

**GUJARAT STATE INVESTMENTS LIMITED**

BOARD OF DIRECTORS	Shri Anil Mukim, IAS	(w.e.f. 26.09.2016)	Chairman
	Shri Sanjeev Kumar, IAS	(w.e.f. 31.07.2017)	Managing Director
	Ms. Arti Kanwar, IAS	(w.e.f. 17.09.2016)	Director
	Ms. Mamta Verma, IAS	(w.e.f. 21.06.2016)	Independent Director
	Shri Vasant Raval	(w.e.f. 21.06.2016)	Independent Director

**CESSATION OF
DIRECTORS**

Dr. J. N. Singh, IAS	(Upto 03.08.2016)	Chairman
Shri J. P. Gupta, IAS	(Upto 21.09.2016)	Director
Shri T. Natarajan, IAS	(Upto 24.06.2016)	Managing Director
Smt. Mona Khandhar, IAS	(Upto 31.07.2017)	Managing Director

CHIEF FINANCIAL OFFICER

Shri G. S. Pathak

COMPANY SECRETARY

Shri Sandip Shah

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

Shri Harish P. Jain
Company Secretary
Ahmedabad

INTERNAL AUDITORS

M/s. H. K. Shah & Co.
Chartered Accounts,
Ahmedabad.

BANKERS

State Bank Of India

REGISTERED OFFICE

H. K. House, 6th Floor,
Ashram Road,
Ahmedabad - 380 009.
CIN No. : U64990GJ1988SGC010307

**DIRECTORS' REPORT**

To,
The Members
Gujarat State Investments Limited

The Directors take pleasure in presenting the 29th Annual Report together with the audited financial statements for the year ended on 31.03.2017. The Consolidated performance of the Company and its associates has been referred to wherever required.

THE HIGHLIGHTS OF THE FINANCIAL PERFORMANCE**Standalone**

During the year under review there is Profit Before Tax of Rs. 6354.67 Lakhs (Previous year is Rs. 9,038.36 Lakhs), Net Profit After Tax is Rs. 5750.66 Lakhs (Previous year is Rs. 8290.20 Lakhs), Dividend Income of Rs. 4699.60 Lakh (Previous year Rs. 6854.91 Lakh), Interest Income was of Rs. 1818.50 Lakh (Previous year Rs. 2225.68 Lakh) while operating expenses were of Rs. 164.29 Lakh including depreciation Rs. 7.46 Lakh (Previous operating expenses Rs. 152.24 Lakh inclusive of depreciation of Rs. 3.40 Lakh). As on last date of the year amount of Reserves and surplus is Rs. 7919.80 Lakhs (Previous year 7344.73 Lakhs).

Income Tax liability is of Rs. 602.97 Lakh (Previous year Rs. 747.51 Lakh)

Consolidated

Financial performance on consolidated basis during the year under review there is Profit Before Tax of Rs. 1682.70 Lakhs (Previous year is Rs. 5030.94 Lakhs), Profit for the year is Rs. 33076.76 Lakhs (Previous year is Rs. 29832.70 Lakhs).

DIVIDEND

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

SHARE CAPITAL

The Authorized Share Capital of the Company is Rs. 300000 Lakh (285,00,00,000 Equity Shares of Rs. 10 each and 1,50,00,000 Preference Shares of Rs. 100 each) and Paid-up Equity Capital of the company is Rs. 104276.90 Lakh, as on 31st March, 2017 which has remain same against the previous year.

Brief Highlights of the year

During the year, Your Company has purchased 54850000 equity shares of Bhavnagar Energy Company Limited (BECL). at face value of Rs. 10 each.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

ASSOCIATES

At the beginning of the year, your Company had three associates companies during the year due to equity investments in BECL, as on 31st March, 2017, Your Company have four associates companies.

During the year, your Board reviewed approved annual accounts of the associates. In accordance with the Section 129(3) the Companies Act, 2013 your company has prepared consolidated financial statements of the Company, which forms part of this report. Further, a statement of our associates in prescribed format in AOC-1 is appended as ANNEXURE to the Consolidated Financial Statements.

These documents will also be available for inspection during business hours at registered office of your company.

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

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

Presentation of financial statements

The financial statements of the company for the year ended on 31st March, 2017 have been disclosed as per Division I of scheduled III of the Companies Act, 2013

Consolidated financial statements

Your Directors also present the consolidated financial statements incorporating the duly audited financial statements of the associates as prepared in compliance with the Companies Act, 2013 read with applicable accounting standards.

Secretarial Standards of ICSI

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

AUDITORS,**Statutory Auditor**

Your Company is a Government Company within the meaning of the Section 2 (45) of the Companies Act, 2013, the Comptroller and Auditor General of India, New Delhi had appointed M/s. J. P. Shah & Co., [Registration No. 109612W] Chartered Accountants, as Auditors of your Company for the Financial Year 2016-17.

The Comments of Comptroller & Auditor General of India (C&AG) and the reply of the Management thereto from part of this report and are attached as annexure to this report.

Secretarial Audit

Shri Harish P. Jain, Practicing Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for Financial Year 2016-17, as required under section 204 of the Companies Act, 2013 and Rules made thereunder. The Secretarial Audit Report for F.Y. 2016-17 forms part of Annual Report as annexure to this report. ***The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks.***

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

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

Declaration on Independent Directors

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

Corporate Social Responsibility:

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



Your company's investment in CSR activities for the year 2016-17 was Rs.77.85 Lakhs which is 2% the average profits of the Company for the last three years.

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

Appointments:

Shri Anil Mukim, IAS [DIN 02842064] vide Government of Gujarat vide GR. No. JNV 10-2011-688092-A dated 17th September, 2016 has been appointed as Director and Chairman of the Board of your company w.e.f. 26.09.2016.

Shri T. Natarajan, IAS [DIN 00396367] vide Government Order No. JNV/10/2011/688092/A Dated 16th May, 2015 has been appointed as Managing Director of your company and also appointed as Key Managerial personnel.

Shri Vasant Raval [DIN 03097981], retired Bank Officer has been appointed as an Independent Director by your board keeping in as required under the Companies Act, 2013 w.e.f 21st June, 2016.

Ms. Mamta Varma, IAS [DIN 01854315], has been appointed as an Independent Director by your board as required under the Companies Act, 2013 w.e.f 21st June, 2016.

Smt. Mona Khandhar, IAS [DIN 06803015] vide Government Order No. JNV/10/2014/557212/A dated 15th July, 2016 has been appointed vice Shri T. Natarajan, IAS [DIN 00396367] as Managing Director of your company and also designated as Key Managerial Personnel.

Ms. Arti Kanwar, IAS [DIN 03535973] vide Government of Gujarat vide GR. No. JNV 2009-695332-A dated 17th September, 2016 has been appointed as Director of your company w.e.f. 26.09.2016.

Shri Sanjeev Kumar, IAS [DIN 03600655] vide Government Order No. JNV/10/2011/720764/A dated 15th July, 2017 has been appointed vice Smt. Mona Khandhar, IAS [DIN 06803015] as Managing Director of your company and also designated as Key Managerial Personnel w.e.f 31st July, 2017.

Resignations and/or cessation:

Shri T. Natarajan, IAS [DIN 00396367] Managing Director submitted his resignation w.e.f. 24th June, 2016.

Dr. J.N. Singh, IAS [DIN 00955107] Chairman of the Company submitted his resignation w.e.f. 03rd August, 2016.

Shri J. P. Gupta, IAS [DIN 01952821] Director of the Company submitted his resignation w.e.f. 26th September, 2016.

Smt. Mona Khandhar, IAS [DIN 06803015] Managing Director submitted his resignation w.e.f. 31st July, 2017

Key Managerial Personnel (KMP):

The Company has Shri Sanjeev Kumar, IAS [DIN 03600655], Managing Director and Shri Snadip Shah, Company Secretary and Shri G. S. Pathak, Chief Financial Officer designated as KMP as required under the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not granted any Loan or given any Guarantees or made any investments which are covered under the provisions of section 186 of the Companies Act, 2013.



RELATED PARTY TRANSACTIONS

There was no related party transactions (RPTs) entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013.

BOARD MEETINGS AND Composition of the Board and attendance record of directors for 2016-17

During the financial year under review 04 meetings of the Board of Directors were held on following dates,

28th April, 2016	22nd August, 2016	28th October, 2016
23rd February, 2017		

The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Table 1: Composition of the Board and attendance record of directors for 2016-17

Name of director	Category	Relationship with other directors	Meetings attended	Whether attended last AGM
Dr. J. N. Singh, IAS [DIN 00955107]^	Chairman- Non-Executive	--	1/1	No
Shri Anil Mukim, IAS [DIN 02842064]	Chairman- Non-Executive	--	2/2	No
Shri J. P. Gupta, IAS [DIN 01952821]@	Director- Non-Executive, Promoter	--	2/2	No
Shri Vasantkumar Raval [DIN 03097981]	Independent Director	--	3/3	No
Ms. Mamta Verma, IAS [DIN 01854315]	Independent Woman Director	--	3/3	No
Shri T. Natarajan, IAS [DIN 00396367]#	Managing Director- Non-Executive, Promoter	--	0/1	No
Smt. Mona Khandhar, IAS [DIN 06803015]*	Managing Director- Non-Executive, Promoter	--	3/3	No

^tendered his resignation w.e.f. 03.08.2016

@cease to be Director w.e.f. 26.09.2016

#tendered his resignation w.e.f. 24.06.2016

*tendered his resignation w.e.f. 31.07.2017

Meetings and Membership the Committee

1. Audit Committee

During financial year 2016-17 the Audit Committee met 02 times as following dates,

22nd August, 2016	28th October, 2016
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The present composition of Audit Committee is as follow,

1. Shri Anil Mukim, IAS [DIN 02842064] Chairman of the Committee
2. Ms. Mamta Verma, IAS [DIN 01854315], Member (Independent Director)
3. Shri Vasant Raval [DIN 03097981], Member (Independent Director)

2. Corporate Social Responsibility Committee (CSR Committee)

During the year CSR Committee met on 23rd February, 2017

The present composition of CSR Committee is as follow,

1. Shri Anil Mukim, IAS [DIN 02842064] Chairman of the Committee
2. Shri Sanjeev Kumar, IAS [DIN 03600655], Member
3. Ms. Mamta Verma, IAS [DIN 01854315], Member (Independent Director)

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

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

1. Ms. Mamta Varma, IAS [DIN 01854315] Chairman of the Committee
2. Shri Sanjeev Kumar, IAS [DIN 03600655], Member
3. Shri Vasant Raval [DIN 03097981], Member (Independent Director)

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

Deposits

Your company has not accepted or renewed any deposits during the year under review mentioned under Section 73 of the Companies Act, 2013.

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

The Company primarily being an investment company and not involved in any industrial or manufacturing activities, the Company has no particulars to report regarding conservation of energy and technology absorption as required under section 134 of the Companies Act, 2013 and Rules made thereunder.

