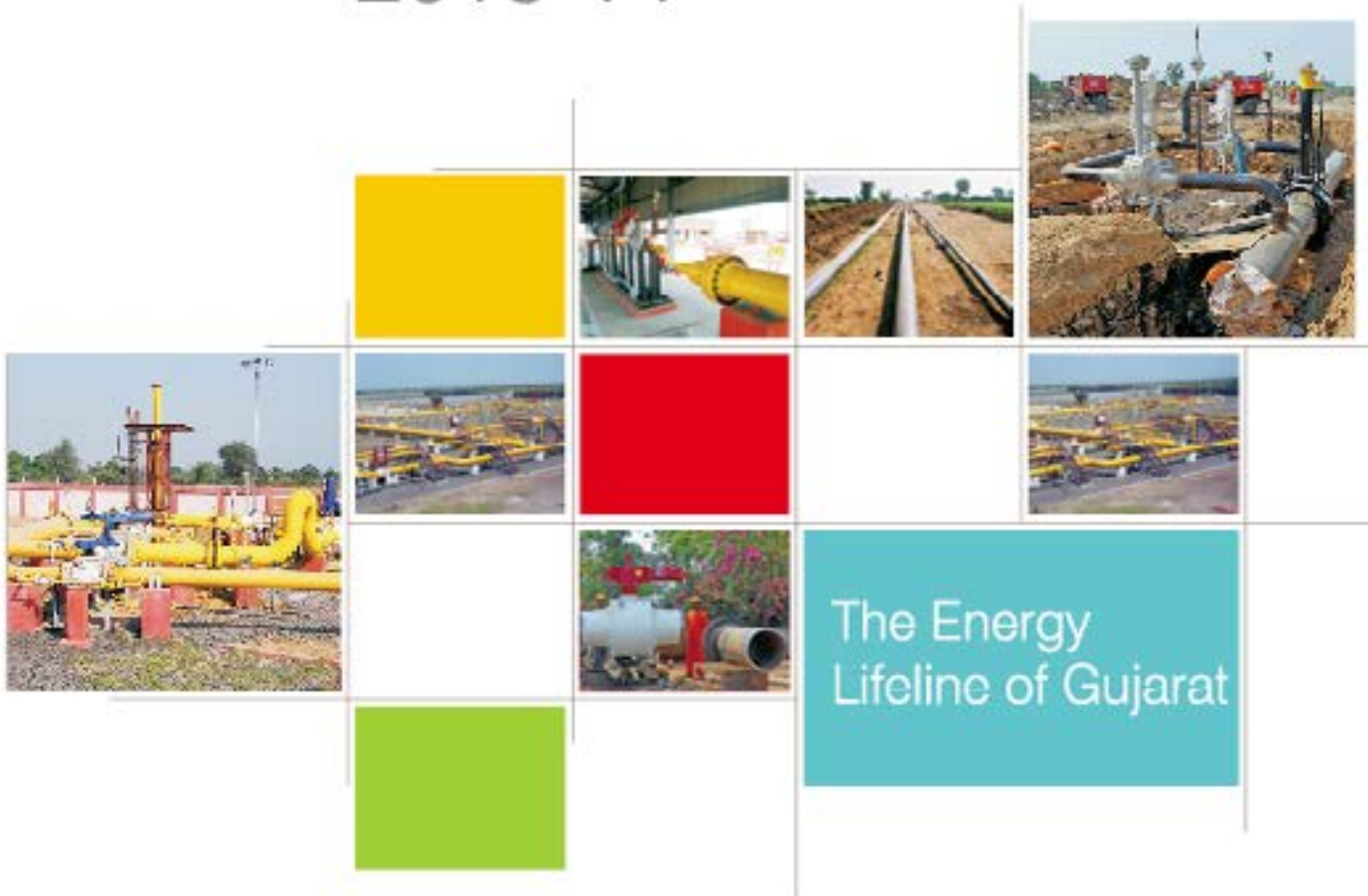


ANNUAL REPORT 2013-14



GUJARAT STATE
PETRONET LIMITED

Board of Directors

Shri M M Srivastava, IAS (Retd.)
 Dr. Hasmukh Adhia, IAS
 Shri D J Pandian, IAS
 Dr. R Vaidyanathan
 Prof. Yogesh Singh (*w.e.f. 20th May, 2013*)
 Shri Yogesh B Sinha (*w.e.f. 27th May, 2013*)
 Shri Tapan Ray, IAS

Chairman

Managing Director

Shri N K Mitra (*upto 7th May, 2013*)

Company Secretary

Ms. Reena Desai

Statutory Auditors

RMA & Associates,
 Chartered Accountants
 Ahmedabad

Subsidiary Companies

GSPL India Gasnet Limited
 GSPL India Transco Limited

Registered Office

GSPC Bhavan,
 Behind Udyog Bhavan, Sector-11,
 Gandhinagar-382010,
 Gujarat

Bankers

Allahabad Bank
 The Karur Vysya Bank Ltd.
 Axis Bank Ltd.
 State Bank of Travancore
 Bank of Baroda
 Corporation Bank
 The South Indian Bank Ltd.
 Dena Bank
 Union Bank of India
 HDFC Bank Ltd.
 UCO Bank
 ICICI Bank Ltd.
 Vijaya Bank
 IDBI Bank Ltd.
 Yes Bank Ltd.

Internal Auditors

KPMG

Cost Auditors

R K Patel & Co.,
 Cost Accountants
 Vadodara

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.
 Hyderabad

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Board of Directors



Shri M M Srivastava, IAS (Retd.), *Chairman*

Shri M M Srivastava, IAS, (Retd.) has graduated in Science from Delhi University and has completed his Masters in Physics from Delhi University. He has also done MBA (Marketing) from University of Ljubljana, Slovenia. He has wide administrative and corporate experience. He has held various positions in Government Departments prior to his retirement including Member (Finance), Gujarat Electricity Board, Managing Director of Gujarat Agro Industries Corporation, Secretary in Finance Department, Commissioner of Commercial Tax Department, Principal Secretary of Energy and Petrochemicals Department and Additional Chief Secretary of Finance Department, Government of Gujarat.



Dr. Hasmukh Adhia, IAS, *Non Executive Director*

Dr. Hasmukh Adhia, IAS is a senior IAS officer having wide administrative and corporate experience. Dr. Hasmukh Adhia has got a basic degree in Accountancy. He has the distinction of being a Gold medalist from Indian Institute of Management and he holds a Ph.D in Yoga from Swami Vivekanand Yoga University Bangalore. Prior to the present posting Dr. Hasmukh Adhia, IAS was Principal Secretary Education Department from April, 2008 to January, 2013, Principal Secretary to Chief Minister, Gujarat from May, 2003 to June, 2006. He was also Director General of Sardar Patel Institute of Public Administration (SPIPA) and Managing Director, Gujarat State Financial Services Limited (GSFSL). Prior to this he has worked as Director in the Ministry of Industry, New Delhi, and Secretary Finance Department, Government of Gujarat and Industries Commissioner, Gujarat as well as Vice Chairman & Managing Director, Gujarat Industrial Development Corporation. He has travelled widely around the World for promotion of Industrial and Infrastructure Investment in India. At present, he is the Additional Chief Secretary, Finance Department, Government of Gujarat.



Shri D J Pandian, IAS, *Non Executive Director*

Shri D J Pandian, IAS holds degree in Master of Business Administration from Madras University. He is a senior IAS officer having administrative and corporate experience. Shri D J Pandian, IAS has worked on deputation with the World Bank in Washington, D.C. He was Director, External Commercial Borrowing, Ministry of Finance, Government of India from 1995 to 1997. In addition, Shri D J Pandian, IAS has also held various appointments in the Government of Gujarat. He previously headed Gujarat Lease Finance Limited from 1993 until 1994. Shri D J Pandian, IAS was Managing Director of GSPCL as well as GSPL from 2004 to 2009. Presently, he is Additional Chief Secretary, Energy & Petrochemicals Department, Government of Gujarat.



Dr. R Vaidyanathan, *Independent Director*

Dr. R Vaidyanathan is a Science Graduate from the Loyola College, Madras and has done Masters from the Indian Statistical Institute, Calcutta and has also obtained Fellow in Management (Doctorate) from the Indian Institute of Management, Calcutta. He is Professor of Finance and Control at the IIM, Bangalore and UTI Chair Professor in the area of Capital Markets. He was also a visiting Fulbright Fellow at the Georgia State University at Atlanta and International Insurance Foundation at Washington D. C. during 2003 and studied the Pension Systems in the USA. He has been appointed as a Trustee for the New Pension System by the Pension Fund Regulatory and Development Authority of India. He is known for his commendable contributions in the areas of Corporate Finance, Risk Management, Pensions, etc.



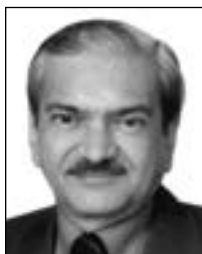
Prof. Yogesh Singh, *Independent Director*

Prof. Yogesh Singh holds M. Tech. and Ph. D (Computer Engineering) degrees from National Institute of Technology, Kurukshetra, Haryana. Presently, he is the Vice Chancellor, The Maharaja Sayajirao University of Baroda, Vadodara. Prof. Singh has a sustained track record of quality teaching, innovation and excellent research contributions in the field of Software Engineering. He has to his credit 285 publications in reputed National/International Journals and Conferences with 'h' index of 19 as reported by Google Scholar and produced 20 Ph. D scholars. He is an author of a book on 'Software Testing' which is published by Cambridge University Press, England. He is the Chairman of the Central Regional Committee, All India Council of Technical Education (AICTE), Bhopal, covering areas like Madhya Pradesh, Chhattisgarh and Gujarat.



Shri Yogesh B Sinha, *Independent Director*

Shri Yogesh B Sinha holds M.Sc (Geology) degree from Lucknow University. He has over 41 years of experience in oil and gas exploration and development and LNG business. Shri Yogesh B Sinha was also Director (Exploration) of ONGC. He has also worked as Board member of Petronet LNG Limited and ONGC Videsh Limited from the year 2000 to 2005. Currently, he is an independent exploration and production consultant. He is also a member of the Board of Energy Institute, India and Energy Think Tank, India.



Dr. Bakul Dholakia, *Proposed for appointment as Independent Director*

Dr. Bakul Dholakia holds degree of M.A. (Economics), Gold Medalist and has done Ph.D. (Economics) from MS University, Baroda. Dr. Bakul Dholakia is currently the Director of Adani Institute of Infrastructure Management and advisor to Adani Group. He has 45 years of professional experience including 33 years at IIM, Ahmedabad. During the course of his long tenure at IIM Ahmedabad, Dr. Bakul Dholakia occupied the Reserve Bank of India Chair from 1992 to 1999, served as the Dean from 1998 to 2001 and as the Director of IIMA from 2002 to 2007. Dr. Dholakia was the Chairman of the National Board of Accreditation for Technical Education in India from 2005 to 2008. He has guided 20 Ph.D. students specializing in Economics, Finance, Business Policy and Public Systems. Dr. Dholakia is the author of 12 books, 28 monographs and more than 50 research papers published in professional journals in India & abroad. In 2007, Dr. Dholakia was awarded Padma Shri by the Government of India in recognition of his distinguished services in the field of education. In 2008, Dr. Dholakia was conferred the coveted Bharat Asmita National Award by the Honorable Chief Justice of India. Over the last two decades, Dr. Dholakia has worked on numerous government committees. He has also been a member of the jury for various Corporate Excellence Awards and Selection Committees for CEOs.



Smt. Vilasini Ramachandran, IAS (Retd.), *Proposed for appointment as Independent Director*

Smt. Vilasini Ramachandran, IAS (Retd.) served various departments in Govt. of Gujarat till 2008. Smt. Vilasini Ramachandran, IAS (Retd.) served as Additional Secretary and Financial Advisor in the Ministry of Civil Aviation in 2008 - 2009. She was Special Secretary (Expenditure) Ministry of Finance, Department of Expenditure. She has been Director of Air India Limited in 2008 - 2009. She served as a Director of Delhi Metro Rail Corporation Limited. She also served as Part-time Director of Airport Authority of India in 2008 - 2009. She retired as Secretary, Ministry of Drinking Water and Sanitation.



Shri Tapan Ray, IAS, *Managing Director*

Shri Tapan Ray, IAS holds Degree in Mechanical Engineering from Indian Institute of Technology, Delhi, Post Graduate in Public Policy from Woodrow Wilson School, Princeton University USA, Master of Public Administration from Maxwell School, Syracuse University, USA and Degree in Law with various Diplomas. He is a senior IAS officer having wide administrative and corporate experience. He has also served as Principal Secretary, Finance Department, Government of Gujarat from June 2006 to November 2009. Shri Tapan Ray, IAS, is appointed as Managing Director of GSPL effective from November 2009 and is looking after the entire GSPC Group.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT POLICY

GSPL commits a high level of QHSE performance to ensure effective and efficient management of Operation and Maintenance of Natural Gas Grid with continual improvements so as to provide reliable natural gas transmission in a safe working environment.

GSPL is committed to:

- Maintain an organizational culture of Health, Safety & Environmental excellence by conducting its business in a manner that will promote consistent development.
- Safe work, resource conservation, waste management and emergency response measures for continual improvement in QHSE performance.
- Design, construct, operate & maintain its facilities while assuring the best material and service quality and operate in a way that mitigates and minimizes risks and hazards.
- Prevention of ill-health, injuries and pollution by adopting best practices, carrying out periodic risk assessments, audits, reviews, inspections and providing awareness to employees and concerned stakeholders.
- Comply with legal, regulatory and other requirements applicable for natural gas transportation business as a responsible corporate.
- Provide appropriate resources and PPEs to its employees.
- Focusing on teamwork and customer satisfaction, adopting new technologies in O&M activities, maintaining availability of Gas Grid to meet customer requirements and reviewing of process and performance of QMS on regular basis.
- Encourage associates and stakeholders to demonstrate the same level of commitment for continuous improvement in HSE performance.
- Ensure compliance with the policy through a process of training and competence, review and audit.
- Communicate openly with Government agencies, employees, contractors and the general public on effective safety and environmental management issues.
- Delegate power to employees to implement the company's policy on health, safety, environment and loss control.

NOTICE

Notice is hereby given that 16th Annual General Meeting of the Members of Gujarat State Petronet Limited will be held on Thursday, the 25th day of September, 2014 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector – 11, Gandhinagar – 382010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri D J Pandian, IAS [DIN: 00015443] who retires by rotation and being eligible offers himself for re-appointment.
4. To fix remuneration of Statutory Auditors of the Company in terms of the provisions of Section 142 of the Companies Act, 2013.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Dr. R Vaidyanathan [DIN: 00221577], being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years from the date of this Annual General Meeting i.e. upto 24th September, 2019, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

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

“RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Prof. Yogesh Singh [DIN: 06600055], being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years from the date of this Annual General Meeting i.e. upto 24th September, 2019, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

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

“RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Shri Yogesh B Sinha [DIN: 02902722], being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years from the date of this Annual General Meeting i.e. upto 24th September, 2019, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

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

“RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Dr. Bakul Dholakia [DIN: 00005754], being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years from the date of this Annual General Meeting i.e. upto 24th September, 2019, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

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

“RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Smt. Vilasini Ramachandran, IAS (Retd.) [DIN: 02224693], being qualified and eligible for appointment as Woman Independent Director of the Company and in respect of

whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of the Director, be and is hereby appointed as Woman Independent Director of the Company to hold office for a period of five (5) consecutive years from the date of this Annual General Meeting i.e. upto 24th September, 2019, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], M/s. R K Patel, & Co., Cost Accountants, Vadodara, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2015 be paid the remuneration of 1,08,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of Audit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such actions as may be necessary for implementing the above Resolution.”

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

“RESOLVED THAT pursuant to the provisions Section 197 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Listing Agreement of the Company, the Company hereby accords its approval to the payment of monthly remuneration derived on the basis of “last pay drawn minus pension” as stipulated vide Resolution No. GPC-10-2010-110000-E of Govt. of Gujarat dated 10th May, 2013 and letter dated 20th August, 2014 to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] w.e.f. 28th August, 2014 for a period of one year or till further orders by Govt. of Gujarat, whichever is earlier.

RESOLVED FURTHER THAT Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] shall also be entitled to perquisites/benefits/allowances as stipulated in the said GOG Resolution provided that the total remuneration including perquisites/benefits/allowances payable to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] shall not exceed the limit prescribed under the Companies Act, 2013.

RESOLVED FURTHER THAT the Company hereby accords its approval and authorizes the Board of Directors of the Company to agree to any revision/increase, variation, modification or amendment as may be decided from time to time by the Govt. of Gujarat in the terms and conditions of payment of remuneration including perquisites to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] in accordance with and to the extent permissible under the Companies Act, 2013 or as may be prescribed/approved by the Central Government, if such approval of Central Government is required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable to give effect to the above Resolutions.”

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

“RESOLVED THAT in supersession of the Resolution passed under Section 293 (1) (d) of the erstwhile Companies Act, 1956 and pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force], consent of the Members be and is hereby accorded to the Board of Directors of the Company (herein after referred to as “Board” which term shall include any Committee of the Board constituted / to be constituted to exercise its powers, including the powers conferred by this Resolution) to borrow from time to time such sum or sums of money as they may deem fit by way of loans / debentures or any other mode of borrowing as may be deemed fit by the Board of Directors for the purpose of business of the Company notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of ₹ 4000,00,00,000/- (Rupees Four Thousand Crores Only) at any time.

RESOLVED FURTHER THAT the Board of Directors or its Committee be and is hereby authorized to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including finalizing terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents including schemes, agreements, deeds of assignment/ conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company including the power to delegate, to give effect to this Resolution”.

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

“RESOLVED THAT in supersession of the Resolution passed under Section 293 (1) (a) of the erstwhile Companies Act, 1956 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force], and the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the creation by the Board of Directors of the Company (herein after referred to as “Board” which term shall include any Committee of the Board constituted / to be constituted to exercise its powers, including the powers conferred by this Resolution) from time to time of such mortgages, charges, liens, hypothecation, assignment, transfer and/or other securities in addition to the mortgages, charges, liens, hypothecation and / or other securities created by the Company on such terms and conditions as the Board in its sole discretion may deem fit, on the Company’s assets and

properties, both present and future, whether movable or immovable, including whole or substantially the whole of the Company's undertaking (s) in favour of banks / financial institutions/debentures trustees / other lenders as may agreed to by the Board for the purpose of securing the repayment of any loans / financial assistance/other borrowings of the Company.

RESOLVED FURTHER THAT the Board of Directors or its Committee be and is hereby authorized to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, including finalising and executing necessary documents including schemes, agreements, deeds of assignment/ conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company including power to delegate, to give effect to this Resolution."

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 25th August, 2014

Place: Gandhinagar

Registered Office

GSPC Bhavan, Sector - 11,
Gandhinagar - 382 010.

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENTS APPOINTING PROXY TO BE VALID AND EFFECTIVE MUST REACH TO THE REGISTERED OFFICE OF THE COMPANY MINIMUM 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

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

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members desirous of getting any information related to accounts or operations of the Company are requested to send in their queries so as to reach the Company's Registered Office atleast 7 days in advance before the date of Meeting to enable the management to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 20th September, 2014 to Thursday, 25th September, 2014 (both days inclusive) for the purpose of payment of the Dividend. The Dividend, if declared at the ensuing Annual General Meeting shall be paid, on Tuesday, 30th September, 2014 to those Members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 19th September, 2014 as per the list to be furnished by the depositories in respect of the Shares held in electronic form; and (b) as Members in the Register of Members of the Company as on 20th September, 2014, after giving effect to all valid Share Transfers in physical form received on or before 19th September, 2014.
6. All transfer deeds, requests for change of address, bank particulars/mandates/ECS mandates, PAN should be lodged with Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Plot No 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, in case of Shares held in physical form on or before 19th September, 2014. The above details in respect of the Shares held in electronic form should be sent to the respective Depository Participants by the Members well in time.
7. Members are requested to furnish the Registrar / Depository Participants, the name and address of the branch of the bank, MICR code of the branch, type of account and account number to enable the Company to distribute Dividend through National Electronic Clearing Services (NECS). In the absence of NECS facility with the Member's bank, the bank account details will be printed on the Dividend Warrants, if available.
8. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic mode are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited.

9. As stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, profile of Directors seeking re-appointment / appointment is provided under Section “Board of Directors” of the Corporate Governance Report, which forms an integral part of this Annual Report.
10. Electronic copy of the Annual Report is being sent to all the Members whose E-mail IDs are registered with the Company/ Depository Participants unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
11. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the Shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
12. Members also note that the Annual Report for Financial Year 2013 - 14 will also be available on the Company's website www.gspcgroup.com for download.

13. Voting through Electronic Means:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Listing Agreement, the Company is providing facility to the Members to exercise their right to vote at the 16th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by M/s. Karvy Computershare Private Limited.

The procedure and instructions for e-voting are as follows:

- i. Open your Web Browser during the voting period and navigate to following URL for e-voting : <https://evoting.karvy.com>
- ii. Shareholders of the Company holding Shares either in physical form or in dematerialized form, as on the cut – off date i.e. Friday, 22nd August, 2014 may cast their vote electronically.
- iii. Enter the login credentials i.e. User ID and Password. Your Folio No/DP ID, Client ID will be your User ID.

User - ID: For Members holding Shares in demat form:-

- a) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID
- b) For CDSL:- 16 Digit Client ID

For Members holding Shares in physical form:-

- Event No. followed by Folio Number registered with the Company.

Password : Your unique Password is printed separately/via e-mail and forwarded through the electronic Notice/physical Notice.

Captcha : Enter the verification code i.e. please enter the alphabets and numbers exact way as they are displayed for security reasons.

- iv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact M/s. Karvy Computershare Private Limited at Toll Free No. 1800 345 4001.
- v. Members can cast their votes online from Thursday, 18th September, 2014 (9.00 A.M.) to Saturday, 20th September, 2014 (6.00 P.M.). (Both days inclusive).
- vi. After entering these details appropriately, click on “LOGIN”.
- vii. Members holding Shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their Login Password field. The new Password has to be minimum eight (8) characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your Password and update any contact details like mobile, email ID, etc on 1st Login. You may also enter the secret question and answer of your choice to retrieve your Password in case you forget it. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
- viii. You need to Login again with the new credentials.
- ix. On successful Login, the system will prompt you to select the ‘EVENT’, i.e. the Company Name (Gujarat State Petronet Limited).
- x. On the voting page, you will see Resolution Description and against the same the option ‘FOR/AGAINST/ABSTAIN’ for voting. Enter the number of Shares (which represents numbers of votes) under ‘FOR/AGAINST/ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’ but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If the Shareholder do not want to cast, select ‘ABSTAIN’.
- xi. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.

- xii. After selecting the Resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the Resolution.
- xiii. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.
- xiv. Corporate/Institutional Members (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc.) are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through e-mail to scrutinizergspl@gmail.com with a copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event No."

In case a Member receives physical copy of the Notice of AGM (for Members whose e-mail IDs are not registered with the Company/Depository Participants or requesting physical copy):

- a. Initial Password is provided separately:
EVEN (E - Voting Event Number) User ID/Password/PIN
- b. Please follow all steps from Sl. No. (i) to Sl. No. (xiii) above, to cast vote.
- II. You can also update your mobile number and e-mail ID in the user profile details of the Folio which may be used for sending future communication(s).
- III. The e-voting period commences on Thursday, **18th September, 2014 (9.00 A.M.)** and ends on Saturday, **20th September, 2014 (6.00 P.M.)**. During this period Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut - off date i.e. Friday, 22nd August, 2014, may cast their votes electronically. The e-voting module shall be disabled by M/s. Karvy Computershare Private Limited thereafter. Once the vote on a Resolution is cast by the Shareholders, the Shareholder shall not be allowed to change it subsequently.
- IV. The voting rights of the Shareholders shall be in proportion to their share of the paid up Equity Share Capital of the Company as on the cut – off date of Friday, 22nd August, 2014.
- V. The Company has appointed M/s. K K Patel & Associates, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.
- VI. The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in FAVOUR or AGAINST, if any, forthwith to the Chairman of the Company.
- VII. The results shall be declared on or after the AGM of the Company. The Results alongwith the Scrutinizer's Report shall be placed on the Company's website www.gspcgroup.com and on the website of M/s Karvy Computershare Private Limited within two (2) working days of passing of the Resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

- 14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.30 A.M. to 6.30 P.M.) on all working days up to and including the date of Annual General Meeting of the Company.

