



## **VADODARA GAS LIMITED**

**(A Joint Venture of GAIL Gas Ltd. & Vadodara Municipal Corporation)**

# **ANNUAL REPORT (2017-18)**

## VADODARA GAS LIMITED

Regd. Office: Shri Muni Commi Gas Office, Gas Office Building, Dandia Bazar, Vadodara – 390001

CIN: U40106GJ2013PLC076828

Website – www.vgl.co.in

### NOTICE OF AGM

Notice is hereby given that the 5<sup>th</sup> Annual General Meeting of the Members of Vadodara Gas Limited will be held on Tuesday, 25<sup>th</sup> September, 2018 at 11.00 a.m. at the Corporate Office of the Company at 3<sup>rd</sup> Floor, GAIL Building, Manisha Circle, Old Padra Road, Vadodara – 390015 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018, the reports of Board of Directors and Auditors thereon and to pass the following resolution as an *Ordinary Resolution*:

**“RESOLVED THAT** the audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted.”

2. To appoint a Director in place of Shri Pankaj Walia (DIN: 07862980) who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an *Ordinary Resolution*:

**“RESOLVED THAT** Shri Pankaj Walia (DIN: 07862980), nominee of GAIL Gas Limited, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

3. To appoint a Director in place of Shri Pravin M Patel (DIN: 07746026) who retires by rotation, and being eligible, offers herself for re-appointment and to pass the following resolution as an *Ordinary Resolution*:

**“RESOLVED THAT** Shri Pravin M Patel (DIN: 07746026), nominee of GAIL Gas Limited, be and is hereby re-appointed as Director of the Company, liable to retire by rotation.”

4. To appoint Statutory Auditors of the Company and to fix their remuneration, and in this regard to consider and, if thought fit, to pass the following resolution as an *Ordinary Resolution*:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, the re-appointment of M/s. K. C. Mehta & Co., Chartered Accountants, Vadodara (Firm Registration No. 106237W) as the Statutory Auditors of the





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Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 6<sup>th</sup> Annual General Meeting, be and is hereby ratified and remuneration of Rs. 600,000/- (Rupees Six Lakhs only) for the financial year 2017-18 to M/s. K. C. Mehta & Co. plus service tax as applicable, and reimbursement of out-of-pocket expenses (including travelling and conveyance) incurred by them to conduct the audit for the financial year 2017-18, be and is hereby approved.”

### **SPECIAL BUSINESS**

#### **5. Appointment of Shri Ashok Kumar Das (DIN:07209092) as Managing Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and pursuant to the Articles of Association of the Company, consent of the Company be and is hereby accorded to the appointment of Shri Ashok Kumar Das (DIN: 07209092), as the Managing Director of the Company for a period of three (3) years with effect from 26<sup>th</sup> April, 2018 at such remuneration as per the terms of his appointment by GAIL with the authority to the Board of Directors of the Company to revise the terms as to remuneration, from time to time, within the limits provided for in Schedule V of the Companies Act, 2013, for the time being in force.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, any of the Directors or the Company Secretary of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regard.”

#### **6. Remuneration of Cost Auditors for the financial year 2017-18**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the remuneration payable to M/s. Y. S. Thakar & Co., Cost Accountants, Vadodara [Firm Registration No.: 000318] appointed by the Board of Directors of the Company as the Cost Auditors to carry out the audit of Cost Records relating to the products of the Company i.e. CNG and PNG and submit the Cost Audit Report thereon for the financial year 2017-18, amounting to Rs.60,000/- (Rupees Sixty Thousand only) per annum plus out-of-pocket expenses at actuals and applicable taxes, be and is hereby ratified and confirmed.



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

By Order of the Board of Directors  
For Vadodara Gas Limited



A handwritten signature in blue ink, appearing to read "Palak Shah".

(Palak Shah)  
Company Secretary

Date: 31.08.2018

Place: Vadodara

Registered Office:  
Shri Muni Commi Gas Office,  
Gas Office Building,  
Dandia Bazar,  
Vadodara - 390001

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### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy Form is annexed to the Notice. The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the meeting and can vote only on a poll.

A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 with respect to Items relating to Special Business is annexed to this Notice and forms part of this Notice.
3. Corporate members intending to send their authorized representative(s) to attend the meeting are required to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies are requested to bring the attendance slips duly filled in to the meeting. Attendance Slip is annexed to this Notice.



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### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

#### **ITEM NO 5:**

The Board of Directors had appointed Shri Ashok Kumar Das, nominee of GAIL Gas Limited, as the Managing Director of the Company for a period of three (3) years with effect from 26<sup>th</sup> April, 2018 subject to the approval of the shareholders of the Company in pursuance of the provisions of Sections 196, 197 and Schedule V of the Companies Act, 2013. The terms of remuneration of Shri Ashok Kumar Das are governed by the terms of his appointment by GAIL.

The terms and conditions of the appointment of Shri Sanjeev Kumar, who is on deputation to VGL, are given as under:-

**Period of appointment** – From 26.04.2018 to 25.04.2021

#### **Salary**

Basic pay Rs. 2,07,230/- per month. In addition he is entitled to variable D.A., Professional Updation Allowances, LTC, meal vouchers, HRA and other allowances, as per rules of GAIL from time to time. Based on the monthly pay slip as on 30<sup>th</sup> April, 2018, his Gross pay is Rs. 4,09,031/-.

#### **Annual Increment**

As per rules of GAIL, in addition to salary, the following perquisites will be provided as per relevant applicable rules of GAIL:-

1	Housing	HRA/ Company Leased Accommodation as per applicable rules of GAIL
2	PF Contribution	Contribution to Provident Fund, Superannuation Benefit Fund Scheme in accordance with the Rules of GAIL
3	Gratuity	Gratuity as per the applicable rules of GAIL
4	Conveyance	Car with driver at the place of posting, presently Vadodara
5	Business expenses	Reimbursement of travelling and other expenses incurred for the business of the Company.
6	Leave	Leave as per the Rules of GAIL
7	Other allowances, benefits and perquisites	Other allowances, benefits and perquisites etc. as per the Rules of GAIL

As per Section 197(1) of the Companies Act, 2013 the total managerial remuneration payable by a public company, to its directors, including Managing Director and Whole Time Director and its manager in respect of any financial year shall not exceed 11% of net profits of the Company.





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However, as per Section 197(3) of the Companies Act, 2013 if any financial year, company has no profits or its profits are inadequate, managerial remuneration payable to managing director and whole time director shall be as per the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013.

Shri. Ashok Kumar Das, is a B.Tech in Radio Physics & Electronics from Calcutta University. He has over 33 years of experience in various fields. He joined GAIL in 1986 as an Assistant Executive Engineer. Thereafter he worked in various departments of GAIL like GAILTEL, Petro-chemicals Marketing, GAIL Gas and Pipeline O&M. Prior to joining VGL, he was serving as Managing Director of Bhagyanagar Gas Limited for more than 2 years.

The Board of Directors recommends the resolution for the approval of the shareholders.

Except Shri Ashok Kumar Das, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 5 of the Notice.

### **ITEM NO. 6**

The Board of Directors at their Meeting held on 23<sup>rd</sup> April, 2018 approved the re-appointment of M/s. Y. S. Thakar & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of PNG and CNG for the financial year ending 31st March, 2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing Ordinary Resolutions as set out at item nos. 7 of the Notice for approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

The Board recommends the resolution for the approval of the shareholders.

None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolutions mentioned at Item No. 6 of the Notice.





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### Form No. MGT-11

#### Proxy form

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

CIN: U40106GJ2013PLC076828

Name of the company: Vadodara Gas Limited

Registered office: Shri Muni Commi Gas Office, Gas Office Building, Dandia Bazar, Vadodara - 390001

Name	
Registered Address	
Folio No.	
No. of shares held	
Client ID*	
DP ID*	

\*Applicable for Investors holding shares in electronic form

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member/members of Vadodara Gas Limited hereby  
appoint the following as my/our Proxy to attend vote (for me/us and on my/our behalf at the  
5<sup>th</sup> Annual General Meeting of the Company to be held on \_\_\_\_\_ at \_\_\_\_\_  
a.m./pm and at any adjournment thereof) in respect of such resolutions as are indicated  
below;

1. Name:  
Address:  
E-mail Id:

Signature: \_\_\_\_\_, or failing him

2. Name:  
Address:  
E-mail Id:

Signature: \_\_\_\_\_, or failing him

3. Name:  
Address:  
E-mail Id:

Signature: \_\_\_\_\_, or failing him.



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as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the .....Annual general meeting/ Extraordinary general meeting of the company, to be held on the ..... day of..... At..... a.m. / p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against

Signed this..... day of..... 20....

Affix Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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



**VADODARA GAS LIMITED**

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**ATTENDANCE SLIP**

**5<sup>th</sup> Annual General Meeting, (Day of Meeting) (Date of Meeting), 2018 at (Time of Meeting).**

Regd. Folio No. \_\_\_\_\_/DP ID \_\_\_\_\_ Client ID/Ben. A/C \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the (No. of Meeting) Annual General Meeting of the Company on (Day of Meeting), (Date of Meeting), 2015 at (Time of Meeting) at (Venue of Meeting)

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall.





# VADODARA GAS LIMITED

## ANNUAL ACCOUNTS

For the year ended 31<sup>st</sup> March 2018

### AUDITORS

**K C Mehta & Co.**

Chartered Accountants

Meghdhanush,  
Race Course,  
Vadodara - 390 007

Phone: +91 265 2341626 / 2440400

Fax: +91 265 2440455

E-Mail: [office@kcmehta.com](mailto:office@kcmehta.com)

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## INDEPENDENT AUDITORS' REPORT

**To the Members of Vadodara Gas Limited**

### **Report on the Indian Accounting Standards (Ind AS) financial statements**

We have audited the accompanying Ind AS financial statements of **Vadodara Gas Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("Ind AS financial statements").

### **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers





internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs(financial position) of the Company as at 31<sup>st</sup> March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the 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 the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B; and





- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 to the Ind AS financial statements;
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K. C. Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W



Vishal P. Doshi  
Partner  
Membership No.101533  
Place: Vadodara  
Date: 12<sup>th</sup> July 2018



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Vadodara Gas Limited**)

- i. (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (b) We have been explained by the management, that the Company has a program of physical verification of fixed assets, however, no verification of assets has been undertaken in the current year and hence there are no discrepancies noted to be commented upon.
- (c) In our opinion and according to the information and explanations given to us, the Company is in process of transferring the title deeds in the name of the Company for the below mentioned immovable properties –

Particulars	Leasehold/freehold	Gross Block as at 31 <sup>st</sup> March, 2018	Net Block as at 31 <sup>st</sup> March, 2018
Nizampura Land	Freehold	13,29,76,000	13,29,76,000
Land & Building at Dashrath	Leasehold	56,42,723	45,63,888

- ii. In our opinion and according to the explanations given to us, the inventories, (excluding inventories lying with third parties) were physically verified during the year by the management at reasonable intervals. The company is in the process of reconciling the discrepancies arising out of physical verification of stock with the book records. In the absence of such reconciliation, we are unable to comment whether such discrepancies are material.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company does not have any loans, investments, guarantees, and security, which are subject to provisions of section 185 and 186 of the Act. Therefore, reporting under clause (iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed





records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

- vii. (a) In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and any other statutory dues applicable to it. As explained to us, the company did not have any dues on account of provident fund and employee's state insurance. Further, no undisputed amounts payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues were in arrears, as at 31st March 2018 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us there are no dues of Income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not obtained any borrowings from government and financial institutions or by way of debentures.
- ix. In our opinion and according to the information and explanations given to us, the Company has neither raised any term loans or by way of initial public offer or further public offer during the year nor was any unutilized amount left on this account, as at the beginning of the year, and therefore, reporting under clause (ix) of the Order is not applicable to the Company..
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible





debentures during the year under review and therefore, the reporting under clause (xiv) of the Order is not applicable to the Company.

- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors and therefore, the reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For K. C. Mehta & Co.  
Chartered Accountants  
Firm's Registration No. 106237W



Vishal P. Doshi  
Partner  
Membership No.101533  
Place: Vadodara  
Date: 12<sup>th</sup> July, 2018



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of **Vadodara Gas Limited**)

We have audited the internal financial controls over financial reporting of **Vadodara Gas Limited** ("the Company") as of March 31, 2018 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

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

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. C. Mehta & Co.

Chartered Accountants

Firm's Registration No. 106237W



Vishal P. Doshi

Partner

Membership No.101533

Place: Vadodara

Date: 12<sup>th</sup> July, 2018



VADODARA GAS LIMITED  
BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in Rs.)

Particulars	Note	As at 31 st March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	5	1,25,43,00,140	1,17,28,26,303
(b) Capital work-in-progress	6	32,37,21,331	28,53,46,839
(c) Goodwill	7	1,06,06,35,683	1,06,06,35,683
(d) Intangible Assets	7	31,340	1,47,906
(e) Financial Assets			
(i) Security Deposits	8	34,37,493	34,27,493
(f) Other non current assets	9	6,98,75,263	7,40,38,408
<b>Total Non-current Assets</b>		<b>2,71,20,01,250</b>	<b>2,59,64,22,632</b>
<b>(2) Current Assets</b>			
(a) Inventories	10	7,75,84,520	7,53,93,501
(b) Financial Assets			
(i) Trade receivables	11	9,53,07,866	7,99,29,063
(ii) Cash and cash equivalents	12	7,79,19,794	6,14,25,142
(iii) Other bank balances	13	16,33,97,775	16,79,11,699
(iv) Others	8	8,74,12,476	9,07,91,759
(c) Current tax assets (net)	14	3,67,33,027	82,59,665
(d) Other current assets	9	47,29,881	98,43,124
<b>Total Current Assets</b>		<b>54,30,85,340</b>	<b>49,35,53,953</b>
<b>TOTAL ASSETS</b>		<b>3,25,50,86,590</b>	<b>3,08,99,76,585</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	2,40,29,35,480	2,40,29,35,480
(b) Other Equity	16	23,00,44,702	15,22,35,286
<b>Total equity</b>		<b>2,63,29,80,182</b>	<b>2,55,51,70,766</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	11,12,25,640	13,16,76,204
(b) Deferred Tax Liabilities (net)	20	4,28,51,359	4,35,02,839
<b>Total Non-current Liabilities</b>		<b>15,40,76,999</b>	<b>17,51,79,043</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17		3,93,62,789
(ii) Trade Payables	18	11,51,11,775	6,57,66,888
(iii) Other Financial Liabilities	19	29,51,13,320	23,84,41,482
(b) Other current liabilities	21	5,78,04,315	1,60,55,617
<b>Total Current Liabilities</b>		<b>46,80,29,410</b>	<b>35,96,26,777</b>
<b>Total Equity and Liabilities</b>		<b>3,25,50,86,590</b>	<b>3,08,99,76,585</b>
See accompanying notes to the financial statements	1-40		

As per our report on financial statements of even date attached.

For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
M. No. 101533



Place : Vadodara  
Date: 12<sup>th</sup> July, 2018

FOR AND ON BEHALF OF THE BOARD

Ashok Kumar Das  
Managing Director  
DIN: 07209092

S K Naik  
Director  
DIN: 06546482

Palak Shah  
Company Secretary  
M.No. A27260

Place : Vadodara  
Date: 12<sup>th</sup> July, 2018



VADODARA GAS LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I.	Revenue from operations	22	1,37,29,35,184	1,24,85,55,410
II.	Other income	23	1,14,65,129	1,19,22,805
III.	Total Revenue (I + II)		1,38,44,00,313	1,26,04,78,214
IV.	EXPENSES			
	Gas consumed	24	68,84,93,932	76,56,93,091
	Other Operating Expenses	25	32,68,62,922	22,49,39,027
	Employee benefits expenses	26	3,92,10,380	3,51,11,006
	Finance costs	27	1,59,18,256	2,03,88,541
	Depreciation and amortization expense	5-7	3,75,81,148	3,45,31,970
	Other expenses	28	15,67,37,535	7,55,88,095
	Total expenses (IV)		1,26,48,04,172	1,15,62,51,731
V.	Profit before Tax (III-IV)		11,95,96,141	10,42,26,484
VI.	Tax expense:	29		
	Current tax		4,24,38,204	2,92,80,766
	Deferred Tax		(6,51,480)	31,70,168
VII.	Profit for the period (V - VI)		7,78,09,416	7,17,75,549
VIII.	Other comprehensive income			
	Items to be reclassified to profit or loss		-	-
	Items that will be reclassified to profit or loss		-	-
	Other comprehensive income for the year, net of tax		-	-
IX.	Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)		7,78,09,416	7,17,75,549
	Earnings per equity share:			
	Basic & Diluted		0.32	0.30
	See accompanying notes to the financial statements	1-40		

As per our report on financial statements of even date attached.

For K. C. Mehta & Co.  
Chartered Accountants

*Vishal P. Doshi*

Vishal P. Doshi  
Partner  
M. No. 101533



Place : Vadodara

Date: 12<sup>th</sup> July, 2018

FOR AND ON BEHALF OF THE BOARD

*Ashok Kumar Das*

Ashok Kumar Das  
Managing Director  
DIN: 07209092

*S K Naik*

S K Naik  
Director  
DIN: 06546482

*Palak Shah*

Palak Shah  
Company Secretary  
M.No.A27260

Place : Vadodara

Date: 12<sup>th</sup> July, 2018

**VADODARA GAS LIMITED**

**Statement of changes in Equity for the Year ended 31st March 2018**

**A Equity Share Capital**

Particulars	(Amount in Rs.)
Balance as at 1st April, 2016	2,402,935,480
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	2,402,935,480
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	2,402,935,480

**B Other Equity**

(Amount in Rs.)

Particulars	Reserves and surplus	
	Retained earnings	Total
Balance as at 1st April, 2016	80,459,737	80,459,737
Profit for the year	71,775,549	71,775,549
Balance as at March 31, 2017	152,235,286	152,235,286
Profit for the year	77,809,416	77,809,416
Balance as at March 31, 2018	230,044,702	230,044,702

As per our report on financial statements of even date attached.

For K. C. Mehta & Co.  
Chartered Accountants

*Vishal P. Doshi*

Vishal P. Doshi  
Partner  
M. No. 101533



Place : Vadodara

Date: 12<sup>th</sup> July, 2018

FOR AND ON BEHALF OF THE BOARD

*Ashok Kumar Das*

Ashok Kumar Das  
Managing Director  
DIN: 07209092

*S K Naik*

S K Naik  
Director  
DIN: 06546482

*Palak Shah*

Palak Shah  
Company Secretary  
M.No.A27260

Place : Vadodara

Date: 12<sup>th</sup> July, 2018



**VADODARA GAS LIMITED**  
Cash Flow Statement for the year ended 31st March, 2018

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	11,95,96,141	10,42,26,484
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortization	3,75,81,148	3,45,31,970
Amortisation of Prepayments of Land	7,91,727	7,91,727
Interest income	(1,14,65,129)	(1,18,93,440)
Finance costs	1,52,48,793	1,89,23,028
Impairment for Doubtful receivables	70,44,659	16,30,074
<u>Working capital adjustments:</u>		
<b>(Increase)/ Decrease in Current Assets:</b>		
Inventories	(21,91,019)	(1,91,46,146)
Trade receivables	(2,24,23,462)	4,15,95,942
Other financial assets	27,29,190	(5,49,714)
Other non financial assets	51,82,534	(6,43,305)
<b>Increase / (Decrease) in Current Liabilities:</b>		
Trade Payables	4,93,44,886	3,78,52,582
Other Financial Liabilities	4,66,17,846	(3,66,55,432)
Other non Financial Liabilities	4,17,48,698	46,06,451
	28,98,06,013	17,52,70,221
Income tax (paid)/ Refund	(7,09,11,567)	25,81,268
<b>Net cash flows from operating activities (A)</b>	<b>21,88,94,446</b>	<b>17,78,51,489</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment (including CWIP)	(16,62,66,917)	(6,42,58,421)
Bank Balances not considered as Cash and Cash Equivalents	45,13,924	(88,02,078)
Interest received (finance income)	1,21,05,221	1,25,76,632
<b>Net cash flows used in investing activities (B)</b>	<b>(14,96,47,772)</b>	<b>(6,04,83,867)</b>
<b>Financing activities</b>		
Net proceeds from short term borrowings	(3,93,62,789)	(4,36,60,752)
Interest paid	(1,33,89,232)	(1,89,06,351)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(5,27,52,021)</b>	<b>(6,25,67,103)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>1,64,94,652</b>	<b>5,48,00,518</b>
Cash and cash equivalents at the beginning of the year	6,14,25,142	66,24,624
<b>Cash and cash equivalents at year end</b>	<b>7,79,19,794</b>	<b>6,14,25,142</b>

Notes:			(Amount in Rs.)
<b>1</b>	<b>Cash &amp; Bank Balances consists of the following:</b>		
	Cash & Cash Equivalents	7,63,35,594	5,91,34,565
	a. Balances with Banks	15,84,200	22,90,578
	b. Cash on hand	7,79,19,794	6,14,25,142
	Closing Cash & Cash Equivalents		
<b>2</b>	Previous year figures have been regrouped wherever necessary.		

As per our report on standalone financial statements of even date attached.

For K. C. Mehta & Co.  
Chartered Accountants

*Vishal P. Doshi*  
Vishal P. Doshi  
Partner  
M. No. 101533

Place : Vadodara

Date: 12<sup>th</sup> July, 2018

FOR AND ON BEHALF OF THE BOARD

*Ashok Kumar Das*  
Ashok Kumar Das  
Managing Director  
DIN: 07209092

*S K Naik*  
S K Naik  
Director  
DIN: 06546482

*Palak Shah*  
Palak Shah  
Company Secretary  
M.No.A27260

Place : Vadodara

Date: 12<sup>th</sup> July, 2018

**Vadodara Gas Limited**  
**Notes to the Financial Statements**

**1 Corporate information**

Vadodara Gas Limited ('VGL' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at Shri Muni Commi Gas Office, Gas Office Building, Dandiya Bazar, Vadodara - 390001. VGL is a Joint Venture Company (JVC) of Gail Gas Limited and Vadodara Mahanagar Seva Sadan. It was incorporated on September 13, 2013 for Gas Distribution in the city of Vadodara and its adjoining areas. VGL operates Compressed Natural Gas (CNG) stations and also supplies Piped Natural Gas (PNG) to consumers in domestic and commercial sectors.

**2 Application of new Indian Accounting Standard**

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

**Recent accounting pronouncements :**

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is mandatorily effective force from April 1, 2018. This amendment has no effect on the financial statements of the Company.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This amendment is mandatorily effective force from April 1, 2018. The effect on the Financial statements on adoption of Ind AS 115 is being evaluated by the Company.

**3 Significant Accounting Policies**

**3.1 Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as per the provisions of the Companies Act, 2013 ('the Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

**3.2 Basis of Preparation**

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Company does not have any subsidiary, associates and joint ventures, hence these financial statements are individual financial statements and does not require any consolidated financial statements.

The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest rupees except otherwise stated.

**3.3 Fair value Measurement**

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 under current market conditions.





### 3.4 Property, Plant & Equipment

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land are not depreciated.

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

Works under erection/installation /execution (including such work pertaining to a new project) are shown as Capital Work in Progress.

In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of competent authority, subject to necessary adjustment in cost and depreciation in the year of settlement.

Capital Spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are capitalized at cost.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the PPE. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the PPE and is recognised in the Statement of Profit and Loss.

Freehold Land is not depreciated. Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation is provided in accordance with the useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

Useful lives of each class of PPE as prescribed under Part C of Schedule II to the Companies Act, 2013 are as under:-

Asset Description	Assets Useful life (in Years)
CNG Stations Building	30
Other Buildings	60
Roads	5
Plant & Machinery	15
Furniture and Fixtures	10
Office Equipment	5
Computers	3
Electrical installation	10
Vehicle	8

Capital Spares are depreciated over the useful life of such Spares but not exceeding the remaining useful life of related tangible

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

### 3.5 Intangible Assets

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the statement of profit and loss when the asset is derecognized.



Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets purchased and is not amortised but tested for impairment annually.

Intangible assets including Computer software are amortized on straight-line basis over a period of five years.

### 3.6 Impairment of Assets

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

Goodwill is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit('CGU') or group of CGUs, which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

The total impairment loss of a CGU is allocated first to reduce the carrying value of Goodwill allocated to that CGU and then to the other assets of that CGU - on pro-rata basis of the carrying value of each asset .

### 3.7 Non-current assets held for sale

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 or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

### 3.8 Inventories

Inventory of stores and spares are valued on the basis of cost or estimated net realizable value, whichever is lower on first in first out principle. Provisions are made for obsolete and non-moving inventories.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

### 3.9 Revenue Recognition

#### a. Revenue from Operations

Revenue from sale of natural gas is recognized when the significant risks and rewards of ownership have been passed to the buyer, which is at the point of transfer of title to customers at delivery point and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Sales of natural gas is recognised at fair value including excise duty but excluding value added tax and service tax. Revenue recognized but not invoiced to customer is disclosed as unbilled revenue under other current assets.





#### **b. Other Operating Revenue**

Other operating income is recognized on accrual basis except when ultimate realization of such income is uncertain. Revenue recognized but not invoiced to customer is disclosed as unbilled revenue under other current financial assets.

#### **c. Interest Income**

Interest is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

#### **d. Other Income**

Other income is recognized on accrual basis except when realization of such income is uncertain.

### **3.10 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Operating lease payments for land are recognized as prepayments and amortized on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognized as an expense in the period in which they are incurred.

### **3.11 Employee Benefits**

#### **a. Post employment benefits**

##### **- Defined contribution plan**

The company's contribution to defined contribution plan paid/payable for the year is charged to the Statement of Profit and loss.

##### **-Defined benefit plan**

Provision for gratuity has been made on accrual basis as per the Payment of Gratuity Act, 1972.

#### **b. Short term employee benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized

### **3.12 Income Taxes**

Income tax expense represents the sum of the current tax expense and deferred tax.

#### **a. Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **b. Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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



Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**c. Current and deferred tax for the year**

Current and deferred tax are recognized in Statement of profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**3.13 Borrowing Costs**

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**3.14 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**3.15 Statement of Cash Flow**

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 are segregated into operating, investing and financing activities.

**3.16 Financial instruments**

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

**a. Financial assets**

**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortized cost**

Financial assets are subsequently measured at amortized cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.





**Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.

**Impairment of Financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in statement of profit and loss.

**b. Financial liabilities and equity instruments**

Financial liabilities are measured at amortized cost using the effective interest method.

**Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

**Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**4 Critical accounting judgements, assumptions and Key sources of estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

**Critical Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

**4.1 Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.



#### 4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 4.3 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 CGU's fair value less costs of disposal and its value in use. It 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. Where 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 subsidiaries or other available fair value indicators.

#### 4.4 Recognition of Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties.

#### 4.5 Impairment of Goodwill

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances indicate that the recoverable amount of the CGU is less than its carrying value. In calculating the value in use, the Company is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates; discount rates to reflect the risks involved. Also, judgement is involved in determining the CGU /grouping of CGUs for allocation of the goodwill.

#### 4.6 Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.





**VADODARA GAS LIMITED**

**Notes to the Financial Statements**

**5 Property, plant and equipment**

Property, plant and equipment are as follows:

Cost or deemed cost	Freehold Land (refer note b)	Buildings (refer note c)	Roads	Plant & Machinery	Furniture & Fittings	Office Equipment	Computers	Electrical Installation	Vehicles	Total
Balance at 1 April 2016	419,890,552	13,638,563	5,479,540	635,416,174	708,965	3,550,168	1,156,559	1,781,862	438,849	1,082,061,233
Additions	-	28,517,589	-	123,655,915	105,298	1,749,843	70,350	-	-	154,098,994
Disposals/ adjustments	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>419,890,552</b>	<b>42,156,151</b>	<b>5,479,540</b>	<b>759,072,088</b>	<b>814,263</b>	<b>5,300,011</b>	<b>1,226,909</b>	<b>1,781,862</b>	<b>438,849</b>	<b>1,236,160,227</b>
Additions	-	-	-	117,798,677	341,720	341,271	414,749	42,000	-	118,938,417
Disposals/ adjustments	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>419,890,552</b>	<b>42,156,151</b>	<b>5,479,540</b>	<b>876,870,766</b>	<b>1,155,983</b>	<b>5,641,282</b>	<b>1,641,658</b>	<b>1,823,862</b>	<b>438,849</b>	<b>1,355,098,644</b>

Depreciation and impairment	Freehold Land	Buildings	Roads	Plant and machinery	Furniture and fixtures	Office Equipment	Computers	Electrical Installation	Vehicle	Total
Balance at 1 April 2016	-	1,299,506	1,150,070	25,177,127	70,701	664,647	323,381	177,694	55,393	28,918,519
Charge for the year	-	2,155,554	1,150,070	29,402,723	78,172	996,598	399,199	177,694	55,393	34,415,404
Disposals/ adjustments	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>-</b>	<b>3,455,061</b>	<b>2,300,140</b>	<b>54,579,850</b>	<b>148,873</b>	<b>1,661,244</b>	<b>722,580</b>	<b>355,388</b>	<b>110,787</b>	<b>63,333,924</b>
Charge for the year	-	1,743,727	1,150,070	32,723,136	89,477	1,097,694	426,735	178,350	55,393	37,464,583
Disposals/ adjustments	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>5,198,787</b>	<b>3,450,210</b>	<b>87,302,986</b>	<b>238,350</b>	<b>2,758,938</b>	<b>1,149,316</b>	<b>533,739</b>	<b>166,180</b>	<b>100,798,506</b>

Net carrying value										
At 31 March 2017	419,890,552	38,701,091	3,179,400	704,492,238	665,390	3,638,767	504,329	1,426,473	328,063	1,172,826,303
At 31 March 2018	419,890,552	36,957,364	2,029,330	789,567,780	917,633	2,882,345	492,343	1,290,123	272,669	1,254,300,140

**Notes:**

- Land and building, plant and machineries, electrical installation, furniture and fixtures, office equipments and other movable assets of the company are subject to first charge to secure Term loan from Bank of Baroda.
- Includes cost of Rs.132,976,000/- of Land for which the transfer of ownership rights is yet not completed.
- Includes cost of Rs.5,642,723/- of Building and Rs.3,987,000/- of Roads for which the formal transfer of lease rights of the Land on which such building and related assets are standing are yet not completed.
- The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.



**VADODARA GAS LIMITED**

**Notes to the Financial Statements**

(Amount in Rs.)

**6 Capital work-in-progress**

Particulars	As at 31st March, 2018	As at 31st March, 2017
Capital work-in-progress	323,721,331	285,346,839
<b>Total</b>	<b>323,721,331</b>	<b>285,346,839</b>

**7 Intangible Assets**

Intangible assets are as follows:

(Amount in Rs.)

Cost or deemed cost	Goodwill	Software	Total
Balance at 1 April 2016	1,060,635,683	368,102	1,061,003,785
Additions	-	-	-
Disposals/ adjustments	-	-	-
<b>At 31 March 2017</b>	<b>1,060,635,683</b>	<b>368,102</b>	<b>1,061,003,785</b>
Additions	-	-	-
Disposals/ adjustments	-	-	-
<b>At 31 March 2018</b>	<b>1,060,635,683</b>	<b>368,102</b>	<b>1,061,003,785</b>

Accumulated amortization and impairment	Goodwill	Software	Total
Balance at 1 April 2016	-	103,631	103,631
Charge for the year	-	116,566	116,566
Disposals/ adjustments	-	-	-
<b>At 31 March 2017</b>	<b>-</b>	<b>220,196</b>	<b>220,196</b>
Charge for the year	-	116,566	116,566
Disposals/ adjustments	-	-	-
<b>At 31 March 2018</b>	<b>-</b>	<b>336,762</b>	<b>336,762</b>

Net book value	Goodwill	Software	Total
At 31 March 2017	1,060,635,683	147,906	1,060,783,589
<b>At 31 March 2018</b>	<b>1,060,635,683</b>	<b>31,340</b>	<b>1,060,667,023</b>

- a. The Company has elected to continue with the carrying value of its Intangible assets recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.





8 Other Financial assets

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Unsecured considered good</b>		
<b>Non-Current</b>		
Security deposits	34,37,493	34,27,493
<b>Total (A)</b>	<b>34,37,493</b>	<b>34,27,493</b>
<b>Current</b>		
Security deposits	7,47,000	7,47,000
Others:-		
Other receivables	2,79,01,613	2,78,23,812
Interest accrued on fixed deposits	57,71,989	64,12,082
Unbilled revenue	5,29,91,874	5,58,08,865
<b>Total (B)</b>	<b>8,74,12,476</b>	<b>9,07,91,759</b>
<b>Total Other Financial Assets(A+B)</b>	<b>9,08,49,969</b>	<b>9,42,19,252</b>

\* Other receivables include Rs.32,00,000 and Rs.15,00,000 to be received from GAIL Gas Limited and GAIL (India) Limited respectively as at 31st March, 2018 and 31st March, 2017 in the form of cash or cash equivalent as per Business Transfer Agreement executed on 13th June, 2014.

9 Other Assets

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Non current</b>		
Capital advances	87,17,102	87,17,102
Leasehold land Prepayments	6,10,75,753	6,18,67,480
Prepaid expenses	82,408	34,53,826
<b>Total (A)</b>	<b>6,98,75,263</b>	<b>7,40,38,408</b>
<b>Current</b>		
Balances with Government authorities	20,18,782	72,42,700
Advances to suppliers	72,472	1,19,700
Leasehold land Prepayments	7,91,727	7,91,727
Prepaid expenses	18,46,900	16,88,997
<b>Total (B)</b>	<b>47,29,881</b>	<b>98,43,124</b>
<b>Total Other Assets(A+B)</b>	<b>7,46,05,145</b>	<b>8,38,81,532</b>

10 Inventories

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Stores and spares ( at lower of cost or Net realisable value)	7,75,84,520	7,53,93,501
<b>Total</b>	<b>7,75,84,520</b>	<b>7,53,93,501</b>

Refer note 3.8 of Significant Accounting Policies for Basis of valuation

The inventories have been charged as security against the letter of credit facility taken from the banks.

11 Trade receivables

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>(Unsecured, Considered Good unless otherwise stated)</b>		
Considered Good	9,53,07,866	7,99,29,063
Considered Doubtful	3,79,21,757	3,08,77,098
	<b>13,32,29,623</b>	<b>11,08,06,161</b>
Less: Provision for impairment of Doubtful receivables	(3,79,21,757)	(3,08,77,098)
<b>Total Trade receivable</b>	<b>9,53,07,866</b>	<b>7,99,29,063</b>

a. Generally, the Company enters into gas sales arrangement with its customers. The average credit period on sales of gas is generally between 3 to 15 days. Interest is charged at agreed rate as per terms on the overdue balance on PNG customers.

b. The Company assesses impairment loss on dues from its customers based on the ageing of the receivable balances and historical experience.

c. Concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on an annual basis.

d. Movement of provision for impairment of doubtful receivables

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the year	3,08,77,098	2,92,47,024
Additions	70,44,659	16,30,074
Balance at the end of the year	3,79,21,757	3,08,77,098

e. The Trade receivables have been charged as security against the letter of credit facility taken from the banks.