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

ACKNOWLEDGMENTS

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

For, and on behalf of the Board

Sd/-
Chairman

Date: 27-11-2017
Place: Gandhinagar



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT STATE INVESTMENTS LIMITED FOR THE YEAR ENDED 31 MARCH 2017 AND REPLY THERETO.

Comments	Management's Reply
<p>The preparation of financial statements of Gujarat State Investments Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 September, 2017.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the standalone Financial Statements of Gujarat State Investments Limited for the year ended 31 March 2017. This Supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.</p>	<p>Statement of Fact</p>
<p>A. Comments on Profitability</p> <p>Balance Sheet</p> <p>Assets (b) Non-current investments (Note 9) - Rs. 2343.41 crore</p> <p>As per clause 19 of the amended Accounting Standard 13, where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount is charged to Profit and Loss Account. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist.</p> <p>The Company provided for full cost of investment to its profit and loss account for the investment amounting to Rs. 27.92 crore (shares of Gujarat Lease Financing Limited - Rs. 7.15 crore in 2000-01, shares of Digjam Limited - Rs. 18.80 crore in 2005-09, shares of Gujarat State Financial Corporation - Rs. 1.87 crore in 2002-03</p>	<p>GSIL is an Investments Company predominantly holding Equity Investments as non-current Investments. Company has made provision for diminution in the value of non-current investments in accordance with measurement principles as elaborated in AS-13 envisage the reversal of reduction in carrying amount it can not only be based on an account of closing market price on the date of Balance Sheet alone. Because as it can be seen in the table below, the Market Price Fluctuations indicate that if GSIL follows the Policy of yearend adjustments in carrying amount of non-current investments, it will effectively tantamount to accounting of non-current investments in a way that is similar to accounting of current investments.</p> <p>The market price fluctuations of investments are as follows:</p>



and shares of Batliboi Ltd. - RS. 0.10 crore in 2012-15). However, did not reverse the amount despite consistence rise in the value of investment in subsequent years.

The market value of investment in Gujarat Lease Financing Limited, Digjam, Gujarat State Financial Corporation Limited and Batliboi Limited considering the lowest price in last five years comes to Rs. 0.70 Crore. Therefore, the Company should have at least reversed the provisions for diminution to the extent of Rs. 0.70 Crore.

Non-accounting of the above led to overstatement of provision for diminution in value of Investments and understatement of Profit Before Tax/ Total income by Rs. 0.70 Crore.

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

**Sd/-
(Gurveen Sidhu)
Accountant General (E&RSA), Gujarat**

Place: Ahmedabad

Date: 16-11-2017

Sr. No	Name of the Company	Price as on 31 March 2017 (Rs/Share)	Lowest price in last 5 years
1	GLFL	4.50	1.10
2	Digjam Ltd	12.69	3.25
3	GSFC	3.20	1.34
4	Batliboi Ltd	23.85	6.61

The Accounting Policy disclosed by the Company is also elaborate and in light of industries peers, accounting for such non-current investments. Moreover, the basic principle of accounting "Conservatism" applied in sync with the principles of "Consistency" & "Prudence" also warrants that reversal of reduction in carrying amount, only on the basis of change in market price, is not allowed.

However, considering the impending change in Accounting Landscape in coming financial periods, i.e applicability of IND-AS from F.Y 2018-19 to NBFC & Investment Companies, GSIL will carryout the review of measurement and disclosure of non-current investments in compliance with newer regulatory regime.

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

**Sd/-
(Anil Mukim, IAS)
(DIN 02842064)
Chairman**

Place: Gandhinagar

Date: 27-11-2017



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON 'THE CONSOLIDATE FINANCIAL STATEMENTS OF GUJARAT STATE INVESTMENTS LIMITED FOR THE YEAR ENDED 31 MARCH 2017 AND REPLY THERETO

Comments	Management's Reply
<p>The preparation of consolidated financial statements of Gujarat State Investments Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 September 2017.</p> <p>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) read with Section 129 (4) of the Act of the consolidated financial statements of Gujarat State Investments Limited for the year ended 31 March 2017. We conducted supplementary audit of the financial statements of Gujarat State Investments Limited but did not conduct supplementary audit of the financial statements of Gujarat State Fertilizers & Chemicals Limited, Gujarat Narmada Valley Fertilizers & Chemicals Limited and Gujarat Alkalies and Chemicals Limited and Bhavnagar Energy Company Limited. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) read with Section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related Audit Report:</p>	Statement of Fact
<p>A. Comments on Profitability</p> <p>Balance Sheet</p> <p>Assets (b) Non-current investments (Note 9) - Rs. 2343.41 crore</p> <p>As per clause 19 of the amended Accounting Standard 13, where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount is charged to Profit and Loss Account. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist.</p>	<p>GSIL is an Investments Company predominantly holding Equity Investments as non-current Investments. Company has made provision for diminution in the value of non-current investments in accordance with measurement principles as elaborated in AS-13 envisage the reversal of reduction in carrying amount it can not only be based an account of closing market price on the date of Balance Sheet alone. Because as it can be seen in the table below, the Market</p>



The Company provided for full cost of investment to its profit and loss account for the investment amounting to Rs. 27.92 crore (shares of Gujarat Lease Financing Limited - Rs. 7.15 crore in 2000-01, shares of Digjam Limited - Rs. 18.80 crore in 2005-09, shares of Gujarat State Financial Corporation - Rs. 1.87 crore in 2002-03 and shares of Batliboi Ltd. - RS. 0.10 crore in 2012-15). However, did not reverse the amount despite consistent rise in the value of investment in subsequent years.

The market value of investment in Gujarat Lease Financing Limited, Digjam, Gujarat State Financial Corporation Limited and Batliboi Limited considering the lowest price in last five years comes to Rs. 0.70 Crore. Therefore, the Company should have at least reversed the provisions for diminution to the extent of Rs. 0.70 Crore.

Non-accounting of the above led to overstatement of provision for diminution in value of Investments and understatement of Profit Before Tax/ Total income by Rs. 0.70 Crore.

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

Sd/-
(Gurveen Sidhu)
Accountant General (E&RSA), Gujarat
Place: Ahmedabad
Date: 16-11-2017

Price Fluctuations indicate that if GSIL follows the Policy of yearend adjustments in carrying amount of non-current investments, it will effectively tantamount to accounting of non-current investments in a way that is similar to accounting of current investments.

The market price fluctuations of investments are as follows:

Sr. No	Name of the Company	Price as on 31 March 2017 (Rs/Share)	Lowest price in last 5 years
1	GLFL	4.50	1.10
2	Digjam Ltd	12.69	3.25
3	GSFC	3.20	1.34
4	Batliboi Ltd	23.85	6.61

The Accounting Policy disclosed by the Company is also elaborate and in light of industries peers, accounting for such non-current investments. Moreover, the basic principle of accounting "Conservatism" applied in sync with the principles of "Consistency" & "Prudence" also warrants that reversal of reduction in carrying amount, only on the basis of change in market price, is not allowed.

However, considering the impending change in Accounting Landscape in coming financial periods, i.e applicability of IND-AS from F.Y 2018-19 to NBFC & Investment Companies, GSIL will carryout the review of measurement and disclosure of non-current investments in compliance with newer regulatory regime.

For and on behalf of the
Gujarat State Investments Limited

Sd/-
(Anil Mukim, IAS)
(DIN 02842064)
Chairman

Place: Gandhinagar
Date: 27-11-2017



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
GUJARAT STATE INVESTMENTS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat State Investments Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processed and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Law as applicable specifically to the Company is as under :

- a. Reserve Bank of India, 1934

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent applicable under the companies Act, 2013.

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

The Company was not required to comply with the provision of order regulation listed in the Form No. MR-3 prescribed under the Companies Rules, 2014 as there were no instance / events falling within the preview of these regulation, during the financial year.

We further report that :

- (i) 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.
- (ii) 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.
- (iii) As per the minutes of the Board duly recorded and signed by the Chairman, decision of the Board was unanimous and no dissenting view are recorded.

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

For HARISH P. JAIN & ASSOCIATES
PRACTISING COMPANY SECRETARIES

(HARISH JAIN)
Proprietor

Place: Ahmedabad
Date: 26/04/2017

Membership No. 4203 C.P. No. 4100



FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED	L99999GJ1962PLC001121	Associate	37.84%	Section 2(6)
2	GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED	L24110GJ1976PLC002903	Associate	21.38%	Section 2(6)
3	GUJARAT ALKALIES AND CHEMICALS LIMITED	L24110GJ1973PLC002247	Associate	20.87%	section 2(6)
4	BHAVNAGAR ENERGY COMPANY LIMITED	U40102GJ2007SGC051396	Associate	23.46%	section 2(6)


IV. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

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



2. Non-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)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		1042769070	1042769070	100		1042769070	1042769070	100	NIL



(ii) Shareholding of Promoter-

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

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

No Change

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

Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel:

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



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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	N.A.	8,79,85,00,000.00	N.A.	8,79,85,00,000.00
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction		2,00,00,00,000.00		2,00,00,00,000.00
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		6,79,85,00,000.00		6,79,85,00,000.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

B. Remuneration to other Directors

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

b REMUNERATION TO OTHER DIRECTOR

A Independent Directors

Amount in ₹

SN	Particulars of Remuneration	Independent Director		
		Shri Vasant Kumar Raval	Ms. Mamta Varma	Total
1.	Fees for attending Board/Committee Meeting	7500.00	NIL	7500.00
2.	Commission	NIL	NIL	NIL
3.	Other	NIL	NIL	NIL
	Total Payment	7500.00	NIL	7500.00



**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN
MD/MANAGER/WTB**

Amount in ₹

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A.	7,07,004.00	9,84,552.00	16,91,556.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		NIL	NIL	NIL
2	Stock Option		NIL	NIL	NIL
3	Sweat Equity		NIL	NIL	NIL
4	Commission		NIL	NIL	NIL
	- as % of profit		NIL	NIL	NIL
	others, specify...		NIL	NIL	NIL
5	Others, please specify		NIL	NIL	NIL
	Total		7,07,004.00	9,84,552.00	16,91,556.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the year 2016-17, there were no penalties/punishment/compounding of offences under the Companies Act, 2013.