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 25th August, 2014
Place: Gandhinagar

Registered Office
GSPC Bhavan, Sector -11,
Gandhinagar - 382 010.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant To Section 102 Of The Companies Act, 2013

Item No. 5

Dr. R Vaidyanathan [DIN: 00221577] joined the Board of Directors of the Company on 12th March, 2010 as Non – Executive Independent Director.

As per the provisions of Section 149 of the Companies Act, 2013 (“Act”) which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation. Dr. R Vaidyanathan has given a declaration to the Board that he meets criteria of Independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Dr. R Vaidyanathan fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of management. The Board recommends his appointment as an Independent Director for five (5) consecutive years from the date of Annual General Meeting i.e. upto 24th September, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. R Vaidyanathan as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the draft letter of appointment of Dr. R Vaidyanathan will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Dr. R Vaidyanathan, is concerned or interested in the Resolution at Item No. 5 of the Notice. Dr. R Vaidyanathan and his relatives, if any, are interested or concerned to the extent of their shareholding in the Resolution concerning his appointment proposed at Agenda Item No. 5.

The Board recommends Resolution for approval of the Members. The Members are requested to approve the Resolution.

Item No. 6

Prof. Yogesh Singh [DIN: 06600055] joined the Board of Directors of the Company on 20th May, 2013 as Non – Executive Independent Director.

As per the provisions of Section 149 of the Companies Act, 2013 (“Act”) which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation. Prof. Yogesh Singh has given a declaration to the Board that he meets criteria of Independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Prof. Yogesh Singh fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of management. The Board recommends his appointment as an Independent Director for five (5) consecutive years from the date of Annual General Meeting upto i.e. 24th September, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Prof. Yogesh Singh as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the draft letter of appointment of Prof. Yogesh Singh will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Prof. Yogesh Singh, is concerned or interested in the Resolution at Item No. 6 of the Notice. Prof. Yogesh Singh and his relatives, if any, are interested or concerned to the extent of their shareholding in the Resolution concerning his appointment proposed at Agenda Item No. 6.

The Board recommends Resolution for approval of the Members. The Members are requested to approve the Resolution.

Item No. 7

Shri Yogesh B Sinha [DIN: 02902722] joined the Board of Directors of the Company on 27th May, 2013 as Non – Executive Independent Director.

As per the provisions of Section 149 of the Companies Act, 2013 (“Act”) which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation. Shri Yogesh B Sinha has given a declaration to the Board that he meets criteria of Independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Shri Yogesh B Sinha fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of management. The Board recommends his appointment as an Independent Director for five (5) consecutive years from the date of Annual General Meeting i.e. upto 24th September, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Yogesh B Sinha as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the draft letter of appointment of Shri Yogesh B Sinha will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs, except Shri Yogesh B Sinha, is concerned or interested in the Resolution at Item No. 7 of the Notice. Shri Yogesh B Sinha and his relatives, if any, are interested or concerned to the extent of their shareholding in the Resolution concerning his appointment proposed at Agenda Item No. 7.

The Board recommends Resolution for approval of the Members. The Members are requested to approve the Resolution.

Item No. 8

Dr. Bakul Dholakia [DIN: 00005754] is proposed to be appointed as Non – Executive Independent Director under Section 149 read with Companies (Management and Administration) Rules, 2014 and Clause 49 of the Listing Agreement.

As per the provisions of Section 149 of the Companies Act, 2013 (“Act”) which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation.

Dr. Bakul Dholakia has given a declaration to the Board that he meets criteria of Independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Dr. Bakul Dholakia fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of management. The Board recommends his appointment as an Independent Director for five (5) consecutive years from the date of Annual General Meeting i.e. upto 24th September, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Dr. Bakul Dholakia as Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the draft letter of appointment of Dr. Bakul Dholakia will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Dr. Bakul Dholakia, is concerned or interested in the Resolution at Item No. 8 of the Notice. Dr. Bakul Dholakia and his relatives, if any, are interested or concerned to the extent of their shareholding in the Resolution concerning his appointment proposed at Agenda Item No. 8.

The Board recommends Resolution for approval of the Members. The Members are requested to approve the Resolution.

Item No. 9

Smt. Vilasini Ramachandran, IAS (Retd.) [DIN: 02224693] is proposed to be appointed as Non - Executive Woman Independent Director under Section 149 read with Companies (Management and Administration) Rules, 2014 and Clause 49 of the Listing Agreement.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a company and is not liable to retire by rotation. Smt. Vilasini Ramachandran, IAS (Retd.) has given a declaration to the Board that she meets criteria of Independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Smt. Vilasini Ramachandran, IAS (Retd.) fulfills the conditions specified in the Act and the Rules made there under for appointment as Woman Independent Director and she is independent of management. The Board recommends her appointment as Woman Independent Director for five (5) consecutive years from the date of Annual General Meeting i.e. upto 24th September, 2019.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Smt. Vilasini Ramachandran, IAS (Retd.) as Woman Independent Director is now being placed before the Members in General Meeting for their approval.

Copy of the draft letter of appointment of Smt. Vilasini Ramachandran, IAS (Retd.) will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Smt. Vilasini Ramachandran, IAS (Retd.), is concerned or interested in the Resolution at Item No. 9 of the Notice. Smt. Vilasini Ramachandran, IAS (Retd.) and her relatives, if any, are interested or concerned to the extent of their shareholding in the Resolution concerning her appointment proposed at Agenda Item No. 9.

The Board recommends Resolution for approval of the Members. The Members are requested to approve the Resolution.

Item No. 10

The Board of Directors at its Meeting held on 22nd May, 2014, on the recommendation of the Audit Committee, has approved appointment of M/s. R K Patel & Co., as Cost Auditors to conduct the audit of the cost records maintained by the Company for the Financial Year 2014 - 2015 at the remuneration of ₹ 1,08,000/- (excluding Taxes and Out of Pocket Expenses at actual).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2014 - 2015.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested financially or otherwise, in the Resolution at Item No. 10 of the Notice.

The Board recommends Resolution for approval of the Members. The Members are requested to approve the Resolution.

Item No. 11

The Members at its 15th Annual General Meeting approved payment of monthly remuneration to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] for the period of two years from 27th August, 2012. The total approx annual remuneration approved was ₹ 12.50/- Lacs.

The Government of Gujarat has vide Resolution No. GPC-10-2010-110000-E dated 10th May, 2013 approved terms and conditions in respect of payment of remuneration to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman. He shall be entitled to monthly salary, allowances, perquisites etc. as follows:

- 1) Monthly salary derived on the basis of "Last Pay drawn minus Pension".
- 2) Dearness Allowance on the Last Pay drawn by him immediately before his retirement and shall not be entitled to get any Temporary Increase on monthly pension.
- 3) Car with driver for discharging official duties.
- 4) Travelling Allowance, Daily Allowance and other allowances received by him at the time of retirement and shall not be entitled for any Transport Allowance.
- 5) Medical facility/ reimbursement, accommodation, perquisites, facilities, allowances as stipulated in the GoG Resolution No. GPC-10-2010-110000-E dated 10th May, 2013.
- 6) He shall also be entitled to other facilities received by him at the time of retirement as ACS to Government of Gujarat, Finance Department.

Pursuant to provisions of Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all



other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Listing Agreement of the Company, the Board of Directors of the Company has recommended remuneration for the period from 28th August, 2014 to 27th August, 2015, or till further orders by Govt. of Gujarat, whichever is earlier to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman pursuant to Govt. of Gujarat Resolution dated 10th May, 2013 and letter dated 20th August, 2014 for approval of the Members at the ensuing Annual General Meeting and the total approx annual remuneration would be ₹ 12.50 Lacs.

It is, therefore, proposed to approve payment of monthly remuneration to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman of the Company effective from 28th August, 2014, more particularly prescribed in GoG Resolution dated 10th May, 2013 and letter dated 20th August, 2014. The said GoG Resolution and letter would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Shri M M Srivastava, IAS (Retd.), is concerned or interested financially or otherwise, in the Resolution set out at Item No. 11 of the Notice. Shri M M Srivastava, IAS (Retd.) and his relatives, if any, are interested or concerned to the extent of their shareholding in the Resolution concerning his remuneration proposed at Agenda Item No. 11.

The Board recommends the Resolution for approval of the Members. Members are requested to approve the Resolution.

Item No. 12

The Members of the Company by passing Ordinary Resolution under Section 293 (1) (d) of the Companies Act, 1956 on 2nd April, 2014 had authorised Board of Directors to exercise borrowing powers the outstanding amount of which at any time shall not exceed in the aggregate ₹ 4000 Crores (Rupees Four Thousand Crores only) over and above the aggregate of the paid up share capital of the Company and its free reserves.

Section 180 (1) (c) of the Companies Act, 2013 which has replaced Section 293 (1) (d) of the Companies Act, 1956 provides that the Board of Directors shall not borrow in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014.

Accordingly, it is, therefore, necessary for the Members to pass a Special Resolution under Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 12 of the Notice, to enable to the Board of Directors (including any Committee thereof) to borrow money in excess of the aggregate of the paid up capital and free reserves of the Company. Approval of the Members is being sought to borrow money at any time or from time to time for borrowing monies together with the monies already borrowed by the Company, if any, apart from temporary loans obtained from the Company's bankers in the ordinary course of business of ₹ 4000 Crore (Four Thousand Crore Only) in excess of and in addition to the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested financially or otherwise, in the Resolution at Item No. 12 of the Notice.

The Board recommends the Special Resolution for approval of the Members. Members are requested to approve the Special Resolution.

Item No. 13

The Members of the Company by passing Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956 on 2nd April, 2014 had authorized the Board of Directors to create charge/security on all or any of the movable or immovable properties of the Company pursuant to Section 293 (1) (a) of the Companies Act 1956 for the purpose of securing the repayment of any loans / financial assistance/ other borrowings of the Company upto a limit of ₹ 4000 Crores (Four Thousand Crores Only) under Section 293 (1) (d) of the Companies Act, 1956.

Section 180 (1)(a) of the Companies Act, 2013 which has replaced Section 293 (1) (a) of the Companies Act, 1956 provides that the Board of Directors shall not create charge/security on all or any of the movable or immovable properties of the Company, except with the consent of the Company accorded by way of a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014.

Accordingly, it is, therefore, necessary for the Members to pass a Special Resolution under Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 13 of the Notice, to enable the Board of Directors (including any Committee thereof) to secure repayment of moneys borrowed by the Company. Approval of the Members is being sought to enable the Board of Directors of the Company (including any Committee thereof), as may be required from time to time for creation of mortgage/charges/lien/hypothecation/assignment or transfer of the assets and properties, both present and future, whether moveable or immovable, for securing borrowings from time to time in favour of the lenders.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested financially or otherwise, in the Resolution at Item No. 13 of the Notice.

The Board recommends the Special Resolution for approval of the Members. Members are requested to approve the Special Resolution.

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 25th August, 2014
Place: Gandhinagar

Registered Office
GSPC Bhavan, Sector -11,
Gandhinagar - 382 010.

DIRECTORS' REPORT

To,
The Members
Gujarat State Petronet Limited

The Directors have pleasure in presenting the 16th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

	(₹ in Crore)	
Particulars (Standalone Accounts)	2012-13	2013-14
Total Income	1239.25	1105.88
Employee Benefit Expenses	24.71	28.71
Other Expenses	76.52	93.10
Total Expenses	101.23	121.81
PBDITA	1138.02	984.06
Finance Cost	126.26	141.85
Depreciation & Amortisation	186.11	183.87
Preliminary Expenses Written-Off	-	-
Prior Period Adjustments	(0.05)	0.05
Profit Before Tax	825.70	658.30
Tax including Deferred Tax	287.58	239.15
Profit After Tax Carried to Balance Sheet	538.12	419.15
Appropriations		
Transfer to General Reserves	NIL	NIL
Proposed Dividend (including Dividend Distribution Tax)	65.83	65.84
Profit After Appropriations	472.29	353.31

PERFORMANCE HIGHLIGHTS

Your Company has excelled in most of the performance parameters. Major highlights of the Company are summarized below:

- 99% Pipeline grid availability and “accident free” year of operations.
- PNGRB re-determined the levelized tariff for GSPL's High Pressure Natural Gas Pipeline Network.
- Total Income stood at ₹ 1105.88 Crore, decrease of 11% over previous year, mainly due to reduction in production of domestic gas.

CAPITAL

During the year, the Board has approved allotment of 29862 Shares to the eligible employees under ESOP - 2005 upon exercise of Options by them, consequent to which the paid up Share Capital of the Company has increased to ₹ 562.74 Crore.

DIVIDEND

Keeping in view the fund requirements for expansion projects and subsidiaries, the Board of Directors of the Company is pleased to recommend Dividend @ ₹ 1 (i.e. 10%) per Equity Share of the face value of ₹ 10 each for the Financial Year 2013 - 14.

GAS TRANSMISSION SERVICES

The Company has effective Firm GTAs of 26.56 mmscmd for transmission of gas to various customers and interruptible / short - medium term GTAs for 4.88 mmscmd (Previous year: firm GTAs of 30.94 mmscmd and interruptible GTAs of 11.32 mmscmd).

GAS GRID PROJECT

Government of Gujarat has always played a pro-active role in the development of the energy value chain in the State. Gujarat is the first State to plan and execute a State-wide Gas Grid on an Open Access principle.

The Pipeline grid has been designed as per the highest international standards with inbuilt flexibility to cater to varying loads.

The Pipeline grid map of GSPL for Gujarat is enclosed herewith as Annexure - VI.

The map showing the Cross-Country Natural Gas Transmission Pipelines being implemented through Special Purpose Vehicles is enclosed herewith as Annexure - VII.

Projects Commissioned

Since last Directors' Report, the Company has successfully completed commissioning of various pipeline projects namely DGEN Connectivity, Banas Dairy, BASF & Styrolution connectivity and various customers in Dahej SEZ area.

Current grid operations account for approx 2180 Kms. Gas is flowing from Hazira / Dahej / Vapi to various industries and City Gas Distribution (“CGD”) Networks located in various Districts of Gujarat including Surat, Bharuch, Narmada, Baroda, Anand, Ahmedabad, Dahod, Gandhinagar, Sabarkantha, Panchmahal, Patan, Bhavnagar, Mehsana, Banaskantha, Surendranagar, Rajkot, Morbi, Jamnagar, Navsari, Kutchh, Kheda, Valsad, Amreli.

Projects Under Execution

Your Directors are pleased to inform that the Company continues to develop Pipeline infrastructure in the State of Gujarat. Currently, approx 405 Kms of Pipeline is under construction.

Your Company is also developing Gana- Kalol - Palanpur Loopline.

The Company is a co-developer in Dahej SEZ and Panoli SEZ and is developing Pipeline infrastructure in these SEZs. Several customers have started receiving gas in Dahej SEZ through Company's network with more getting connected on regular basis.

WIND POWER PROJECT

Your Company being committed to promote clean and green energy has set up wind power project of 52.5 MW in the areas of Maliya Miyana, Rajkot and Gorsar & Adodar, Porbandar. During the year, the Company has sold 10,79,14,415 KWH of electricity generated through Windmill.



FUTURE PLANS

The Company is working on future expansion projects based on the demand in various regions around the gas grid.

OPERATION & MAINTENANCE ACTIVITIES

The Company has transported 7692.84 mmscm of gas during the Financial Year 2013 - 14 (Previous year: 9966.06 mmscm).

To safeguard its Pipeline assets and optimize utilization of the Pipeline system, the Company is giving utmost importance to efficient operations and preventive maintenance. The Company is in process of implementing Integrity Management System in line with PNGRB guidelines to safe guard the Pipeline assets.

SUBSIDIARY COMPANIES

Your Company has incorporated following two subsidiary companies in October, 2011 for execution of the three Cross Country Pipeline Projects awarded by Petroleum and Natural Gas Regulatory Board:

Company	Pipeline Project
GSPL India Gasnet Limited (GIGL)	1) Mehsana - Bhatinda (approx 1670 Kms)
	2) Bhatinda - Jammu - Srinagar (approx 740 Kms)
GSPL India Transco Limited (GITL)	Mallavaram - Bhopal - Bhilwara - Vijapur (approx 1746 Kms)

GIGL & GITL - Project Status:

GIGL and GITL have achieved progress in obtaining various statutory clearances. Both these Companies have initiated process for implementing sections of the project where statutory clearances, environment approvals and ROU have already been received and floated EPC tenders in respect thereof.

Accounts of subsidiary companies:

Most of the provisions of the Companies Act, 2013 has been notified with effect from 1st April, 2014. Ministry of Corporate Affairs (MCA) have vide circular dated 4th April, 2014 clarified that for the Financial Year ended on 31st March 2014, Balance Sheet, Profit & Loss Account, Directors' Report etc. shall be prepared and submitted as per the provisions of Companies Act, 1956. Accordingly, as per the requirement of Section 212 of the Companies Act, 1956, GSPL needs to publish in the Annual Report, the financial statements of its subsidiaries (i) GSPL India Gasnet Ltd. and (ii) GSPL India Transco Ltd. along with the stand-alone and Consolidated Financial Statements of Gujarat State Petronet Ltd.

However, in accordance with the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents for the Financial Year ended 31st March, 2014 of the subsidiary companies are not being attached with the Balance Sheet of the Company. The financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The audited annual accounts

and related information of the subsidiary companies, where applicable, will be made available to any Member upon request. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard - 21 on Consolidated Financial Statements read with Accounting Standard - 23 on Accounting for Investments in Associates, the Audited Consolidated Financial Statements are provided in the Annual Report.

HEALTH, SAFETY AND ENVIRONMENT

The Company, in order to fulfill its commitment towards health, safety and environment, has taken active steps towards establishment of Safety Management Systems. Environment and safety features have been integrated into design, construction and O&M operations of the Company for ensuring utmost safety for the facilities, local community and the environment. The same is also being reflected in the QHSE policy of the Company. The Company is expanding and managing its operations in a manner which is safe and environmentally sustainable.

For developing effectiveness of Safety Management Systems, training of all employees across the Company is ensured through various training programs. The same is being monitored through internal audit teams and delegation of safety management up to the local level. Further, Emergency Response and Disaster Management Plan (ERDMP) of GSPL was accredited by the Third Party Agency as per the requirement of ERDMP Regulations, 2010 under PNGRB Act, 2006. ERDMP is being reviewed and updated regularly. Moreover, contractors' adherence to Company's QHSE policy is also ensured through regular site visits and external audits. Regular site visits ensure the enhancement of safety culture which also facilitates safe commissioning of the new projects. To achieve the highest quality of safety systems, the Company has moved towards international recognition with the corporate membership of British Safety Council. The Company is proud to maintain its target of 'zero accident' year with full commitment of its employees and management.

The Company is re-certified to Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) with validity till 30th October, 2014. Effectiveness of these certifications is being ensured through planned audits of the system. Continuous improvement is visible in various O&M systems. Preventive maintenance schedules are being adhered to with the updation of records. GSPL ERDMP was accredited by Disaster Management Institute, Bhopal as required under ERDMP Regulations, 2010 of PNGRB Act. All conditions of Accreditation are being adhered to. Effectiveness of ERDMP is verified through regular mock drills as per specified intervals as identified by respective work bases.

To further enhance the benchmark of Safety Management Systems, your Company was audited by British Safety Council for Five Star safety audit for the third time and under new specifications for the first time. GSPL has retained the Five

Star grading by British Safety Council (BSC) after an extensive evaluation by BSC auditor. Your Company has also bagged International Safety award for 2014 by British Safety Council for its HSE performance of GSPL Gas Grid. Your Company has successfully bagged International Safety Awards from British Safety Council for 04 Years continuously, based upon previous years' HSE Performance of Gas Grid.

FIXED DEPOSITS

During the year, the Company has not accepted any Fixed Deposits from the public.

CORPORATE SOCIAL RESPONSIBILITY

The Company continues to make focused efforts for fulfilling its Corporate Social Responsibility, with the thrust areas being education, health & sanitation and public awareness.

DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri D J Pandian, IAS, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Pursuant to Section 149 of the Companies Act, 2013, the Board has recommended appointment of Dr. R Vaidyanathan, Prof. Yogesh Singh, Shri Yogesh B Sinha, Dr. Bakul Dholakia and Smt. Vilasini Ramachandran, IAS (Retd.) as Independent Directors of the Company, not liable to retire by rotation, for a period of five years from the date of the 16th Annual General Meeting for approval of the Members of the Company. These Directors have given the declarations to the Board that they meet the criteria of Independence as provided under Section 149 (6) of the said Act and also confirmed that they will abide by the provisions as mentioned in Schedule IV of the Companies Act, 2013.

A brief resume of the Directors retiring by rotation/seeking appointment at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and details regarding the companies in which they hold directorship, membership/ chairmanship of Committees of the Board are given in the Corporate Governance Report forming part of this Directors' Report

STATUTORY AND C&AG AUDIT

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, the C&AG has appointed M/s RMA & Associates, Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2013 - 14.

C&AG has given NIL comment report for the Financial Year 2013 - 14. The NIL comment report is enclosed herewith as Annexure - V.

AUDIT COMMITTEE

Audit Committee of Directors of the Company at its meeting held on 22nd May, 2014 approved the Annual Accounts for the Financial Year ended 31st March, 2014 and recommended the same for approval of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that,

- (i) in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards read with requirements set out under revised Schedule VI to the Companies Act, 1956, have been followed along with proper explanation relating to material departures.
- (ii) accounting policies are selected and applied 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 as at 31st March, 2014 and of profit of the Company for that period.
- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities is taken.
- (iv) the annual accounts are prepared on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

This Annual Report contains a separate section (Annexure - I) on the Management Discussion & Analysis, which forms part of this Directors' Report.

CORPORATE GOVERNANCE

Corporate Governance denotes the framework for companies to conduct their business in an ethical and responsible manner. It is determined primarily by the approach that a Company has towards its stakeholders as well as to the environment in which it operates. It stems from the belief and realization that corporate citizenship has a set of responsibilities, which must be fulfilled for a Company to progress and succeed over the long term.

The Company believes that good governance alone can deliver continuous good business performance. A Report on Corporate Governance as required under Clause 49 of the Listing Agreement is incorporated as a part of this Directors' Report (Annexure - II). A Compliance Certificate by the Practicing Company Secretary is also attached to this Directors' Report.

GSPL EMPLOYEES STOCK OPTION PLAN ("ESOP")

The Company has instituted the following ESOP Schemes as incentives to attract, retain and reward the employees, and to enable them to participate in the future growth and success of the Company.

1. GSPL Employees Stock Option Plan – 2005 (ESOP – 2005).
2. GSPL Employees Stock Option Plan – 2010 (ESOP – 2010).

Under the said ESOPs, each such Option has conferred a right upon the employee to apply for one Equity Share of the Company.

Auditors of the Company have certified that the Scheme has been implemented in accordance with the SEBI Guidelines and the



Resolution passed by the Shareholders. The Certificate would be placed at the Annual General Meeting for inspection by Members.

Statutory disclosures regarding ESOP - 2005 and ESOP - 2010 are enclosed as Annexure - III & IV respectively to this Directors' Report.

PARTICULARS OF EMPLOYEES

As per Notification issued by the Ministry of Corporate Affairs, the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to government companies. As your Company is a Government Company, the information has not been included as a part of the Directors' Report.

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

Conservation of Energy

During the period under review, there is no consumption of energy requiring disclosure.

Technology Absorption

The Company has not imported any technology. However, the Company has engaged consultants/advisors of international repute to make available latest technology for project implementation.

Foreign Exchange Earnings & Outgo

The Company has incurred Expenditure in Foreign Exchange to the extent of ₹ 1091.54 Lacs during the year under review. Foreign Exchange Earnings during the year were NIL.