12 Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Cash in hand	15,84,200	22,90,578
(b) Balances with banks:	7,63,35,594	5,91,34,565
<b>Total</b>	<b>7,79,19,794</b>	<b>6,14,25,142</b>

13 Other Bank balances

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Bank deposits	7,34,99,780	7,44,59,284
(b) Bank deposits under lien	8,98,97,995	9,34,52,415
<b>Total</b>	<b>16,33,97,775</b>	<b>16,79,11,699</b>

14 Current tax assets (net)

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance tax (net of provisions)	3,67,33,027	82,59,665
<b>Total</b>	<b>3,67,33,027</b>	<b>82,59,665</b>

15 Equity share capital

a. Share Capital Consists of the following

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Share capital</b>		
<b>Authorised</b>		
250,000,000 Equity Shares of Rs. 10 each	2,50,00,00,000	2,50,00,00,000
(Previous year 250,000,000 Equity shares of Rs. 10 each)	2,50,00,00,000	2,50,00,00,000
<b>Issued, subscribed and fully paid up</b>		
240,293,548 Equity Shares of Rs. 10 each	2,40,29,35,480	2,40,29,35,480
Previous year : 240,293,548 Equity shares of Rs. 10 each)		
<b>Total</b>	<b>2,40,29,35,480</b>	<b>2,40,29,35,480</b>

b. Right, preferences and restrictions attached to shares

For all matters submitted to vote in a shareholders meeting of the Company every holder of an equity share as reflected in the records of the Company on the date of the shareholders meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

c. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Particulars	No. of Shares	Share Capital (Amount in Rs.)
As at 1st April, 2016	24,02,93,548	2,40,29,35,480
Additions/(Reductions)	-	-
As at 31st March, 2017	24,02,93,548	2,40,29,35,480
As at 1st April, 2017	24,02,93,548	2,40,29,35,480
Additions/(Reductions)	-	-
As at 31st March, 2018	24,02,93,548	2,40,29,35,480



d. Shares in the company held by shareholders holding more than 5% is as under:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Extent of Holding	No. of shares	Extent of Holding
GAIL Gas Limited	4,10,08,943	17.07%	4,10,08,943	17.07%
GAIL India Limited	7,91,37,831	32.93%	7,91,37,831	32.93%
Vadodara Mahanagar Seva Sadan	12,01,46,774	50.00%	12,01,46,774	50.00%

- e. 240,243,548 Equity shares of Rs.10 each fully paid were issued for consideration other than cash pursuant to "Business Transfer Agreement" entered with GAIL (India) Limited and GAIL Gas Limited respectively for acquisition of its business relating to CNG stations and with Vadodara Mahanagar Seva Sadan (VMSS) for acquisition of its business relating to the PNG supply along with infrastructure therein with all rights and specified liabilities attached thereto as a going concern on a slump sale basis, taking effect from closing business hours of 30th September, 2014.

16 Other Equity

a Other equity consist of the following:

(Amount in Rs.)

Particular	As at 31st March, 2018	As at 31st March, 2017
Retained Earnings	23,00,44,702	15,22,35,286
<b>Total</b>	<b>23,00,44,702</b>	<b>15,22,35,286</b>

b Particulars relating to Other Equity

(Amount in Rs.)

Other Equity	As at 31st March, 2018	As at 31st March, 2017
<b>Retained Earnings</b>		
Opening Balance	15,22,35,286	8,04,59,737
Add: Profit after tax for the year	7,78,09,416	7,17,75,549
Add: Other comprehensive income for the year	-	-
<b>Balance at the end of the year</b>	<b>23,00,44,702</b>	<b>15,22,35,286</b>

17 Borrowings

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Non current Secured borrowings</b>		
<b>From Banks:</b>		
Term Loan	11,12,25,640	13,16,76,204
<b>Total Non Current Borrowings</b>	<b>11,12,25,640</b>	<b>13,16,76,204</b>
<b>Current Secured borrowings</b>		
Loan repayable on demand:	-	3,93,62,789
Bank Overdrafts*	-	3,93,62,789
<b>Total current borrowings</b>	<b>-</b>	<b>3,93,62,789</b>

\* Secured against Fixed deposits

a. Term Loans from Banks consists of the following:

Name of Bank	Date of Maturity	Rate of Interest	No. of Equated Monthly Installments due after the balance sheet date	Amount of each Equated Monthly Installments (Rs.)
Bank of Baroda (Secured against all project assets including Land and building to be financed out of fresh credit facilities)	31-03-2025	9.65% (Based on MCLR)	84 (84)	83 installment of Rs.1,584,000/- and last installment of Rs.1,582,000/-



b. Particulars	As at 31st March, 2018	As at 31st March, 2017
Current Maturities of loans	1,90,08,000	-
Outstanding loan amount	13,02,33,640	13,16,76,204

c. The total Term loan sanctioned was Rs.3,645,900,000/- of which Rs.132,976,000/- was disbursed during the financial year 2015-16. Repayment of Term Loan will start after three years moratorium period which ends on 31st March, 2018. The term loan was reviewed during the year and sanctioned amount was reduced to Rs.132,976,000/-.

d. At 31st March, 2018, the Company has available Rs.71,800,000/- (31 March 2017: Rs.351,290,000/-) of undrawn committed borrowing facilities.

**18 Trade Payables** (Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Due to Micro & Small Enterprise	82,83,751	1,01,20,067
Due to others	10,68,28,024	5,56,46,821
<b>Total</b>	<b>11,51,11,775</b>	<b>6,57,66,888</b>

Management is of the opinion that due to contractual terms, interest for the delay in payment to suppliers covered under Micro and Small enterprise as defined under Micro Small and Medium Enterprise Development Act, 20016 will not be required to be paid. Hence, no provision has been made for this.

**19 Other financial liabilities** (Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Current Maturities of Loans	1,90,08,000	-
Deposits from Customers	19,36,64,458	17,36,98,067
Deposits/Retention Money from Customers/contractors	1,80,86,469	1,09,06,731
Payable for capital assets	1,88,81,256	2,78,35,264
Expenses Payable	4,54,73,137	2,39,81,762
Other Payables	-	20,19,658
<b>Total (A)</b>	<b>29,51,13,320</b>	<b>23,84,41,482</b>

**20 Deferred tax liabilities (net)** (Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Assets	25,18,56,663	19,27,29,722
Deferred Tax Liabilities	29,47,08,021	23,62,32,561
<b>Total</b>	<b>4,28,51,359</b>	<b>4,35,02,839</b>

As at 31st March, 2018	Opening Balance	Recognized in profit and loss	Closing Balance
<b>Deferred tax liabilities / assets in relation to:</b>			
<b>Deferred Tax Assets</b>			
Unpaid liability allowable on payment basis	5,77,356	2,03,834	7,81,190
Unabsorbed depreciation / business loss	14,89,64,831	1,80,71,102	16,70,35,932
Provision for impairment of Doubtful receivables	95,41,023	22,90,565	1,18,31,588
Mat Credit	3,29,44,580	3,92,63,372	7,22,07,952
Others	7,01,932	(7,01,932)	-
<b>Total Deferred Tax Assets</b>	<b>19,27,29,722</b>	<b>5,91,26,940</b>	<b>25,18,56,663</b>
<b>Deferred Tax Liabilities</b>			
Property, plant and equipment	23,51,82,630	5,86,69,776	29,38,52,406
Others	10,49,932	(1,94,316)	8,55,616
<b>Total Deferred Tax Liabilities</b>	<b>23,62,32,561</b>	<b>5,84,75,460</b>	<b>29,47,08,021</b>
<b>Net Deferred Tax Liabilities</b>	<b>4,35,02,839</b>	<b>(6,51,480)</b>	<b>4,28,51,359</b>



As at 31st March, 2017	Opening Balance	Recognized in profit and loss	Closing Balance
<b>Deferred tax liabilities / assets in relation to:</b>			
<b>Deferred Tax Assets</b>			
Unpaid liability allowable on payment basis	2,67,733	3,09,623	5,77,356
Unabsorbed depreciation / business loss	11,19,31,752	3,70,33,079	14,89,64,831
Expenses allowed on payment basis under income Tax Act	57,086	(57,086)	-
Provision for impairment of Doubtful receivables	90,37,330	5,03,693	95,41,023
Mat Credit	36,63,814	2,92,80,766	3,29,44,580
Others	14,03,864	(7,01,932)	7,01,932
<b>Total Deferred Tax Assets</b>	<b>12,63,61,580</b>	<b>6,63,68,143</b>	<b>19,27,29,722</b>
<b>Deferred Tax Liabilities</b>			
Property, plant and equipment	16,56,39,165	6,95,43,464	23,51,82,630
Others	10,55,085	(5,153)	10,49,932
<b>Total Deferred Tax Liabilities</b>	<b>16,66,94,250</b>	<b>6,95,38,311</b>	<b>23,62,32,561</b>
<b>Net Deferred Tax Liabilities</b>	<b>4,03,32,671</b>	<b>31,70,168</b>	<b>4,35,02,839</b>

Unused Tax Credit (MAT Credit) for which deferred tax asset is recognised is Rs.73,150,148/-. The details of the MAT credit are as follows:-

Assessment year (A.Y.) to which MAT credit pertains	Year Of Expiry (A Y)	Amount in Rs.
2015-16	2030-31	36,63,814
2017-18	2032-33	3,27,94,457
2018-19	2033-34	3,57,49,681
	<b>Total</b>	<b>7,22,07,952</b>

## 21 Other Current liabilities

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Statutory Dues Payable	60,85,250	27,91,613
Advance from customers	5,17,19,065	1,32,64,004
<b>Total</b>	<b>5,78,04,315</b>	<b>1,60,55,617</b>



**VADODARA GAS LIMITED**  
**Notes to the Financial Statements**

**22 Revenue from Operations**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>A. Revenue from Operations</b>		
Sale of Compressed natural gas (CNG) (including excise duty)	75,57,42,014	69,25,48,050
Sale of PNG	51,48,38,618	49,02,97,477
<b>Total (a)</b>	<b>1,27,05,80,632</b>	<b>1,18,28,45,527</b>
<b>B. Other Operating Revenues</b>		
Faulty meter and By-pass charges	72,72,881	80,28,000
Income from PNG installation	7,02,23,116	3,54,91,671
Other Operating income*	2,48,58,555	2,21,90,212
<b>Total (b)</b>	<b>10,23,54,552</b>	<b>6,57,09,883</b>
<b>Total (a+b)</b>	<b>1,37,29,35,184</b>	<b>1,24,85,55,410</b>

\* None of the items individually account for more than 1% of total revenue or Rs.10,00,000 whichever is higher

**23 Other Income**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest income	1,14,65,129	1,18,93,440
Miscellaneous income	-	29,365
<b>Total</b>	<b>1,14,65,129</b>	<b>1,19,22,805</b>

**24 Gas Consumed**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Gas consumed	68,84,93,932	76,56,93,091
<b>Total</b>	<b>68,84,93,932</b>	<b>76,56,93,091</b>

**25 Other Operating Expenses**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Maintenance Charges	14,48,66,514	7,52,03,399
Consumption of stores and spare parts	4,10,59,005	2,91,98,758
Excise Duty	9,35,65,773	8,57,51,706
Rent on CNG Station	2,21,430	2,21,236
Forecourt charges	2,87,25,292	1,98,89,627
Freight Expense	3,87,593	12,69,449
Gas Meter Fixing	-	26,854
Transportation Charges	1,65,65,705	1,32,30,698
Testing & Weighing charges	14,71,610	1,47,300
<b>Total</b>	<b>32,68,62,922</b>	<b>22,49,39,027</b>

**26 Employee Benefit Expenses**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Salary	3,83,46,454	3,40,60,842
Contribution to provident and other funds	1,95,940	-
Staff Welfare	6,67,986	10,50,164
<b>Total</b>	<b>3,92,10,380</b>	<b>3,51,11,006</b>

All the employees (Except CS and 10 other employees whose total salary amounts to Rs.38,28,321/-) posted at Vadodara Gas Limited during the year are on the rolls of either GAIL Gas Limited or Vadodara Mahanagar Seva Sadan. Salary inclusive of all benefits are being paid by the respective Employers and recovered from the Company.

All statutory compliances in this regard are being made by respective employers.

The employees on the payroll of the Company are contract employees. The Company has recognized an amount of Rs.1,95,490/- (P.Y Rs. Nil) as expenses under the defined contribution plan in the Statement of Profit and Loss for the year ended 31st March, 2018 for these employees.