**GUJARAT STATE INVESTMENTS LIMITED**

6th Floor, H.K. House, Ashram Road,

AHMEDABAD-380009

(CIN:-U64990GJ1988SGC010307)

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

1. CSR Policy of the Company as annexed hereto
2. The present composition of CSR Committee is as follow,
 1. Shri Anil Mukim, IAS [DIN 02842064], Chairman of the Committee
 2. Shri Sanjeev Kumar, IAS [DIN 03600655], Member
 3. Ms. Mamta Verma, IAS [DIN 01854315], Member (Independent Director)
3. The Average Net Profit of the Company for last three financial year is ₹ 77,85,109.00
4. Prescribed CSR expenditure (two percent of the amount as in item 3 above) is ₹ 77,85,109/-
5. The details of CSR spend during the financial year 2016-17 is
 - a Total amount spend for financial year: ₹ 77,85,109/-
 - b Amount unspent: NIL
 - c The Company being a Government Company has contributed the amount ₹ 10,85,109/- to "Mukhya Mantrishri Swachhta Nidhi-Gujarat Rajya", fund created by the State Government and ₹ 67,00,000/- to "Gujarat CSR Authority" towards its CSR contribution

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

Sd/-

Managing Director

Sd/-

Chairman



Corporate Social Responsibility Policy

Gujarat State Investments Limited

Preamble

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

CSR Policy

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

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

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

Place :

Date :

**INDEPENDENT AUDITOR'S REPORT**

To,
The Members of
GUJARAT STATE INVESTMENTS LIMITED,

Report on the Standalone Financial Statements

We have audited accompanying financial statements of Gujarat State Investments Limited ('the company') which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March'2017 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
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 purpose of our audit.
 - (b) In our opinion, proper books of accounts required by the law have been kept by the company so far it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) GSIL being a Government Company, Section 164(2) of The Companies Act 2013 is not applicable.
 - (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".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses:
 - (iii) As the Company being a Government Company & 100% owned by Government of Gujarat, the said clause is not applicable, and the Company has not declared any dividend, so there has been no delay in transferring amounts, required to be transferred to the Investors Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosures in the Financial Statements as to holdings as well as dealings in Specified Bank notes during the Period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representations, we report that disclosures are in accordance with Books of Accounts maintained by the Companies and as produced to us by the management. Refer Note No:32 to the Standalone Financial Statements.
3. As required by Section 143(5) of the Act, 2013 we are enclosing herewith compliances to directions / sub directions as part of Audit Report in Annexure II enclosed herewith.

Place : Ahmedabad
Date : 16 - 9 - 2017

For, **J P SHAH & CO**
CHARTERED ACCOUNTANTS
FRN : 109612W
(CA Nirav J. Shah)
Partner
Membership No. 107717

**ANNEXURE-A TO AUDITOR'S REPORT****(Referred to in paragraph 1 of our report of even date)**

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March, 2017, we report that:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets up to 31st March, 2017.
(b) According to the information and explanation given to us all the fixed assets have been physically verified by the company during the year, there is a regular programme of verification which is reasonable having regard to the size of the company and the nature of its assets. No material discrepancy was noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. This clause is not applicable to the company as the company does not deal in Inventories.
3. The company has not granted any loans secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly provisions of clause 3(iii) (a) to (c) of the order are not applicable to the company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of the loans, investment, guarantees and security.
5. The Company has not accepted any deposits from the public and the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to deposit accepted from the public are not applicable.
6. The company is not required to maintain the cost records as may be prescribed by the Central Government under section 148(1) of the Companies Act, 2013
7. In respect of statutory dues :
(a) According to the information and explanation given to us, the company is generally Regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, cess and other material statutory dues, applicable to it.
According to the information and explanation given to us by the management of the company and based on the records provided to us by the company, there are no disputed amount payables in respect of Income Tax, Service Tax, cess in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.
(b) According to the Information and explanations given to us, there are no dues of Income Tax, Service Tax outstanding on account of any dispute.
8. The company does not have any loans or borrowings from any financial institutions, banks, or debenture holders during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
9. The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us, and based on our examination of the records of the Company, the Managing Director is a non executive director.



12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and hence the provision of this clause is not applicable.
13. According to the information and explanation given to us and based on the examination of the records, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on the examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.
15. According to the information and explanation given to us and based on the examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company and hence not commented upon.
16. According to the information and explanation given to us and based on the examination of the records, The Company has complied with the requirement of section 45-IA of Reserve Bank of India Act, 1934. The details of which are prescribed in Annexure-II

Place : Ahmedabad
Date : 16 - 9 - 2017

For, **J P SHAH & CO**
CHARTERED ACCOUNTANTS
FRN : 109612W
(CA Nirav J. Shah)
Partner
Membership No. 107717

**"Annexure B" to the Auditor's Report of even date on the Standalone Financial Statements of GUJARAT STATE INVESTMENTS LIMITED.****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Gujarat State Investments Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control



over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Place : Ahmedabad
Date : 16 - 9 - 2017

For, **J P SHAH & CO**
CHARTERED ACCOUNTANTS
FRN : 109612W
(CA Nirav J. Shah)
Partner
Membership No. 107717



**ANNEXURE-II REPORT IN RESPECT OF DIRECTIONS UNDER SECTION 143(5) OF
THE COMPANIES ACT, 2013 FOR THE YEAR 2016-2017.**

Sr. No.	Particulars	Comments on
(1)	If the Company is selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process.	The company is not selected for disinvestment process. So, this clause will no be applicable to it.
(2)	Please report whether there are any cases of waiver/write off of debts /loan/interest etc. if yes, the reasons therefore and the amount involved.	No such instances found.
(3)	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Not applicable.
(4)	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	No such pending legal / arbitration cases.

**SECTOR SPECIFIC SUB-DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013
FINANCE SECTOR**

Sr. No.	Particulars	Comments on
(1)	Whether the Company has complied with the directions issued by Reserve Bank of India for : <ul style="list-style-type: none"> • Non – Banking Finance Companies (NBFCs); • Classification of non-performing assets; and • Capital adequacy norms for NBFCs. 	The Company had applied to RBI for carrying out the business as NBFC-CIC on 4/08/2014 & same has been considered & approved by RBI on 28/04/2015. So, as on date of reporting the Company is recognized as Unregistered CIC.
(2)	Whether the Company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets. Further instances of undue delay in disposal of seized units may be reported.	The said clause is not applicable to the Company
(3)	Whether introduction of any scheme for settlement of dues and extensions hereto complied with policy/ guidelines of Company / Government.	The said clause is not applicable to the Company
(4)	Comments on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.	Yes, the confirmation for term deposits, bank accounts & cash is obtained
(5)	Whether the bank guarantees have been revalidated in time ?	The said clause is not applicable to the Company

Place : Ahmedabad
Date : 16 - 9 - 2017

For, **J P SHAH & CO**
CHARTERED ACCOUNTANTS
FRN : 109612W
(CA Nirav J. Shah)
Partner
Membership No. 107717



GUJARAT STATE INVESTMENTS LIMITED
BALANCE SHEET AS AT 31st MARCH 2017 (Standalone) Amount in (Rs.)

Particulars	Note No.	As at 31-3-2017	As at 31-3-2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	10427690700	10427690700
(b) Reserves and Surplus	3	7919801005	7344734968
Shareholder's Funds		18347491705	17772425668
(2) Share Application Money pending allotment		0	0
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	6798500000	8798500000
(b) Long Term Provisions	5	969380	829664
Non-Current Liabilities		6799469380	8799329664
(4) Current Liabilities			
(a) Trade Payables		0	0
(b) Other Current Liabilities	6	2554354	1164930
(c) Short term Provisions	7	42857	27382
Current Liabilities		2597211	1192312
Total		25149558296	26572947644
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	8	2338612	1088172
(b) Non-current investments	9	23434067578	22885567578
(c) Deferred tax assets (net)	10	507531	366829
(d) Long term loans and advances	11	38094200	39769638
Non-Current Assets		23475007921	22926792217
(2) Current Assets			
(a) Cash and Cash Equivalents	12	2963783	552461691
(b) Short-term loans and advances	13	1607181534	2963093492
(c) Other current assets	14	64405058	130600244
Current Assets		1674550375	3646155427
Total		25149558296	26572947644

Notes to Balance Sheet and Statement of Profit & Loss 1 to 32
As per our report attached

For **J. P. Shah & Co.**
Chartered Accountants
Firm registration number : 109612W
(CA Nirav J. Shah)
Partner
Membership No. : 013031
Place : Ahmedabad
Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar
Date : 16-9-2017



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017 (Standalone)
Amount in (Rs.)

Particulars	Note No	Year ended 31-3-2017	Year ended 31-3-2016
I Revenue :			
Revenue from operations	15	651810349	908058932
Other Income	16	85550	11000900
Total Reveune		651895899	919059832
II Expenses			
Employee Benefits Expenses	17	3091884	3239362
Finance Costs	18	28739	79886
Depreciation expenses	8	745817	339572
Other expenses	19	12562254	11564751
Total Expenses		16428694	15223571
III Profit before Tax		635467206	903836261
IV Tax Expense			
(a) Current tax		60296705	74751287
(b) Current tax expense related to prior years		245165	322173
(c) Deferred Tax Assets/(Liabilities)		(140702)	(258036)
V Profit for the year(III - IV)		575066038	829020837
VI Earnings Per Equity Share (F.V of Rs. 10 each)			
Basic (in Rs.)		0.55	0.80
Diluted (in Rs.)		0.55	0.80

Notes to Balance Sheet and Statement of Profit & Loss 1 to 32
As per our report attached

For **J. P. Shah & Co.**
Chartered Accountants
Firm registration number : 109612W
(CA Nirav J. Shah)
Partner
Membership No. : 107717
Place : Ahmedabad
Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar
Date : 16-9-2017



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2017 (Standalone)
Amount in (Rs.)

Particulars	2016-2017	2015-2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	635,467,206	903,836,261.00
Adjustments for :		
Provision for diminution in value of investments, credited to the statement of Profit & Loss Account	0.00	0.00
Depreciation	745,817.00	339,572.00
Liabilities / Provisions no longer required	0.00	0.00
Liabilities / Provisions no longer required		
Profit / Loss on sale of Assets	2,105.00	0.00
Profit & Loss on sale of Investment	0.00	0.00
Prior Period Adjustment		
Operating profit before working capital changes		
Adjustments for :		
Provision of Gratuity & Retirement benefits	139,716.00	29,783.00
Operating profit before working capital changes	636,354,844	904,205,616.00
Movements in working Capital		
Decrease/increase in other current assets	66,195,186.00	-24,203,803.00
Other Non current assets	0.00	0.00
Decrease/increase in loan & Advances	1,357,587,395.00	-780,190,855.00
Decrease / Increase in Current Liability	1,404,900.00	700,759.00
Cash used in operations	1,425,187,481.00	-803,693,899.00
Direct Tax Paid (Net of Refunds)	-60,541,870.00	-75,073,460.00
Net Cash used in Operating Activities	2,001,000,455	25,438,257.00
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Fixed Assets	300.00	0.00
Proceeds from sale of Investment	0.00	0.00
Purchase of Fixed Asset	-1,998,662.00	-1,205,390.00
Capital Expenditure on Purchase of Fixed Assets	0.00	0.00
Purchase of Investments	-548,500,000.00	-25,193,200.00
Intercompany Deposits Placed		
Intercompany Deposits Withdrawn		
Net Cash from Investing Activities	-550,498,362.00	-26,398,590.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds payment from unsecured loans	-2,000,000,000.00	548,500,000.00
Proceeds for Share Application Money	0.00	0.00
Net Cash from Financing Activities	-2,000,000,000.00	548,500,000.00
Net Increase / (Decrease) in Cash And Cash Equivalents (A + B + C)	-549,497,907.00	547,539,667.00
Cash And Cash Equivalents - Opening Balance	552,461,691.00	4,922,024.00
Cash And Cash Equivalents - Closing Balance	2,963,783.00	552,461,691.00

Note:

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

As per our report attached

For **J. P. Shah & Co.**

Chartered Accountants

Firm registration number : 109612W

(CA Nirav J. Shah)

Partner

Membership No. : 107717

Place : Ahmedabad

Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar

Date : 16-9-2017

**Notes forming part of financial statements for the year ended 31st March'2017 (Standalone)****1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of preparation of Financial Statements**

The Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on accrual basis of accounting.