ACKNOWLEDGEMENTS

The Directors appreciate the continued support received from the valued customers and look forward to this mutually supportive relationship in future.

The Directors place on record their deep appreciation to employees of the Company at all levels for their hard work, dedication and commitment without whose contribution the excellent performance of the Company would not have been possible.

The Directors are extremely grateful for all the support given by the Government of Gujarat at all levels. Their guidance, encouragement and moral support have enabled the Company to expand the Pipeline Network in a professional manner.

The Directors also wish to place on record the sincere thanks to PNGRB and other regulatory authorities at Central and State level for the continuous support extended to the Company.

The Directors place on record their sincere thanks to the Promoters, Shareholders and Lenders for their valuable support, trust and confidence reposed in the Company.

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date: 25th August, 2014

Place: Gandhinagar

Annexure - I

Management's Discussion & Analysis forming part of the Directors' Report for the year ended on 31st March, 2014

A. INDUSTRY OVERVIEW

Energy is essential for economic growth, for improving the quality of life and for increasing developmental opportunities. Further, natural gas has become increasingly crucial for India's energy security, driven by increased demand due to a growing economy, need to diversify from traditional sources of energy and compliance to stringent environmental norms.

The economic growth of the Country has slowed down over the previous years. Having crossed a peak of over 9 per cent GDP growth prior to the 2008, Indian economy stood at 5 per cent last year and going forward is expected to settle at 6 per cent levels this fiscal as per analysts.

Being hugely import dependent for energy resources, India is battling with high costs. Energy pricing needs to be critically examined, without which India would not be able to achieve its projected growth rate. Energy efficiency and transportation infrastructure are other key areas that require greater attention.

As per the "Vision 2030: Natural Gas Infrastructure in India" report published by the Industry Group for PNGRB, the Indian economy is expected to grow going forward and in turn lead to increase in energy consumption. This increase in consumption is expected to be supplemented by an alteration in the primary energy mix of India on account of the substitution of oil by natural gas.

Given all the plans for expansion in natural gas supply in the Country with the help of additional LNG terminals, nationwide transmission pipeline network and transnational pipelines expected to materialize by 2025, the report envisages the share of natural gas in the primary energy mix would reach 20% till 2030 if not more.

However, in the previous year, the gas market witnessed reduced availability of domestic gas. Dwindling gas production from domestic gas fields coupled with lack of commercialization of new gas discoveries, led to issues of gas allocation and deficit in supplies.

Such deficit in gas supplies has made LNG critical to overcome the structural gap between gas demand and domestic production.

However, LNG prices varied substantially during the previous year as the global market experienced tightness owing to increased demand from several regions, namely South Korea & China, coupled with delay in commencement of new supply projects. The same impacted import of LNG in India to some extent leading to no significant increase in imports over the previous year.

ROLE OF LNG & LNG INFRASTRUCTURE

Energy security has assumed strategic importance across the world. As countries try to reduce their dependence on oil, natural

gas has emerged as a cleaner and commercially viable option. LNG has played a crucial role in the globalization of natural gas by providing an affordable means of transporting it over long distance.

Thus, while there is substantial opportunity for LNG in the energy mix, there is also a concurrent need to create physical infrastructure to ensure that LNG opportunity is realized.

In view of the same, GSPC Group has reserved 2.25 MTPA capacity in Petronet LNG Ltd.'s Dahej terminal which would be progressively available from 2014.

Current regassification capacity available in the Country is 16.5 MTPA whereas the long term agreements in place for import of LNG are 7.5 MTPA.

As you may be aware, Petronet LNG Ltd. currently has completed construction of second jetty at its Dahej facilities in April, 2014. PLL has also awarded Engineering, Procurement & Construction (EPC) contracts for the proposed expansion of its Dahej terminal expected to be completed by end of 2016 and increase its nameplate capacity to 15 MTPA.

GSPC LNG Ltd., a GSPC Group Company is also moving ahead with construction of 5 MTPA LNG project in Mundra, expected to be completed by end of 2016. Further, EPC contracts for construction of two LNG storage tanks as well as setting up regassification facilities have been awarded.

Ratnagiri Gas and Power Pvt. Ltd. (RGPPL) is also in process of awarding EPC contracts for construction of break water at its Dabhol facilities.

Such expansion / development of LNG infrastructure in the Country would take the regassification capacity for import of LNG to approx. 45 MTPA by 2018 while long term contracts for import of LNG by such timeframe, would be 20 MTPA, unleashing huge opportunity for import of LNG and making Gujarat a 'Gateway for LNG imports' to India.

Nonetheless, availability of such incremental regassification capacity / infrastructure shall ensure effective utilization of gas pipelines being developed by your Company.

B. REGULATORY FRAMEWORK

In the last year, PNGRB issued authorization of High Pressure and Low Pressure Gujarat Gas Grid of your Company totaling to 2296.6 Kms. PNGRB on 19th February, 2014 redetermined the levelized tariff bringing an end to uncertainty over applicability of tariff.

In March 2013, PNGRB had authorized your Company's low pressure Gujarat gas grid network and subsequently issued Tariff Order for the same on 27th June, 2013.

However, Your Company has filed appeal in the Appellate Tribunal for Electricity (APTEL) against PNGRB Tariff Order for the high pressure & low pressure network as the factors considered in tariff determination were incongruent.

In February 2013, PNGRB had allowed GSPL to carry out pilot project for offering Deferred Delivery Services (DDS), one of the imbalance management services being offered in the international gas industry by various transporters. Further to successful completion / implementation of the pilot project for DDS by GSPL since 1st April, 2013, PNGRB allowed your Company to retain the revenue earned by offering DDS.

However, one of the main concern is development of CGD network which is getting delayed owing to slow pace of CGD bidding process.

Further, ongoing legal issues / proceedings underline that there are quite a few areas of dispute between the Board and entities which is a concern from the perspective of the sector thereby affecting investments.

C. OPPORTUNITIES AND CHALLENGES

Your Company provides gas transmission service to various customers, through the infrastructure it has developed, thereby enabling access to gas.

Your Company has accordingly invested in CGD business. The combined growth achieved by the two group companies in CGD segment, namely GSPC Gas Co. Ltd. and Sabarmati Gas Ltd., is a testimony to the same.

It is noteworthy to mention that GSPC Gas Co. Ltd. is the largest CGD Company in the Country selling around 4.8 MMSCMD of gas to more than 1,887 industrial customers, more than 4.93 lacs households, around 1,884 customers in commercial segment and 159 CNG stations spread across Gujarat.

On 17th January 2014, GSPC Gas Co. Ltd. has been authorized by PNGRB to lay, build, operate or expand City Gas Distribution in Jamnagar & Dwarka Geographical Areas (GAs).

Further, Sabarmati Gas Ltd., is selling around 0.75 MMSCMD of gas to around 227 industrial customers, more than 0.78 lacs households, around 429 customers in commercial segment and 36 CNG stations in the State.

Moreover, acquisition of Gujarat Gas Co. Ltd. by GSPC Group shall also strengthen the Group's presence in the CGD segment and provide your Company an opportunity to serve new markets.

On 5th March, 2014, PNGRB has authorized Gujarat Gas Co Ltd. to lay, build, operate or expand City Gas Distribution network in Bhavnagar Geographical Area.

GSPL shall also be required to cater to demand along with pan-India pipelines being developed by its subsidiaries, GIGL and GITL.

However, till such new pipeline infrastructure is developed and

newer areas are captured, gas demand will remain latent. Your Company is focusing on developing pipeline infrastructure and promoting usage of natural gas in more and more industrial clusters and SEZs in the State of Gujarat.

By promoting / developing critical gas infrastructure, your Company continues to play a pivotal role of infrastructure provider acting as an energy channel between sources and gas consumers.

PNGRB has approved expansion of Mallvaram - Bhilwara Pipeline for connectivity with Dahod terminal of GSPL high pressure Gujarat gas grid paving way for GSPL for transporting gas to Central India.

While the new government would take a final decision on the domestic gas prices, Experts believe that domestic producers shall meaningfully benefit from the proposed increase in gas prices, in line with the recommendations of the Rangarajan Committee Report. Accordingly, the oil & gas sector may witness boost in investments in E&P segment, thereby leading to improved availability of domestic gas.

D. OPERATIONS AND FUTURE OUTLOOK

Your Company owns and operates the largest gas transmission network in Gujarat totaling to approx 2180 Kms. The gas grid of the Company has reached majority of Districts in Gujarat.

Further, your Company through the Special Purpose Vehicles, namely GIGL and GITL is focusing on development of 3 pan-India Pipeline Projects namely Mallavaram - Bhopal - Bhilwara - Vijaipur Pipeline, Mehsana - Bhatinda Pipeline and Bhatinda - Jammu - Srinagar Pipeline.

GIGL & GITL - Project Status:

GIGL and GITL have achieved progress in obtaining various statutory clearances. Both these Companies have initiated process for implementing sections of the Project where statutory clearances, environment approvals and ROU have already been received and floated EPC tenders in respect thereof.

Once commissioned, these Pipelines will be in a position to serve several cities / markets in 9 States of the Country. With significant volume of the supplies coming in from LNG receiving terminals in Gujarat, the utilization of your Company's Gujarat grid shall also substantially improve.

E. PERFORMANCE PROFILE

The Company continues to expand its gas grid to reach new markets and connect to new supply sources.

The infrastructure put up by the Company enabled the flow of LNG and domestic gas from various sources including KG Basin to reach various regions of Gujarat.

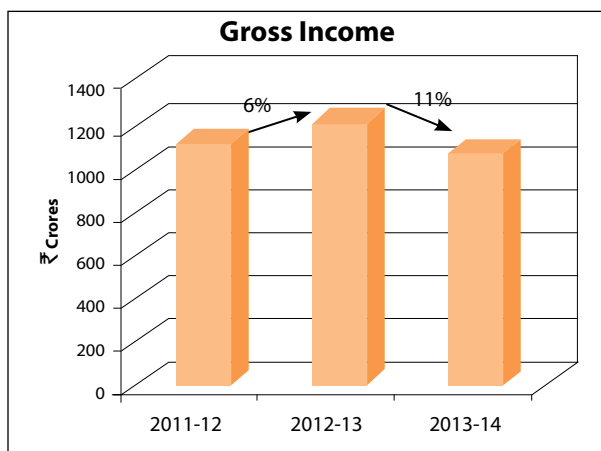
The Company has managed with a lean manpower strength on account of its well thought out strategy of developing major pipeline projects on EPC (Engineering, Procurement and Construction) Model.

The Company transported 7692.84 mmscm of natural gas during the year, a decrease of 23% over last year's volumes transportation of 9966.06 mmscm.

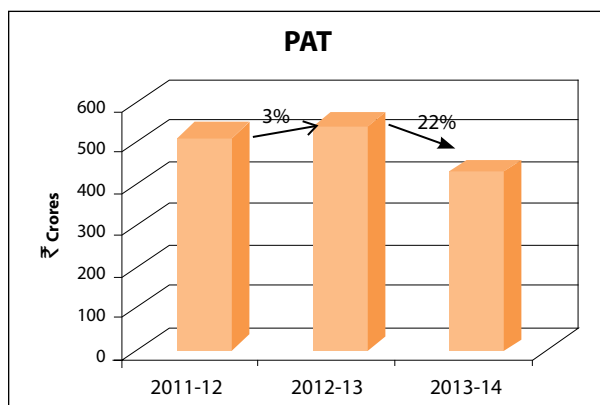
Such decrease in transportation volumes is attributed to decline in gas production from RIL's D6 fields and high LNG prices.

Decline in RIL D6 supplies affected the power sector in Gujarat. In fact, from March, 2013 there have been no supplies from D6 fields to IPPs in Gujarat against original allocation of more than 10 MMSCMD. Furthermore, addition of coal based power generating capacities in Gujarat led to R-LNG being less competitive for IPPs for power generation in order to get dispatch orders from distribution utilities.

Income from transportation of gas for the year was ₹ 1,009.31 Crore, a decrease of 10% over last year's figure of ₹ 1,116.15 Crore. Gross Income has decreased by 11%.



Profit After Tax for the year was ₹ 419.15 Crore as compared to ₹ 538.12 Crore in the previous year, recording decrease of 22%.



The Net Worth of the Company has increased from ₹ 2940.58 Crore to ₹ 3360.67 Crore as compared to previous year. During the year, Gross Block of Assets increased from ₹ 4,619.72 Crore to ₹ 4,710.57 Crore.

The Company continues to have a healthy Debt Equity Ratio of less than 1.

Cost Auditors

Your Company is required to carry out Cost Audit for "Gas Transportation" business as well as "Generation of Electricity Through Windmill" business from the Financial Year 2011 - 12 onwards pursuant to notification no. G.S.R. 870(E) & 871(E) dated 7th December, 2011 of Ministry of Corporate Affairs under Section 209 (1) (d) & 233B of Companies Act, 1956.

Accordingly, Central Government has approved appointment of M/s. R. K. Patel & Co. as Cost Auditor for Financial Year 2013 - 14 on recommendation by the Company for the said businesses. The Cost Audit Report for the Financial Year 2012 - 13 which was due to be filed in XBRL with the Ministry of Corporate Affairs on 27th September, 2013 was filed on 25th November, 2013. The due date for filing the Cost Audit Report for the Financial Year ended 31st March, 2014 is 27th September, 2014.

Wind Power Project

Your Company believes that renewable energy sources can offer enormous economic, social, and environmental benefits and India has the highest potential for effective use of the renewable energy sources like wind power.

Considering the cost benefit which a wind power project can offer, your Company ventured into and has successfully completed commissioning of the wind power project of 52.5 MW at Maliya Miyana, Rajkot and Gorsar - Adodar, Porbandar in the State of Gujarat.

The Company has generated 10,79,14,415 units of power from the same which resulted in the revenue of approx ₹ 38.02 Crores in the year.

F. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Company has a well-defined risk management framework. The Board of Directors of the Company has adopted a Risk Management Policy and put in place a framework for reviewing the major risks. The Company is focusing on development of a "risk culture" that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.

The Company has a proper and adequate system of internal controls commensurate with its size of operations and nature of business. The Company's internal control systems are further supplemented by extensive programs of audits, i.e. internal audit, proprietary audit by the Comptroller & Auditor General of India (C&AG) and statutory audit by Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG). The internal control system is designed to ensure that all financials and other records are reliable for preparing Financial Statements and other data and for maintaining accountability of assets and compliance with statutory requirements.

The Company has mapped a number of business processes on



to SAP system, thereby leading to significant improved controls & transparency. Your Company also continues to invest in Information Technology to support various business processes.

G. HUMAN RESOURCES

During the year, the Company did not experience any strikes or lockouts.

The increasing human capital aspirations are a major challenge for the Company. In order to remain competitive it is imperative that Company has to hire and retain sufficient number of skilled talent so as to strengthen its technical and project management skills.

The Company employed 239 employees as on 31st March, 2014 (Previous year: 223 employees).

The Company believes that training and personnel development is of vital importance to create a climate where people maximize their technical skills and inner potential which can help the Company in capitalizing the emerging business opportunities through their involvement. During the year, employees were sent for various training programs and seminars in line with the Annual Training Calendar to enhance employee skills/knowledge.

The Company has in place an attractive policy of performance linked incentive to encourage and reward employee performance.

The Company has managed to achieve substantial growth with a lean organization structure.

Forward Looking Statements:

This Annual Report contains forward-looking statements, which may be identified by words like will, believes, plans, expects, intends, estimates or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth and market position are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that the assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or event.

Annexure - II

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Gujarat State Petronet Limited (GSPL) is committed to do business in an efficient, responsible, honest and ethical manner. The core values of the Company's Governance process include independence, integrity, accountability, transparency, responsibility and fairness. The Company is committed to transparency in all its dealings and places high emphasis on business ethics. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedication to increase long-term shareholders' value.

2. BOARD OF DIRECTORS

A. Composition of the Board:-

The Board Structure of the Company maintains an optimum mix of Executive, Non Executive Directors. However, due to resignation of one Independent Director viz. Shri N K Mitra w.e.f 7th May, 2013, the proportion of Independent Director had fallen below one – half of the total strength of the Board. Except this, the Composition of the Board is in conformity with the listing requirements. Thereafter, the Board has recommended appointment of One Independent Director viz. Dr. Bakul Dholakia in place of the outgoing Independent Director.

The detailed composition of the Board as on 31st March, 2014, their category and their Directorship in the companies and Membership/ Chairmanship in the Committees of the Board are given below:-

Sr. No.	Name of the Director	Position /Category++	* Number of Directorship as on 31 st March, 2014 including GSPL	** Number of Membership/ Chairmanship in Board Committee as on 31 st March, 2014 including GSPL	
				Membership+	Chairmanship
1	Shri M M Srivastava, IAS (Retd.)	Non Executive Chairman (GSPC ¹ Nominee)	2	0	0
2	Shri D J Pandian, IAS	Non Executive Director (GSPC ¹ Nominee)	15	2	1
3	Dr. Hasmukh Adhia, IAS	Non Executive Director (GSPC ¹ Nominee)	11	8	1
4	Dr. R Vaidyanathan	Independent Director	5	1	2
5	Prof. Yogesh Singh	Independent Director	1	1	0
6	Shri Yogesh B Sinha	Independent Director	2	2	1
7	Shri Tapan Ray, IAS	Managing Director (GSPC ¹ Nominee)	15	3	2

1. Gujarat State Petroleum Corporation Limited.

+ Membership excludes Chairmanship.

* Excluding Directorship held in Private Limited Companies, Foreign Companies and Section 25 Companies.

** Indicates Membership/Chairmanship in the Audit Committee and Shareholders'/Investors' Grievance Committee (excluding Private Limited Companies, Foreign Companies and Section 25 Companies).

++ None of the Directors of the Company are related inter-se.

B. Board Meetings held during the year 2013 - 2014:-

The Board meets at regular intervals to discuss and decide on various issues including strategy related matters pertaining to the business/ Company. The tentative calendar of Board Meeting is circulated to the Directors in advance to facilitate them and to ensure their active participation in the Meetings of the Company. Apart from this, the Meetings of the Board are also convened or the approval of the Board is obtained through circulation of resolution to all the Directors in case some urgent/special situation arises. Such circular resolution is also confirmed in the next Board Meeting.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to take informed decisions and to discharge its functions effectively. Where it is not practicable to attach the relevant information as a part of agenda papers, the same are tabled at the Meeting or / and the presentations are made by the concerned persons to the Board.



During the year 2013 - 2014, the Board met 7 (Seven) times. Details of these Meetings are as follows:-

Sr. No.	Date of Meeting
1	30 th May, 2013
2	13 th August, 2013
3	27 th September, 2013
4	18 th October, 2013
5	13 th November, 2013
6	10 th December, 2013
7	6 th February, 2014

C. Attendance of each Director at the Board Meetings during the year 2013 - 2014 and at last AGM was as follows:-

Sr. No.	Name of the Director	Number of Board Meetings held during their tenure as Director	Number of Board Meetings attended	Attendance at last AGM held on 27 th September, 2013
1	Shri M M Srivastava, IAS(Retd.)	7	7	Yes
2	Dr. Hasmukh Adhia, IAS	7	4	Yes
3	Shri D J Pandian, IAS	7	6	Yes
4	Shri N K Mitra (up to 7 th May, 2013)	NA	NA	NA
5	Dr. R Vaidyanathan	7	6	Yes
6	Prof. Yogesh Singh (w.e.f. 20 th May, 2013)	7	6	Yes
7	Shri Yogesh B Sinha (w.e.f. 27 th May, 2013)	7	3	Yes
8	Shri Tapan Ray, IAS	7	7	Yes

Note: 1) The Directors were granted the leave of absence for non attendance at the Meeting of the Board of Directors of the Company.

D. Information on Directors seeking Appointment / Reappointment at the ensuing Annual General Meeting:-

Brief resume of Director being appointed / reappointed at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of the other companies in which they hold Directorship are furnished hereunder:-

i) Shri D J Pandian, IAS

Shri D J Pandian, IAS holds degree in Master of Business Administration from Madras University. He is a senior IAS officer having administrative and corporate experience. Shri D J Pandian, IAS has worked on deputation with the World Bank in Washington, D.C. He was Director, External Commercial Borrowing, Ministry of Finance, Government of India from 1995 to 1997. In addition, Shri D J Pandian, IAS has also held various appointments in the Government of Gujarat. He previously headed Gujarat Lease Finance Limited from 1993 until 1994. Shri D J Pandian, IAS was Managing Director of GSPCL as well as GSPL from 2004 to 2009. Presently, he is Additional Chief Secretary, Energy & Petrochemicals Department, Government of Gujarat.

Shri D J Pandian, IAS holds Directorship in following other companies:

- | | |
|---|---|
| 1. Gujarat Urja Vikas Nigam Ltd. | 2. Gujarat State Electricity Corporation Limited |
| 3. Gujarat Energy Transmission Corporation Ltd. | 4. GSPC Pipavav Power Co. Ltd. |
| 5. Gujarat Industries Power Co. Ltd. | 6. GSPC Gas Co. Limited |
| 7. Gujarat Power Corporation Limited | 8. Baitarni West Coal Co. Ltd. |
| 9. Gujarat Narmada Valley Fertilizers & Chemicals Limited | 10. Gujarat State Fertilizers and Chemicals Limited |
| 11. Mahaguj Collieries Limited | 12. Gujarat State Petroleum Corporation Limited |
| 13. Gujarat Alkalies & Chemicals Limited | 14. Torrent Power Limited |

Shri D J Pandian, IAS does not hold any Shares of the Company. Further, he is not related to any Director of the Company.

ii) Dr. R Vaidyanathan

Dr. R Vaidyanathan is a Science Graduate from the Loyola College, Madras and has done Masters from the Indian Statistical Institute, Calcutta and has also obtained Fellow in Management (Doctorate) from the Indian Institute of Management, Calcutta. He is Professor of Finance and Control at the IIM, Bangalore and UTI Chair Professor in the area of Capital Markets. He was also a visiting Fulbright Fellow at the Georgia State University at Atlanta and International Insurance Foundation at Washington D. C. during 2003 and studied the Pension Systems in the USA. He has been appointed as a Trustee for the New Pension System by the Pension Fund Regulatory and Development Authority of India. He is known for his commendable contributions in the areas of Corporate Finance, Risk Management, Pensions, etc.

Dr. R Vaidyanathan holds Directorship in following other companies:

- | | |
|---|---|
| 1. General Optics (Asia) Limited | 2. Zee Entertainment Enterprises Limited |
| 3. Birla Sunlife Asset Management Company Limited | 4. Adhunik Cement Limited |
| 5. Conglome Technoconstructions Private Limited | 6. Shriram Land Development India Private Limited |

Dr. R Vaidyanathan does not hold any Shares of the Company. Further, he is not related to any Director of the Company.

iii) Prof. Yogesh Singh

Prof. Yogesh Singh holds M. Tech. and Ph. D (Computer Engineering) degrees from National Institute of Technology, Kurukshetra, Haryana. Presently, he is the Vice Chancellor, The Maharaja Sayajirao University of Baroda, Vadodara. Prof. Singh has a sustained track record of quality teaching, innovation and excellent research contributions in the field of Software Engineering. He has to his credit 285 publications in reputed National/International Journals and Conferences with 'h' index of 19 as reported by Google Scholar and produced 20 Ph. D scholars. He is an author of a book on 'Software Testing' which is published by Cambridge University Press, England. He is the Chairman of the Central Regional Committee, All India Council of Technical Education (AICTE), Bhopal, covering areas like Madhya Pradesh, Chhattisgarh and Gujarat.

Prof. Yogesh Singh does not hold Directorship in any other company.

Prof. Yogesh Singh does not hold any Shares of the Company. Further, he is not related to any Director of the Company.

iv) Shri Yogesh B Sinha

Shri Yogesh B Sinha holds M.Sc (Geology) degree from Lucknow University. He has over 41 years of experience in oil and gas exploration and development and LNG business. Shri Yogesh B Sinha was also Director (Exploration) of ONGC. He has also worked as Board member of Petronet LNG Limited and ONGC Videsh Limited from the year 2000 to 2005. Currently, he is an independent exploration and production consultant. He is also a member of the Board of Energy Institute, India and Energy Think Tank, India.