**27 Finance Costs**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Expenses	1,52,48,793	1,89,23,028
Other borrowings costs	6,69,463	14,65,513
<b>Total</b>	<b>1,59,18,256</b>	<b>2,03,88,541</b>

**28 Other Expenses**

(Amount in Rs.)

a. Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Audit Fee	6,00,000	6,00,000
Bad debts	-	1,07,939
Provision for impairment of Doubtful receivables	70,44,659	16,30,074
Electricity expenses	1,26,29,103	1,20,38,086
Insurance expense	17,89,659	16,87,822
Interest on late payment of taxes	13,441	4,00,563
Legal & Professional	82,15,456	53,22,036
Miscellaneous Expense*	45,64,777	26,41,047
Rent	47,61,946	40,36,909
Rates & taxes	2,59,73,476	11,47,514
Repairs and Maintenance		
- Building	57,02,166	40,32,119
- Others	-	8,66,179
Security charges	69,42,640	42,83,126
CSR Expense	9,85,600	-
Selling & Distribution	2,54,23,197	2,36,67,069
Service tax expense	29,53,208	61,33,551
GST Expense	4,67,05,914	-
Travel & Conveyance	23,08,072	16,30,151
Vat expense	1,24,221	53,63,911
<b>Total</b>	<b>15,67,37,535</b>	<b>7,55,88,095</b>

\* None of the items individually account for more than 1% of total revenue or Rs.10,00,000 whichever is higher

**b. Payment to auditors has been classified as follows (Excluding Service Tax):**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Payments to the auditor as:		
(i) Auditor	6,00,000	6,00,000
(ii) For taxation matters	10,26,338	17,26,726
(iii) For company law matters	8,80,348	36,604
(iv) Other services	1,07,500	8,763
(v) For reimbursement of expenses	-	-

**c. Details of CSR Expenditure are as under:**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018
Gross Amount required to be spent	2,22,504
Amount Spent	
a) Construction/acquisition of any Asset	
- in Cash	-
- yet to be paid in Cash	-
<b>TOTAL</b>	<b>-</b>
b) On purposes other than (i) above	
- in Cash	9,85,600
- yet to be paid in Cash	-
<b>TOTAL</b>	<b>9,85,600</b>

(Amount in Rs.)		
29 Tax Expense		
Particular	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>Current Tax</b>		
- current year	3,57,49,681	2,92,80,766
- earlier years	66,88,523	-
<b>Total Current Tax</b>	4,24,38,204	2,92,80,766
<b>Deferred Tax</b>	(6,51,480)	31,70,168
<b>Total</b>	<b>4,17,86,724</b>	<b>3,24,50,935</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in Rs.)		
Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	11,95,96,141	10,42,26,484
Income tax expense calculated at 30.9% (2016-2017: 30.9%)	3,69,55,207	3,22,05,983
Effect of:		
Adjustments in respect to previous years	31,74,832	-
Deferred tax asset on carried forward losses not recognised	-	-
(Income) / expense (net) not (taxable) / deductible	16,56,685	2,44,951
Tax rate difference	-	-
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>4,17,86,724</b>	<b>3,24,50,935</b>

The tax rate used for the year ended 31st March, 2018 and 31st March, 2017 reconciliations above is the corporate tax rate of 30.9% payable by corporate entities in India on taxable profits under the Indian tax laws.

No income tax has been recognised directly in Equity.

Since there is no Other comprehensive income; there is no tax on the same.

### 30 Contingent liabilities, Contingent Assets and commitments (to the extent not provided for) :

(Amount in Rs.)		
	As at 31st March, 2018	As at 31st March, 2017
a.		
<b>A. Contingent Liabilities not provided in respect of :</b>		
I. Claims against the company not acknowledged as debt (Refer note b. below)	-	Amount unascertainable
II. Bank Guarantee ( given against commitment of Gas distribution through pipe lying in Vadodara district in three years)	3,00,00,000	3,00,00,000

b. There are no claims outstanding at the end of current Financial year. For the claims against the Company in the previous year, the Company did not expect the outcome of the claims to have a material impact on its financial position. Future cash outflows in respect of the above were determinable only on receipt of decisions pending with various forums/ authorities.

c. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

d. Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)

(Amount in Rs.)		
Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>B. Capital Commitments</b>		
Estimated amount of Contract remaining to the executed on capital accounts (Net of Advances)	1,59,13,493	-





## VADODARA GAS LIMITED

### Notes to the Financial Statements

#### 31 Segment Reporting

- a. The Company has a single operating segment that is "Sale of Natural Gas". Accordingly, the segment revenue, segment results, segment assets and segment liabilities are reflected by the financial statements themselves as at and for the financial year ended 31st March, 2018.

b. **Entity wide disclosures :**

Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas".

Geographic Informations:

The company operates presently in the business of city gas distribution in Vadodara District. Accordingly, revenue from customers and all assets are located in Vadodara District, India only.

Information about major customers:

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

#### 32 Leases

The Company has acquired Office premises under operating lease during the period. These are generally not non cancellable lease and are renewable by mutual consent on mutually agreeable terms. Lease rentals are charged to the Statement of Profit and Loss as "Office Rent" under Note 29.

#### 33 Earnings Per Share (EPS)

In accordance with Ind AS 33 – 'Earnings Per Share', the Basic and Diluted Earning Per Share (EPS) has

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Profit available to equity shareholders	77,809,416	71,775,549
Weighted Average number of equity shares	240,293,548	240,293,548
<b>Earning Per Share of Rs. 10/- each</b>		
Basic & Diluted (Rs.)	0.32	0.30



VADODARA GAS LIMITED  
Notes to the Financial Statements

34 Related Party transactions

a. Names of Related parties and nature of related party relationships

Name of Related Parties	Nature of Relationship
GAIL Gas Limited	Enterprise having Significant influence
Vadodara Mahanagar Seva Sadan	Enterprise having Significant influence
GAIL (India) Limited	Enterprise having Significant influence
Mr. Sanjeev Kumar	Managing Director (Upto 25th April, 2018)
Mr. Ashok Kumar Das	Managing Director (w.e.f 26th April, 2018)
Mr. Vinod Ramachandra Rao	Nominee Director
Mr. Pankaj Kumar Pal	Nominee Director
Mr. Shailesh Kalidas Naik	Nominee Director
Mr. Manmohan Panubhai Sutaria	Independent Director
Mr. Pravin Mohanbhai Patel	Nominee Director
Mr. Rajeev Jagdish Saran Singhal	Independent Director
Mr. Pankaj Wallia	Nominee Director
Ms. Palak Vijay Shah	Key Managerial Personnel

b. The following transactions were carried out with the Related Parties in ordinary course of business during the year.

(Amount in Rs.)

Nature of Transaction	Enterprise having Significant influence (including its Holding Company)	Key Management Personnel	Total
<b>Transaction during the period</b>			
<b>Purchase of Gas</b>	<b>79,17,68,015</b>	-	<b>79,17,68,015</b>
	(87,20,95,806)	-	(87,20,95,806)
GAIL (India) Limited	79,17,68,015	-	79,17,68,015
	(87,20,95,806)	-	(87,20,95,806)
<b>Purchase of Pipes and Valves</b>	<b>13,69,525</b>	-	<b>13,69,525</b>
	-	-	-
GAIL (India) Limited	13,69,525	-	13,69,525
	-	-	-
GAIL Gas Limited	5,23,032	-	5,23,032
	-	-	-
<b>Interest paid</b>	-	-	-
	(2,46,252)	-	(2,46,252)
GAIL (India) Limited	-	-	-
	(2,46,252)	-	(2,46,252)
<b>Service Charges and Taxes paid to</b>	<b>3,12,69,921</b>	-	<b>3,12,69,921</b>
	(1,33,75,777)	-	(1,33,75,777)
GAIL Gas Limited	-	-	-
	(72,000)	-	(72,000)
Vadodara Mahanagar Seva Sadan	3,12,69,921	-	3,12,69,921
	(1,33,03,777)	-	(1,33,03,777)
<b>Services received - Deputation of manpower and other charges</b>	<b>2,53,31,374</b>	-	<b>2,53,31,374</b>
	(3,00,50,410)	-	(3,00,50,410)
GAIL Gas Limited	1,51,36,170	-	1,51,36,170
	(1,65,57,708)	-	(1,65,57,708)
Vadodara Mahanagar Seva Sadan	1,01,95,204	-	1,01,95,204
	(1,34,92,702)	-	(1,34,92,702)
<b>Reimbursement of Remuneration to Key Managerial Person</b>	<b>55,07,417</b>	<b>6,72,024</b>	<b>61,79,441</b>
	(43,45,452)	(5,91,770)	(49,37,222)
GAIL Gas Limited	-	-	-
-Mr. Sanjeev Kumar	55,07,417	-	55,07,417
	(43,45,452)	-	(43,45,452)
Vadodara Mahanagar Seva Sadan	-	6,72,024	6,72,024
-Mr. Shailesh K. Naik	-	(5,91,770)	(5,91,770)
<b>Reimbursement of Expenses to</b>	-	<b>68,727</b>	<b>68,727</b>
	-	-	-
Mr. Sanjeev Kumar	-	68,727	68,727
	-	-	-





Payment made on behalf of company by	-	-	-
	(1,33,441)	-	(1,33,441)
GAIL Gas Limited	-	-	-
	(81,916)	-	(81,916)
GAIL (India) Limited	-	-	-
	(51,525)	-	(51,525)
Payment made by company on behalf of	77,801	-	77,801
	(8,38,715)	-	(8,38,715)
GAIL Gas Limited	-	-	-
	(8,38,715)	-	(8,38,715)
Vadodara Mahanagar Seva Sadan	77,801	-	77,801
	-	-	-
Sitting fees for directors paid to	2,00,000	-	2,00,000
	(90,000)	-	(90,000)
GAIL Gas Limited	20,000	-	20,000
	(90,000)	-	(90,000)
Mr. Manmohan Panubhai Sutaria	1,00,000	-	1,00,000
	-	-	-
Mr. Rajeev Jagdish Saran Singhal	80,000	-	80,000
	-	-	-
Trade receivables of VMSS acknowledged as on 1st October, 2014 no longer realisable, recoverable from :	(6,42,86,514)	-	(6,42,86,514)
Vadodara Mahanagar Seva Sadan	-	-	-
	(6,42,86,514)	-	(6,42,86,514)

Balance as at:		
Receivable	As at 31st March, 2018	As at 31st March, 2017
Receivable		
Vadodara Mahanagar Seva Sadan	2,03,06,130	2,02,28,329
GAIL (India) Limited	32,00,000	32,00,000
GAIL Gas Limited	15,00,000	15,00,000
Total	2,50,06,130	2,49,28,329
Payables		
Vadodara Mahanagar Seva Sadan	1,27,89,024	1,02,24,312
GAIL (India) Limited	3,67,22,426	3,45,76,389
GAIL Gas Limited	1,25,45,363	1,26,27,279
Total	6,20,56,813	5,74,27,980

Previous year figures are in brackets



**VADODARA GAS LIMITED**  
**Notes to the Financial Statements**  
**35 Financial risk management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk. The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

**1. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and investing in fixed interest instruments.

**Sensitivity analysis:**

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax, as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

Reporting period	Increase/decrease in basis points	Effect on profit before tax (Amount in INR)
<b>31-Mar-18</b>		
Bank of Baroda Term Loan	+100	-13,02,336
Bank of Baroda Term Loan	-100	13,02,336
<b>31-Mar-17</b>		
Oriental Bank of Commerce OD	+100	-3,93,628
Oriental Bank of Commerce OD	-100	3,93,628
Bank of Baroda Term Loan	+100	-13,17,719
Bank of Baroda Term Loan	-100	13,17,719

The sensitivity analysis is limited only to variable rate loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year.

**(b) Foreign currency risk**

The Company does not have significant exposure in currency other than INR.





## 2. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system.

The contractual maturities of the Company's financial liabilities are presented below:

(Amount in Rs.)