Accounting Policies have been consistently followed except where a newly issued Accounting Standard is initially adopted or a revision of an existing Accounting Standard requires a change in the accounting policy hitherto in use. The company adopts the accrual system of accounting. The accounting is on the basis of a going concern concept.

The accounting policies adopted in preparation of financial statements are consistent with those of previous year except for the change in accounting policy explained below.

1.2 Use of Estimates

The preparation of financial statements in conformity of Indian GAAP requires the management to make judgments, estimates & assumptions that affects the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions.

Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.3 Income Recognition

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

Interest income is recognized on a time proportion basis, taking into the account the amount outstanding and the rate applicable.

1.4 Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation provided on written down value method.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

1.5 Depreciation

Depreciation on fixed assets is provided on written down value method as per the Useful life prescribed in Schedule II to the Companies Act, 2013.

1.6 Impairment of Fixed Assets

a) Consideration is given during the period to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an Asset's recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an Asset exceeds recoverable amount.

b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

1.7 Investments

Investments are long term and are stated at cost of acquisition.

Provision is made for diminution in the value of investment other than of temporary nature.

1.8 Employee Benefits

i) Short-term employee benefits;

Short-term employment benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.



ii) Post employment benefits;

- a) Post employment benefits comprise of gratuity, leave encashment Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable using actuarial valuation carried out as at the end of the year in accordance with the Accounting Standard As-15 on 'Employee Benefits' notified under Companies Accounting Standards Rules ,2006.
- b) The company has setup a separate Provident Fund Trust. Contribution paid / payable for provident fund of eligible employees is recognized in the profit and loss account each year. The Company has an obligation to make good the short fall if any, between the return from the investment of the trust and the interest rate notified by the government.

Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.

1.9 Taxation.

- a) Provision for Income Tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961 and Rules framed there under.
- b) Deferred tax asset / liability are recognized at the applicable rate of tax on the basis of timing differences between book profit and taxable income. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income is available against which deferred tax assets can be realized. In situations where the company has carry forward tax losses all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

1.10 Earning Per Share

The company reports basic and diluted earnings per share (EPS) in accordance with Accounting standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

1.11 Provisions And Contingent Liabilities

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an out flow of resources will be required to settle the obligation ,in respect to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities, if any, are disclosed by way of note.



NOTES TO FINANCIAL STATEMENTS (Standalone)

Amount in (Rs.)

Note No.	Particulars	As at March 31, 2017	As at March 31, 2016
Notes to Financial Statements			
2	Share Capital		
a	The company has two class of shares referred to as Equity shares & Preference shares. The details thereof are as under :		
	Authorised		
	285,00,00,000 Equity Shares of Rs. 10 each	28500000000	28500000000
	1,50,00,000 Preference Shares of Rs. 100 each	1500000000	1500000000
	Total	30000000000	30000000000
	Issued, Subscribed and Paid up		
	104,27,69,070 Equity Shares of Rs. 10 each	10427690700	10427690700
	Total	10427690700	10427690700
Held by:			
1. Governor of Gujarat (100 % Shareholding) (P.Y. : 100 % Shareholding)			
b	Reconciliation of number of shares outstanding :		
	Particulars	Equity Shares (in Nos.)	
	A Shares at the beginning of the year	1042769070	1042769070
	B Issued during the period	0	0
	C Less : Share bought back	0	0
	D Shares At the end of the year (A + B - C)	1042769070	1042769070
c	Rights of Equity Shareholders, Dividend and Repayment of Capital :		
i	All shares rank equally with regard to company's residual assets.		
ii	The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the company.		
d	The details of shareholders holding more than 5 % of Shares :		
	Name of the Shareholders	Equity Shares (in Nos.)	
	Governor of Gujarat (100 % Shareholding)	1042769070	1042769070



NOTES FORMING PART OF FINANCIAL STATEMENTS (Standalone)

Amount in (Rs.)

Note No.	Particulars	As at 31-3-2017	As at 31-3-2016
3 Reserves & Surplus			
	Surplus i.e. Balance in the Statement of Profit & Loss As per last Balance Sheet	6824734968	5995714131
	Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	0	0
	Addition : Profit for the year	575066038	829020837
	Total (a)	7399801005	6824734968
	Capital Redemption Reserve As per last Balance Sheet	520000000	520000000
	Total (b)	520000000	520000000
	Total Reserves & Surplus (a + b)	7919801005	7344734968
4 Long Term Borrowings - Unsecured			
	Loan from State Government (GOG)	6798500000	8798500000
	Total	6798500000	8798500000
5 Long Term Provisions			
	(a) Provision for Employee Benefits :		
	(i) Provision for gratuity	630444	532737
	(ii) Provision for leave encashment	338936	296927
	(ii) Provision for other employee benefits	0	0
	Total	969380	829664
	Trade Payables		
	Creditors for Expenses / Services if any	0	0
	Total	0	0
	There are no amounts due to the parties covered under Micro, Small and Medium Enterprises Development Act, 2006.		
6 Other Current Liabilities			
	Other payables	2554354	1164930
	Total	2554354	1164930
7 Short Term Provisions			
	(i) Provision for Gratuity	17344	15847
	(ii) Provision for Leave Encashment	25513	11535
	Total	42857	27382



Gujarat State Investments Limited
Notes forming part of financial statements (Standalone)

8. Tangible Assets

Amount in Rs.

Particulars	Gross Block			Depreciation Block			Net Block	
	As at March 31, 2016	Additions during the Year	Sale/ Disposal during the year	As at March 31, 2017	For the Year	Adjustment	As at March 31, 2017	As at March 31, 2016
Furniture & Fixtures	515,769.55	8,500.00	0.00	524,269.55	1,605.00	0.00	24,986.16	18,091.16
Vehicles	1,712,925.02	1,916,137.00	0.00	3,629,062.02	689,405.00	0.00	2,193,152.22	966,420.22
Office Equipment	158,226.00	74,025.00	13,500.00	218,751.00	18,157.00	11,671.00	111,561.78	56,368.78
Computer	317,003.00	0.00	117,742.00	199,261.00	36,650.00	116,012.00	8,911.69	47,291.69
Total	2,703,923.57	1,998,662.00	131,242.00	4,571,343.57	745,817.00	127,683.00	2,338,611.85	1,088,171.85
Previous Year	1,498,533.57	1,205,390.00	0.00	2,703,923.57	339,572.00	0.00	1,088,171.85	222,353.85

No assets are under lease or are acquired due to business combinations and other adjustments

No assets have been written off on reduction of capital or revalued during the preceding five years as on March, 31, 2017



NOTES FORMING PART OF FINANCIAL STATEMENTS (Standalone)

Amount in (Rs.)

Note No.	Particulars	No. of Shares		Book Value Amount	
		As at 31-3-2017	As at 31-3-2016	As at 31-3-2017	As at 31-3-2016
9 Non-current investments					
	Long Term - Trade Investments (At cost) (No. of Equity Shares of face value of Rs. 10 each fully paid-up unless otherwise specified.)				
	(a) Quoted				
	(i) Equity Shares - Strategic investments				
	Gujarat Narmada Valley Fertilisers Co. Ltd.	33227546	33227546	1353153175	1353153175
	Gujarat State Fertilisers & Chemicals Co. Ltd. (F.V Rs.2)	150799905	150799905	2523796172	2523796172
	Gujarat Alkalies & Chemicals Ltd.	15329373	15329373	1733152505	1733152505
	Gujarat Industries Power Co. Ltd .	352415	352415	26383825	26383825
	Torrent Power Ltd.	46871621	46871621	178859260	178859260
	Gujarat Leasing Financing Ltd.	1328125	1328125	71492209	71492209
	Total (i)			5886837145	5886837145
	(ii) Equity Shares - Non Strategic investments				
	Digjam Limited	1234744	1234744	188026969	188026969
	Atul Products Ltd.	130594	130594	14096129	14096129
	Batlilboi & Co. Ltd. (F.V. Rs.5)	38895	38895	1025876	1025876
	G S L (India) Limited	157140	157140	1571400	1571400
	Gujarat State Financial Corporation	935600	935600	18712000	18712000
	Sun Pharmaceutical Industries Ltd. (F.V Rs.1)	505265	505265	9287287	9287287
	Bank of Baroda (F.V Rs. 2)	250000	250000	11012500	11012500
	Total (ii)			243732160	243732160
	Total (a) (i + ii)			6130569306	6130569306
	(b) Un Quoted				
	(i) Equity Shares - Non Strategic investments				
	Cama Hotels Ltd.	5340	5340	72700	72700
	Gujarat State Machine Tools Co. Ltd. (F. V Rs. 1)	1929050	1929050	20000	20000
	Gujarat State Trans Receivers Limited	12000	12000	1000	1000
	Total (i)			93700	93700
	(ii) Equity Shares - Strategic investments				
	Bhavnagar Energy Company Ltd.	198433900	143583900	1984339000	1435839000
	Gujarat State Petroleum Corporation Ltd. (F.V Rs. 1)	192592441	192592441	15599987726	15599987726
	Total (ii)			17584326726	17035826726
	Total (b) (i + ii)			17584420426	17035920426
	Total (a + b)			23714989732	23166489732
	Less : Provision for diminution in value of investments			280922154	280922154
	Total Book Value of investments			23434067578	22885567578
	Aggregate Market Value of Quoted investments			47169344984	26474587353



NOTES FORMING PART OF FINANCIAL STATEMENTS (Standalone)

Amount in (Rs.)