Shri Yogesh B Sinha holds Directorship in following other company:

1. Gujarat State Petroleum Corporation Limited

Shri Yogesh B Sinha does not hold any Shares of the Company. Further, he is not related to any Director of the Company.

v) Dr. Bakul Dholakia

Dr. Bakul Dholakia holds degree of M.A. (Economics), Gold Medalist and has done Ph.D. (Economics) from MS University, Baroda. Dr. Bakul Dholakia is currently the Director of Adani Institute of Infrastructure Management and advisor to Adani Group. He has 45 years of professional experience including 33 years at IIM, Ahmedabad. During the course of his long tenure at IIM Ahmedabad, Dr. Bakul Dholakia occupied the Reserve Bank of India Chair from 1992 to 1999, served as the Dean from 1998 to 2001 and as the Director of IIMA from 2002 to 2007. Dr. Dholakia was the Chairman of the National Board of Accreditation for Technical Education in India from 2005 to 2008. He has guided 20 Ph.D. students specializing in Economics, Finance, Business Policy and Public Systems. Dr. Dholakia is the author of 12 books, 28 monographs and more than 50 research papers published in professional journals in India & abroad. In 2007, Dr. Dholakia was awarded Padma Shri by the Government of India in recognition of his distinguished services in the field of education. In 2008, Dr. Dholakia was conferred the coveted Bharat Asmita National Award by the Honorable Chief Justice of India. Over the last two decades, Dr. Dholakia has worked on numerous government committees. He has also been a member of the jury for various Corporate Excellence Awards and Selection Committees for CEOs.

Dr. Bakul Dholakia holds Directorship in following other companies:

- | | |
|-------------------|--------------------------|
| 1. Ashima Limited | 2. Ashima Dyecot Limited |
| 3. Arvind Limited | 4. L&T Power |

Dr. Bakul Dholakia holds 3500 Shares of the Company. Further, he is not related to any Director of the Company.

vi) Smt. Vilasini Ramachandran, IAS (Retd.)

Smt. Vilasini Ramachandran, IAS (Retd.) served various departments in Govt. of Gujarat till 2008. Smt. Vilasini Ramachandran, IAS (Retd.) served as Additional Secretary and Financial Advisor in the Ministry of Civil Aviation in 2008 - 2009. She was Special Secretary (Expenditure) Ministry of Finance, Department of Expenditure. She has been Director of Air India Limited in 2008 - 2009. She served as a Director of Delhi Metro Rail Corporation Limited. She also served as Part-time Director of Airport Authority of India in 2008 - 2009. She retired as Secretary, Ministry of Drinking Water and Sanitation.

Smt. Vilasini Ramachandran, IAS (Retd.) does not hold Directorship in any other company.

Smt. Vilasini Ramachandran, IAS (Retd.) does not hold any Shares of the Company. Further, she is not related to any Director of the Company.

3. AUDIT COMMITTEE

The composition of the Audit Committee as on 31st March, 2014 is as follows:-

- | | |
|---------------------------|------------|
| 1. Dr. R Vaidyanathan | - Chairman |
| 2. Prof. Yogesh Singh | - Member |
| 3. Shri Yogesh B Sinha | - Member |
| 4. Dr. Hasmukh Adhia, IAS | - Member |

Ms. Reena Desai, Company Secretary acts as a Secretary to the Audit Committee.

Note: All the Members of the Audit Committee are Non - Executive Directors and at least two third are Independent Directors. The Chairman of the Audit Committee is an Independent Director and is having thorough financial and accounting knowledge.

The powers of the Audit Committee as conferred by the Board of Directors are:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the overview of the Company's financial reporting process and related disclosures to ensure that the financials are correct, sufficient and credible. The Committee will also undertake the review, with our management, of our annual and quarterly financial statements before submission to the Board for approval. The Committee shall also review the adequacy of our internal control systems, internal audit functions and discuss any significant findings of the internal auditors. The Committee shall also review the performance of statutory and internal auditors. The Committee shall also discuss with our statutory auditors prior to their commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. The Audit Committee shall examine the reasons for substantial defaults in the payments by the Company to depositors, debenture holders, shareholders (in case of non - payment of declared dividends) and creditors. The Committee shall also review the functioning of whistle blower mechanism as and when introduced by the Company. The Committee shall approve transactions of the Company with related parties, if any.

During the year 2013 - 2014, the Audit Committee met 4 (Four) times. Details of these Meetings are as follows:-

Sr. No.	Date of Meeting
1	30 th May, 2013
2	13 th August, 2013
3	13 th November, 2013
4	5 th March, 2014

The attendance of the Members at the Audit Committee Meetings during 2013 - 2014 was as follows:-

Sr. No.	Name of the Audit Committee Members	Number of Audit Committee Meetings held while holding the office	Number of Audit Committee Meetings attended
1	Dr. R Vaidyanathan	4	4
2	Prof. Yogesh Singh (w.e.f. 20 th May, 2013)	4	4
3	Shri Yogesh B Sinha (w.e.f. 13 th November, 2013)	1	1
4	Dr. Hasmukh Adhia, IAS	4	2

The Chairman of the Audit Committee remained present at the Annual General Meeting of the Company held on 27th September, 2013 to answer Shareholder queries.

4. REMUNERATION/SITTING FEES TO DIRECTORS

i) Remuneration to Directors:

The Company pays annual remuneration of approx ₹ 12.50 Lacs to Shri M M Srivastava, IAS (Retd.), Non - Executive Chairman pursuant to approval of Members at the 15th Annual General Meeting held on 27th September, 2013. Further, the Board of Directors of the Company has recommended payment of remuneration to Shri M M Srivastava, IAS (Retd.) w.e.f. 28th August, 2014 pursuant to Govt. of Gujarat Resolution dated 10th May, 2013 and letter dated 20th August, 2014 for approval of the Members at the ensuing Annual General Meeting under Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Listing Agreement of the Company. The total approx annual remuneration would be ₹ 12.50 Lacs.

ii) Sitting Fees to Directors:

The Sitting Fees paid to the Directors who are IAS Officers is deposited in government treasury. No Director is entitled to any benefit upon termination of his Directorship/Employment in the Company.

At present Company pays ₹ 5,000/- per Meeting as Sitting Fees to the Directors (except Managing Director) for attending Board/Committee Meeting.

During the year 2013 - 2014, the Company has paid ₹ 3,00,000/- in aggregate as Sitting Fees to its Directors.

Stock Options granted to Directors:-ESOP - 2005:

The Company has granted Stock Option to the Directors @ ₹ 14/- per Share under ESOP - 2005. These Options were scheduled to vest during the period from October, 2006 to October, 2009 and can be exercised within a period of 5 years from the date of vesting. While the Company has granted the Options, a Director may in his sole discretion, decide to accept or reject the said grant. None of the Directors have, so far, exercised their Options granted under the ESOP - 2005 till date.

ESOP - 2010:

Presently, the Company has not granted Stock Option to the Directors under ESOP - 2010.

Except Dr. Bakul Dholakia who holds 3500 Shares, no other Director holds any Share in the Company. Further, as disclosed to the Company, apart from Shri M M Srivastava, IAS (Retd.) who is in receipt of remuneration, none of the Non-executive Directors has any other pecuniary interest in the Company.

Terms of appointment of Managing Director:-

Shri Tapan Ray, IAS has been appointed as Managing Director of the Company w.e.f. 9th November, 2009 for a period of five years. Further, he does not receive Sitting Fees from the Company but is paid remuneration by Gujarat State Petroleum Corporation Limited as per the pay structure for Additional Chief Secretary level government officials. He will hold his office till further intimation by Gujarat State Petroleum Corporation Limited or for a period of five years from the date of his appointment, whichever is earlier.

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

The composition of the Shareholders/Investors Grievance Committee as on 31st March, 2014 is as follows:-

- | | |
|---|------------|
| 1. Dr. R Vaidyanathan (w.e.f. 28 th June, 2013) | - Chairman |
| 2. Shri Yogesh B Sinha (w.e.f. 28 th June, 2013) | - Member |
| 3. Shri D J Pandian, IAS | - Member |
| 4. Shri Tapan Ray, IAS | - Member |

The status of Shareholders complaint as on 31st March, 2014 is as follows:-

Particulars	Opening as on 1 st April, 2013	Received* during the Year	Disposed during the Year	Balance as on 31 st March, 2014
No. of Complaints	NIL	564	564	NIL

* The Complaints received were mainly in the nature of non receipt of Dividend Warrants, requests for duplicate/revalidation of Dividend Warrants, etc.

Number of complaints received during the year as a percentage of total number of Members as on 31st March, 2014 is 0.32%.

Company Secretary acts as Compliance Officer of the Company.

6. GENERAL BODY MEETINGS**A. Schedule of the last three Annual General Meetings of the Company is presented below:-**

Year	Date & Time of AGM	Venue	Special Resolutions passed
2012 - 2013	27 th September, 2013, 3.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	Approving payment of remuneration to Shri M M Srivastava, IAS (Retd.), Chairman w.e.f. 27 th August, 2012.
2011 - 2012	25 th September, 2012, 3.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	No
2010 - 2011	23 rd September, 2011, 4.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	No

B. Postal Ballot:

During the year, no resolution was passed through postal ballot. Further, the Company is examining the impact of Companies Act, 2013 and necessary resolutions, if required through E-voting/Postal Ballot, will be passed on need basis.

7. DISCLOSURES

There are certain transactions with related parties which have been disclosed at the relevant place in the notes to the Annual Accounts. No such related party transactions may have potential conflict with the interests of the Company at large.

There is no non compliance on any capital market related matter since the listing of Company's security on Stock Exchanges. Further, no penalty has been imposed either by SEBI or Stock Exchanges or any Statutory Authority on any capital market related matter.



8. MEANS OF COMMUNICATION

The Financial Results of the Company are normally published in one National news paper (English) and one Regional news paper. These results can also be viewed from the Company's website www.gujpetronet.com. Further, the Financial Results and other required filings of the Company can also be viewed on the website of The National Stock Exchange of India Limited (www.nseindia.com) and The Bombay Stock Exchange Limited (www.bseindia.com).

9. CODE OF CONDUCT

Code of Conduct for Directors and Senior Management:-

The Board of Directors of the Company has adopted a Code of Conduct and made it applicable to the Board Members and Senior Management of the Company. The same has also been posted on the website of the Company.

The Board and Senior Management of the Company have affirmed compliance with the Code. The declaration by CEO to this effect has been made elsewhere in this Annual Report.

Code of Conduct for Prevention of Insider Trading:-

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has adopted a Code of Conduct for Prevention of Insider Trading. Company Secretary acts as the Compliance Officer. This Code of Conduct is applicable to all Directors and such other Designated Employees of the Company who can have access to unpublished price sensitive information relating to the Company.

10. GENERAL SHAREHOLDERS INFORMATION

A. Schedule & Venue of the 16th Annual General Meeting of the Company:-

Date & Day : 25th September, 2014, Thursday
Time : 3.00 P.M.
Venue : Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan,
Sector - 11, Gandhinagar - 382010.

B. Financial Year and Calendar:-

The Financial Year of the Company starts on 1st April and ends on 31st March every Year.

Financial Calendar for 2014-2015 (Tentative Schedule) for adoption of quarterly results for:

Quarter ending 30 th June, 2014	7 th August, 2014
Quarter ending 30 th September, 2014	Before 14 th November, 2014
Quarter ending 31 st December, 2014	Before 14 th February, 2015
Quarter & Year ending 31 st March, 2015 (Audited)	Before 30 th May, 2015

C. Book Closure Date:-

Saturday, 20th September, 2014 to Thursday, 25th September, 2014 (both days inclusive).

D. Dividend Payment:-

The Dividend if approved by the Shareholders, will be paid on Tuesday, the 30th September, 2014.

Unclaimed Dividends/Shares

As per the provisions of the Companies Act, 1956, Dividend which remains unclaimed for a period of seven years is mandatorily required to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and thereafter cannot be claimed by the investors from the company.

The Company has transferred the Dividend amount of ₹ 6,41,589 in respect of the Financial Year 2005-2006 which remained unclaimed for seven years to IEPF established by the Central Government. The Unclaimed Dividend in respect of the Financial Year 2006 – 2007 and 2007 – 2008 is due for transfer to IEPF on 20th October, 2014 and 25th October, 2015 respectively. In view of this, the Members of the Company, who have not yet encashed their Dividend Warrant(s)/ claimed their Dividend(s) declared by the Company are requested to claim the same from the Company alongwith necessary documentary proof.

Further, in terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), your Company has uploaded the Unclaimed Dividend details in respect of the Dividends declared by the Company for the Financial Years 2006 - 2007 onwards on the Company's website www.gujpetronet.com under separate dedicated section 'Investors'. The said details of Unclaimed Dividend are updated by the Company on Company's Website on a Quarterly basis.

In accordance with Clause 5A of the Listing Agreement, there are 33391 Equity Shares (previous year: 33391 Equity Shares) of the face value of ₹ 10 each lying in the "GSPL Unclaimed Shares Demat Suspense Account" maintained by the Company. During the year, no shareholder had claimed the same from the Company. The voting rights on the Shares outstanding in the suspense account as on 31st March, 2014 shall remain frozen till the rightful owner of such Shares claims the Shares.

Due Dates for Transfer of Unclaimed Dividend to IEPF:

Year	Dividend rate per share (₹)	Date of Declaration of Dividend by the Shareholders in AGM	Unclaimed Dividend Amount (₹)	Due Date
2006 - 2007	0.50 (i.e. 5 %)	21 st September, 2007	601159	20 th October, 2014
2007 – 2008	0.50 (i.e. 5%)	26 th September, 2008	995809	25 th October, 2015
2008 – 2009	0.75 (i.e. 7.5%)	03 rd December, 2009	1427972	01 st January, 2016
2009 - 2010	1.00 (i.e. 10%)	21 st September, 2010	1149611	20 th October, 2017
2010 – 2011	1.00 (i.e. 10%)	23 rd September, 2011	886361	22 nd October, 2018
2011 - 2012	1.00 (i.e. 10%)	25 th September, 2012	1329078	24 th October, 2019

E. Listing on Stock Exchanges and Scrip Codes:-

Name of Stock Exchanges	Scrip Code
1. The Bombay Stock Exchange Limited (BSE)	532702
2. The National Stock Exchange of India Limited (NSE)	GSPL

The Company has also entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN no. for Company's securities is INE246F01010.

Note:

1. The necessary listing fees for the year 2014 - 2015 has already been paid to both the Stock Exchanges.

F. Stock Market Data:-

Market Price Data in BSE and NSE is as follows:

Month	BSE Sensex		Company's Share price on BSE		NSE Nifty		Company's Share price on NSE	
	High	Low	High	Low	High	Low	High	Low
April 2013	19622.68	18144.22	73.15	65.70	5962.30	5477.20	73.20	65.65
May	20443.62	19451.26	68.00	57.25	6229.45	5910.95	68.00	57.10
June	19860.19	18467.16	59.75	50.15	6011.00	5566.25	59.60	50.15
July	20351.06	19126.82	60.50	46.90	6093.35	5675.75	60.40	46.55
August	19569.20	17448.71	58.40	47.40	5808.50	5118.85	59.00	47.05
September	20739.69	18166.17	55.90	48.65	6142.50	5318.90	56.40	48.65
October	21205.44	19264.72	59.80	53.10	6309.05	5700.95	59.80	53.00
November	21321.53	20137.67	63.75	55.10	6342.95	5972.45	63.90	55.30
December	21483.74	20568.70	64.75	56.15	6415.25	6129.95	64.90	56.00
January 2014	21409.66	20343.78	61.75	54.20	6358.30	6027.25	61.75	54.30
February	21140.51	19963.12	61.50	54.25	6282.70	5933.30	61.80	54.25
March	22467.21	20920.98	69.80	56.50	6730.05	6212.25	69.95	57.05

G. Registrar and Transfer Agent and Share Transfer System:-

The Company has appointed M/s. Karvy Computershare Private Limited as the Registrar and Share Transfer Agent of the Company for both Physical as well as Demat mode.

The Company has entrusted the M/s. Karvy Computershare Private Limited with the responsibility of ensuring effective resolution and disposal of all kinds of investor grievances such as Demat, Remat, non receipt of Dividend, etc.

Investors may contact our Registrar and Share Transfer Agent at the following address for their queries:-

M/s. Karvy Computershare Private Limited
 Plot No 17-24, Vittal Rao Nagar, Madhapur,
 Hyderabad-500 081, Andhra Pradesh, India
 Tel: +91-40-23420815 to 818 | Fax: +91-40-23420814
 Email: mailmanager@karvy.com
 Website: www.karvycomputershare.com
 Contact person: Mr. Srikrishna Pemmaraju

**H. Distribution of Shareholding:-**

Distribution of Shareholding as on 31st March, 2014 is given below:

Category (Amount of Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	159669	90.46	29540196	5.25
5001-10000	9839	5.57	7853566	1.40
10001-20000	3850	2.19	5832330	1.04
20001-30000	1084	0.61	2785981	0.50
30001-40000	481	0.27	1733179	0.31
40001-50000	455	0.26	2163738	0.38
50001-100000	599	0.34	4409058	0.78
100001 & above	524	0.30	508420647	90.34
Total	176501	100	562738695	100

I. Dematerialization of Shares and its liquidity:-

508765052 Equity Shares representing 90.41% of the total Equity Shares of the Company are held in Dematerialized Form and balance 53973643 Equity Shares representing 9.59% are in Physical Form as on 31st March, 2014.

J. Plant Locations:-

The Company is developing Pipeline infrastructure for transportation of gas. Presently, the Company has commissioned Pipeline projects covering various locations in the State of Gujarat. The required details of these locations are specified in Directors' Report which forms part of this Annual Report.

K. Address for correspondence with the Company:-

The address for correspondence with the Company is given below:-

Gujarat State Petronet Limited,
GSPC Bhavan, 7th Floor, Sector - 11, Gandhinagar-382 010
Ph.: +91-79-66701001 | Fax: +91-79-23236477
Web-site: www.gujpetronet.com | Email: investors.gspl@gspc.in

L. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversions date and likely impact on Equity:-

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

M. Adoption of Non - Mandatory Requirements of Clause 49 of the Listing Agreement:-

The Company has not adopted non - mandatory requirements of Clause 49 of the Listing Agreement.

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date: 25th August, 2014
Place: Gandhinagar

CEO & CFO CERTIFICATION

We hereby certify that:-

- a. We have reviewed audited financial results for the quarter and year ended on 31st March, 2014 and that to the best of our knowledge and belief:
 - i. these audited financial results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the period under review are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in internal control over financial reporting during the period under review;
 - ii. there are no significant changes in accounting policies during the period under review; and
 - iii. there are no instances of any fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

We further declare that all the Board Members and Senior Management have affirmed with the Code of Conduct for the current year.

Manish Seth
GM (Finance)

Date: 22nd May, 2014
Place: Gandhinagar

Tapan Ray, IAS
Managing Director



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members
GUJARAT STATE PETRONET LIMITED
GSPC Bhavan, Sector - 11,
Gandhinagar - 382 010

We have examined all relevant records of Gujarat State Petronet Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the Financial Year ended 31st March, 2014. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company i.e. Gujarat State Petronet Limited has complied with all the mandatory conditions of the said Clause - 49 of the Listing Agreement except the following:

The composition of the Board of Directors of the Company was not as per the stipulation regarding the number of Independent Directors as the number of Independent Directors had fallen below one - half due to resignation of one Independent Director Shri N K Mitra on 7th May, 2013 as the Company has not appointed Independent Director in place of the outgoing Independent Director within 180 days. Subsequently, the Company has recommended appointment of Dr. Bakul Dholakia as an Independent Director in place of outgoing Independent Director.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MANOJ HURKAT & ASSOCIATES**
Company Secretaries

Manoj R Hurkat
Proprietor

Date: 25th August, 2014
Place: Ahmedabad

Membership No.: FCS 4287
Certificate of Practice No.: CP - 2574

Annexure - III

DISCLOSURE REGARDING GSPL EMPLOYEES STOCK OPTION PLAN-2005

	Description	2013-2014		2012-2013	
		ESOP - 2005 Part - I	ESOP - 2005 Part - II	ESOP - 2005 Part - I	ESOP - 2005 Part - II
A	Total Options granted by the Compensation Committee on 18 th October, 2005	764000 (of which 295000 Options granted to Employees of the Company and 469000 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))	1563940 (of which 593640 Options granted to Employees of the Company and 970300 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))	764000 (of which 295000 Options granted to Employees of the Company and 469000 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))	1563940 (of which 593640 Options granted to Employees of the Company and 970300 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))
B	Options granted during the year	Nil	Nil	Nil	Nil
C	Exercise Price (Note 1)	₹ 14/-	₹ 14/-	₹ 14/-	₹ 14/-
D	Total Option vested during the year (Note 2)	Nil	1865	Nil	6448.25
	Cumulative Option vested up to the respective Financial Year	764000	1372344.75	764000	1370479.75
E	Total Options exercised during the respective Financial Year	1000	28862	Nil	19706
	Cumulative Option exercised up to the respective Financial Year	669000	1076274	668000	1047412
F	Total number of Shares arising as a result of exercise of Options during the respective Financial Year	1000	28862	Nil	19706
	Cumulative number of Shares arising as a result of exercise of Options up to the respective Financial Year	669000	1076274	668000	1047412
G	Total Option lapsed/cancelled during the year (Note 3)	Nil	8401.5	Nil	16816
	Cumulative Option lapsed/cancelled up to the respective Financial Year (Note 4)	95000	459936.5	95000	451535
H	Money realized by exercise of Options during the respective Financial Year	14000	404068	Nil	275884
I	Total number of Options in force as on 31 st March of the respective Financial Year	Nil	27729.5	1000	64993
J	Variation in terms of Options	Nil	Nil	Nil	Nil
K	Diluted Earning Per Share (EPS) pursuant to issue of Shares on exercise of Option	7.45	7.45	9.56	9.56



L	Person-wise details of Options granted to:				
	1. Key managerial employees (please see note 5 below for details of Options granted to key managerial employees)	Note 5	Note 5	Note 5	Note 5
	2. Any other employee who received a grant in any one year of Options amounting to 5% or more of Option granted during that year	N.A.	N.A.	N.A.	N.A.
	3. Identified employees who are granted Options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A.	N.A.	N.A.	N.A.
M	Vesting schedule	Note 6	Note 6	Note 6	Note 6
N	Lock-in	N.A.	N.A.	N.A.	N.A.
O	Method and assumptions for estimation of the fair value of the Options	N.A.	N.A.	N.A.	N.A.
	Price of the underlying Shares in the market at the time of grant of Option	N.A.	N.A.	N.A.	N.A.

Note: 1

The exercise is based on the valuation report of an independent Chartered Accountant. The said valuation report indicated value of ₹ 12.50 per Equity Share. However, the Board of Directors of the Company decided to keep the price slightly higher than that price and finalized it at ₹ 14.00 per Equity Share. Further, the ESOP - 2005 was approved by the Board at its meeting held on 13th October, 2005 prior to listing of Shares of the Company.

Note: 2

The Options have been vested out of the fresh Options granted on 1st July, 2010 by the Compensation Committee of the Company in accordance with the ESOP - 2005.

Note: 3

Options which have lapsed / cancelled before getting vested on account of retirement / resignation etc. of employees are included in "Total Options lapsed / cancelled during the year".