As at 31 March 2018	On demand	upto 1 year	1 to 3 years	more than 3 years	Total
Interest-bearing loans and borrowings	-	-	5,52,73,111	5,59,52,529	11,12,25,640
Trade and other payables	-	11,51,11,775	-	-	11,51,11,775
Other Financial Liabilities	19,12,78,051	10,38,35,269	-	-	29,51,13,320
<b>Total</b>	<b>19,12,78,051</b>	<b>21,89,47,044</b>	<b>5,52,73,111</b>	<b>5,59,52,529</b>	<b>52,14,50,735</b>

As at 31 March 2017	On demand	upto 1 year	1 to 3 years	more than 3 years	Total
Interest-bearing loans and borrowings	3,93,62,789	-	5,64,42,852	7,52,33,352	17,10,38,993
Trade and other payables	-	6,57,66,888	-	-	6,57,66,888
Other Financial Liabilities	17,13,11,660	6,71,29,822	-	-	23,84,41,482
<b>Total</b>	<b>21,06,74,449</b>	<b>13,28,96,710</b>	<b>5,64,42,852</b>	<b>7,52,33,352</b>	<b>47,52,47,363</b>

## 3. 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. The carrying amount of financial assets represents the maximum credit exposure. There are no impairment losses on financial assets to be recognised in statement of profit and loss as on 31st March 2018 and for the comparative period as on 31st March 2017 ; except as disclosed in note 11.

Trade and other receivables: The Company's exposure to credit risk is influenced mainly by individual customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major part of the revenue is contributed either through cash sales or within credit period of 3 - 15 days. Accordingly company does not expect any impairment loss on trade receivables; except as disclosed in note 11.

Cash and cash equivalents: The company held cash and cash equivalents of Rs.77,882,220/- as at 31 March 2018 (31st March 2017: Rs.61,425,142/- ). The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.



**VADODARA GAS LIMITED**  
**Notes to the Financial Statements**

**36 Capital management**

- a. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The Company's management performs regular assessment of the net debt to capital employed ratio to ensure it maintains a balance between borrowings and capital position. The net debt to capital employed ratio enables the users to see how significant net debt is relative to capital employed.

The Company's net debt to equity ratio was as follows:

Particulars	(Amount in Rs.)	
	As at 31 March 2018	As at 31 March 2017
Interest-bearing loans and borrowings	130,233,640	171,038,993
Less: cash and cash equivalents	77,919,794	61,425,142
<b>Net debt</b>	<b>52,313,846</b>	<b>109,613,851</b>
Equity	2,632,980,182	2,555,170,766
<b>Total capital</b>	<b>2,632,980,182</b>	<b>2,555,170,766</b>
<b>Debt-equity ratio</b>	<b>0.02</b>	<b>0.04</b>

- b. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to its interest-bearing loans and borrowings that form part of its capital structure requirements. Breaches in the financial covenants would permit the bank to immediately call interest-bearing loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current or prior period.

**37 Categories of financial instruments**

Particulars	(Amount in Rs.)	
	As at 31st March, 2018	As at 31st March, 2017
<b>Financial assets</b>		
<b>Measured at FVTPL</b>		
No Assets	-	-
<b>Measured at amortised cost</b>		
(a) Trade receivables	95,307,866	79,929,063
(b) Cash and cash equivalents	77,919,794	61,425,142
(c) Other bank balances	163,397,775	167,911,699
(e) Other financial assets	90,849,969	94,219,252
<b>Measured at FVTOCI</b>		
No Assets	-	-
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Borrowings	111,225,640	171,038,993
(b) Trade payables	115,111,775	65,766,888
(c) Other financial liabilities	295,113,320	238,441,482

38 The balances of Trade Receivables and Trade Payables are subject to adjustment, if any, on reconciliation/settlement.

39 Figures of the previous year have been regrouped and reclassified wherever necessary.

40 The financial statements of the company for the year ended 31st March 2018 were authorized for issue in accordance with a resolution of the directors on 12-07-2018

For K. C. Mehta & Co.  
Chartered Accountants

Vishal P. Doshi  
Partner  
M. No. 101533

Place : Vadodara  
Date: 12<sup>th</sup> July, 2018

FOR AND ON BEHALF OF THE BOARD

Ashok Kumar Das  
Managing Director  
DIN: 07209092

S K Naik  
Director  
DIN: 06546482

Palak Shah  
Company Secretary  
M.No. A27260

Place : Vadodara  
Date: 12<sup>th</sup> July, 2018



## वडोदरा गैस लिमिटेड

(गैल गैस लिमिटेड और वीएमएसएस की संयुक्त उद्यम कंपनी)  
तृतीय तल, गैल बिल्डिंग, मनीषा सर्कल,  
ओल्ड पादरा रोड, वडोदरा - ३९० ०१५ (गुजरात)  
दूरभाष: 0265-2334074 वेब: www.vgl.co.in  
सीआईएन: U40106GJ2013PLC076828



## Vadodara Gas Limited

(A Joint Venture Company of GAIL Gas Ltd & VMSS)  
3rd Floor, GAIL Building, Manisha Circle,  
Old Padra Road, Vadodara - 390 015 (Gujarat)  
Tel.: 0265 - 2334074 Website: www.vgl.co.in  
CIN: U40106GJ2013PLC076828

### DIRECTORS' REPORT

To  
The Members of  
**Vadodara Gas Limited**

Your Directors have pleasure in presenting the 5<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2018.

#### FINANCIAL HIGHLIGHTS:

The important financial highlights are as under –

#### 1. Financial Highlights:

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>Revenue from operations</b>		
(a) Sale of products	1,27,05,80,632	1,18,28,45,527
(b) Other operating Revenues	10,23,54,552	6,57,09,883
Less: Excise Duty	9,32,03,646	8,50,49,760
	1,27,97,31,538	1,16,28,03,704
<b>Other income</b>	1,14,65,129	1,19,24,781
<b>Total Revenue</b>	<b>1,29,11,96,667</b>	<b>1,17,54,30,431</b>
<b>EXPENSES</b>		
Gas consumed	68,84,93,932	76,56,93,091
Other Operating Expenses	23,36,59,276	13,98,89,267
Employee benefits expenses	3,92,10,380	3,51,11,006
Other expenses	15,67,37,535	7,55,90,072
<b>Total expenses</b>	<b>1,11,81,01,123</b>	<b>1,01,62,83,436</b>

Directors' Report

Page 1 of 11



पंजीकृत कार्यालय: श्री म्युनिसिपल कमिशनर गैस प्रोजेक्ट कार्यालय, गैस कार्यालय बिल्डिंग,  
दांडिया बजार, वडोदरा-३९०००९ दूरभाष: 0265-2434117 / 118 / 119

Regd. Off.: Shri Municipal Commissioner Gas Project Office, Gas Office Building,  
Dandia Bazar, Vadodara-390001. Tel: 0265-2434117 / 118 / 119

प्राकृतिक गैस - स्वच्छ ऊर्जा, हरित ऊर्जा

Natural Gas - Clean Energy, Green Energy

<b>Earnings Before Interest, Taxation, Depreciation, and Amortization (EBITDA)</b>	<b>17,30,95,544</b>	<b>15,91,46,995</b>
Finance costs	1,59,18,256	2,03,88,541
Depreciation and amortization expense	3,75,81,148	3,45,31,971
<b>Profit/(loss) Before Tax and Prior Period &amp; Extraordinary Items</b>	<b>11,95,96,140</b>	<b>10,42,26,483</b>
Less: Prior Period Expense	-	-
<b>Profit/(loss) before Tax</b>	<b>11,95,96,140</b>	<b>10,42,26,483</b>
<b>Less: Tax expense:</b>		
Current tax	4,24,38,204	2,92,80,766.27
Deferred Tax	(6,51,480)	3,170,168
<b>Profit/(Loss) for the period</b>	<b>7,78,09,416</b>	<b>7,17,75,548</b>
<b>Earnings per equity share:</b>		
Basic	0.32	0.30
Diluted	0.32	0.30

Note: The financials have been prepared in accordance with IND AS

#### Review of Operations:

- All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.
- During the current financial year the company has earned revenue of Rs. 1,27,05,80,632/- as against that of Rs. 1,18,28,45,527/- in FY 2016-17 from the Sale of PNG and CNG gas.
- The other operating revenues during the current year were Rs. 10,23,54,552/- as compared to the revenues of Rs. 6,57,09,883/- during the previous year. Switch on of domestic & commercial connections has taken place in the current year due to which the revenue from installation has increased in FY 2017-18.





- Other operating expenses have increased to Rs 23,36,59,276/- in Current Year as compared to Rs 13,98,89,267/- in previous year, major reason being increase in basic wage rate of workers whereby there is a drastic increase in O & M expense, LCV transportation charges & Forecourt expenses.
- Other Expenses have increased by Rs 8,11,47,463/- in current year, major reason being Natural Gas Sector excluded from GST thus VGL is not entitled to credit of GST whereby GST Expense amounted to Rs 4,67,05,914/- & property tax on pipe network paid in current year for period (Nov 2014 to Mar 2017) amounted to Rs 2,47,57,374/-.
- The Earnings before Interest, Depreciation and Tax amounted to Rs. 17,30,95,544/- during the current year whereas the same was Rs. 15,91,46,995/- during the previous year.
- The Profit/(Loss) before tax and Prior period expenses amounted to Rs. 11,95,96,140 /- as compared to Rs. 10,42,26,483/- during the previous financial year.

## **BUSINESS & OPERATIONS:**

### **(i) CNG Operations**

The Company is presently operating 8 CNG stations in Vadodara i.e. 4 mother stations/online stations and 4 daughter booster stations dispensing around 55000 kg/day of CNG. The Company achieved average CNG sale of 54073 Kgs per day during the year as compared to 50459 Kgs per day in the previous year. The total length of pipeline is 46 Kms out of which 23 Kms is operational, 8 Kms is Hydrotested and balance is laid but non-commissioned.

### **(ii) PNG Operations**

VGL also caters to the PNG requirements of its consumers in the domestic and commercial sectors. During the financial year under review, around 25000 nos. of new applications were received for PNG connections in line laid area. The Company has completed MDPE pipe laying of 252 kms and has completed 16495 nos. of Last Mile Connectivity (LMC) connections.



*[Handwritten signatures]*

Comparative Statement of Total PNG Sales (in units) is as under:-

Financial Year	PNG Sale (SCM)
2015-16	21270931
2016-17	18628342
2017-18	19266671

Comparative Statement of total number of gas connections is as under:-

Financial Year	PNG (Domestic)	PNG (Commercial)	Total
2015-16	78609	2637	81246
2016-17	84359	2685	87044
2017-18	96607	2735	99342

### **SHARE CAPITAL:**

Presently, the paid-up equity share capital of the Company stands at Rs. 2,402,935,480/- consisting of 240293548 equity shares of Rs. 10/- each. GAIL Gas Limited (along with nominees) holds 17.07% (41008943 equity shares), GAIL (India) Limited holds 32.93% (79137831 equity shares) and Vadodara Mahanagar Seva Sadan (along with nominees) holds 50.00% (120146774 equity shares) in your Company.

### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company is a joint venture of GAIL Gas Limited and Vadodara Mahanagar Seva Sadan (Vadodara Municipal Corporation). There are no subsidiary companies, associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013.

### **DIVIDEND:**

The company has not declared any dividend during the financial year 2017-18.

### **DEPOSITS:**

During the year under review, your company has not accepted any deposits under Section 73 of the Companies Act, 2013 and the rules made there under.



*(Signature)*

*(Signature)*



### **DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Shri Pravin M Patel was appointed as Nominee Director of Vadodara Municipal Corporation in place of Dr. N. K. Meena (IAS) with effect from 20<sup>th</sup> December, 2017.

Shri Ashok Kumar Das was appointed as the Managing Director of the Company with effect from 26<sup>th</sup> April, 2018 in place of Shri Sanjeev Kumar. Shri Sanjeev Kumar resigned as the Managing Director and Director with effect from close of business hours of 25<sup>th</sup> April, 2018.

Shri Kunal Kumar Ghosh was appointed as Nominee Director of GAIL Gas Limited in place of Shri Pankaj Kumar Pal with effect from 31<sup>st</sup> July, 2018.

The Board places on record its sincere thanks and appreciation for the invaluable contribution towards the Company's growth by Dr. N. K. Meena (IAS), Shri Sanjeev Kumar and Shri Pankaj Kumar Pal during their tenure.

Pursuant to provisions of Section 152(6) of the Companies Act, 2013, Shri Pankaj Walia and Shri Pravin M Patel retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

In accordance with the provisions of the Companies Act, 2013, independent directors are not liable to retire by rotation. As per Clause 146 (iii) of the Articles of Association of the Company, the Managing Director and Director (Commercial) are not liable to retire by rotation.