	As at 31-3-2017	As at 31-3-2016
10 Deferred Tax Assets		
In terms of the provisions of the Accounting Standard No. 22 " Accounting for tax on Income", notified by companies (Accounting Standards) Rule 2006 the company has started recongition of Defered Tax. In compliance with the provi-sion of the Accounting Standard and based on general pru-dence, the company has started recognizing the said DTA / DTL while preparing the Accounts for the current year.		
Deferred Tax Asset - Depreciation	366829	70222
Accrued Expenses - Deductible on Payment	140702	296607
Net Deferred Tax Asset	507531	366829
11 Long Term Loans and advances		
(a) Advance Income Tax { (net of provisions of Current Year Rs.6,02,96,705/-) (Previous Year : Rs.7,47,51,287/-)	38094200.00	39769638.00
(b) Other loans and advances (Bridge loan) Doubtful	2500000.00	2500000.00
Less : Provision for other doubtful loans and advances	2500000.00	2500000.00
	38094200.00	39769638.00
12 Cash & Cash Equivalents		
(a) Cash on hand	14616.00	11816.00
(b) Balances with Banks : -In current accounts	949167.44	550406199.94
(c) Liquid deposits with GSFS	2000000.00	2043675.00
Total	2963783.44	552461690.94
13 Short-term loans and advances		
(a) Security Deposits Unsecured, considered good	9000.00	1263215.00
(b) Loans & advances to employees Secured, considered good		
(c) Prepaid expenes - Unsecured, considered good	10932.00	2857.00
(d) Balances with government authorities (i) FBT Refund	4026.00	4026.00
(ii) Income Tax Refund	0.00	0.00
(e) Inter-corporate deposits unsecured, considered good Gujarat State Financial Services Ltd.	1607157576.00	2961823394.00
Total	1607181534.00	2963093492.00
14 Other current assets		
(i) Interest accrued on investments	64405058.00	130600244.00
Total	64405058.00	130600244.00



NOTES FORMING PART OF FINANCIAL STATEMENTS (Standalone)

Amount in (Rs.)

	As at 31-3-2017	As at 31-3-2016
15 Details of Revenue from operations		
(a) Income from Investments		
(i) Dividends	469959787.00	685491289.50
(ii) Interest on Investments	181850562.00	222567642.00
Total	651810349.00	908058931.50
16 Other Income		
(i) Adjustment to the carrying amount of long term investments- reversal of reduction in the carrying amount	0.00	0.00
(ii) Profit on sale of Investments	0.00	0.00
(iii) Profit on sale of Assets	0.00	0.00
(iv) Adjustment of shortfall payment on CPF trust	54860.26	106066.00
(V) Interest on Income Tax refund	27790.00	10894834.00
(Vi) Provision of Exp write Back	2900.00	0.00
Total	85550.26	11000900.00
17 Employee Benefits Expenses		
(i) Salaries	2805789.00	2791054.00
(ii) Contribution to provident and other funds	286095.00	448308.00
Total	3091884.00	3239362.00
18 Finance Costs		
(i) Interest Expenses on Borrowings	0.00	0.00
(ii) Interest expenses paid to I.T Department	28739.00	79886.00
Total	28739.00	79886.00
19 Other Expenses		
Power & fuel	225596.50	110084.00
Office rent	2301874.00	2297756.00
Repairs & maintenance	26478.00	0.00
Insurance	19065.00	5164.00
Rates & Taxes	71826.00	74403.00
Communication	81532.00	46413.00
Travelling & Conveyance	185802.00	136163.00
Printing & Stationery	107862.00	92175.50
Legal & Professional	282861.00	312657.00
Payment to auditors	115012.00	83874.00
Stamp duty Expense	0.00	145600.00
service tax (RCM)	100809.00	28157.00
Miscellaneous Expenses	600848.00	829050.00
Advertisement Expenses	0.00	0.00
Prior Period items	0.00	0.00
Expenditure on Corporate Social Responsibility	7785109.00	7360404.00
Registration fees	0.00	42850.00
Contract Service	657579.00	0.00
Total	12562253.50	11564750.50



NOTES FORMING PART OF FINANCIAL STATEMENTS (Standalone)

- 20 This being an investment Company, the disclosure as per Para 4 (a) & (b) of Part II to the Schedule III of the Companies Act 2013, is not required to be made.
- 21 Depreciation is calculated on WDV method on the number of remaining useful life of the assets as per the provisions of Companies Act, 2013.
- 22 **Segment Reporting**
The Company operates in one business segment. In view of this, no separate disclosure is required under Accounting Standard AS – 17 “Segment Reporting”.
- 23 Related Party disclosure as required under the Accounting Standard “AS-18” on Related Party Disclosures, notified under Companies Accounting Standard Rules 2006 are given below :
- a) The Company being state controlled enterprise, it is not required to disclose transaction with other State controlled enterprise Accounting Standards AS-18
- b) There is no transaction with Key management personnel
- 24 **Employee Benefits**
“The disclosures required under Accounting Standard 15 “Employees Benefit” notified in the Companies (Accounting Standards) Rules 2014 are given below:

(a) Changes in present value of obligation (As on March 31, 2017) (Amount Rs.)

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Present value of obligation as at beginning of the year	548584	491044	308462	267187
Current Service Cost	39,790	46,847	24,622	22,711
Interest Cost	41,090	37,737	23,030	20,479
Actuarial Gain/ (Loss) on obligations	18,324	(27044)	8,335	(1915)
Benefits payable	0	0	0	0
Present Value of Obligation as at end of the year	647,788	548,584	364,449	308,462

(b) The gratuity plan is not funded. Hence particulars relating to plan assets are not given

(c) The Amount Recognized in Balance Sheet (Amount in Rs)

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Present Value of obligation at the end of the Year	647,788	548584	364,449	308,462
Fair Value of Plan Assets as at the end of the Year	Nil	Nil	Nil	Nil
New Asset/ (Liability) recognized in Balance Sheet	647,788	548,584	364,449	308,462

(d) Amount Recognized in the Profit and Loss Account (Amount in Rs)

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Current Service Cost	39,790	46,847	24,622	22,711
Interest Cost	41,090	37,737	23,030	20,479
Net Actuarial Gain/(Loss) recognized in the year 2016-17	18,324	(27044)	8,335	(1915)
Exp. Recognized in the statement of Profit & Loss	99,204	57,540	55,987	41,275

(e) Assumptions

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate	7.25%	7.6%	7.25%	7.6%
Rate of Increase in Compensation levels	5.0%	5.0%	5.0%	5.0%
Rate of Return Plan Assets	Not applicable	Not applicable	Not applicable	Not applicable

- 25 The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The relevant information is certified by the Actuary.

In terms of the guidance on implementing the As – 15 (Revised 2005) issued by the Institute of Chartered Accountants of India, the Employees Provident Fund setup by the Company is treated as defined benefit plan since the company has to meet the specified minimum rate of return, at the



year end, no short fall have remained un-provided for. Accordingly an amount of Rs.54860/- (previous year Rs. 40688/- as expenses) is recognized as excess amount towards the Provision for Provident Fund Scheme of the Company and the same credited to Profit and Loss Account

26 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand along with balance of Liquid deposit with GSFS.

27 Auditor's Remuneration

(Amount in Rs.)

Particulars	2016-17	2015-16
For Statutory Audit Fees	40325.00	17421.00
For Tax Audit Fees	20187.00	14518.00
For Internal Audit Fees	28750.00	28625.00
For Epf Trust Audit Fees	5750.00	2863.00
For Secretarial Audit Fees	20000.00	23310.00

28 Earnings per Share

	2016-17	2015-16
Profit/(Loss) for the period (Rs.)	575066038	829020837
Weighted average no. of shares (Face Value Rs. 10 each)		
Earnings per Share(Basic/Dilluted)	1042769070	1042769070
(Face Value Rs.10 each)	0.55	0.80

29 Contingent Liabilities

Claim of Income Tax for the Assessment Years 2001-02,2004-05, 2006-07, 2009-2010, 2010-2011, 2011-12, 2012-13, 2013-14 against the company is disputed and not acknowledged as debt. The company is in appeal before appellate authorities, & as on date of preparing Financial Statements there are no outstanding demand against the Company.

30 The previous year's figures have been regrouped / recast / reclassified / rearranged wherever necessary to correspond with the current year's classification / disclosure.

31 As a promoter of Bhavnagar Energy Company Limited (BECL), the company has signed the Sponsors' Support Agreement (SSA) and as per the said Agreement, the promoters collectively shall not, till the final settlement date (being the date on which all obligations under the SSA have been irrevocably and unconditionally paid and discharged in full to the satisfaction of lenders), dispose-off their shareholdings which would result in dilution of their shareholding below 51%.

32 Gujarat State Investments Limited

This is to certify that the disclosure given below are true and correct to the best of our knowledge and belief and is as per the Books of Account maintained by the Company.

	Specified Bank	Other	Total
Closing cash in hand as on 08.11.2016	21,000.00	2,591.00	23,591.00
(+) Permitted receipts	0.00	0.00	0.00
(-) Permitted payments	0.00	0.00	0.00
(-) Amount Deposited in Banks	21,000.00	0.00	21,000.00
Closing cash in hand as on 30.12.2016	0.00	2,591.00	2,591.00

As per our report attached

For **J. P. Shah & Co.**

Chartered Accountants

Firm registration number : 109612W

(CA Nirav J. Shah)

Partner

Membership No. : 107717

Place : Ahmedabad

Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar

Date : 16-9-2017



Independent Auditors' Report on Consolidated Financial Statements

To,
The Members of
Gujarat State Investments Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Gujarat State Investments Limited ("the Investor Company") and its Associates (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of The Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Investor Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Investors Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

Financial Statements of Four Associates Companies' had prepared its audited financial statement in consonance with IND AS. Gujarat State Investments Limited (GSIL) needs to converge its financial statement for F.Y. 2016-17 as per the section 129 of companies Act, 2013. GSIL has accepted the Unaudited financial Statements from its Associates (prepared as per the companies (Accounting Standard) Rules, 2006 i.e. in accordance with the accounting policies followed by the parent company for its associate



companies) and our report relates to the aforesaid associates is based solely on such unaudited financial statements / financial information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Investor Company as on 31 March 2017 taken on record by the Board of Directors of the Investor Company and the report of the statutory auditors of its associated companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; 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 consolidated financial statements disclose the Impact of pending litigations on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements;
 - ii. The Group did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amount, required to be transferred to the Investors Education Protection Fund.
 - iv. The Company has provided requisite disclosures in the Financial Statements as to holdings as well as dealings in Specified Bank notes during the Period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representations, we report that disclosures are in accordance with Books of Accounts maintained by the Companies and as produced to us by the management. Refer Note No:33 to the Standalone Financial Statements.

Place : Ahmedabad
Date : 16 - 9 - 2017

For, **J P SHAH & CO**
CHARTERED ACCOUNTANTS
FRN : 109612W
(CA Nirav J. Shah)
Partner
Membership No. 107717



Annexure A to Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Gujarat State Investments Limited ("the Investor Company") and its Associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Investor Company and its Associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

Opinion

In our opinion, the Investor Company and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Place : Ahmedabad
Date : 16 - 9 - 2017

For, **J P SHAH & CO**
CHARTERED ACCOUNTANTS
FRN : 109612W
(CA Nirav J. Shah)
Partner
Membership No. 107717



GUJARAT STATE INVESTMENTS LIMITED
BALANCE SHEET AS AT 31st MARCH 2017 (Consolidated) Amount in (Rs.)