Note: 4

Details of Cumulative Options lapsed/cancelled up to the respective financial year are as under:

	Description	2013 - 14		2012 - 13	
		ESOP - 2005 Part - I	ESOP - 2005 Part - II	ESOP - 2005 Part - I	ESOP - 2005 Part - II
A	Options lapsed/cancelled at the beginning of the respective Financial Year	95000	451535	95000	434719
B	Less: Reversal effect for Options lapsed in earlier years	Nil	Nil	Nil	Nil
C	Less: Grant of Options during the respective Financial Year out of A above	Nil	Nil	Nil	Nil
D	Add: Options lapsed during the year	Nil	8401.5	Nil	16816
E	Total Options lapsed/cancelled as on 31st March of the respective Financial Year (A-B-C+D)	95000	459936.5	95000	451535

Note: 5

Name of Senior Managerial Personnel* (as on 31 st March, 2014)	Number of Options granted / exercisable
Mr. Vinay Kumar	24630
Mr. Ravindra Agrawal	22410
Mr. Manish Seth	17640
Mr. N Bose Babu	17640
Mr. Pramod Yenge	17500
Mr. Sanjay Sengupta	17500
Mr. Rajesh Suhane	15500

**None of the Directors have exercised Options granted under the ESOP - 2005 till date.*

Note: 6**Vesting Schedule**

Grant date	Total Options granted for vesting (see Note iv)	Vesting Period
Part - I (See Note i)		
18 th October, 2005	764000	1 year
19 th June, 2008 (see Note iii)	17000	1 year
1 st July, 2010 (see Note iii)	2000	1 year
Part - II (See Note ii)		
18 th October, 2005	1563940	4 years
19 th June, 2008 (see Note iii)	41995	4 years
1 st July, 2010 (see Note iii)	7460	4 years
Note i: Options are vested at the end of 1 st year from the date of grant of the Option.		
Note ii: Options are vested equally over 4 consecutive years from the expiry of one year from the date of grant of Option.		
Note iii: Grant of Options was made out of lapsed / cancelled Options.		
Note iv: No. of Options vested may differ due to Options cancelled before vesting due to resignation/termination of the employees.		

Note: 7

The number of Options exercised during the previous year has been restated between the schemes, wherever necessary.

Annexure - IV

DISCLOSURE REGARDING GSPL EMPLOYEES STOCK OPTION PLAN - 2010 (ESOP - 2010)

	Description	2013 - 2014		2012 - 2013	
		Type A	Type B	Type A	Type B
A	Total Options granted during the year by the Compensation Committee on 27 th October, 2010	Nil	Nil	Nil	Nil
B	Exercise Price per Option (in ₹) (Note1)	75	75	75	75
C	Total Option vested during the year	289940	6032	288516	5161
	Cumulative Option vested up to the respective Financial Year	787969	11193	498029	5161
D	Total Options exercised during the respective Financial Year	Nil	Nil	Nil	Nil
	Cumulative Option exercised up to the respective Financial Year	12151	Nil	12151	Nil
E	Total number of Shares arising as a result of exercise of Options during the respective Financial Year	Nil	Nil	Nil	Nil
	Cumulative number of Shares arising as a result of exercise of Options up to the respective Financial Year	12151	Nil	12151	Nil
F	Total Option lapsed/cancelled during the year (Note 2)	94066	17645	147155	9699
	Cumulative Option lapsed/cancelled up to the respective Financial Year (Note 3)	308271	43224	214205	25579
G	Money realized by exercise of Options during the respective Financial Year	Nil	Nil	Nil	Nil
H	Total number of Options in force as on 31 st March of the respective Financial Year	1718323	46956	1812389	64601
I	Variation in terms of Options	Nil	Nil	Nil	Nil
J	Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of Option (in ₹)	7.45	7.45	9.56	9.56
K	Person-wise details of Options granted to:				
	1. Key managerial employees (please see note 4 below for details of Options granted to key managerial employees)	Note 4	Note 4	Note 4	Note 4
	2. Any other employee who received a grant in any one year of Options amounting to 5% or more of Option granted during that year.	N.A.	N.A.	N.A.	N.A.
	3. Identified employees who are granted Options during any one year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A.	N.A.	N.A.	N.A.
L	Vesting Schedule	Note 5	Note 5	Note 5	Note 5
M	Lock-in	N.A.	N.A.	N.A.	N.A.
N	Method and assumptions for estimation of the fair value of the Options	Note 6	Note 6	Note 6	Note 6
	Price of the underlying Shares in the market at the time of grant of Option (in ₹)	118.05 (NSE)	118.05 (NSE)	118.05 (NSE)	118.05 (NSE)

Note: 1

The exercise price of the Option (i.e. the price to be paid by the employee to purchase one Equity Share of the Company) shall be a price that is not less than the face value per Share. Further, the exercise price shall be based upon the recommendation of the Compensation Committee.

Note: 2

ESOPs which have lapsed / cancelled before getting vested on account of retirement / resignation etc. of employees are included in "Total Options Lapsed / Cancelled during the year".

Note: 3

Details of Cumulative Options lapsed/cancelled up to the respective Financial Year are as under:

	Description	2013-2014		2012-2013	
		Type A	Type B	Type A	Type B
A	Options lapsed/cancelled at the beginning of the respective Financial Year	214205	25579	67050	15880
B	Less: Grant of Options during the respective Financial Year out of A above	Nil	Nil	Nil	Nil
C	Add: Options lapsed during the year	94066	17645	147155	9699
D	Total Options lapsed/cancelled as on 31st March of the respective Financial Year (A-B+C)	308271	43224	214205	25579

Note: 4

Number of Equity Share of ₹ 10 each issuable upon exercise of Options.

Name of Senior Managerial Personnel* (as on 31 st March, 2014)	Number of Options granted / exercisable
Senior Managerial Personnel#	
Mr. Vinay Kumar	64535
Mr. Ravindra Agrawal	64535
Mr. Manish Seth	44035
Mr. N Bose Babu	64535
Mr. Sanjay Sengupta	35035
Mr. Subhasish Majumdar	28535

**None of the Directors have been granted Options under the ESOP- 2010 till date.*

#Options are granted under category Type-A of GSPL ESOP - 2010.

Note: 5

Vesting Schedule

ESOP - 2010	Grant date	No. of Options granted	Vesting Period	Vesting Schedule from date of grant	No. of Options vested
Type A	27 th October, 2010	2038745	5 years	10% – 20% – 20% – 25% – 25%	787969
Type B	27 th October, 2010	90180	5 years	0% – 20% – 20% – 25% – 35%	11193

Note: 6

The Company has calculated the employee compensation cost using the intrinsic value of stock Options. Had the fair value method been used, in respect of stock Options granted under ESOP - 2010, the employee compensation cost would have been higher by ₹ 48.75 Lacs, Profit After Tax lower by ₹ 48.75 Lacs and the basic and Diluted Earnings Per Share would have been lower by ₹ 0.01 and ₹ 0.01 respectively.

Disclosure related to Options whose exercise price either equals or exceeds or is less than the market price of the stock.

Particulars: ESOP - 2010	Option Grant Date	Exercise Price (₹)	Fair Value (₹)
Type A	27 th October, 2010	75.00	72.42
Type B	27 th October, 2010	75.00	73.72

Fair Value:

The fair value of the Options granted has been estimated using the Binomial Option Pricing Model. The fair value of each award has been determined based on different expected lives of the Options that vest each year, as if the award were several separate awards, each with a different vesting date. For this purpose, the model has taken into account the vesting period, the total life of the Option (from date of grant to the last exercise date) and early exercise multiple for each such award. The assumptions used in the estimation of the same have been detailed below:



Particulars	ESOP - 2010 – Type A and Type B				
	Vest 1 27 th October, 2011	Vest 2 27 th October, 2012	Vest 3 27 th October, 2013	Vest 4 27 th October, 2014	Vest 5 27 th October, 2015
Equity Share Price	118.05	118.05	118.05	118.05	118.05
Exercise Price	75.00	75.00	75.00	75.00	75.00
Volatility	44.09%	45.35%	46.75%	43.48%	45.62%
Risk-Free Rate of Return	8.07%	8.04%	8.01%	7.93%	7.85%
Dividend Yield	1.86%	1.58%	1.28%	1.15%	1.05%
Early Exercise Multiple	2.25	2.25	2.25	2.25	2.25
Expected Time to Exercise Assuming Option Vests	4.62	5.49	6.27	6.88	7.58

Equity Share Price: Closing price on NSE as on the date of grant has been considered for valuing the grants.

Exercise Price: The exercise price of the Option (i.e. the price to be paid by the employee to purchase one Equity Share of the Company) shall be a price that is not less than the face value per Share. Further, the exercise price shall be based upon the recommendation of the Compensation Committee from time to time.

Volatility: We have considered the historical volatility of the stock of a listed peer till the date of grant of Option to calculate the fair value, as the Company's own stock does not have a sufficiently long history of traded stock.

Risk-Free Rate of Return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options based on the zero-coupon yield curve for Government Securities.

Dividend Yield: Expected dividend yield has been calculated based on the historical dividend yield of the Company and the peer group entities.

Early Exercise Multiple: Assumes that early exercise happens when the Stock Price is a certain multiple of the Exercise Price. Assumptions are considering the fact that the Employee Stock Options have been granted to different categories of employees and the expected Option life is 10 years.

Annexure - V

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GUJARAT STATE PETRONET LIMITED, GANDHINAGAR FOR THE YEAR ENDED 31ST MARCH, 2014.

The preparation of Financial Statements of Gujarat State Petronet Limited for the year ended 31st March, 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 of responsibility of the Management of the Company. The Statutory Auditor appointed by Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on this financial statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 22nd May, 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the Financial Statements of Gujarat State Petronet Limited for the year ended 31st March, 2014. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619 (4) of the Companies Act, 1956.

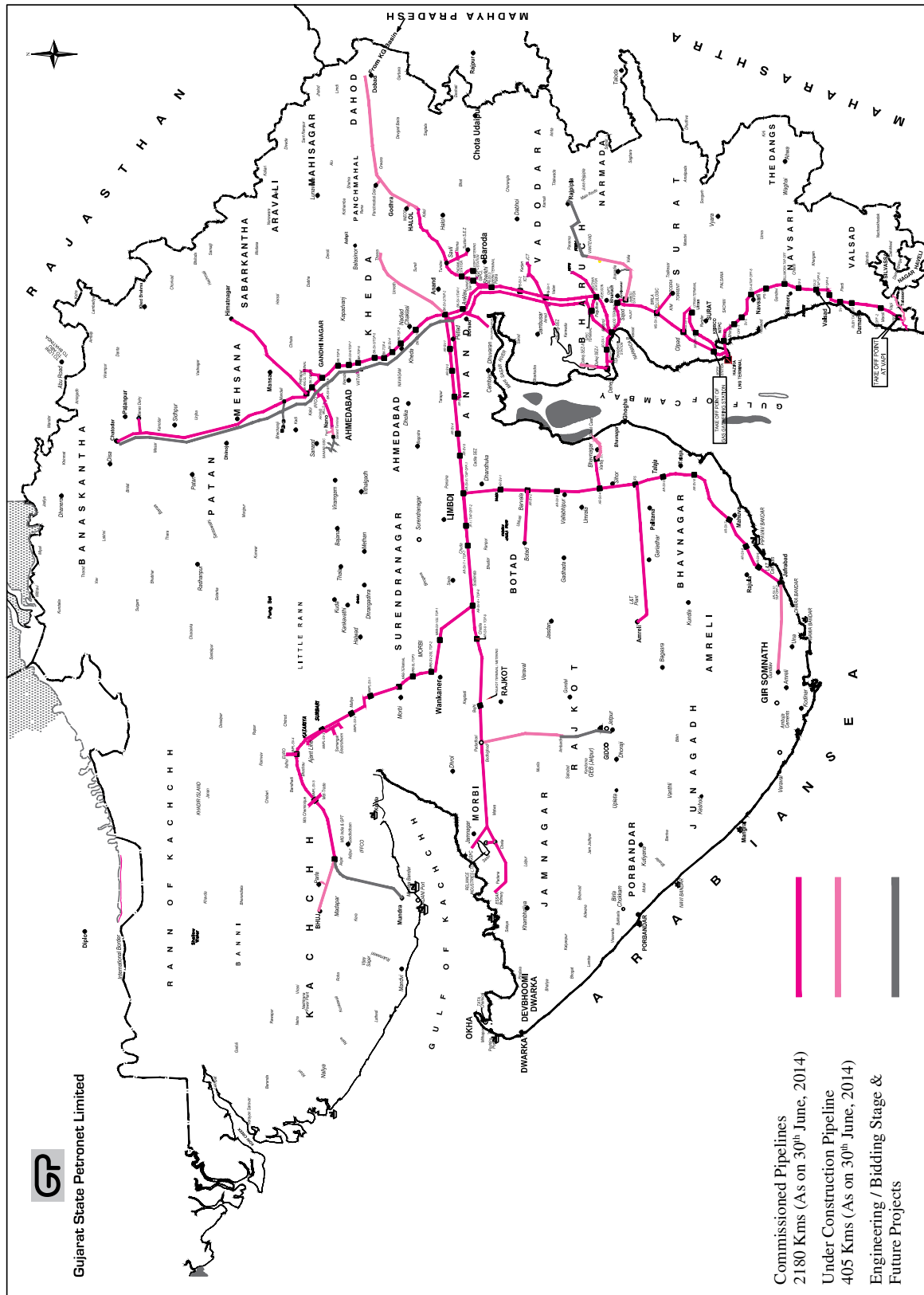
**For and on behalf of the
Comptroller & Auditor General of India**

(H.K. Dharmadarshi)
Accountant General
(E & RSA), Gujarat

Place: Ahmedabad
Date: 24th July, 2014

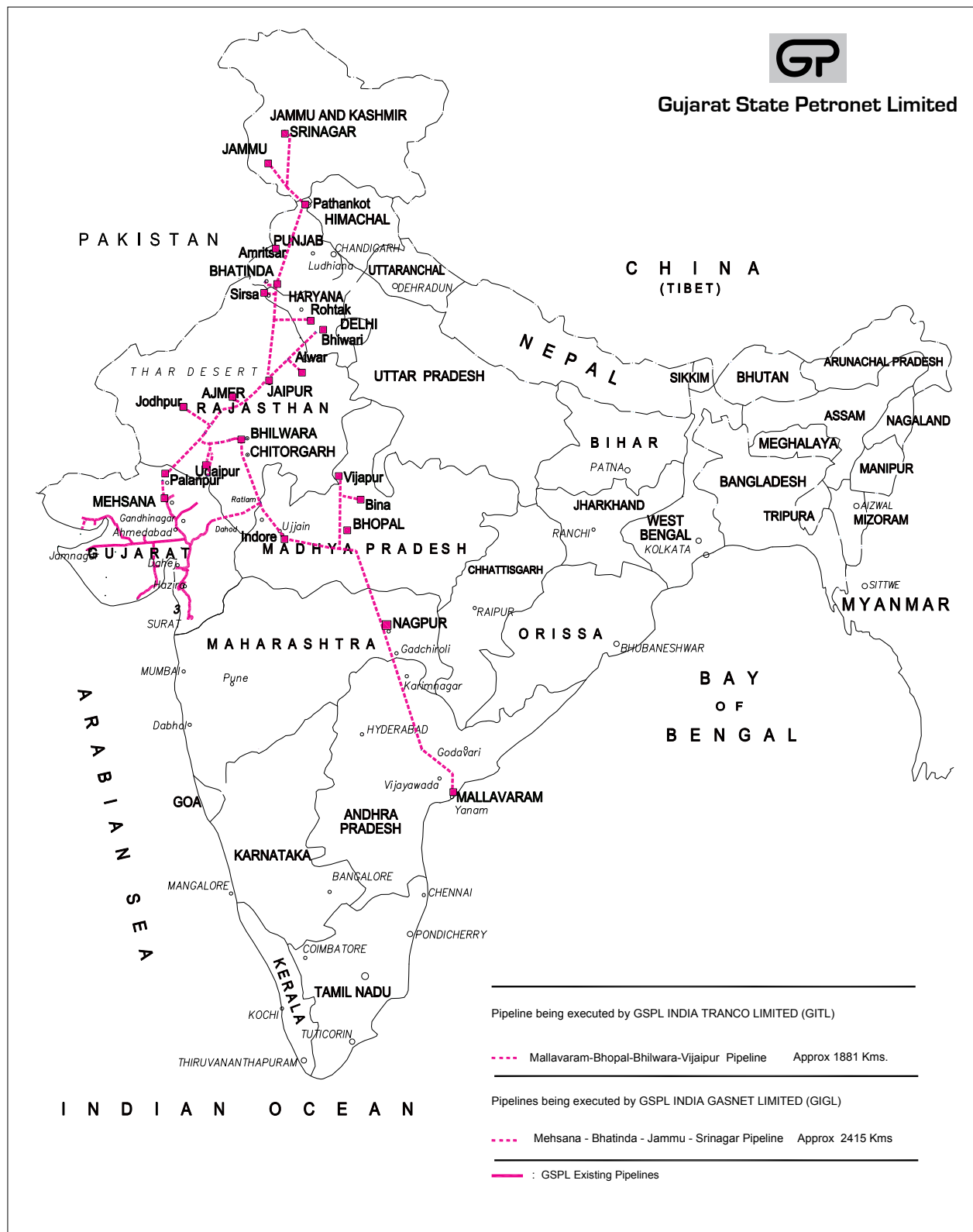


Annexure - VI GSPL Gas Grid Map



Annexure - VII

Cross Country Natural Gas Transmission Pipelines to be implemented by GIGL / GITL





INDEPENDENT AUDITOR'S REPORT

To,
The Members
Gujarat State Petronet Limited
Gandhinagar

Report on the Financial Statements

We have audited the accompanying financial statements of GUJARAT STATE PETRONET LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, 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

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the Financial Statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have 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 account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. As the Company is a Government Company, in terms of notification no. G.S.R. 829(E) dated 21st October, 2003, issued by Department of Company Affairs, Ministry of Finance, the clause (g) of subsection(1) of section 274 of the Companies Act, 1956 is not applicable
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under Section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No. 081535

Place: Ahmedabad
Date : 22nd May, 2014

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 3 of our report of even date on this statements of Account of Gujarat State Petronet Limited as at and for the year ended 31st March, 2014:

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

1. In respect of Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) The Company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
2. In respect of Inventories :
 - (a) As explained to us, inventories were physically verified during the year by the management and the firm of Chartered Accountant at the end of the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventory. Discrepancies noticed on physical verification between physical stock records were not material and have been adequately dealt within the books of accounts.
3. The companies has neither granted nor taken any loans from companies, firms or other parties listed in the register maintained under section 301 of the companies Act 1956 or to a company under the same management. Therefore requirement of sub clause (b), (c), (d) and (f) of clause (iii) of the order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
5. There are no transactions that need to be entered into register in pursuance of section 301 of the Act. Therefore requirement of sub-clause (b) of clause (v) of the order is not applicable to the company.
6. The Company has not accepted any deposit from the public pursuant to sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and rules framed there under. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
7. Internal Audit of the Company is entrusted to KPMG. The system is commensurate with the size and nature of activities of the company.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government of India for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
9. In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable.
 - (b) The details of Service Tax and Income Tax not deposited on account of dispute are as per note no.25 of Notes to Accounts.

10. The company has been registered for a period for more than 5 years and it has no accumulated loss at the end of the financial year and it has not incurred cash losses in the current financial year and also in the immediately preceding financial year. Therefore the requirement of clause (x) of the paragraph 4 of the Order is not applicable to the company.
11. According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in payment of dues to the Financial Institution or Banks.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund / Nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments as such provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. As per the information and explanation given to us, the company has given corporate guarantee executed jointly & severally along with GSPC Gas Company Limited "an associate" amounting to ₹ 50000.00 Lakhs in favour of IDBI Trustship Services Limited "Debenture Trustee of GSPC Distribution Network Limited".
16. According to the information and explanations and certificate in this regard given to us, term loan were applied by the company for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. During the year, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. On the basis of the records and documents examined by us, the Company has not issued any debentures and therefore requirement of clause (xix) of the order is not applicable of the company.
20. During the period under audit, Company has not raised any money by way of public issue and therefore the requirement of clause (xx) of paragraph 4 of the order is not applicable to the company.
21. According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No. 081535

Place: Ahmedabad
Date : 22nd May, 2014



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Notes	As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	56,273.87	56,270.88
Reserves and Surplus	4	273,209.17	237,786.90
		329,483.04	294,057.78
Non-Current Liabilities			
Long-Term Borrowings	5	103,650.63	133,886.99
Deferred Tax Liabilities (Net)	6	42,024.66	38,668.95
Other Long-Term Liabilities	7	2,395.67	1,785.21
Long-Term Provisions	8	416.87	416.51
		148,487.83	174,757.66
Current Liabilities			
Trade Payables	9	1,515.20	1,096.33
Other Current Liabilities	10	54,061.83	48,737.55
Short-Term Provisions	8	6,730.48	6,693.89
		62,307.51	56,527.77
TOTAL		540,278.38	525,343.21
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	302,172.15	312,373.95
Intangible Assets	11	13,761.88	12,776.26
Capital Work-In-Progress	11	65,610.45	52,602.09
Non-Current Investments	12	58,497.07	17,402.08
Long-Term Loans and Advances	13	13,548.93	7,269.14
Other Non-Current Assets	14	73.16	894.90
		453,663.64	403,318.42
Current Assets			
Inventories	15	6,941.29	7,715.11
Trade Receivables	16	24,901.31	25,410.01
Cash and Bank Balances	17	49,921.85	85,305.60
Short Term Loans and Advances	13	3,392.34	2,035.82
Other Current Assets	14	1,457.95	1,558.25
		86,614.74	122,024.79
TOTAL		540,278.38	525,343.21
Significant Accounting Policies	2.1		

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 st March, 2014	For the Year ended 31 st March, 2013
INCOME :			
Revenue from Operations	18	105,069.23	117,320.05
Other Income	19	5,518.51	6,604.46
Total Revenue (A)		110,587.74	123,924.51
EXPENSES :			
Employee Benefit Expenses	20	2,871.17	2,471.01
Other Expenses	21	9,310.19	7,651.73
Total Expenses (B)		12,181.36	10,122.74
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (A)-(B)		98,406.38	113,801.77
Depreciation and Amortisation Expenses	22	18,387.02	18,610.84
Finance Costs	23	14,184.77	12,625.60
Profit/(Loss) Before Adjustment		65,834.59	82,565.33
Prior Period Adjustments		5.09	(5.20)
Profit/(Loss) Before Tax		65,829.50	82,570.53
Tax Expenses			
Current tax		20,531.30	22,463.72
(Excess)/Short Provision of Tax - Earlier Years		27.72	62.75
Deferred Tax		3,355.70	6,231.80
Profit After Tax carried to Balance Sheet		41,914.78	53,812.26
Earning Per Equity Share (EPS) (Face Value of Share ₹ 10)			
Basic (₹)		7.45	9.56
Diluted (₹)		7.45	9.56
Significant Accounting Policies	2.1		

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ in Lacs)

Particulars	2013-2014	2012-2013
A Cash Flow from Operating Activities		
Profit Before Taxes	65,829.50	82,570.53
<u>Adjustments for:</u>		
Depreciation & Amortisation	18,387.02	18,610.84
ESOP Compensation Expense	90.29	158.46
Provision for Doubtful Debts	261.29	-
Wealth Tax	10.63	8.24
(Profit)/Loss on Sale/Retirement of Assets	3.61	(0.04)
Loss on Retirement of Assets	13.67	3.16
Dividend Income	(246.37)	(257.92)
Interest Income	(4,657.89)	(6,001.18)
Finance Cost	14,184.77	12,625.60
Operating Profit before Working Capital Changes	93,876.52	107,717.69
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	773.82	(1,096.74)
(Increase)/Decrease in Trade Receivable	247.41	(17,266.42)
(Increase)/Decrease in Loans, Advances & Other Current Assets	(6,315.15)	147.31
Increase/(Decrease) in Trade Payable, Other Current Liability & Provisions	(4,004.52)	1,767.28
Increase/(Decrease) in Other Long Term Liability	610.46	456.18
Cash generated from Operations	85,188.54	91,725.30
Taxes paid	(20,680.14)	(22,460.46)
Net Cash Flow from Operating Activities (A)	64,508.40	69,264.84
B Cash Flow from Investing Activities		
(Increase) / Decrease in Investment	(41,094.99)	(3,000.00)
Interest Received	4,914.51	5,708.46
Dividend Received	246.37	257.92
Changes in earmarked Fixed Deposits & Current Account	(4,719.63)	2,456.71
Proceeds from Sale of Assets	74.45	11.08
Acquisition of Fixed Assets and Change in Capital Work in Progress	(24,013.07)	(38,221.58)
Net Cash Flow from Investing Activities (B)	(64,592.36)	(32,787.41)
C Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital including Share Premium	4.18	2.76
Increase/ (Decrease) in Borrowing	(18,084.87)	21,382.32
Dividend (Including Corporate Dividend Tax) paid	(6,583.64)	(6,539.83)
Interest & Financial Charges paid	(16,008.88)	(14,940.05)
Net Cash Flow from Financing Activities (C)	(40,673.21)	(94.80)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	(40,757.17)	36,382.63
Cash and Cash Equivalents at the beginning of the period	49,776.20	13,393.57
Cash and Cash Equivalents at the end of the period	9,019.03	49,776.20

Notes to Cash Flow Statement

1 Cash and Cash Equivalent includes-

Cash and Cheques on Hand	1.82	2.70
Balances with Scheduled Banks		
– in Current Accounts	2,426.80	2,273.50
– in Deposit Accounts	6,590.40	47,500.00
	9,019.03	49,776.20

2 Previous period's figures have been rearranged/regrouped wherever necessary.

As per our Report of even date attached

For RMA & Associates

Chartered Accountants

Firm Regn. No. 000978N

Deepak Gupta

Partner

Membership No.081535

Place : Ahmedabad

Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)

Chairman

Manish Seth

GM (Finance)

Tapan Ray, IAS

Managing Director

Reena Desai

Company Secretary

Place : Gandhinagar

Date : 22nd May, 2014

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

1 CORPORATE INFORMATION

Gujarat State Petronet Limited (GSPL) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GSPL is a Government Company u/s 617 of Companies Act. Its shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited in India. The Company is primarily engaged in transmission of natural gas through pipeline on an open access basis from supply points to demand centres. The Company also sells electricity generated through Windmills.