### **STATUTORY AUDITOR:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under, M/s. K. C. Mehta & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of 1<sup>st</sup> AGM of the Company held on 22<sup>nd</sup> September, 2014 till the conclusion of the 6<sup>th</sup> AGM to be held in the year 2019, subject to the ratification of their appointment at every AGM.

### **COST AUDITORS:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the rules made thereunder, M/s. Y.S. Thakar & Co., Cost Accountants, were appointed as the Cost Auditors to carry out the audit of Cost Records relating to the products of the Company i.e. CNG and PNG



and submit the Cost Audit Report thereon for the financial year 2017-18 at a remuneration which will be ratified by the shareholders of the Company at the General Meeting.

### **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made there under, M/s. Swati Bhatt & Co., Practising Company Secretaries were appointed as the Secretarial Auditors of the Company to carry out the Secretarial Audit of the Company for the financial year 2017-18 and submit the Secretarial Audit Report thereon. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2018 is given as an Annexure which forms part of this Report.

### **INTERNAL AUDITORS:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, M/s. Maloo Bhatt & Co., Chartered Accountants, were appointed as the Internal Auditors of the Company to carry out the Internal Audit of the Company for the financial year 2018-19 and submit the Internal Audit Reports thereon as per the scope / terms of reference as may be decided at a remuneration which will be ratified by the shareholders of the Company at the General Meeting.

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

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and of the profit of the Company for that year;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;





- d. the directors have prepared the annual accounts on a going concern basis; and
- e. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are given in an Annexure which forms part of this Report.

**EXTRACT OF ANNUAL RETURN:**

The Extract of the Annual Return for the financial year ended 31<sup>st</sup> March, 2018 made under the provisions of Section 92(3) of the Companies Act, 2013 is attached as an Annexure which forms part of this Report.

**PARTICULARS OF EMPLOYEES:**

During the year under review, there were no employees in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

**NUMBER OF MEETINGS OF THE BOARD:**

During the year under review, total 4 (Four) Board Meetings were held i.e. on 25<sup>th</sup> May, 2017, 22<sup>nd</sup> September, 2017, 27<sup>th</sup> September, 2017 and 22<sup>nd</sup> January, 2018. The intervening gap between two Board Meetings was within the period prescribed by the Companies Act, 2013.

The attendance of Directors is as under:



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Sr. No.	Name of the Director	Designation	No. of Board Meetings attended
1	Dr. Vinod Rao (IAS)	Nominee Director (Chairman of the Board)	4
2.	Shri P.K. Pal	Nominee Director	2
3.	Shri Manmohan Sutaria	Independent Director	4
4.	Shri Shailesh Naik	Director (Commercial)	4
5.	Shri Sanjeev Kumar	Managing Director	4
6.	Dr. N. K. Meena (IAS)	Nominee Director	1
7.	Smt. Jyoti Dua	Nominee Director	0
8.	Shri Rajeev Singhal	Independent Director	2
9.	Shri Pankaj Walia	Nominee Director	0
10.	Shri Pravin M Patel	Nominee Director	1

### **COMMITTEES OF THE BOARD:**

#### **Audit Committee:**

The Audit Committee of the Board of Directors of the Company is temporarily constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and the rules made thereunder until requisite number of independent directors are appointed on the Board.

The Company Secretary acts as the Secretary of the Audit Committee.

#### **Nomination and remuneration committee:**

The Nomination and Remuneration Committee of the Board of Directors of the Company was temporarily constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 and the rules made thereunder until requisite number of independent directors are appointed on the Board.

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

The Board has formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.





## **STATUTORY AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT:**

The auditors' report and the secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an Annexure which forms part of this Report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the year under review, your Company has not given any loan, guarantee, or provided security under Section 186 of the Companies Act, 2013.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

None of the related party transactions of the Company fall under the scope of Section 188 of the Companies Act, 2013 as all related party transactions of the Company during the financial year were in the ordinary course of business and at arm's length.

The particulars of contracts or arrangements with related parties referred to in the applicable provisions of the Companies Act, 2013, during the financial year under review, are furnished in Form AOC-2 which forms part of this Report.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF REPORT:**

During the period from the end of the financial year to the date of this Report, there were no material changes and commitments that have affected the financial position of the Company.

## **DISCLOSURE OF ORDERS PASSED BY REGULATORS / COURTS / TRIBUNAL:**

During the financial year under review, no orders were passed by the regulators / courts / tribunal.



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### **DISCLOSURE OF ESTABLISHMENT OF VIGIL MECHANISM POLICY:**

The Company has established a Whistle Blower (Vigilance Mechanism) Policy with a view to encourage its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policy also aims to provide an avenue for employees and other stakeholders to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc. The Policy is available on the Company's website.

### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

The Company has a "Prevention of Sexual Harassment Policy" in place. The same is available on the Company's website.

### **RISK MANAGEMENT POLICY:**

Vadodara Gas Limited, a joint venture of GAIL Gas Limited and Vadodara Mahanagar Seva Sadan (Vadodara Municipal Corporation) was incorporated as a City Gas Distribution company for distribution and marketing of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) to domestic, commercial and industrial sectors in the city of Vadodara. In the year 2016, the Company received authorisation from the Central Government to lay, build, operate and expand city gas distribution across Vadodara district. The Company is studying the risks in various areas and is in the process of formulating a Risk Management Policy.

### **POLICY ON CSR INITIATIVES:**

The provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder relating to Corporate Social Responsibility were applicable to the Company during the year under review. The detailed Annual Report on CSR activities carried out by the Company during the financial year under review is given as an Annexure which forms part of this Report.

### **INTERNAL FINANCIAL CONTROLS:**

Your Company has in all material respects, an adequate Internal Financial Controls system over financial reporting and the same were operating effectively as at 31<sup>st</sup> March, 2018. This is as per the requirement in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.





### **DECLARATION BY INDEPENDENT DIRECTORS:**

In compliance of Section 149(6) of the Companies Act, 2013, VGL has received the declaration from Shri Rajeev Singhal and Shri Manmohan Sutaria confirming that they meet the criteria of independence as laid down under section u/s, 149(6) of the Companies Act, 2013.

### **ACKNOWLEDGEMENT:**

Your Directors take this opportunity to thank the Government of India, the Ministry of Petroleum and Natural Gas, Petroleum Natural Gas Regulatory Board, State Government of Gujarat, the Bankers, customers, consultants, suppliers and all other stakeholders of the Company for their continued support and encouragement to the Company during the year under review. Your Directors also gratefully acknowledge the shareholders for their support and confidence reposed in your Company.

**For and on behalf of Board of Directors  
of Vadodara Gas Limited**



**A K Das**  
**Managing Director**  
**DIN: 07209092**



**Shailesh Naik**  
**Director (Commercial)**  
**DIN: 06546482**



Date: 31.08.2018

Place: Vadodara



**DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT  
2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**I] Conservation of energy -**

During the year under review, the Company has undertaken some measures for conservation of energy. The Company has ensured that all Compact Fluorescent Lights (CFL) are replaced with Light Emitting Diode (LED) lights at its Corporate Office, all 8 CNG stations and partly at Registered Office. The Company is in the process of replacing CFL lights with LED lights at Nandanvan Gas Station.

**II] Technology absorption-**

(i) the efforts made towards technology absorption - NIL.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution - NIL.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - N.A.

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

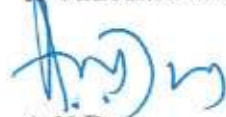
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development - NIL.

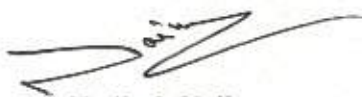
**III] Foreign Exchange Earnings/ Outgo:**

Particulars	2017-18 (Rs.)	2016-17 (Rs.)
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	-	-

**For and on behalf of Board of Directors  
of Vadodara Gas Limited**



**A K Das**  
Managing Director  
DIN: 07209092



**Shailesh Naik**  
Director (Commercial)  
DIN: 06546482



Date: 31.08.2018  
Place: Vadodara



**FORM NO. MGT.9****EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31<sup>st</sup> March, 2018

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

**I. REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	U40106GJ2013PLC076828
<b>Registration Date</b>	13/09/2013
<b>Name of the Company</b>	Vadodara Gas Limited
<b>Category / Sub-Category of the Company</b>	Company limited by shares/Non-Government Company
<b>Address of the Registered office and contact details</b>	Shri Muni Commi Gas Office, Gas Office Building, Dandia Bazar, Vadodara-390001
<b>Whether listed company Yes / No</b>	No
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	MCS Share Transfer Agent Limited 1 <sup>st</sup> Floor, Neelam Apartment, 88 Sampatrao Colony, Above Chappanbhog Sweets, Alkapuri, Vadodara - 390007 Tel: 0265-2314757

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Natural Gas	D2	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – N.A.**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section



#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

##### i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
g) Individual	-	8	8	0.02	-	8	8	0.00	
h) Central Govt	-	79137831	79137831	32.93	-	79137831	79137831	32.93	
i) State Govt(s)	-	-	-	-	-	-	-	-	
j) Bodies Corp.	-	41008939	41008939	17.07	-	41008939	41008939	17.07	
k) Banks / FI	-	-	-	-	-	-	-	-	
l) Any other (Municipal Corporation)	-	120146770	120146770	50.00	-	120146770	120146770	50.00	
<b>Sub-total (A)(1)</b>	-	<b>240293548</b>	<b>240293548</b>	<b>100.00</b>	-	<b>240293548</b>	<b>240293548</b>	<b>100.00</b>	
(2) Foreign									
a) NRIS-Individual	-	-	-	-	-	-	-	-	-
b) Others-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
l) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of promoter(A)=(A)(1)+(A)(2)</b>	-	<b>240293548</b>	<b>240293548</b>	<b>100.00</b>	-	<b>240293548</b>	<b>240293548</b>	<b>100.00</b>	-
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-



*(Signature)*

*(Signature)*



h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>										
2. Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	240293548	240293548	100.00	-	240293548	240293548	100.00	-	-



**(ii) Shareholding of Promoters:**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	GAIL Gas Limited	41008939	17.07	-	41008939	17.07	-	-
2.	Vadodara Mahanagar Seva Sadan (Vadodara Municipal Corporation)	120146770	50.00	-	120146770	50.00	-	-
3.	GAIL (India) Limited	79137831	32.93	-	79137831	32.93	-	-
4.	Mr. Pravin Patel	1	0.000	-	1	0.000	-	-
5.	Mr. Shailesh Naik	1	0.000	-	1	0.000	-	-
6.	Ms. Jyoti Dua	1	0.000	-	-	-	-	-
7.	Mr. Deepak Asija	1	0.000	-	1	0.000	-	-
8.	Mr. Ravindra Sugoor	1	0.000	-	1	0.000	-	-
9.	Dr. Vinod Rao	1	0.000	-	1	0.000	-	-
10.	Mr. Sanjeev Kumar	1	0.000	-	1	0.000	-	-
11.	Mr. Saurabh Saxena	1	0.000	-	1	0.000	-	-
12.	Pankaj Walia	-	-	-	1	0.000	-	-

**Note** – One equity share of Rs. 10/- held by Ms. Jyoti Dua j/w. GAIL Gas Limited was transferred to Mr. Pankaj Walia j/w. GAIL Gas Limited on 22.09.2017





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

S.N. 1	Ms. Jyoti Dua j/w. GAIL Gas Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.000	1	0.000
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	(1) (Transfer to Mr. Pankaj Walia on 22/09/2017)	0.00	-	-
	At the End of the year	-	-	-	-

S. N. 2	Mr. Pankaj Walia j/w. GAIL Gas Ltd.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	1 (Transfer from Ms. Jyoti Dua on 22/09/2017)	0.00	1	0.00
	At the End of the year	-	-	1	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): N.A.