	Note No.	As at 31-3-2017	As at 31-3-2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	10427690700	10427690700
(b) Reserves and Surplus	3	31924585556	28616909236
Shareholder's Funds		42352276256	39044599936
(2) Share Application Money pending allotment		0	0
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	6798500000	8798500000
(b) Long Term Provisions	5	969380	829664
Non-Current Liabilities		6799469380	8799329664
(4) Current Liabilities			
(a) Trade Payables		0	0
(b) Other Current Liabilities	6	2554353	1164931
(c) Short Term Term Provisions	7	42857	27382
Current Liabilities		2597210	1192313
Total		49154342846	47845121913
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	8	2338612	1088172
(ii) Intangible assets		0	0
(b) Non-current investments	9	47438852128	44157741847
(c) Deferred tax assets (net)	10	507531	366829
(d) Long term loans and advances	11	38094200	39769638
Non-Current Assets		47479792471	44198966486
(2) Current Assets			
(a) Cash and Cash Equivalents	12	2963783	552461691
(b) Short-term loans and advances	13	1607181534	2963093492
(c) Other current assets	14	64405058	130600244
Current Assets		1674550375	3646155427
Total		49154342846	47845121913

Notes to Balance Sheet and Statement of Profit & Loss 1 to 34

As per our report attached

For **J. P. Shah & Co.**

Chartered Accountants

Firm registration number : 109612W

(CA Nirav J. Shah)

Partner

Membership No. : 107717

Place : Ahmedabad

Date : 16-9-2017

For and on behalf of board of directors of

Gujarat State Investments Limited

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar

Date : 16-9-2017



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2017 (Consolidated)
Amount in (Rs.)

	Note No	the year ended on 31.3.2017	the year ended on 31.3.2016
I Revenue :			
Revenue from operations	15	184613288	507316962
Other Income	16	85550	11000900
Total Reveune		184698838	518317862
II Expenses			
Employee Benefits Expenses	17	3091884	3239362
Finance Costs	18	28739	79886
Depreciation expenses	8	745817	339572
Other expenses	19	12562254	11564751
Total Expenses		16428694	15223571
III Profit before Tax		168270145	503094291
IV Tax Expense			
(a) Current tax		60296705	74751287
(b) Current tax expense related to prior years		245165	322173
(c) Deferred Tax Assets / (Liability)		(140702)	(258036)
V Share of associates profit		3199807343	2558614739
V Total Income		3307676320	2986893606
VI Earnings Per Equity Share (F.V of Rs. 10 each)			
Basic (in Rs.)		3.17	2.86
Diluted (in Rs.)		3.17	2.86

Notes to Balance Sheet and Statement of Profit & Loss 1 to 34

As per our report attached

For **J. P. Shah & Co.**

Chartered Accountants

Firm registration number : 109612W

(CA Nirav J. Shah)

Partner

Membership No. : 107717

Place : Ahmedabad

Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar

Date : 16-9-2017



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2017 (Consolidated)
Amount in (Rs.)

Particulars	2016-2017	2015-2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	168,270,145.00	503,094,291.00
Adjustments for :		
Provision for diminution in value of investments, credited to the statement of Profit & Loss Account	0.00	0.00
Depreciation	745,817.00	339,572.00
Liabilities / Provisions no longer required	0.00	0.00
Profit / Loss on sale of Assets	2,105.00	0.00
Profit & Loss on sale of Investment	0.00	0.00
Prior Period Adjustment		
Operating profit before working capital changes		
Adjustments for :		
Provision of Gratuity & Retirement benefits	139,716.00	0.00
Operating profit before working capital changes	169,157,783	503,433,863.00
Movements in working Capital		
Decrease/increase in other current assets	66,195,186.00	-24,203,803.00
Other Non current assets	0.00	0.00
Decrease/increase in loan & Advances	1,357,587,395.00	-780,190,855.00
Decrease / Increase in Current Liability	1,404,900.00	730,542.00
Cash used in operations	1,425,187,481.00	-803,664,116.00
Direct Tax Paid (Net of Refunds)	-60,541,870.00	-75,073,460.00
Dividend Received of Associates	467,197,061.00	400,741,970.00
Net Cash used in Operating Activities	2,001,000,455	25,438,257.00
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Fixed Assets	300.00	0.00
Proceeds from sale of Investment	0.00	0.00
Purchase of Fixed Asset	-1,998,662.00	-1,205,390.00
Capital Expenditure on Purchase of Fixed Assets	0.00	0.00
Purchase of Investments	-548,500,000.00	-25,193,200.00
Intercompany Deposits Placed		
Intercompany Deposits Withdrawn		
Net Cash from Investing Activities	-550,498,362.00	-26,398,590.00
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from unsecured loans	-2,000,000,000.00	548,500,000.00
Proceeds for Share Application Money	0.00	0.00
Net Cash from Financing Activities	-2,000,000,000.00	548,500,000.00
Net Cash from Financing Activities		
Net Increase / (Decrease) in Cash And Cash Equivalents (A + B + C)	-549,497,907	547,539,667.00
Cash And Cash Equivalents - Opening Balance	552,461,691	4,922,024.00
Cash And Cash Equivalents - Closing Balance	2,963,783	552,461,691

Note:

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

As per our report attached

For **J. P. Shah & Co.**

Chartered Accountants

Firm registration number : 109612W

(CA Nirav J. Shah)

Partner

Membership No. : 107717

Place : Ahmedabad

Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar

Date : 16-9-2017

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/
associate companies/joint ventures

Part "A": Subsidiaries

Gujarat State Investments Limited does not have any subsidiary Part "A" is not required to be filled

Part "B": Associates and Joint Ventures

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

Amount in (Rs. Lakh)

		Name of associates			
		GSFC	GNFC	GACL	BECL
1	Latest unaudited Balance Sheet Date As per IGAAP	31.03.2017	31.03.2017	31.03.2017	31.03.2017
2	Date on which the Associate or Joint Venture was associate or acquired	21.09.1990	17.08.1991	05.09.2013	26.07.2016
3	Number of Shares of Associate held by the company on the year end	15,07,99,905	3,32,27,546	1,53,29,373	19,84,33,900
	Amount of Investment in Associates	25237.96	13531.53	17331.53	1,71,32,64,988
	Extend of Holding %	37.84	21.39	20.87	23.46
4	Description of how there is significant influence	By way of Shareholding	By way of Shareholding	By way of Shareholding	By way of Shareholding
5	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.	N.A.
6	Net worth attributable to shareholding as per latest audited Balance Sheet	5,21,188.64	3,29,409.11	2,57,469.50	66,908.60
7	Profit/Loss for the year				
	i. Considered in Consolidation	16,066.25	12,375.10	10,331.17	-2,710.74
	ii. Not Considered in Consolidation				

For **J. P. Shah & Co.**
Chartered Accountants
Firm registration number : 109612W
(CA Nirav J. Shah)
Partner
Membership No. : 107717
Place : Ahmedabad
Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar
Date : 16-9-2017



Notes forming part of financial statements for the year ended 31st March'2017

1. SIGNIFICANT ACCOUNTING POLICIES

GROUP INFORMATION

Gujarat State Investment Limited (GSIL) is a wholly owned undertaking of Govt. of Gujarat incorporated on 29.11.1988 as a Public Limited Company domiciled and incorporated in India. The Consolidated Financial Statements relate to the Company, and Associates viz. Gujarat Narmada valley Fertilizers Company Limited (GNFC), Gujarat State Fertilizer & Chemicals Ltd. (GSFC) and Gujarat Alkalies & Chemicals Limited (GACL) and Bhavnagar Energy Company Limited (BECL)

Summary of Investment in Associates

Sr. No.	Name of Associate	No. of Shares Held	% of Holding	Last Audited Balance Sheet date
1	Gujarat State Fertilizers & Chemicals Ltd.	15,07,99,905 (15,07,99,905)	37.84 % (37.84 %)	31.03.2017
2	Gujarat Narmada Valley Fertilizer Company Ltd.	3,32,27,546 (3,32,27,546)	21.39 % (21.39 %)	31.03.2017
3	Gujarat Alkalies & Chemicals Ltd.	1,53,29,373 (1,53,29,373)	20.87 % (20.87 %)	31.03.2017
4	Bhavnagar Energy Company Limited	19,84,33,900 (14,35,83,900)	23.46 % (18.51 %)	31.03.2017

1.1 Basis of preparation of Financial Statements

The Consolidated Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rule, 2014 of India have been followed in preparation of these consolidated Financial Statements.

The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the needed disclosure.

1.2 Principles of Consolidation

Significant Accounting policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosures and a guide for better understanding of the consolidated position of the group. Recognizing this purpose, only such policies and notes from the individual financial statements have been disclosed which fairly represent the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed when referred from the individual Financial Statements.

The Consolidated Financial Statements are prepared on the following basis:

- The Financials Statement of the Associates companies' consolidation are drawn up to the same reporting date as of the Company i.e. year ended 31st March, 2017. The Ministry of Corporate Affairs (MCA) has issued a notification dated 16th February 2015 for phase wise revised road map for adoption and applicability of Indian Accounting Standard from 01.04.2016. To comply with the said statutory requirement Gujarat Narmada valley Fertilizers Company Limited (GNFC), Gujarat State Fertilizer & Chemicals Ltd. (GSFC) and Gujarat Alkalies & Chemicals Limited (GACL) has prepared its audited financial statement in consonance with IND AS and Bhavnagar Energy Corporation Limited (BECL) has prepared its unaudited financial statement in consonance with IND AS. Gujarat State Investments Limited (GSIL) needs to converge its financial statement in accordance with IND AS from 01.04.2018. For the purpose of consolidated financial statement for F.Y. 2016-17 as per the section 129 of companies act 2013, GSIL has accepted unaudited



financial statement from its associate. (Prepared as per the companies (Accounting Standard) Rules, 2006 i.e. in accordance with the accounting policies followed by the parent company of its associate companies.)

- b. The Consolidated Financial Statement include the share of Profit/Loss of the Associate which has been accounted as per the "Equity Method" and accordingly, the share of profit/loss of the associate has been added to / deducted from the cost of investments.
- c. The difference between the cost of investment in the Associates and the net assets at the time of acquisition of the shares in the Associate is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

1.3 Use of Estimates

The preparation of financial statements in conformity of Indian GAAP requires the management to make judgments, estimates & assumptions that affects the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions.

Uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

1.4 Income Recognition

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

Interest income is recognized on a time proportion basis, taking into the account the amount outstanding and the rate applicable.

1.5 Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation provided on written down value method.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

1.6 Depreciation

Depreciation on fixed assets is provided on written down value method as per the Useful life prescribed in Schedule II to the Companies Act, 2013.