2 BASIS OF PREPARATION

- (i) The Financial Statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956 including Accounting standards notified there under.
- (ii) The preparation of Financial Statements requires management to make certain judgments, estimates and assumptions that affect the amounts reported in the Financial Statements and notes thereto. Management believes these assumptions are reasonable and prudent.

2.1 Significant Accounting Policies

(a) Fixed Assets and Capital Work in Progress

Fixed Assets are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any.

The Company capitalises all directly attributable cost including borrowing cost of bringing the asset to its working condition for the intended use.

Capital Work-In-Progress includes expenditure incurred on assets, which are yet to be commissioned and project inventory.

All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective fixed assets.

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation, if any.

Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the Gas Pipeline Network and expenditure incurred on software. The Company capitalizes software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets".

(c) Depreciation and Amortisation

Depreciation on Fixed Assets is provided on Written Down Value method (WDV) at the rates prescribed in Schedule XIV to the Companies Act, 1956 except, on Fixed Assets pertaining to gas transmission pipeline(s), where depreciation is provided at 3.17% on Straight Line Method (SLM) in terms of approval from Ministry of Corporate Affairs vide its letter no. 45/2/2011-CL-III dated 13th May, 2011.

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Assets costing up to ₹ 5,000/- are depreciated fully in the year of purchase / capitalization.

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

In case of Intangible Assets, software is amortized at 40% on Written Down Value Method, whereas the cost incurred on 'Right of Use and Right of Way on land' is not amortized but is tested for impairment on periodic basis.

(d) Investment

Long Term Investments are stated at cost. Provision for diminution in the value of Long-Term Investments is made only if such a decline is other than temporary.

Current Investments are carried at lower of cost or quoted/fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit & Loss.

(e) Inventory

Inventories including project inventory, stock of stores, spares, consumables and line pack gas not meant for sale in ordinary course of business are valued at moving average cost.

(f) Employee Benefits

Employees Benefits are provided in the books as per Accounting Standard -15 “Employee Benefits” (revised 2005) as under:

The Company has participated in- Group Gratuity Scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits being defined benefit schemes, payable in future, are determined by actuarial valuation carried out using projected unit credit method as on the Balance Sheet date and actuarial gains/(losses) after adjustment of planned assets are charged to the statement of Profit & Loss for the year. Moreover, the liability in respect of leave encashment being defined benefit schemes, payable in future, are also determined by actuarial valuation carried out using projected unit credit method as on the balance sheet date and actuarial gains/(losses) are charged to the Statement of Profit & Loss for the year.

Retirement Benefits in the form of provident fund and defined superannuation fund which are defined contribution schemes, are accrued in accordance with statutes and deposited with respective authority/agency and charged to the Statement of Profit & Loss Account for the year, in which the contributions to the respective funds accrue.

Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which related services are rendered.

In respect of Employees Stock Options, in accordance with SEBI (Employee Stock Option Plan and Employee Share Purchase Plan) Guidelines, 1999, the difference between market price as on the date of grant of Option and the exercise price of total no. of Options granted is recognized as an asset called ‘Deferred ESOP Compensation’ and as a liability called ‘ESOP Outstanding Account’. The asset called ‘Deferred ESOP Compensation’ is amortized over the vesting period on Straight Line basis and considered as a part of ‘Employee Benefit Expenses’ in the Statement of Profit & Loss Account, whereas the liability called ‘ESOP Outstanding Account’ is derecognized at the time of exercise of Options by the employees.

(g) Borrowing Cost

The Company is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying Fixed Assets. For interest capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the interest for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the interest is charged to the Statement of Profit & Loss. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the Statement of Profit & Loss.

(h) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Monetary items (assets and liabilities) denominated in foreign currencies at the year end are reported at the exchange rate prevailing on the Balance Sheet date.

Non-monetary foreign currency items are carried at cost using the exchange rates on the date of transaction.

Any income or expense on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss in line with the provisions of Accounting Standard -11 “The Effects of Changes in Foreign Exchange Rates”.

(i) Revenue Recognition

Revenue from transmission of gas through pipeline is recognized net of Service Tax on fortnight basis when it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from sale of electricity is recognized on last day of respective month when it can be reliably measured and it is reasonable to expect the ultimate collection.

All other revenues are recognised when it can be reliably measured and it is reasonable to expect ultimate collection.

Interest income is recognized on time proportion basis. Dividend income is recognized when right to receive is established.

Prepaid expenses and prior period expenses/income up to ₹ 50,000/- in each case are charged to relevant heads of account of the current year.

(j) Taxation

Provision for current tax is made as per the provisions of the Income-tax Act, 1961.

Deferred Tax resulting from “timing difference” between taxable and accounting income is accounted for using the Tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

Minimum Alternate Tax (MAT) credit is recognised as an asset only to the extent when there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957 and is included in other expenses under the head of rates and taxes.

(k) Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a Pre-Tax discount rate that reflects the current market assessments of time value of money and the risk specific of the assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount and is recognized immediately as income in the Statement of Profit & Loss.

(l) Earnings Per Share

The Company reports Earnings Per Share (EPS) in accordance with Accounting Standard-20 "Earnings Per Share".

Basic EPS is computed by dividing Net Profit After Taxes for the year by weighted average number of Equity Shares outstanding during the year.

Diluted EPS is computed by dividing Net Profit After Taxes for the year by the weighted average number of Equity Shares outstanding during the year including weighted average number of Shares that could have been issued on conversion of all dilutive potential Equity Shares.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not provided for & if material, are disclosed by way of notes to accounts.

Contingent Assets are neither recognized nor disclosed in Financial Statements.

(n) Measurement of EBITDA

As permitted by Guidance Note on Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit & Loss. In its measurement, the Company does not include Depreciation and Amortisation Expense, Finance Costs and Tax Expenses.

(o) Cash and Cash Equivalent

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

(p) Cash Flow Statement

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

(q) Prior Period Adjustments

Any prior period expenditure / (income) exceeding ₹ 50,000/- per transaction is shown under the head "Prior Period Adjustments Account" in the Statement of Profit and Loss for the year in line with Accounting Standard 5 "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".



(r) Proposed Dividend

The Dividend as proposed by the Board including Tax thereon is provided in Financial Statements pending approval at the Annual General Meeting.

(s) Events Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of condition that existed at the Balance Sheet date) occurring after the Balance Sheet date are recognized in the Financial Statements. Non adjusting events (that are inductive of conditions that arose subsequent to the Balance Sheet date) occurring after the Balance Sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

3 SHARE CAPITAL

Particulars	No. of Shares	As at 31 st March, 2014 (₹ in Lacs)	No. of Shares	As at 31 st March, 2013 (₹ in Lacs)
AUTHORISED SHARE CAPITAL				
Equity Shares of ₹ 10 each	700,000,000	70,000.00	700,000,000	70,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Equity Shares of ₹ 10/- each fully paid up	562,738,695	56,273.87	562,708,833	56,270.88
TOTAL	562,738,695	56,273.87	562,708,833	56,270.88

Reconciliation of number of Shares Outstanding at the beginning and at the end of the Year

Particulars	2013-2014		2012-2013	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Equity Shares				
Equity Shares at the beginning of the Year	562,708,833	56,270.88	562,689,127	56,268.91
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	29,862	2.99	19,706	1.97
Equity Shares at the end of the Year	562,738,695	56,273.87	562,708,833	56,270.88

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a Face value of ₹ 10 per Share. Each holder of Equity Share is entitled to one vote per Share. The Company declares and pays Dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2014, the amount of Dividend per Share recognised as distributions to Equity Shareholders is ₹1 per Share. (31st March 2013: ₹ 1 per Share.)

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

Details of Shares held by Holding Company and ultimate Holding Company and their Subsidiaries / Associates

Particulars	As At 31 st March, 2014		As At 31 st March, 2013	
	No. of Equity Shares	Amount (₹ in Lacs)	No. of Equity Shares	Amount (₹ in Lacs)
Equity Shares held by Holding Company - Gujarat State Petroleum Corporation Ltd. having face value of ₹ 10/- each	212,305,270	21,230.53	212,305,270	21,230.53

Details of Equity Shareholder(s) holding more than 5% Equity Shares

Name of the Shareholder	As At 31 st March, 2014		As At 31 st March, 2013	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petroleum Corporation Limited	212,305,270	37.73%	212,305,270	37.73%
Gujarat Maritime Board	37,088,000	6.59%	37,088,000	6.59%

Detail of Shares reserved for issue under ESOP

For details of Shares reserved for issue under the Employees Stock Option Plan (ESOP) 2005 and 2010 of GSPL, please refer Note No. 38.

**4 RESERVES & SURPLUS**

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
<u>Securities Premium Reserve</u>		
Opening Balance	40,130.64	40,129.85
Add: Additions during the Year	1.19	0.79
Closing Balance	40,131.83	40,130.64
<u>General Reserve</u>		
Opening Balance	272.30	272.30
Add: Additions during the Year	-	-
Closing Balance	272.30	272.30
<u>Employees' Stock Options Outstanding (Net)</u>		
Gross Compensation for ESOPs Granted	1,001.66	1,001.66
Less: Deferred Employee Stock Compensation	107.55	250.40
Less: Transferred to Securities Premium on exercise of ESOPs	5.72	5.72
Less: ESOP Lapsed / Cancelled	165.38	112.82
Closing Balance	723.01	632.72
<u>Profit & Loss Account</u>		
Opening Balance	196,751.24	149,522.51
Add: Profit during the Year	41,914.78	53,812.26
<u>Less: Appropriations</u>		
Proposed Equity Dividend	5,627.39	5,627.09
Difference in Dividend for Equity Share	0.20	0.10
Tax on Dividend	956.37	956.32
Difference in Tax on Dividend for Equity Share	0.03	0.02
Closing Balance	232,082.03	196,751.24
TOTAL	273,209.17	237,786.90

5 LONG TERM BORROWINGS

Particulars	Non-Current As at 31 st March, 2014 (₹ in Lacs)	Current As at 31 st March, 2014 (₹ in Lacs)	Non-Current As at 31 st March, 2013 (₹ in Lacs)	Current As at 31 st March, 2013 (₹ in Lacs)
Secured				
Term Loan from Banks	36,283.81	16,323.20	69,612.44	22,838.38
Term Loan from Financial Institutions	48,366.82	15,907.74	64,274.55	4,241.07
Unsecured				
Term Loan from Financial Institutions	19,000.00	7,000.00		
TOTAL	103,650.63	39,230.94	133,886.99	27,079.45
Disclosed under "Other Current Liabilities" (Note No. 10)	-	(39,230.94)	-	(27,079.45)
Net Amount	103,650.63	-	133,886.99	-

Term Loan from banks and financial institutions including foreign currency loans are secured by first pari-passu charge on all Intangible and Tangible assets (except 36" pipeline from Hazira to Mora), Capital Work in Progress, operating Cash Flows, Book Debts and Other Movables of the Company.

For foreign currency loan, the Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

Maturity Profile and Rate of Interest of Term Loans

			<u>Maturity Profile</u>		(₹ in Lacs)
Rate of Interest	No. of Installments	Outstanding as at 31st March 2014	2014-2015	2015-2025	
8.64%	33	4,812.50	583.33	4,229.17	
7.50%	33	13,750.00	1,666.67	12,083.33	
8.11%	33	4,640.63	562.50	4,078.13	
7.25%	2	708.55	708.55	-	
9.50%	10	26,000.00	7,000.00	28,000.00	
1 Year GSEC + 2.75%	21	7,700.00	1,466.67	6,233.33	
1 Year GSEC + 2.175%	13	7,842.55	1,206.55	6,636.00	
Base Rate + 0.75%	3	523.58	523.58	-	
Base Rate + 1.90%	17	2,190.47	515.40	1,675.08	
Base Rate + 1%	5	2,290.37	1,842.86	447.51	
Base Rate + 1.75%	17	4,241.21	1,000.00	3,241.21	
Base Rate + 1%	17	4,543.35	1,072.00	3,471.35	
Base Rate + 1%	17	5,305.78	1,252.00	4,053.78	
Base Rate + 1.55%	8	2,854.09	1,428.57	1,425.52	
Base Rate + 1.25%	18	6,428.57	1,428.57	5,000.00	
Base Rate + 0.75%	17	1,411.31	332.07	1,079.24	
Base Rate + 2.25%	9	788.79	357.14	431.65	
Base Rate + 1.8%	8	892.18	446.10	446.08	
Base Rate + 1.25%	11	2,946.44	1,071.43	1,875.00	
BPLR - 2.5%	2	178.72	178.72	-	
BPLR - 3.25%	4	1,071.60	803.55	268.05	
BPLR - 3.75%	3	689.45	689.45	-	
11.50% - Reset at every 2 year	3	35,000.00	11,666.67	23,333.33	
11.95% - Reset at every year	17	6,071.43	1,428.56	4,642.85	
Grand Total	321	142,881.57	39,230.94	112,650.61	

6 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Deferred Tax Liability:		
On account of Depreciation	42,292.66	38,838.37
Total Deferred Tax Liability (A)	42,292.66	38,838.37
Deferred Tax Asset:		
Provision for Leave Salary	139.80	124.20
Provision for Gratuity	39.39	45.22
Provision for Doubtful Debts	88.81	-
Total Deferred Tax Asset (B)	268.00	169.42
Net Deferred Tax Liability (A-B)	42,024.66	38,668.95

7 OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Others		
Security Deposit from Customers	2,321.20	1,721.20
OYVS Installments from Employees	24.13	13.67
Other Payables (including payables for Capital Goods and Services)	50.34	50.34
TOTAL	2,395.67	1,785.21

8 PROVISIONS

Particulars	Long Term	Short Term	Long Term	Short Term
	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
<u>Provision for employee benefits</u>				
Provision for Gratuity	25.23	90.67	67.59	65.45
Provision for Leave Salary	391.64	19.66	348.92	16.50
Provision for Leave Travel Allowance	-	27.52	-	28.53
	416.87	137.85	416.51	110.48
<u>Other Provisions</u>				
Proposed Equity Dividend	-	5,627.39	-	5,627.09
Provision for Tax on Proposed Equity Dividend	-	956.37	-	956.32
Provision for Wealth Tax (Net)	-	8.87	-	-
	-	6,592.63	-	6,583.41
TOTAL	416.87	6,730.48	416.51	6,693.89

9 TRADE PAYABLES

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Trade Payables (refer Note no.34 for details of due to Micro, Small and Medium Enterprises)	1,515.20	1,096.33
TOTAL	1,515.20	1,096.33

10 OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Current Maturities of Long-Term Borrowings (Refer Note No. 5)	39,230.94	27,079.45
Other Payables (including payables for Capital Goods and Services) (Refer Note No. 34 for details of due to Micro, Small and Medium Enterprises)	10,183.29	17,833.03
Interest accrued but not due on Long Term Borrowings	912.04	856.65
Earnest Money Deposit	67.92	18.85
Deposit from Customers	1,098.09	870.05
Dividend Payable / Unclaimed	77.99	74.96
Imbalance, Overrun & Other Charges	2,190.75	1,710.25
Other Statutory Liabilities	300.81	294.31
TOTAL	54,061.83	48,737.55

11 FIXED ASSETS

(₹ in Lacs)									
Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT		
	Op. Balance As On 1 st April, 2013	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As On 31 st March, 2014	Op. Balance As On 1 st April, 2013	Additions During the Year	Deduction During the Year	Cl. Balance As On 31 st March, 2014	As On 31 st March, 2013 As On 31 st March, 2014
TANGIBLE ASSETS									
Land- Free Hold	8,205.16	307.08	-	8,512.24	-	-	-	-	8,205.16
Land- Lease Hold	2,547.30	-	-	2,547.30	181.14	45.60	-	226.74	2,366.16
Building	15,746.40	3,151.68	-	18,898.09	5,481.22	1,101.44	-	6,582.67	10,265.18
Plant & Machinery	410,577.23	3,981.31	3.24	414,555.30	124,405.36	16,240.96	1.06	140,645.26	286,171.87
Communication Equipments	9,355.23	219.81	10.23	9,564.81	4,808.47	649.20	2.70	5,454.97	4,546.76
Computers	607.65	82.75	26.07	664.34	426.79	80.73	14.38	493.14	171.19
Furniture & Fittings	489.64	280.62	-	770.26	260.51	82.83	-	343.34	426.93
Office Equipments	188.00	76.80	62.81	201.99	102.04	18.56	49.48	71.13	130.87
Vehicles	585.15	85.37	75.04	595.49	262.27	84.18	18.04	328.41	267.08
Books	13.12	0.32	-	13.44	13.12	0.32	-	13.44	-
Ship / Boat	-	9.82	-	9.82	-	1.84	-	1.84	7.98
Total (A)	448,314.88	8,195.58	177.39	456,333.08	135,940.92	18,305.67	85.66	154,160.93	302,172.15
INTANGIBLE ASSETS									
Computer Software	1,090.14	2.64	-	1,092.78	880.93	81.35	-	962.27	209.21
Right of Use / Right of Way	12,567.05	1,064.33	-	13,631.37	-	-	-	-	13,631.37
Total (B)	13,657.18	1,066.97	-	14,724.15	880.93	81.35	-	962.27	12,776.26
CAPITAL WORK IN PROGRESS									
Total (C)	-	-	-	-	-	-	-	-	52,602.09
TOTAL (A+B+C)	461,972.06	9,262.55	177.39	471,057.23	136,821.85	18,387.02	85.66	155,123.20	377,752.30
Previous Year	432,245.93	29,752.70	26.57	461,972.06	118,223.38	18,610.85	12.37	136,821.85	355,844.04

**12 NON-CURRENT INVESTMENTS**

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Trade Investments (Long Term)		
Investment in Unquoted Equity Shares of Subsidiary Companies		
7,12,50,060 (31 st March 2013: 4,00,50,060) Equity Shares of ₹ 10 each of GSPL India Gasnet Limited (Fully Paid Up) (at Cost)	7,125.01	4,005.01
5,98,00,000 (31 st March 2013: 3,00,50,060) Equity Shares of ₹ 10 each of GSPL India Transco Limited (Fully Paid Up) (at Cost)	5,980.00	3,005.01
Investment in Unquoted Equity Shares of Associate Companies		
2,46,37,085 (31 st March 2013: 2,46,37,085) Equity Shares of ₹ 10 each of GSPC Gas Company Limited (Fully Paid Up) (at Cost)	6,260.44	6,260.44
35,00,00,000 (31 st March 2013: Nil) Equity Shares of ₹ 10 each of GSPC Distribution Networks Ltd. (Fully Paid Up) (at Cost)	35,000.00	-
Investment in Unquoted Equity Shares of Other Companies		
62,50,000 (31 st March 2013: 62,50,000) Equity Shares of ₹ 10 each of Gujarat State Energy Generation Ltd. (Fully Paid Up) (at cost)	1,000.00	1,000.00
27,50,000 (31 st March 2013: 27,50,000) Equity Shares of ₹ 10 each of Sabarmati Gas Ltd. (Fully Paid Up) (at cost)	1,100.00	1,100.00
5,75,000 (31 st March 2013: 5,75,000) Equity Shares of ₹ 10 each of Krishna Godavari Gas Network Ltd. (Fully Paid Up) (At Cost less Provision for other than Temporary Diminution in Value ₹ 25.88 Lacs Krishna Godavari Gas Network Ltd.)	31.62	31.62
Investment in Unquoted Long Term Debentures of Other Companies		
2,000 (31 st March, 2013: 2000) 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd. (Fully Paid Up)	2,000.00	2,000.00
TOTAL	58,497.07	17,402.08
Aggregate Value of Unquoted Investments	58,497.07	17,402.08
Aggregate Provision for Diminution in Value of Investments	25.88	25.88

13 LOANS AND ADVANCES

Particulars	Long Term	Short Term	Long Term	Short Term
	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Capital Advances				
Unsecured, Considered Good	3,634.01	-	2,443.84	-
Security Deposit Given				
Unsecured, Considered Good	1,274.94	88.04	1,392.22	34.36
Loans & Advances to Related Parties				
<u>Unsecured, Considered Good</u>				
Equity Share Application - GSPC LNG Ltd.	2,500.00	-	2,500.00	-
Other Loans & Advances				
<u>Secured, Considered Good</u>				
Housing Building Advance to Employees	940.33	69.93	744.14	61.14
<u>Unsecured, considered Good</u>				
Advance Income Tax and TDS (net of Provision)	-	810.36	-	691.00
Advance Wealth Tax (net of Provision)	-	-	-	1.76
Loans & Advances to Employees	77.20	80.41	58.25	65.15
Payment under Protest	96.56	131.99	96.56	131.99
Balance with Service Tax & Excise Duty	-	1,744.78	-	578.15
Other Advances	5,000.00	354.71	0.27	389.90
Prepaid Expenses	25.89	112.12	33.86	82.37
TOTAL	13,548.93	3,392.34	7,269.14	2,035.82

14 OTHER ASSETS

Particulars	Non-Current	Current	Non-Current	Current
	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
<u>Unsecured, Considered Good</u>				
Non-Current Bank Balances (Note No. 17)	-	-	653.79	-
Others				
Others Receivables	-	226.28	9.36	228.55
Interest Accrued on Share Application Money	-	-	-	24.25
Interest Accrued-But not due-Deposits	-	1,050.51	85.43	1,112.29
Interest Accrued But not due on OCD	73.16	181.16	146.32	193.16
TOTAL	73.16	1,457.95	894.90	1,558.25

15 INVENTORIES (Valued at Moving Average Cost)

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Stores & Spares	1,550.60	1,356.61
Line Pack Gas	5,390.69	6,358.50
TOTAL	6,941.29	7,715.11

**16 TRADE RECEIVABLES**

Particulars	As at 31 st March 2014	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2013
Unsecured, considered Good				
Outstanding for a period exceeding 6 months	16,140.06		351.63	
Others	8,761.25	24,901.31	25,058.38	25,410.01
Unsecured, considered Doubtful				
Outstanding for a period exceeding 6 months	261.29		-	
Others	-	261.29	-	-
		25,162.60		
Less: Provision for Doubtful debts		261.29		-
TOTAL		24,901.31		25,410.01