S. N.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the end of the year (or on the date of separation, if separated during the year)				



**(v) Shareholding of Directors and Key Managerial Personnel:**

S.N. 1	Shri Shailesh Kalidas Naik Director (Commercial)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.000	1	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	1	0.000
	At the End of the year	1	0.000	1	0.000

S.N. 2	Dr. Vinod Rao, IAS Nominee Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.000	1	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	1	0.000
	At the End of the year	1	0.000	1	0.00

S.N. 3	Shri Sanjeev Kumar Managing Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.000	1	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	1	0.000
	At the End of the year	1	0.000	1	0.000



*[Signature]*



S.N. 4	Shri Pankaj Kumar Pal Nominee Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

S.N. 5	Shri Manmohan Sutaria Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

S.N. 6	Dr. N. K. Meena, IAS Nominee Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-



S.N. 7	Smt. Jyoti Dua Nominee Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	1	0.000	1	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	(1)  (Transfer to Mr. Pankaj Walia on 22/09/20 17)	(0.000)
	At the End of the year	-	-	-	-

S.N. 8	Shri Pankaj Walia Nominee Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1	0.000	1	0.000
	At the End of the year	-	-	-	-

S.N. 9	Shri Pravin M Patel Nominee Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	1	0.000	1	0.000
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	1	0.000
	At the End of the year	1	0.000	1	0.000





S.N. 10	Shri Rajeev Singhal Independent Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

S.N. 11	Smt. Palak Shah Company Secretary & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-



**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
Amount in RS.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	171,038,993	-	-	171,038,993
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>171,038,993</b>	<b>-</b>	<b>-</b>	<b>171,038,993</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	59,813,353	-	-	59,813,353
<b>Net Change</b>	<b>59,813,353</b>	<b>-</b>	<b>-</b>	<b>59,813,353</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	111,225,640	-	-	111,225,640
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>111,225,640</b>	<b>-</b>	<b>-</b>	<b>111,225,640</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs.)
		Shri Sanjeev Kumar -MD	WTD/Manager	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	5,507,417	-	5,507,417
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-





4.	Commission - as % of profit - Others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	5,507,417	-	5,507,417
	Ceiling as per the Act			

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	Shri Manmohan Sutaria	Shri Rajeev Singhal		-
	• Fee for attending board committee meetings • Commission • Others, please specify	100,000	80,000		180,000
	Total (1)	100,000	80,000		180,000
2.	Other Non-Executive Directors	-	-		-
	• Fee for attending board committee meetings • Commission • Others, please specify	-	-		-
	Total (2)	-	-		-
	Total (B) = (1 + 2)	100,000	80,000		180,000
	Total Managerial Remuneration	-	-		-
	Overall Ceiling as per the Act	-	-		-

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (in Rs.) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	660,000	-	660,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-



Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	- others, specify...				
5.	Others, please specify	-	-	-	-
	<b>Total (in Rs.)</b>	-	660,000	-	660,000

**PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: - NA**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT /COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**For Vadodara Gas Limited**

  
**A K Das**  
**Managing Director**  
**DIN: 07209092**

**Shailesh Naik**  
**Director (Commercial)**  
**DIN: 06546482**






## **ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

- 1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web link thereof –**

Vadodara Gas Limited recognizes its responsibility towards the society and has started carrying out CSR activities from the end of financial year 2017-18. As required under the Companies Act, 2013, the CSR Policy and guidelines are in place. The highlights of the Policy are as follows –

- In every financial year, two per cent of the Average Net Profits of the Company made during the immediately 3 preceding financial years will be earmarked for undertaking CSR activities.
- A CSR Committee of the Board headed by Independent Director is in place.
- The Company takes the CSR projects around areas specified in Schedule VII of the Companies Act, 2013.

The CSR policy is available on the website of the Company [www.vgl.co.in](http://www.vgl.co.in)

- 2. Composition of CSR Committee – The following are the Members of the CSR Committee –**

- (a) Shri Manmohan Sutaria – Chairperson – Independent Director
- (b) Shri Rajeev Singhal – Member – Independent Director
- (c) Shri Sanjeev Kumar – Member – Managing Director
- (d) Shri Shailesh Naik – Member – Director (Commercial)

Note: The CSR Committee was formed by the Board at its Meeting held on 22<sup>nd</sup> January, 2018 and the CSR Committee held two meetings during the financial year 2017-18.

3. Average Profits of the Company for the last 3 financial years under Section 198 of the Companies Act, 2013 is Rs. 9.233 crores
4. Prescribed CSR expenditure (2% of the average profit mentioned above) is Rs. 18.46 lakhs
5. Details of amount spent during the financial year 2017-18 – Vadodara Gas Limited under 'promoting preventive health care and sanitation' programme installed 352 nos. of Segregated Hanging Dustbin at various locations in the Vadodara city. The expenditure towards this programme was Rs 9,85,000 (Rupees Nine Lakh Eight Five Thousand only).
6. Amount unspent during financial year 2017-18 and reasons therefor – The amount of Rs. 8.61 lakhs was unspent as the CSR Committee was formed only in the last quarter and due to paucity of time, it was difficult to determine suitable CSR programs / projects.

The CSR Committee confirms that the implementation and the monitoring policy is in compliance of the CSR objectives and Policy of the Company.



# Vadodara Gas Limited

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third a/cousin thereto. (FY 2012-13)

1	Details of contracts or arrangements or transactions not at arm's length basis				
Sr No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions
NIL	NIL	NIL	NIL	NIL	NIL

2	Details of material contracts or arrangement or transactions at arm's length basis				
Sr No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any
1	GAIL (India) Limited-Holding company of Enterprise having significant influence	Purchase of Gas	NA	Purchase of Gas of Rs. 79,17,68,015/-	
2	GAIL (India) Limited-Holding company of Enterprise having significant influence	Purchase of Pipes and Valves	NA	Purchase of Pipes and Valves of Rs. 13,69,525/-	
3	GAIL Gas Limited	Purchase of Pipes and Valves	NA	Purchase of Pipes and Valves of Rs. 5,23,032/-	
4	Vadodara Mahanagar Seva Sadan-Enterprise having significant influence	Service Charges and Taxes paid to	NA	Service Charges and Taxes paid of Rs. 3,12,69,921/-	
5	Vadodara Mahanagar Seva Sadan-Enterprise having significant influence	Services received - Deputation of manpower and other charges	NA	Services received of Rs. 1,01,95,204/-	
6	GAIL Gas Limited-Enterprise having significant influence	Services received - Deputation of manpower and other charges	NA	Services received of Rs. 1,51,36,170/-	
7	Mr. Sanjeev Kumar (GAIL Gas Limited) - Key Managerial Personnel	Reimbursement of Remuneration to Key Managerial person	NA	Reimbursement of Remuneration of Rs. 55,07,417/-	
8	Mr. Shalish Nalk (Vadodara Mahanagar Seva Sadan) - Key Managerial Personnel	Reimbursement of Remuneration to Key Managerial person	NA	Reimbursement of Remuneration of Rs. 6,72,024/-	
9	Mr. Sanjeev Kumar	Reimbursement of Expenses to	NA	Reimbursement of Expenses of Rs. 68,727/-	
10	Vadodara Mahanagar Seva Sadan	Payment made by company on behalf of	NA	Payment made by company on behalf of Rs. 77,801/-	
11	GAIL Gas Limited	Sitting fees for Directors paid to	NA	Sitting fees for Directors paid Rs. 20,000/-	



*(Signature)*



12	Mr. Mamohan Sutar (Independent Director)	Sitting fees for Directors paid to	NA	Sitting fees for Directors paid Rs. 1,00,000/-		
13	Mr. Rajeev Singhal (Independent Director)	Sitting fees for Directors paid to	NA	Sitting fees for Directors paid Rs. 80,000/-		

For and on behalf of Board of Directors of Vadodara Gas Limited

*(Signature)*  
A K Das

Managing Director  
DIN: 07209092  
Date: 31.08.2018  
Place: Vadodara

*(Signature)*

Shalish Nalk  
Director (Commercial)  
DIN: 06546482





**CS. Swati Bhatt**  
M.Com., LL.B, DTP, FCS

204-207, Parshwa Complex, Besides Cash 'n' Carry, Subhanpura Road, Ellorapark, Vadodara-390 023  
Phone : +91 265 2392631 Mobile : 09924288339 (Office) : 09904288339  
E-mail : swati\_yash@rediffmail.com, office.swatibhatt@gmail.com

**FORM NO. MR - 3**

**Secretarial Audit Report**

(For the financial year ended 31<sup>st</sup> March, 2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
M/s. Vadodara Gas Limited  
CIN: U40106GJ2013PLC076828  
Shri Municipal Commissioner Gas Office,  
Gas Office Building, Dandia Bazar,  
Vadodara, Gujarat - 390001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. VADODARA GAS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provides us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit year ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Vadodara Gas Limited** ("**The Company**") for the year ended on 31<sup>st</sup> March, 2018 according to the provisions of:





- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under; -- As the company is an Unlisted public limited company, hence, the said Act, is not applicable to it.
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; - As the Shares of the Company are not in Dematerialize form, hence, the said Act is not applicable to it.
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; -

It has been observed that during the year there is no transaction occurred which has come under the purview of the said Act, hence the Act and the rules and regulations made there under is not applicable to the Company.

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:- As the company is an Unlisted public limited company, hence, the said Acts, and rules and regulations made thereunder is not applicable to it.
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - g) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;



VI. The Memorandum and Articles of Association of the Company.

It has been observed that during the year, the Company has complied necessary clauses of Memorandum and Articles of Association of the Company, wherever required.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited – As the company is an unlisted public limited company, hence, the said agreement, is not applicable to it.

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

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Rules made under the said Act and the Memorandum and Articles of Association of the Company, with regard to:
  - a) Maintenance of various statutory registers and documents and making necessary entries therein;
  - b) Closure of the Register of Members;
  - c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - e) Notice of Board meetings and Committee meetings of Directors;
  - f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - g) The Annual General Meeting held on 27<sup>th</sup> September, 2017 for the financial year 2016-17;





- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) Appointment and remuneration of Auditors and Cost Auditors;
- m) Transfers ~~and transmissions~~ of the Company's shares and make necessary endorsement on the reverse side of the respective Share Certificates;

During the year, the Company has transferred one share and complied with applicable provisions of the Act.

- n) Declaration and payment of dividends;

During the year under review, the Company has not declared and paid any dividend to its members. Therefore, the said provisions of the Companies Act, 2013 is not applicable to the Company.

- o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

Since, the Company has not declared and paid any dividend since incorporation, there is no transfer of any amount to Investor Education and Protection Fund during the year under review.

- p) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) Investment of the Company's funds including investments and loans to others;
- r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;



- s) Directors' report;
  - t) Contracts, common seal, registered office and publication of name of the Company; and
  - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - d) The Company has obtained all necessary approvals under the various provisions of the Act; and
  - e) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, ~~SEBI Act, SCRA, Depositories Act, Listing Agreement~~ and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - f) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.

The Company is an unlisted public limited Company hence, the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under the said Act are not applicable.





5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed there under by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

As the shares of the Company are not in demat form, hence the provisions of the said Act, is not applicable.

6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

It has been observed that during the year, there is no transaction occurred which has come under the purview of the said Act, hence the Act and the rules and regulations made there under is not applicable to the Company.

7. I further report that:

- a) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited – As the Company is an unlisted public limited Company, hence, the said requirements are not applicable to the Company.

- b) The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations - As the Company is an unlisted public limited Company, hence, the said Regulations are not applicable to the Company.

- c) The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations - As the Company is an unlisted public limited Company, hence, the said Regulations are not applicable to the Company.

8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



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

Place: Vadodara  
Date: 27/08/2018



For, Swati Bhatt & Co.

A handwritten signature in blue ink, appearing to read "Swati Bhatt".

Swati Bhatt  
Practicing Company Secretary  
M. No. 7323  
COP: 8004

Note : This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.



**"ANNEXURE A"**

To,  
The Members,  
M/s. Vadodara Gas Limited  
CIN: U40106GJ2013PLC076828  
Shri Municipal Commissioner Gas Office,  
Gas Office Building, Dandia Bazar,  
Vadodara, Gujarat - 390001.

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

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

Place: Vadodara  
Date: 27/08/2018



For, Swati Bhatt & Co.

A handwritten signature in blue ink, appearing to read "Swati Bhatt".

Swati Bhatt  
Practicing Company Secretary  
M. No. 7323  
COP: 8004