings available for debt service (Net Profit after taxes + Non-cash operating expenses + Interest + other non-cash	Debt Service (Interest + Lease Payments + Principal Repayments)	N.A	N.A	N.A	
d. Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	-12.00%	-2.85%	323%	This is due to increase in the loss compared to last year.
e. Inventory turnover ratio*	Sales	Average Inventory	4.82	6.12	-21%	
f. Trade Receivables turnover ratio (times)	Revenue from Operations	Average Trade Receivables	4.52	2.89	56%	This is due to the decrease in Trade Receivables
g. Trade payables turnover ratio	Total Purchase of Gas	Average Trade Payables	7.83	8.52	-8%	
h. Net capital turnover ratio (times)	Revenue from Operations	Working Capital	5.17	15.51	-67%	This is due to the decrease in Revenue and substantial increase in working capital
i. Net profit ratio (%)	Net Profit After Tax	Revenue from Operations	-26.60%	-5.58%	377%	This is due to increase in the loss compared to last year.
j. Return on Capital employed, (%)	Earning before finance cost, exceptional item and tax	Capital Employed = Net worth + Total Debt + Deferred tax liabilities	-10.36%	-1.90%	445%	This is due to increase in the loss compared to last year.
k. Return on Investment (%)	$\{MV(T1) - MV(T0) - \text{Sum } [C(t)]\}$	$\{MV(T0) + \text{Sum } [W(t) * C(t)]\}$	-23.90%	-23.07%	4%	

T1 = End of time period

T0 = Beginning of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$

* Company has no trade Inventory and only having Inventory of stores and spares.



Note 47: Guidelines for Dividend Distribution and Capital Restructuring

The company had received GR dated 24.4.2023 and as amended on 31.7.2025 on Guidelines for Dividend Distribution and Capital Restructuring of State Public Sector Undertakings from Finance Department, GoG wherein:

"Every SPSU would pay a minimum annual dividend of 30 per cent of the PAT or 4 per cent of the net worth, whichever is higher subject to the limit, if any, under the extant legal provisions."

Clause 4.2 of the said guidelines states that "These guidelines do not apply to the body corporate which is prohibited from distribution of profits to its members eg, companies set up under Section 8 of the Companies Act, 2013 or under extant provisions of any other act or if the body corporate is under closure or liquidation proceedings, or any other entity specifically exempted by Finance Department, Government of Gujarat.

However, these guidelines are subject to the provisions of the Companies Act, 2013. Therefore, the company has not declared any dividend to its shareholders.

Note 48: Utilization of borrowed funds and share premium

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or;
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall :

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 49: Other Disclosures

- a) There are no investment properties held by the Company.
- b) There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c) The Company is not declared as wilful defaulter by any bank of Financial institutions of Other Lenders
- d) The Company has no transaction with Company struck off under section 248 of the Companies Act, 2013
- e) There is no any Charges of Satisfaction required to be registered with Registrar of Companies (ROC)
- f) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- g) GSEG do not have any subsidiary company under Section 2(87) of the Companies Act, 2013
- h) No scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013
- i) The Company does not have any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search, survey, or any other relevant provisions of the Act).
- j) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

Note 50:

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed the impact of the changes, consistent with the Labour Codes, draft rules, and FAQs.

Based on management's assessment and actuarial valuation, there is no incremental impact on liability arising from the implementation of the New Labour Codes. However, The Company continues to monitor the finalisation of Central I State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

Note 51:

Gujarat State Petroleum Corporation Limited ("GSPC"), holding 64.5% of the equity share capital of the Company, is a party to a Composite Scheme of Arrangement approved by the respective Boards on 30 August 2024. The Scheme provides for amalgamation of GSPC and Gujarat State Petronet Limited with Gujarat Gas Limited and demerger of the gas transmission business into GSPL Transmission Limited. Final approval of the Scheme was received on 17 April 2026 under the order of the Ministry of Corporate Affairs. The appointed date for the amalgamation is 1 April 2024 and for the demerger is 1 April 2025. As the Company is not a transferor, transferee, demerged or resulting company under the Scheme, no effect thereof has been given in these financial statements, except for this disclosure.



Note 52: Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 - The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 - The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

3. Ind AS 12, International Tax Reform - Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

* Further, the figures of previous year have been regrouped /rearranged wherever considered necessary.

Material Accounting Policies and Notes to Accounts
The above referred Notes are integral parts of the Financial Statements.
As per our report of even date attached

For, PIPARA & CO LLP
Chartered Accountants
FRN No. 107929W/W100219



CA NAMAN PIPARA
Partner
Membership No:140234

Place: Ahmedabad
Date: 02/05/2025

UDIN : 26140234OYKAXQ8462



For and on Behalf of the Board of Directors
CIN: U40100GJ1998SGC035212



Shri G.P. Fanse
Director
DIN: 10928584



Kalpesh Oza
Company Secretary



Shri Santosh Jeshi
CEO & Director
DIN:08251487



Shailesh Sivadasan
CFO

Place :- Gandhinagar
Date: 02/05/2025