17 CASH AND BANK BALANCES

Particulars	Non-Current As at 31 st March, 2014 (₹ in Lacs)	Current As at 31 st March, 2014 (₹ in Lacs)	Non-Current As at 31 st March, 2013 (₹ in Lacs)	Current As at 31 st March, 2013 (₹ in Lacs)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	2,426.80	-	2,273.50
Fixed Deposit with original maturity of less than 3 months	-	6,590.40	-	47,500.00
Cheque on Hand	-	-	-	1.94
Cash on Hand	-	1.82	-	0.76
	-	9,019.03	-	49,776.20
Earmarked Balances with Banks				
Unpaid Dividend Account	-	77.99	-	84.48
Balance in Escrow A/c-PNGRB [Incl. TD]	-	2,284.10	-	1,932.17
Margin Money Deposit - Bank Guarantees	-	643.80	557.00	12.75
Other Bank Balances				
Fixed Deposit with original maturity of more than 12 months	-	96.79	96.79	-
Fixed Deposit with original maturity of more than 3 months but less than 12 months	-	37,800.14	-	33,500.00
Total	-	49,921.85	653.79	85,305.60
Amount disclosed under Other Non-Current Assets (Note No.14)	-	-	(653.79)	-
TOTAL	-	49,921.85	-	85,305.60

18 REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2014 (₹ in Lacs)	For the Year ended 31st March, 2013 (₹ in Lacs)
Revenue from Transportation of Gas (Net)	100,931.08	111,615.21
Revenue from Sale of Electricity (Net)	3,802.15	4,413.68
Other Operating Revenues Connectivity Charges	336.00	1,291.16
TOTAL	105,069.23	117,320.05

19 OTHER INCOME

Particulars	For the Year ended 31st March, 2014 (₹ in Lacs)	For the Year ended 31st March, 2013 (₹ in Lacs)
Interest Income		
Fixed Deposits with Banks	4,537.56	5,641.39
Share Application Money	-	237.99
Optionally Convertible Debentures	120.00	120.00
Others	412.86	195.33
	5,070.42	6,194.71
Dividend Income from Associate (Long Term Trade Investment)	246.37	257.92
Other Non-Operating Income	201.72	151.83
TOTAL	5,518.51	6,604.46

20 EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2014 (₹ in Lacs)	For the Year ended 31st March, 2013 (₹ in Lacs)
Salaries and Wages		
Salaries and Allowances	2,383.50	1,832.48
Salary Arrears	-	0.28
Leave Salary	50.17	60.51
Contribution to Provident and Other Funds		
Contribution to Provident Fund	158.52	132.52
Contribution to Super Annuation Scheme	46.43	35.31
Group Gratuity Expenses	48.05	176.33
ESOP Compensation Expenses	90.29	158.46
Staff Welfare Expenses	94.21	75.12
TOTAL	2,871.17	2,471.01

21 OTHER EXPENSES

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
(A) Operation & Maintenance Expenses		
Maintenance Contracts	2,539.32	1,941.97
Payment to Outsourced Persons	384.46	372.86
Security Service Charges	665.86	544.34
Land Revenue	10.84	7.88
Power & Fuel	492.80	425.41
Consumption of Stores & Spare Parts	531.93	623.46
System Usage Gas	1,278.98	410.75
Repairs & Maintenance - Building	0.23	2.72
Repairs & Maintenance - Machinery	100.66	72.89
Other O&M expenses	705.85	731.53
SLDC Charges - Windmill	2.83	2.67
(A)	6,713.76	5,136.48
(B) Other Expenses		
Advertisement & Publicity Expenses	84.75	73.65
Bandwidth & Website Maintenance Charges	11.18	4.50
Business Promotion	-	3.72
Loss on Sale of Asset	6.73	-
Statutory Audit Fees	1.50	1.50
Donation	30.56	28.00
Provision for Doubtful Debts	261.29	-
Legal & Professional Exp	578.69	580.42
Rent	142.23	204.66
Rate & Taxes	124.48	55.71
Recruitment & Training	51.61	113.45
Seminar & Conference	3.81	22.18
Stationery & Printing	28.33	35.76
Travelling Expenses - Directors	9.57	8.33
Travelling Expenses - Others	112.51	115.02
Postage, Telephone & Courier Expenses	67.57	94.79
HSE Expenses	30.98	45.20
Listing Fee	9.52	9.70
Insurance Expenses	314.34	330.95
Other Administrative Exp.	726.78	787.71
(B)	2,596.43	2,515.25
TOTAL (A+B)	9,310.19	7,651.73

22 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
Depreciation on Tangible Assets	18,305.67	18,513.84
Amortisation of Intangible Assets	81.35	97.00
TOTAL	18,387.02	18,610.84

23 FINANCE COSTS

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
Interest Expenses	14,149.40	12,584.95
Other Borrowing Costs	35.37	40.65
TOTAL	14,184.77	12,625.60

24 Previous year figures have been re-classified or regrouped wherever necessary.

25 CONTINGENT LIABILITIES AS ON 31ST MARCH, 2014:

a) Claims against Company not acknowledged as debt:

- By land owners seeking enhancement of compensation in respect of RoU acquired by the Company is ₹ 2,128.53 Lacs (Previous Year: ₹ 2,430.75 Lacs) and by other parties are ₹ 39.86 Lacs (Previous Year: ₹ 39.86 Lacs)
- As regards Central Excise and Service Tax matters, the matters lying before Honorable Gujarat High Court - ₹ 19,100.28 Lacs (Previous Year: ₹ 9,370.58 Lacs), before CESTAT - ₹ 9,018.14 Lacs (Previous Year: ₹ 9,018.14 Lacs), before Commissioner/ Asst. Commissioner - ₹ 2,671.78 Lacs (Previous Year: ₹ 1,096.92 Lacs). Further, the Company is in process of filing appeal before CESTAT for ₹ 91.01 Lacs.
- Income Tax assessments up to Assessment Year 2011-12 have been completed and Company had filed various appeals against orders passed by Income Tax Department for various Assessment years. The Tax impact/demand of appeals lying before Honorable Gujarat High Court for Assessment Year 2005-06 & 2009-10 is ₹ 26.77 Lacs (Previous Year : ₹ 5.53 Lacs), lying before the Income Tax Appellate Tribunal (ITAT) for Assessment Year 2008-09 & 2009-10 is ₹ 370.41 Lacs (Previous Year : ₹ 300.71 Lacs), lying before CIT(Appeals) for Assessment Year 2010-11 & 2011-12 is ₹ 657.48 Lacs (Previous Year : ₹ 543.50 Lacs) and matters restored back to Assessing Officer for Assessment Year 2004-05 & 2006-07 is ₹ 38.77 Lacs. (Previous Year : ₹ 38.77 Lacs)

Based on interpretation of the Acts & various judicial pronouncements in relation to similar matters, Company is of the view that these demands are likely to be deleted or it may be substantially reduced.

b) Guarantees :

- Outstanding Bank Guarantees / Letter of Credits are ₹ 9,813.12 Lacs (Previous year ₹ 9,024.00 Lacs)
- Corporate Guarantee executed jointly & severally along with an associate is ₹ 50,000.00 Lacs (Previous year Nil).

c) Other :

Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7th March, 2011, collected for the period prior to 1st April, 2011 amounting to ₹ 226.02 Lacs (net of taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1st April, 2011.

26 CAPITAL & OTHER COMMITMENT

Capital Commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 40,086.24 Lacs (Previous year ₹ 53,438.64 Lacs).

Other Commitment:

As on 31st March, 2014, the Company has following other commitments:

- ₹ 2,00,494.99 Lacs (approx) towards further investments in subsidiaries & associates (Previous year ₹ 2,41,589.99 Lacs)
- Advance of ₹ 15,000.00 Lacs adjustable against re-gasification services (Previous year ₹ Nil)



27 As per Accounting Standard - 16 "Borrowing Cost" issued by ICAI, the Company has capitalised the borrowing cost amounting to ₹ 1,879.50 Lacs for the current year. (Previous year ₹ 2,321.97 Lacs).

28 During the year, the Company has changed its Accounting Policy of charging prepaid expenses and prior period expenses/income up to ₹ 50,000/- in each case to relevant heads of account for the year. As a result, prepaid expenses decreased by ₹ 0.97 Lacs and correspondingly resulted in decrease in profit for the year by ₹ 0.97 Lacs.

29 PAYMENT TO AUDITORS

Particulars	2013-2014 (₹ in Lacs)	2012-2013 (₹ in Lacs)
For Statutory Audit	1.50	1.50
For Other Services	1.55	1.12
For Reimbursement of Expense	0.05	-
TOTAL	3.10	2.62

30 There are no Whole Time / Executive Director on the Board except Shri Tapan Ray, Managing Director. He is not drawing any remuneration from the Company.

31 EXPENDITURE / INCOME IN FOREIGN CURRENCY

Particulars	2013-2014 (₹ in Lacs)	2012-2013 (₹ in Lacs)
Capital Goods	97.23	-
Component & Spare Parts*	19.73	-
Professional and Consultation Fee	14.81	14.55
Interest	952.94	1,024.22
Training & Conferences	-	24.36
Others	6.83	-
TOTAL	1091.54	1,063.13

* Comparison of consumption of Imported Component & Spares with Domestic Component & Spares is as below :

Particulars	2013 - 2014		2012 - 2013	
	Amount (₹ in Lacs)	% of total Consumption	Amount (₹ in Lacs)	% of total Consumption
Imported	19.73	3.71%	-	-
Domestic	512.20	96.29%	623.46	100.00%
TOTAL	531.93	100.00%	623.46	100.00%

There is no earning in foreign currency during the year as well as previous year.

32 The balances of Sundry Debtors, Creditors, Loans & Advances and Deposits are subject to confirmation. Provision for all Liabilities is adequate in opinion of the Company.

33 EARNINGS PER SHARE (EPS)

Particulars	2013 - 2014 (₹ in Lacs)	2012 - 2013 (₹ in Lacs)
Profit After Tax	41,914.78	53,812.26
Weighted Average Number of Equity Shares	56,27,26,857	56,26,99,509
Basic EPS (in ₹)	7.45	9.56
Total Weighted Average Number of Equity Shares including Potential Equity Shares	56,27,47,875	56,27,52,905
Diluted EPS (in ₹)	7.45	9.56
Face Value / Nominal Value of Share (in ₹)	10.00	10.00

34 Information in respect Micro, Small and Medium Enterprises Development Act, 2006; Company had sought confirmation from the vendors whether they fall in the category of Micro/Small/Medium Enterprises. Based on the information available, the required disclosures are given below:

Particulars	2013 - 2014 (₹ in Lacs)	2012 - 2013 (₹ in Lacs)
Principal amount remaining unpaid as on 31 st March, 2014	134.84	496.61
Interest due thereon as on 31 st March, 2014	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31 st March, 2014	-	-
Further Interest remaining due and payable even in the succeeding years, until such date when the Interest dues as above are actually paid to the Small Enterprise	-	-

35 SEGMENT REPORTING**a. Business Segments**

The Company has identified and reported business segments taking into account nature of product and services, differing risks and returns and internal business reporting systems. The Company's principal business is transportation of Gas through pipeline. Other business segment includes generation of electricity through windmill.

b. Segment Revenue and Expense

Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".

c. Segment Assets and Liabilities

Segment Assets include all operating assets in respective segments comprising of net Fixed Assets, Capital Work in Progress, Current Assets, Loans and Advances. Segment Liabilities include Operating Liabilities and Provisions.

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

**SEGMENTAL INFORMATION**

Primary Segment (Business Segment)

(₹ in Lacs)

Particulars	Year 2013 - 2014				Year 2012 - 2013			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
1 Segment Revenue								
External Revenue*	101,668.23	3,802.15	-	105,470.38	113,097.87	4,413.68	-	117,511.55
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Segment Revenue	101,668.23	3,802.15	-	105,470.38	113,097.87	4,413.68	-	117,511.55
2 Segment Result - Profit(+) / Loss(-)	77,095.98	612.35	-	77,708.33	91,034.03	481.43	-	91,515.45
Unallocated Other Income	-	-	5,117.30	5,117.30	-	-	6,412.96	6,412.96
Unallocated Expenses & Finance Cost	-	-	(17,001.22)	(17,001.22)	-	-	(15,352.68)	(15,352.68)
Prior Period Adjustments	-	-	5.09	5.09	-	-	(5.20)	(5.20)
Profit Before Tax	77,095.98	612.35	(11,878.83)	65,829.50	91,034.03	481.43	(8,944.92)	82,570.53
Income Tax - Current Tax	-	-	(20,531.30)	(20,531.30)	-	-	(22,463.72)	(22,463.72)
Excess/Short Provision of Income Tax	-	-	(27.72)	(27.72)	-	-	(62.75)	(62.75)
Deferred Tax	-	-	(3,355.70)	(3,355.70)	-	-	(6,231.80)	(6,231.80)
Profit After Tax	77,095.98	612.35	(35,793.55)	41,914.78	91,034.03	481.43	(37,703.19)	53,812.26
3 Other Information								
Segment Assets	397,888.16	18,511.97	123,878.27	540,278.40	389,891.37	21,788.19	113,663.65	525,343.21
Segment Liabilities	16,719.95	88.08	523,470.37	540,278.40	22,098.44	430.77	502,814.00	525,343.21
Cost to Acquire Fixed Assets (incl.CWIP)	19,459.29	-	3,714.23	23,173.53	38,263.02	-	2,270.28	40,533.30
Depreciation & Amortisation	14,782.04	3,108.50	496.48	18,387.02	14,555.29	3,804.97	250.58	18,610.84
Non-Cash Expenses other than Depreciation & Amortisation	-	-	368.86	368.86	-	-	161.58	161.58

* Segment Revenue includes Other Income which is directly attributable to each segment.

36 RELATED PARTY DISCLOSURES

As per the Accounting Standard -18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, list of related parties identified of the company are as follows :

A. Holding Company:

- Gujarat State Petroleum Corporation Limited

B. Subsidiary: :

- GSPL India Gasnet Limited
- GSPL India Transco Limited

C. Associates:

- GSPC Gas Company Limited
- GSPC Distribution Networks Limited
- Sabarmati Gas Limited (associate of Holding Company)
- Gujarat State Energy Generation Limited (associate of Holding Company)

D. Fellow Subsidiary:

- Guj Info Petro Limited
- GSPC Pipavav Power Company Limited
- GSPC LNG Limited
- Gujarat Gas Company Limited

E. Key Managerial Personnel:

- Shri Tapan Ray, IAS, MD

Transactions entered into with (inclusive of all taxes) and balances of the Related Parties of the Company are as follows, ₹ in Lacs

Particulars	Holding		Subsidiary		Associate*		Fellow Subsidiary		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Gas Transportation Income	4,540.01	9,370.68	-	-	17,517.48	23,085.84	1,318.60	32.38	23,376.09	32,488.90
Other Income	10.91	-	69.08	-	50.68	772.29	0.21	-	130.88	772.29
Interest Received on Investment	-	-	-	-	120.00	357.99	-	-	120.00	357.99
Dividend Received	-	-	-	-	246.37	257.92	-	-	246.37	257.92
Services Received	28.69	98.24	-	-	42.40	34.85	56.07	29.19	127.16	162.28
Reimbursement made for Expenses	40.03	84.74	143.03	17.98	172.93	88.08	1.80	4.53	357.79	195.33
Reimbursement Received for Expenses	60.83	77.50	420.41	421.06	10.41	10.52	-	9.19	491.65	518.27
Purchase of Line Pack Gas	355.72	1,423.12	-	-	-	-	-	-	355.72	1,423.12
Dividend Paid	2,123.05	2,123.05	-	-	-	-	-	-	2,123.05	2,123.05
Investment in Equity	-	-	6,094.99	3,000.00	35,000.00	-	-	-	41,094.99	3,000.00
Purchase of Line Pipes	-	-	--	-	326.90	52.38	-	-	326.90	52.38
Purchase of Tangible Asset	7.22	-	-	-	-	-	-	-	7.22	-
Sale of Tangible Assets	-	0.79	55.68	-	-	-	-	-	55.68	0.79
Security deposits paid/ Released	-	-	-	-	106.60	14.00	10.00	-	116.60	14.00
Security Deposits Received	-	-	-	-	38.00	50.00	-	-	38.00	50.00
Corporate Guarantee Given (jointly & severally with Associate)	-	-	-	-	50,000.00	-	-	-	50,000.00	-
Account Payable as at year end	185.46	92.86	13.97	1.89	95.67	4,838.24	33.15	36.42	328.25	4,969.41
Account Receivable as at year end	135.24	380.87	19.88	75.01	1,252.93	265.58	149.42	59.87	1,557.47	781.33

*Including Associate of Holding Company

There is no transaction with key managerial personnel during current financial year. (Previous Year : Nil)

37 DISCLOSURE FOR GRATUITY & LEAVE SALARY PROVISION AS PER ACCOUNTING STANDARD-15

Company has participated in Group Gratuity Scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits & leave salary being defined benefit schemes, payable in future, are determined by actuarial valuation as on Balance Sheet date.

In arriving at the valuation for gratuity & leave salary following assumptions were used:

Particulars	2013 - 2014		2012 - 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		LIC (1994-96) published table for Mortality Rate	
Withdrawal Rate	5% at Younger Age Reducing to 1% at Old Age		5% at Younger Age Reducing to 1% at Old Age	
Retirement Age	60 Years		60 Years	
Discount Rate	9.10%	9.10%	8.20%	8.20%
Rate of Return on Plan Assets	9.25%	-	9.25%	-
Salary Escalation	7.00%	7.00%	7.00%	7.00%

The following table sets out the status of the Gratuity Plan and Leave Salary as required under Accounting Standard 15 (Revised) on "Employee Benefit".

(₹ in Lacs)

Particulars	2013 - 2014		2012 - 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in Benefit Obligation				
Opening defined Benefit Obligation	374.63	365.41	187.76	311.70
Interest Cost	30.72	29.79	15.76	26.21
Current Service Cost	73.89	27.49	52.76	32.29
Benefit Paid	-	4.28	4.60	6.80
Actuarial Loss / (Gain) on Obligations	(37.33)	(7.11)	122.95	2.01
Past Service Liability	1.34	-	-	-
Liability at the end of the period	443.25	411.30	374.63	365.41
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the Beginning	241.59	-	175.37	-
Expected Return on Plan Assets	25.15	-	18.42	-
Contributions	60.61	-	52.18	-
Benefit Paid	-	-	4.60	-
Actuarial (Gain) / Loss on Plan Assets	-	-	0.22	-
Fair Value of Plan Assets at the end of the period	327.35	-	241.59	-
Actual Gain/Loss recognised				
Actuarial (Gain) / Loss on obligations	(37.33)	(7.11)	122.95	2.01
Actuarial (Gain) / Loss on Plan Assets	-	-	0.22	-
Net Actuarial (Gain) / Loss recognized during year	(37.33)	(7.11)	122.73	2.01
Amount recognised in Balance Sheet				
Liability at the end of the Period	443.25	411.30	374.63	365.42
Fair Value of Plan Asset at the end of the period	327.35	-	241.59	-
Net Amount recognised in the Balance Sheet	115.90	411.30	133.04	365.42
Expense recognised in the Income Statement				
Current Service cost	73.89	27.49	52.76	32.29
Interest cost	30.72	29.79	15.76	26.21
Expected return on Plan Asset	25.15	-	18.42	-
Net Actuarial Loss / (Gain) to be recognized	(37.33)	(7.11)	122.73	2.01
Prior year Charges	1.34	-	-	-
Gratuity Life Coverage Premium	4.58	-	3.50	-
Net Expense recognized in P&L	48.05	50.17	176.73	60.51

38 EMPLOYEE STOCK OPTION PLANS**ESOP 2005 Scheme:**

During the Financial Year 2005-06, the Company instituted ESOP-2005. The Board of Directors and the Shareholders approved the Plan in the Meeting held on 13th October, 2005 and 18th October, 2005 respectively, which provides for the issue of 23,27,940 Equity Shares to the employees of the Company and of Gujarat State Petroleum Corporation Ltd. The Compensation Committee administers ESOP-2005. These ESOPs are granted at an Exercise Price of ₹ 14 per Share to be vested equally over the period of four years and to be exercised within a period of five years from the date of vesting.

ESOP 2010 Scheme:

During the Financial Year 2010-11, the Company instituted ESOP-2010. The Board of Directors and the Shareholders approved the Plan in the Meeting held on 23rd August, 2010 and 21st September, 2010 respectively, which provides for the issue of 21,28,925 Equity shares to the employees of the Company. The Compensation Committee administers ESOP-2010. These ESOPs are granted at an exercise price of ₹ 75 per Share to be vested over the period of five years and to be exercised within a period of ten years from the date of Grant.

No. of Options reserved for issue (No. of Options in force) under both ESOP 2005 & ESOP 2010 is as follows:

Particulars	31 st March, 2014	31 st March, 2013
ESOP 2005 Scheme	27,730	65,993
ESOP 2010 Scheme	17,65,279	18,76,990
Total	17,93,009	19,42,983

- 39 The Company has maintained a separate escrow account as per PNGRB guidelines for modalities of maintaining and operation of escrow account for charges towards system indiscipline in terms of positive or negative imbalance or overruns. In this regard, since Financial Year 2011-12, amount recovered from customers is deposited in the said bank account and the amount invoiced (net of taxes) is recognized as liability.
- 40 As at the Balance Sheet date, Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.
- 41 Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).
- 42 The figures appearing in Financial Statements are rounded off to the nearest ₹ in Lacs.

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No.081535
Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary
Place : Gandhinagar
Date : 22nd May, 2014



INDEPENDENT AUDITOR'S REPORT

To,
The Members
Gujarat State Petronet Limited (Consolidated)
Gandhinagar

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Gujarat State Petronet Ltd.** ("the Company"), its two subsidiaries and one associate which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-Section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

We did not audit the Financial Statements of two subsidiaries included in the Consolidated Financial Statements, whose Annual Financial statements reflect total assets of ₹ 26,495.20 Lacs as at 31st March, 2014; as well as the total Revenue of ₹ 476.65 Lacs for the year ended on 31st March 2014. Similarly, We did not audit the Financial Statements of two associates, the profit of which is included in the Consolidated Annual Financial Statements, whose Annual Financial Statements reflect total Assets of ₹ 6,83,000.55 Lacs as at 31st March, 2014; as well as the total Revenue of ₹ 7,90,297.72 Lacs for the year ended on 31st March, 2014. This financial Statement and other financial information has been audited by other auditor whose reports has been furnished to us, and our opinion is based solely on the report of other auditor.

We report that the Consolidated Financial Statement have been prepared by the Company's Management in accordance with the requirement of the Accounting Standard (AS) 21, "Consolidated Financial Statement" and (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Ahmedabad
Date : 22nd May, 2014

For RMA & Associates
Chartered Accountants
F. R. No. 000978N

Deepak Gupta
Partner
M. No. 081535



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Notes	As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	56,273.87	56,270.88
Reserves and Surplus	4	282,271.06	247,198.33
		338,544.93	303,469.21
Minority Interest		12,326.44	5,243.42
Non-Current Liabilities			
Long-Term Borrowings	5	103,650.63	133,886.99
Deferred Tax Liabilities (Net)	6	42,020.71	38,665.00
Other Long-Term Liabilities	7	2,399.46	1,785.21
Long-Term Provisions	8	451.53	418.66
		148,522.33	174,755.86
Current Liabilities			
Trade Payables	9	1,589.99	1,094.44
Other Current Liabilities	10	54,736.03	49,724.02
Short-Term Provisions	8	6,758.05	6,695.93
		63,084.07	57,514.39
TOTAL		562,477.77	540,982.88
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	305,107.52	312,411.98
Intangible Assets	11	15,423.95	12,965.19
Capital Work-In-Progress	11	80,401.97	61,430.87
Non-Current Investments	12	54,266.79	19,708.73
Long-Term Loans and Advances	13	15,655.07	7,714.81
Other Non-Current Assets	14	373.83	895.01
		471,229.13	415,126.59
Current Assets			
Inventories	15	6,941.29	7,715.11
Trade Receivables	16	24,901.31	25,410.01
Cash and Bank Balance	17	54,443.90	89,229.34
Short-Term Loans and Advances	13	3,422.15	2,004.83
Other Current Assets	14	1,539.99	1,497.00
		91,248.64	125,856.29
TOTAL		562,477.77	540,982.88
Significant Accounting Policies	2.1		
The accompanying Notes are integral part of the Financial Statements.			