1.7 Impairment of Fixed Assets

- a) Consideration is given during the period to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an Asset's recoverable amount is estimated, an impairment loss is recognized whenever the carrying amount of an Asset exceeds recoverable amount.
- b) Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

1.8 Investments

Investments are long term and are stated at cost of acquisition.

Provision is made for diminution in the value of investment other than of temporary nature.

1.9 Employee Benefits

- i) Short-term employee benefits;

Short-term employment benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

- ii) Post employment benefits;



- a) Post employment benefits comprise of gratuity, leave encashment Post employment benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable using actuarial valuation carried out as at the end of the year in accordance with the Accounting Standard As-15 on 'Employee Benefits' notified under Companies Accounting Standards Rules ,2006.
- b) The company has setup a separate Provident Fund Trust. Contribution paid / payable for provident fund of eligible employees is recognized in the profit and loss account each year. The Company has an obligation to make good the short fall if any, between the return from the investment of the trust and the interest rate notified by the government.

Actuarial gains and losses in respect of post employment benefits are charged to the profit and loss account.

1.10 Taxation.

- a) Provision for Income Tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961 and Rules framed there under.
- b) Deferred tax asset / liability are recognized at the applicable rate of tax on the basis of timing differences between book profit and taxable income. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income is available against which deferred tax assets can be realized. In situations where the company has carry forward tax losses all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

1.11 Earning Per Share

The company reports basic and diluted earnings per share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

1.12 Provisions And Contingent Liabilities

Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event ; it is probable that an out flow of resources will be required to settle the obligation ,in respect to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities, if any, are disclosed by way of note.

Contingent Assets are neither recognized nor disclosed in the Financial Statements.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in (Rs.)

Note No.	Particulars	As at 31-3-2017	As at 31-3-2016
Notes to Financial Statements			
2	Share Capital		
a	The company has two class of shares referred to as Equity shares & Preference shares. The details thereof are as under :		
	Authorised		
	285,00,00,000 Equity Shares of Rs. 10 each	28500000000	28500000000
	1,50,00,000 Preference Shares of Rs. 100 each	1500000000	1500000000
	Total	30000000000	30000000000
	Issued, Subscribed and Paid up		
	104,27,69,070 Equity Shares of Rs. 10 each	10427690700	10427690700
	Total	10427690700	10427690700
Held by:			
1. Governor of Gujarat (100 % Shareholding) (P.Y. : 100 % Shareholding)			
b	Reconciliation of number of shares outstanding :		
	Particulars	Equity Shares (in Nos.)	
	A Shares at the beginning of the year	1042769070	1042769070
	B Issued during the period	0	0
	C Less : Share bought back	0	0
	D Shares At the end of the year (A + B - C)	1042769070	1042769070
c	Rights of Equity Shareholders, Dividend and Repayment of Capital :		
i	All shares rank equally with regard to company's residual assets.		
ii	The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the company.		
d	The details of shareholders holding more than 5 % of Shares :		
	Name of the Shareholders	Equity Shares (in Nos.)	
	Governor of Gujarat (100 % Shareholding)	1042769070	1042769070



NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in (Rs.)

	As at 31-3-2017	As at 31-3-2016
3 Reserves & Surplus		
Surplus i.e. Balance in the Statement of Profit & Loss		
As per last Balance Sheet	28096909236	25110015630
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	0.00	0.00
Addition : Profit for the year	3307676320	2986893606
Total (a)	31404585556	28096909236
Capital Redemption Reserve		
As per last Balance Sheet	5200000000	5200000000
Total (b)	5200000000	5200000000
Total Reserves & Surplus (a + b)	31924585556	28616909236
4 Long Term Borrowings - Unsecured		
Loan from State Government (GOG)	6798500000	8798500000
Total	6798500000	8798500000
5 Long Term Provisions		
(a) Provision for Employee Benefits :		
(i) Provision for gratuity	630444	532737
(ii) Provision for leave encashment	338936	296927
(ii) Provision for other employee benefits	0.00	0.00
Total	969380	829664
Trade Payables		
Creditors for Expenses / Services if any	0	0
Total	0	0
There are no amounts due to the parties covered under Micro, Small and Medium Enterprises Development Act, 2006.		
6 Other Current Liabilities		
Other payables	2554353	1164931
Total	2554353	1164931
7 Short Term Provisions		
(i) Provision for Gratuity	17344	15847
(ii) Provision for Leave Encashment	25513	11535
Total	42857	27382



Gujarat State Investments Limited
Notes forming part of financial statements (Consolidated)

8. Tangible Assets

Amount in Rs.

Particulars	Gross Block			Depreciation Block			Net Block	
	As at March 31, 2016	Additions during the Year	Sale/ Disposal during the year	As at March 31, 2017	For the Year	Adjustment	As at March 31, 2017	As at March 31, 2016
Furniture & Fixtures	515,769.55	8,500.00	0.00	524,269.55	1,605.00	0.00	498,628.39	18,091.16
Vehicles	1,712,925.02	1,916,137.00	0.00	3,629,062.02	689,405.00	0.00	1,435,909.80	966,420.22
Office Equipment	158,226.00	74,025.00	13,500.00	218,751.00	18,157.00	11,671.00	104,296.22	56,368.78
Computer	317,003.00	0.00	117,742.00	199,261.00	36,650.00	116,012.00	190,349.31	47,291.69
Total	2,703,923.57	1,998,662.00	131,242.00	4,571,343.57	745,817.00	127,683.00	2,229,183.72	1,088,171.85
Previous Year	1,498,533.57	1,205,390.00	0.00	2,703,923.57	339,572.00	0.00	1,611,049.72	222,353.85

No assets are under lease or are acquired due to business combinations and other adjustments

No assets have been written off on reduction of capital or revalued during the preceding five years as on March, 31, 2017



NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in (Rs.)

Note No.	Particulars	No. of Shares		Book Value Amount	
		As at 31-3-2017	As at 31-3-2016	As at 31-3-2017	As at 31-3-2016
9 Non-current investments					
	Long Term - Trade Investments (At cost) (No. of Equity Shares of face value of Rs. 10 each fully paid-up unless otherwise specified.)				
	(a) Quoted				
	(i) Equity Shares - Strategic investments				
	Investment in Associates (Refer Note No 27)				
	Gujarat Narmada Valley Fertilisers Co. Ltd.	33,227,546	33,227,546	6,892,111,736	5,721,056,082
	Gujarat State Fertilisers & Chemicals Co. Ltd. (F.V Rs.2)	150,799,905	150,799,905	19,669,815,719	18,394,950,411
	Gujarat Alkalies & Chemicals Ltd.	15,329,373	15,329,373	3,324,032,959	2,766,269,628
	Investment in Others				
	Gujarat Industries Power Co. Ltd .	352,415	352,415	26,383,825	26,383,825
	Torrent Power Ltd.	46,871,621	46,871,621	178,859,260	178,859,260
	Gujarat Leasing Financing Ltd.	1,328,125	1,328,125	71,492,209	71,492,209
	Total (i)			30,162,695,707	27,159,011,415
	(ii) Equity Shares - Non Strategic investments				
	Digjam Limited	1234744	1234744	188026969	188026969
	Atul Products Ltd.	130594	130594	14096129	14096129
	Battliboi & Co. Ltd. (F.V. Rs.5)	38895	38895	1025876	1025876
	G S L (India) Limited	157140	157140	1571400	1571400
	Gujarat State Financial Corporation	935600	935600	18712000	18712000
	Sun Pharmaceutical Industries Ltd. (F.V Rs.1)	505265	505265	9287287	9287287
	Bank of Baroda (F.V Rs. 2)	250000	250000	11012500	11012500
	Total (ii)			243732160	243732160
	Total (a) (i + ii)			30406427868	27402743575
	(b) Un Quoted				
	(i) Equity Shares - Non Strategic investments				
	Cama Hotels Ltd.	5340	5340	72700	72700
	Gujarat State Machine Tools Co. Ltd. (F. V Rs. 1)	1929050	1929050	20000	20000
	Gujarat State Trans Receivers Limited	12000	12000	1000	1000
	Total (i)			93700	93700
	(ii) Equity Shares - Strategic investments				
	Bhavnagar Energy Company Ltd.	198,433,900	143,583,900	1,713,264,988	1435839000
	Gujarat State Petroleum Corporation Ltd.(F.V Rs. 1)	192592441	192592441	15,599,987,726	15599987726
	Total (ii)			17313252714	17035826726
	Total (b) (i + ii)			17313252714	17035920426
	Total (a + b)			47719774282	44438664001
	Less : Provision for diminution in value of investments			280922154	280922154
	Total Book Value of investments			47438852128	44157741847
	Aggregate Market Value of Quoted investments			47169344984	26474587353



NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount in (Rs.)

	As at 31-3-2017	As at 31-3-2016
10 Deferred Tax Assets		
In terms of the provisions of the Accounting Standard No. 22 " Accounting for tax on Income", notified by companies (Accounting Standards) Rule 2006 the company has started recongition of Defered Tax. In compliance with the provi-sion of the Accounting Standard and based on general pru-dence, the company has started recognizing the said DTA / DTL while preparing the Accounts for the current year.		
Deferred Tax Asset - Depreciation	366829	70222
Accrued Expenses - Deductible on Payment	140702	296607
Net Deferred Tax Asset	507531	366829
11 Long Term Loans and advances		
(a) Advance Income Tax { (net of provisions of Current Year Rs.6,02,96,705 /-) (Previous Year : Rs.7,47,51,287/-)	38094200.00	39769638.00
(b) Other loans and advances (Bridge loan) Doubtful	2500000.00	2500000.00
Less : Provision for other doubtful loans and advances	2500000.00	2500000.00
	38094200.00	39769638.00
12 Cash & Cash Equivalents		
(a) Cash on hand	14616.00	11816.00
(b) Balances with Banks : -In current accounts	949167.44	550406199.94
(c) Liquid deposits with GSFS	2000000.00	2043675.00
Total	2963783.44	552461690.94
13 Short-term loans and advances		
(a) Security Deposits Unsecured, considered good	9000.00	1263215.00
(b) Loans & advances to employees Secured, considered good		
(c) Prepaid expenes - Unsecured, considered good	10932.00	2857.00
(d) Balances with government authorities (i) FBT Refund	4026.00	4026.00
(ii) Income Tax Refund	0.00	0.00
(e) Inter-corporate deposits unsecured, considered good Gujarat State Financial Services Ltd.	1607157576.00	2961823394.00
Total	1607181534.00	2963093492.00
14 Other current assets		
(i) Interest accrued on investments	64405058.00	130600244.00
Total	64405058.00	130600244.00



NOTES FORMING PART OF FINANCIAL STATEMENTS (Standalone)

Amount in (Rs.)

	As at 31-3-2017	As at 31-3-2016
15 Details of Revenue from operations		
(a) Income from Investments		
(i) Dividends	2762726.00	284749319.50
(ii) Interest on Investments	181850562.00	222567642.00
Total	184613288.00	507316961.50
16 Other Income		
(i) Adjustment to the carrying amount of long term investments- reversal of reduction in the carrying amount	0.00	0.00
(ii) Profit on sale of Investments	0.00	0.00
(iii) Profit on sale of Assets	0.00	0.00
(iv) Adjustment of shortfall payment on CPF trust	54860.26	106066.00
(V) Interest on Income Tax refund	27790.00	10894834.00
(VI) Provision of Exp write Back	2900.00	0.00
Total	85550.26	11000900.00
17 Employee Benefits Expenses		
(i) Salaries	2805789.00	2791054.00
(ii) Contribution to provident and other funds	286095.00	448308.00
Total	3091884.00	3239362.00
18 Finance Costs		
(i) Interest Expenses on Borrowings	0.00	0.00
(ii) Interest expenses paid to I.T Department	28739.00	79886.00
Total	28739.00	79886.00
19 Other Expenses		
Power & fuel	225596.50	110084.00
Office rent	2301874.00	2297756.00
Repairs & maintenance	26478.00	0.00
Insurance	19065.00	5164.00
Rates & Taxes	71826.00	74403.00
Communication	81532.00	46413.00
Travelling & Conveyance	185802.00	136163.00
Printing & Stationery	107862.00	92175.50
Legal & Professional	282861.00	312657.00
Payment to auditors	115012.00	83874.00
Stamp duty Expense	0.00	145600.00
service tax (RCM)	100809.00	28157.00
Miscellaneous Expenses	600848.00	829050.00
Advertisement Expenses	0.00	0.00
Prior Period items	0.00	0.00
Expenditure on Corporate Social Responsibility	7785109.00	7360404.00
registration fees	0.00	42850.00
Contract service	657579.00	0.00
Total	12562253.50	11564750.50



NOTES FORMING PART OF FINANCIAL STATEMENTS

- 20** This being an investment Company, the disclosure as per Para 4 (a) & (b) of Part II to the Schedule III of the Companies Act 2013, is not required to be made.
- 21** Depreciation is calculated on WDV method on the number of remaining useful life of the assets as per the provisions of Companies Act, 2013.
- 22 Segment Reporting**
The Company operates in one business segment. In view of this, no separate disclosure is required under Accounting Standard AS – 17 “Segment Reporting”.
- 23 Related Party disclosure as required under the Accounting Standard "AS-18" on Related Party Disclosures, notified under Companies Accounting Standard Rules 2006 are given below :**
- a) The Company being state controlled enterprise, it is not required to disclose transaction with other State controlled enterprise Accounting Standards AS-18
- b) There is no transaction with Key management personnel
- 24 Employee Benefits**
"The disclosures required under Accounting Standard 15 "Employees Benefit" notified in the Companies (Accounting Standards) Rules 2014 are given below:
- (a) Changes in present value of obligation (As on March 31, 2017) (Amount Rs.)**

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Present value of obligation as at beginning of the year	548584	491044	308462	267187
Current Service Cost	39,790	46,847	24,622	22,711
Interest Cost	41,090	37,737	23,030	20,479
Actuarial Gain/ (Loss) on obligations	18,324	(27044)	8,335	(1915)
Benefits payable	0	0	0	0
Present Value of Obligation as at end of the year	647,788	548,584	364,449	308,462

(b) The gratuity plan is not funded. Hence particulars relating to plan assets are not given

(c) The Amount Recognized in Balance

(Amount in Rs)

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Present Value of obligation at the end of the year	647,788	548584	364,449	308,462
Fair Value of Plan Assets as at the end of the Year	Nil	Nil	Nil	Nil
New Asset/ (Liability) recognized in Balance Sheet	647,788	548,584	364,449	308,462

(d) Amount Recognized in the Profit and Loss Account

(Amount in Rs)

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Current Service Cost	39,790	46,847	24,622	22,711
Interest Cost	41,090	37,737	23,030	20,479
Net Actuarial Gain/(Loss) recognized in the year 2016-17	18,324	(27044)	8,335	(1915)
Exp. Recognized in the statement of Profit & Loss	99,204	57,540	55,987	41,275

(e) Assumptions

Particulars	(Gratuity) March 31, 2017	(Gratuity) March 31, 2016	(Leave Encashment) March 31, 2017	(Leave Encashment) March 31, 2016
Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
Discount Rate	7.25%	7.6%	7.25%	7.6%
Rate of Increase in Compensation levels	5.0%	5.0%	5.0%	5.0%
Rate of Returned Plan Assets	Not applicable	Not applicable	Not applicable	Not applicable



25 The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The relevant information is certified by the Actuary.

In terms of the guidance on implementing the As – 15 (Revised 2005) issued by the Institute of Chartered Accountants of India, the Employees Provident Fund setup by the Company is treated as defined benefit plan since the company has to meet the specified minimum rate of return, at the year end, no short fall have remained un-provided for. Accordingly an amount of Rs.54860/- (previous year Rs. 40688/-) is recognized as excess amount towards the Provision for Provident Fund Scheme of the Company and the same credited to Profit and Loss Account

26 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand along with balance of Liquid deposit with GSFS.

27 Investment in Equity Shares of Associates

(Amount in Rs.)

	As at 31 st March 2017	As at 31 st March 2016
A Gujarat Narmada Valley Fertilisers Co. Ltd.	863,877,855	863,877,855
Add : Goodwill Arise on acquisition of Associates	489,275,320	489,275,320
Add : Share of Accumulated Reserves / Profits	4,367,902,907	3,737,344,907
Add : Current Year's Profit *	1,237,510,746	630,558,000
Less: Dividend Received during Current Year	66,455,092	-
Accumulated Cost of Investment	6,892,111,736	5,721,056,082
* Current Year's shares in Profit of Associates includes exceptional items of Rs. 31033.79 lacs (P.Y. Nil)	29885960414	26882276121
B Gujarat State Fertilisers & Chemicals Co. Ltd	3,350,206,513	3,350,206,513
Less: Capital Reserve arise on acquisition of associates	-826,410,341	-826,410,341
Add : Share of Accumulated Reserves / Profits	15,871,154,239	14,737,482,581
Add : Current Year's Profit	1,606,625,099	1,465,431,449
Less: Dividend Received during Current Year	331,759,791	331,759,791
Accumulated Cost of Investment	19,669,815,719	18,394,950,411
C Gujarat Alkalies & Chemicals Limited	3,791,494,144	3,791,494,144
Less: Capital Reserve arise on acquisition of associates	-2,058,341,639	-2,058,341,639
Add : Share of Accumulated Reserves / Profits	1,033,117,123	639,474,012
Add : Current Year's Profit	626,745,509	462,625,290
Less: Dividend Received during Current Year	68,982,178	68,982,179
Accumulated Cost of Investment	3,324,032,959	2,766,269,628
D Bhavnagar Energy Company Limited	1,675,386,405	1,435,839,000
Add: Goodwill arise on acquisition of associates	308,952,595	-
Add : Share of Accumulated Reserves / Profits	-	-
Add : Current Year's Profit	-271,074,012	-
Less: Dividend Received during Current Year	-	-
Accumulated Cost of Investment	1,713,264,988	1,435,839,000

28 Auditor's Remuneration

(Amount in Rs.)

Particulars	2016-17	2015-16
For Statutory Audit Fees	40325.00	17421.00
For Tax Audit Fees	20187.00	14518.00
For Internal Audit Fees	28750.00	28625.00
For Epf Trust Audit Fees	5750.00	2863.00
For Secretarial Audit Fees	20000.00	23310.00

29 Earnings per Share

	2016-17	2015-16
Profit/(Loss) for the period (Rs.)	3307676320	2986893606
Weighted average no. of shares (Face Value Rs. 10 each)	1042769070	1042769070
Earnings per Share(Basic/Dilluted) (Face Value Rs.10 each)	3.17	2.86



Note No : 30 Additional Information as required by paragraph 2 of the General Instruction for Preparation of Consolidated Financial Statements to Shedule III to the Act.								
Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities (FY 2016-17)		Share in Profit or Loss(FY 2016-17)		Net Assets i.e. Total Assets minus Total Liabilities (FY 2015-16)		Share in Profit or Loss(FY 2015-16)	
	As % of consolidated net assets	Rs.	As % of consolidated Profit or loss	Rs.	As % of consolidated net assets	Rs.	As % of consolidated Profit or loss	Rs.
Parent								
Gujrat State Investment Limited	25.39	10,753,050,853	3.26	107,868,977	31.15	12,162,323,815	14.34	428,278,867
Associate								
Gujarat Narmda Valley Fertilisers Co. Ltd	16.27	6,892,111,736	37.41	1,237,510,746	14.65	5,721,056,082	21.11	630,558,000
Gujarat State Fertilisers & Chemicals Co. Ltd. (F.V Rs.2)	46.44	19,669,815,719	48.57	1,606,625,099	47.11	18,394,950,411	49.06	1,465,431,449
Gujarat Alkalies & Chemicals Ltd.	7.85	3,324,032,959	18.95	626,745,509	7.08	2,766,269,628	15.49	462,625,290
Bhavnagar Energy Company Limited	4.05	1,713,264,988	-8.20	-271,074,012	-	-	-	-
Total	100.00	42,352,276,256	100.00	3,307,676,320	100.00	39,044,599,936	100.00	2,986,893,606

**31 Contingent Liabilities**

Claim of Income Tax for the Assessment Years 2001-02, 2004-05, 2006-07, 2009-10, 2010-2011, 2011-12, 2012-13, 2013-14 against the company is disputed and not acknowledged as debt. The company is in appeal before appellate authorities, & as on date of preparing Financial Statements there are no outstanding demand against the Company.

32 The previous year's figures have been regrouped / recast / reclassified / rearranged wherever necessary to correspond with the current year's classification / disclosure.

33 This is to certify that the disclosure given below are true and correct to the best of our knowledge and belief and is as per the Books of Account maintained by the Company

	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	21,000.00	2,591.00	23,591.00
(+) Permitted receipts	0.00	0.00	0.00
(-) Permitted payments	0.00	0.00	0.00
(-) Amount deposited in Banks	21,000.00	0.00	21,000.00
Closing cash in hand as on 30.12.2016	0.00	2,591.00	2,591.00

34 As a promoter of Bhavnagar Energy Company Limited (BECL), the company has signed the Sponsors' Support Agreement (SSA) and as per the said Agreement, the promoters collectively shall not, till the final settlement date (being the date on which all obligations under the SSA have been irrevocably and unconditionally paid and discharged in full to the satisfaction of lenders), dispose-off their shareholdings which would result in dilution of their shareholding below 51%.

As per our report attached
For **J. P. Shah & Co.**
Chartered Accountants
Firm registration number : 109612W
(CA Nirav J. Shah)
Partner
Membership No. : 107717
Place : Ahmedabad
Date : 16-9-2017

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

Managing Director | Director | Company Secretary | Chief Financial Officer

Place : Gandhinagar
Date : 16-9-2017