As per our Report of even date attached

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 st March, 2014	For the Year ended 31 st March, 2013
INCOME :			
Revenue from Operations	18	105,069.23	117,320.05
Other Income	19	5,687.29	6,605.75
Total Revenue (A)		110,756.52	123,925.80
EXPENSES :			
Employee Benefit Expenses	20	2,871.17	2,471.01
Other Expenses	21	9,310.19	7,651.73
Total Expenses (B)		12,181.36	10,122.74
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (A)-(B)		98,575.16	113,803.06
Depreciation and Amortisation Expenses	22	18,387.02	18,610.84
Finance Costs	23	14,184.77	12,625.60
Profit Before Adjustment		66,003.37	82,566.62
Prior Period Adjustments		5.09	(5.20)
Profit Before Tax		65,998.28	82,571.82
Tax Expenses			
Current Tax		20,685.95	22,532.98
Short/(Excess) Provision of Tax - Earlier Years		27.72	62.75
Deferred Tax		3,355.70	6,231.61
Profit After Tax		41,928.91	53,744.48
Less: Share of Profit transferred to Minority Interest		154.56	58.59
Add: Share of Profit/(Loss) in Associate for the year		(195.56)	100.69
Profit after Tax		41,578.79	53,786.58
Earnings Per Equity Share (EPS) (Face value of Share ₹ 10)			
Basic (₹ Per Share)		7.39	9.56
Diluted (₹ Per Share)		7.39	9.56
Significant Accounting Policies	2.1		

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2014

(₹ in Lacs)

Particulars	2013-2014	2012-2013
A Cash Flow from Operating Activities		
Profit Before Taxes	65,998.28	82,571.82
<u>Adjustments for:</u>		
Depreciation & Amortisation	18,387.02	18,610.84
ESOP Compensation Expenses	90.29	158.46
Provision for Doubtful Debts	261.29	-
Wealth Tax	10.63	8.24
(Profit)/Loss on Sale/Retirement of Assets	3.61	(0.04)
Loss on Sale/Retirement of Assets	13.67	3.16
Dividend Income	-	(41.25)
Interest Income	(5,134.54)	(6,219.14)
Interest & Financial Charges	14,184.77	12,625.60
Operating Profit Before Working Capital Changes	93,815.01	107,717.69
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	773.82	(1,096.74)
(Increase)/Decrease in Trade Receivable	247.41	(17,266.42)
(Increase)/Decrease in Loans, Advances & Other Current Assets	(6,370.29)	91.01
Increase/(Decrease) in Trade Payable, Other Current Liability & Provisions	(4,010.10)	1,765.39
Increase/(Decrease) in Other Long Term Liability	610.46	456.18
Cash Generated from Operations	85,066.31	91,667.10
Taxes Paid	(20,680.14)	(22,460.46)
Net Cash Flow from Operating Activities (A)	64,386.17	69,206.64
B Cash Flow from Investing Activities		
(Increase) / Decrease in Investment	(35,000.00)	-
Interest Received	5,363.09	5,929.61
Dividend Received	246.37	257.92
Changes in earmarked Fixed Deposits & Current Account	(5,052.80)	2,456.61
Proceeds from Sale of Assets	75.09	11.08
Acquisition of Fixed Assets and Change in Capital Work in Progress	(36,306.84)	(45,251.14)
Tax paid on Interest Income of Subsidiaries	(154.58)	(70.76)
Net Cash Flow from Investing Activities (B)	(70,829.67)	(36,666.68)
C Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital including Share Premium	6,919.08	4,627.38
Proceeds from Share Application Money	-	557.40
Increase/ (Decrease) in borrowing	(18,084.87)	21,382.32
Dividend (Including Corporate Dividend Tax) paid	(6,583.64)	(6,539.83)
Interest & Financial Charges paid	(16,008.88)	(14,940.05)
Net Cash Flow from Financing Activities (C)	(33,758.31)	5,087.22
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	(40,201.81)	37,627.18
Cash and Cash Equivalents at the beginning of the Period	53,699.94	16,072.77
Cash and Cash Equivalents at the end of the Period	13,498.14	53,699.95

Notes to Cash Flow Statement

1 Cash and Cash Equivalent includes-

Cash and Cheques on Hand	2.40	3.61
Balances with Scheduled Banks		
– in Current Accounts	2,647.30	2,901.34
– in Deposit Accounts	10,848.44	50,795.00
	13,498.14	53,699.95

2 Previous period's figures have been rearranged/regrouped wherever necessary.

As per our Report of even date attached

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2014

1 CORPORATE INFORMATION

Gujarat State Petronet Limited (GSPL) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. GSPL is a Government Company u/s 617 of Companies Act. Its Shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited in India. The Company is primarily engaged in transmission of natural gas through pipeline on an open access basis from supply points to demand centres. The Company also sells electricity generated through Windmills.

2 BASIS OF PREPARATION & PRINCIPLES OF CONSOLIDATION

- (i) The Financial Statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956 including Accounting Standards notified there under.
- (ii) The preparation of Financial Statements requires management to make certain judgments, estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Management believes these assumptions are reasonable and prudent.
- (iii) The Consolidated Financial Statements of GSPL represents consolidation of its Financial Statements with two subsidiaries as per *Accounting Standard 21 'Consolidated Financial Statements'* and two associates as per *Accounting Standard 23 'Accounting for investment in associates in Consolidated Financial Statements'*.

The Proportion of Ownership Interest in Each Subsidiary and associate is as follows:

Name of Company	Relation with GSPL	Proportion of Ownership Interest as at 31 st March, 2014
GSPL India Gasnet Ltd. (GIGL)	Subsidiary	52.00%
GSPL India Transco Ltd. (GITL)	Subsidiary	52.00%
GSPC Gas Company Ltd.	Associate	29.12%
GSPC Distribution Networks Ltd. (GDNL)	Associate	38.89%

- (iv) Consolidation of Financial Statements of subsidiaries

The Financial Statements of GSPL and its subsidiaries are consolidated on line by line basis by adding together the book value of like items of asset, Liability, income and Expenditure after eliminating intra-group balances and intra-group transactions resulting in unrealised Profits or Losses in accordance with Accounting Standard 21 "Consolidated Financial Statements"

Any excess / short of the amount of Investment in a subsidiary over the parent's portion of Equity of the subsidiary, at the date of investment is recognised as Goodwill / Capital Reserve in Consolidated Financial Statement.

The subsidiaries accounting policies are similar to Holding Company, therefore, no adjustment is required at the time of Consolidating the Financial Statements.

- (v) Accounting for Investment in Associate

Investment in Associate has been accounted for using Equity Method in accordance with Accounting Standard 23 'Accounting for Investment in associates in Consolidated Financial Statements'

Any excess / short of the amount of Investment in a associate over the parent's portion of Equity of the associate, at the date of Investment is considered as Goodwill / Capital Reserve and has been included in carrying amount of Investment and disclosed separately. The carrying amount of Investment is adjusted thereafter for the post acquisition changes in the Share of net Asset of associate.

Most of the accounting policies of Associate are same except few, mainly depreciation, & employee stock options plan valuation for which necessary adjustments have been made.

- (vi) The financial statements of subsidiaries and associates are prepared up to the same reporting date as that of GSPL i.e. 31st March 2014.
- (vii) Minority Interest in Share of net Assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and the Equity of the Company's Shareholders. Minority Interest's Share of Net Profit/Loss of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the Net Income attributable to the Shareholders of the Company.
- (viii) Investment in other companies (other than subsidiaries and associates) are accounted as per Accounting Standard 13 'Accounting for Investment'
- (ix) The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 dated 8th February, 2011 has granted a general exemption from attaching Financial Statements of Subsidiaries, subject to fulfilment of certain conditions stipulated in the circular. Accordingly the Financial Statements of subsidiaries have not been attached.

2.1 Significant Accounting Policies

(a) Fixed Assets and Capital Work in Progress

Fixed Assets are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any.

The Company capitalises all directly attributable cost including borrowing cost of bringing the Asset to its working condition for the intended use.

Capital Work-In-Progress includes expenditure incurred on Assets, which are yet to be commissioned and project inventory.

All the direct expenditure related to implementation including expenditure incurred during the period of construction on a project, till it is commissioned, is kept as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective Fixed assets.

(b) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable Taxes less accumulated amortisation, if any.

Intangible Assets includes amount paid towards obtaining the Right of Use (ROU) of land and Right of Way (ROW) permissions for laying the Gas Pipeline Network and expenditure incurred on software. The Company capitalizes software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets".

(c) Depreciation and Amortisation

Depreciation on Fixed Assets is provided on Written Down Value Method (WDV) at the rates prescribed in Schedule XIV to the Companies Act, 1956 except, on Fixed Assets pertaining to gas transmission pipeline(s), where depreciation is provided at 3.17% on Straight Line Method (SLM) in terms of approval from Ministry of Corporate Affairs vide its letter no. 45/2/2011-CL-III dated 13th May, 2011.

Depreciation on Assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal. Assets costing up to ₹ 5,000/- are depreciated fully in the year of purchase / capitalization.

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

In case of Intangible Assets, software is amortized at 40% on Written Down Value Method, whereas the cost incurred on 'Right of Use and Right of Way on Land' is not amortized but is tested for impairment on periodic basis.

(d) Investment

Long Term Investments are stated at cost. Provision for diminution in the value of Long-Term Investments is made only if such a decline is other than temporary.

Current Investments are carried at lower of cost or quoted/fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the statement of Profit & Loss.

(e) Inventory

Inventories including project inventory, stock of stores, spares, consumables and line pack gas not meant for sale in ordinary course of business are valued at moving average cost.

(f) Employee Benefits

Employees Benefits are provided as per Accounting Standard -15 "Employee Benefits" (revised 2005) as under:

The Company has participated in Group Gratuity scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits being defined benefit schemes, payable in future, are determined by actuarial valuation carried out using projected unit credit method as on the Balance Sheet date and actuarial gains/(losses) after adjustment of planned assets are charged to the Statement of Profit and Loss for the year. Moreover, the liability in respect of leave encashment being defined benefit schemes, payable in future, are also determined by actuarial valuation carried out using projected unit credit method as on the Balance Sheet date and actuarial gains/(losses) are charged to the Statement of Profit and Loss for the year.

Retirement benefits in the form of provident fund and defined superannuation fund which are defined contribution schemes, are accrued in accordance with statutes and deposited with respective authority/agency and charged to the Statement of Profit & Loss account for the year, in which the contributions to the respective funds accrue.

Short-term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which related services are rendered.

In respect of Employees Stock Options, in accordance with SEBI (Employee Stock Option Plan and Employee Share Purchase Plan) Guidelines, 1999, the difference between market price as on the date of grant of Option and the Exercise Price of total no. of Options granted is recognized as an Asset called 'Deferred ESOP Compensation' and as a liability called 'ESOP Outstanding Account'. The asset called 'Deferred ESOP Compensation' is amortized over the vesting period.

on Straight Line basis and considered as a part of 'Employee Benefit Expenses' in the Statement of Profit & Loss Account, whereas the liability called 'ESOP Outstanding Account' is derecognized at the time of exercise of Options by the Employees.

(g) Borrowing Cost

The Company is capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying Fixed Assets. For interest capitalisation, the capital cost of a particular project is identified against a borrowing in terms of period of construction and the interest for the relevant period is added to the capital cost till the particular project is capitalised and thereafter the interest is charged to the Statement of Profit & Loss. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the Statement of Profit & Loss.

(h) Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction.

Monetary items (assets and liabilities) denominated in foreign currencies at the year-end are reported at the exchange rate prevailing on the Balance Sheet date.

Non-monetary foreign currency items are carried at cost using the exchange rates on the date of transaction.

Any income or expense on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss in line with the provisions of Accounting Standard -11 "The Effects of Changes in Foreign Exchange Rates".

(i) Revenue Recognition

Revenue from transmission of gas through pipeline is recognized net of Service Tax on fortnight basis when it can be reliably measured and it is reasonable to expect ultimate collection.

Income from sale of windmill generated electricity is recognized on last day of respective month when it can be reliably measured and it is reasonable to expect the ultimate collection.

All other revenues are recognised when it can be reliably measured and it is reasonable to expect ultimate collection.

Interest income is recognized on time proportion basis. Dividend income is recognized when right to receive is established.

Prepaid expenses and prior period expenses / income up to ₹ 50,000/- in each case are charged to relevant heads of account of the current year.

(j) Taxation

Provision for current Tax is made as per the provisions of the Income-Tax Act, 1961.

Deferred Tax resulting from "timing difference" between taxable and accounting income is accounted for using the Tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

Minimum Alternate Tax (MAT) credit is recognised as an Asset only to the extent when there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an Asset in accordance with the recommendations contained in Guidance Note issued by ICAI, the said Asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957 and is included in other expenses under the head of rates and Taxes.

(k) Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any impairment Loss. If any such indication exists, the recoverable amount of the Asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an Asset's net selling price and value in use. In assessing value in use, the estimated future cash-flow expected from the continuing use of the Assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risk specific of the Assets. An Asset is treated as impaired when the carrying cost of Asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an Asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount and is recognized immediately as income in the Statement of Profit and Loss.

(l) Earnings per Share

The Company reports Earnings Per Share (EPS) in accordance with Accounting Standard - 20 "Earnings Per Share".

Basic EPS is computed by dividing net Profit After Taxes for the year by weighted average number of Equity Shares outstanding during the year.

Diluted EPS is computed by dividing Net Profit After Taxes for the year by the weighted average number of Equity Shares outstanding during the year including weighted average number of Shares that could have been issued on conversion of all dilutive potential Equity Shares.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not provided for & if material, are disclosed by way of notes to accounts.

Contingent Assets are neither recognized nor disclosed in Financial Statements.

(n) Measurement of EBITDA

As permitted by Guidance Note on Revised Schedule VI to the Companies Act, 1956, the Company has elected to present Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit & Loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expenses.

(o) Cash and cash Equivalent

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

(p) Cash Flow Statement

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

(q) Prior Period Adjustments

Any prior period expenditure / (income) exceeding ₹ 50,000 per transaction is shown under the head "Prior Period Adjustments Account" in the Statement of Profit and Loss for the year in line with Accounting Standard 5 "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".

(r) Proposed Dividend

The Dividend as proposed by the Board including Tax thereon is provided in Financial Statements pending approval at the Annual General Meeting.

(s) Event Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of condition that existed at the Balance Sheet date) occurring after the Balance Sheet date are recognized in the Financial Statements. Non adjusting events (that are inductive of conditions that arose subsequent to the Balance Sheet date) occurring after the Balance Sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

3 SHARE CAPITAL

Particulars	As at		As at	
	No. of Shares	31 st March, 2014 (₹ in Lacs)	No. of Shares	31 st March, 2013 (₹ in Lacs)
AUTHORISED SHARE CAPITAL				
Equity Shares of ₹ 10 each	700,000,000	70,000.00	700,000,000	70,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Equity Shares of ₹ 10/- each fully paid up	562,738,695	56,273.87	562,708,833	56,270.88
TOTAL	562,738,695	56,273.87	562,708,833	56,270.88

Reconciliation of number of Shares Outstanding at the beginning and at the end of the Year

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Equity Shares				
Equity Shares at the beginning of the Year	562,708,833	56,270.88	562,689,127	56,268.91
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	29,862	2.99	19,706	1.97
Equity Shares at the end of the Year	562,738,695	56,273.87	562,708,833	56,270.88

Terms/Rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each holder of Equity Share is entitled to one vote per Share. The Company declares and pays Dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2014, the amount of Dividend per share recognised as distributions to Equity Shareholders was ₹ 1 per Share. (31st March 2013: ₹ 1 per share.)

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

Details of Shares held by Holding Company and ultimate Holding Company and their Subsidiaries / Associates

Particulars	As At 31 st March, 2014		As At 31 st March, 2013	
	No. of Equity Shares	Amount (₹ in Lacs)	No. of Equity Shares	Amount (₹ in Lacs)
Equity Shares held by Holding Company - Gujarat State Petroleum Corporation Ltd. having face value of ₹ 10/- each	212,305,270	21,230.53	212,305,270	21,230.53

Details of Equity Shareholder(s) holding more than 5% Equity Shares

Name of the Shareholder	As At 31 st March, 2014		As At 31 st March, 2013	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petroleum Corporation Limited	212,305,270	37.73%	212,305,270	37.73%
Gujarat Maritime Board	37,088,000	6.59%	37,088,000	6.59%

Detail of Shares reserved for issue under ESOP

For details of Shares reserved for issue under the Employees Stock Option Plan (ESOP) 2005 and 2010 of GSPL, please refer Note No.38

4 RESERVES & SURPLUS

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
<u>Securities Premium Reserve</u>		
Opening Balance	40,130.64	40,129.85
Add: Additions during the Year	1.19	0.79
Closing Balance	40,131.83	40,130.64
<u>General Reserve</u>		
Opening Balance	272.30	272.30
Add: Additions during the Year	-	-
Closing Balance	272.30	272.30
<u>Capital Reserve on Consolidation</u>	125.95	27.42
<u>Employees' Stock Options Outstanding (Net)</u>		
Gross Compensation for ESOPs Granted	1,001.66	1,001.66
Less: Deferred Employee Stock Compensation	107.55	250.40
Less: Transferred to Securities Premium on exercise of ESOPs	5.72	5.72
Less: ESOP Lapsed / Cancelled	165.38	112.82
Closing Balance	723.01	632.72
<u>Profit & Loss Account</u>		
Opening Balance	206,135.25	158,962.43
Add: Profit during the Year	41,578.79	53,786.58
Less: Profit Transferred to Minority Interest	13.55	2.81
<u>Less: Appropriations</u>		
Transfer to Capital Reserve	98.53	27.42
Proposed Equity Dividend	5,627.39	5,627.09
Difference in Final Dividend for Equity Share	0.20	0.10
Tax on Proposed Final Equity Dividend	956.37	956.32
Difference in Tax on Final Dividend for Equity Share	0.03	0.02
Closing Balance	241,017.97	206,135.25
TOTAL	282,271.06	247,198.33

5 LONG TERM BORROWINGS

Particulars	Non - Current As at 31 st March, 2014 (₹ in Lacs)	Current As at 31 st March, 2014 (₹ in Lacs)	Non - Current As at 31 st March, 2013 (₹ in Lacs)	Current As at 31 st March, 2013 (₹ in Lacs)
<u>Secured</u>				
Term Loan from Banks	36,283.81	16,323.20	69,612.44	22,838.38
Term Loan from Financial Institutions	48,366.82	15,907.74	64,274.55	4,241.07
<u>Unsecured</u>				
Term Loan from Financial Institutions	19,000.00	7,000.00	-	-
TOTAL	103,650.63	39,230.94	133,886.99	27,079.45
Amount Disclosed under the Head "Other Current Liabilities" (Note No. 10)	-	(39,230.94)	-	(27,079.45)
Net Amount	103,650.63	-	133,886.99	-

Term Loan from banks and financial institutions including foreign currency loans are secured by first pari-passu charge on all Intangible and Tangible Assets (except 36" pipeline from Hazira to Mora), Capital Work in Progress, Operating Cash Flows, Book Debts and other Movables of the Company.

For foreign currency loan, the Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

Maturity Profile and Rate of Interest of Term Loans

Rate of Interest	No. of Installments	Outstanding as at 31st March 2014	Maturity Profile		(₹ in Lacs)
			2014-2015	2015-2025	
8.64%	33	4,812.50	583.33	4,229.17	
7.50%	33	13,750.00	1,666.67	12,083.33	
8.11%	33	4,640.63	562.50	4,078.13	
7.25%	2	708.55	708.55	-	
9.50%	10	26,000.00	7,000.00	28,000.00	
1 Year GSEC + 2.75%	21	7,700.00	1,466.67	6,233.33	
1 Year GSEC + 2.175%	13	7,842.55	1,206.55	6,636.00	
Base Rate + 0.75%	3	523.58	523.58	-	
Base Rate + 1.90%	17	2,190.47	515.40	1,675.08	
Base Rate + 1%	5	2,290.37	1,842.86	447.51	
Base Rate + 1.75%	17	4,241.21	1,000.00	3,241.21	
Base Rate + 1%	17	4,543.35	1,072.00	3,471.35	
Base Rate + 1%	17	5,305.78	1,252.00	4,053.78	
Base Rate + 1.55%	8	2,854.09	1,428.57	1,425.52	
Base Rate + 1.25%	18	6,428.57	1,428.57	5,000.00	
Base Rate + 0.75%	17	1,411.31	332.07	1,079.24	
Base Rate + 2.25%	9	788.79	357.14	431.65	
Base Rate + 1.8%	8	892.18	446.10	446.08	
Base Rate + 1.25%	11	2,946.44	1,071.43	1,875.00	
BPLR - 2.5%	2	178.72	178.72	-	
BPLR - 3.25%	4	1,071.60	803.55	268.05	
BPLR - 3.75%	3	689.45	689.45	-	
11.50% - Reset at every 2 year	3	35,000.00	11,666.67	23,333.33	
11.95% - Reset at every year	17	6,071.43	1,428.56	4,642.85	
Grand Total	321	142,881.57	39,230.94	112,650.61	

6 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Deferred Tax Liability:		
On account of Depreciation	42,292.66	38,838.37
Total Deferred Tax Liability (A)	42,292.66	38,838.37
Deferred Tax Asset:		
Provision for Leave Salary	139.80	124.20
Provision for Gratuity	39.39	45.22
Preliminary Expenses u/s 35D	3.95	3.95
Provision for Doubtful Debts	88.81	-
Total Deferred Tax Asset (B)	271.95	173.37
Net Deferred Tax Liability (A-B)	42,020.71	38,665.00

7 OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Others		
Security Deposit from Customers	2,321.20	1,721.20
OYVS Installments from Employees	27.92	13.67
Other Payables (including payables for Capital Goods and Services)	50.34	50.34
TOTAL	2,399.46	1,785.21

8 PROVISIONS

Particulars	Long Term	Short Term	Long Term	Short Term
	As at	As at	As at	As at
	31 st March, 2014 (₹ in Lacs)	31 st March, 2014 (₹ in Lacs)	31 st March, 2013 (₹ in Lacs)	31 st March, 2013 (₹ in Lacs)
<u>Provision for employee benefits</u>				
Provision for Gratuity	38.45	90.69	67.99	65.45
Provision for Leave Salary	413.08	20.85	350.67	17.12
Provision for Leave Travel Allowance	-	35.23	-	29.28
Provision for Superannuation	-	18.39	-	0.67
	451.53	165.16	418.66	112.52
<u>Other Provisions</u>				
Proposed Equity Dividend	-	5,627.39	-	5,627.09
Provision for Tax on Proposed Equity Dividend	-	956.37	-	956.32
Provision for Wealth Tax	-	9.13	-	-
	-	6,592.89	-	6,583.41
TOTAL	451.53	6,758.05	418.66	6,695.93

9 TRADE PAYABLES

Particulars	As at	As at
	31 st March, 2014 (₹ in Lacs)	31 st March, 2013 (₹ in Lacs)
Trade Payables (refer Note No.34 for details of due to Micro, Small and Medium Enterprises)	1,589.99	1,094.44
TOTAL	1,589.99	1,094.44

10 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31 st March, 2014 (₹ in Lacs)	31 st March, 2013 (₹ in Lacs)
Current Maturities of Long-Term Borrowings (Refer Note No. 5)	39,230.94	27,079.45
Other Payables (including payables for Capital Goods and Services) (refer note no.34 for details of due to Micro, Small and Medium Enterprises)	10,760.07	18,731.28
Interest accrued but not due on Long Term Borrowings	912.04	856.65
Earnest Money Deposit	67.92	18.85
Deposit from Customers	1,098.09	870.05
Dividend Payable / Unclaimed	77.99	74.96
Imbalance, Overrun & Other Charges	2,190.75	1,710.25
Other Statutory Liabilities	398.23	382.53
TOTAL	54,736.03	49,724.02

(₹ in Lacs)

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**12 NON-CURRENT INVESTMENTS**

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Trade Investments (Long Term)		
Investment in Unquoted Equity Shares of Associate Companies		
2,46,37,085 (31 st March 2013: 2,46,37,085) Equity Shares of ₹ 10 each of GSPC Gas Company Limited (Fully Paid Up)	6,277.44	6,277.44
Less: Capital Reserve	17.00	17.00
	6,260.44	6,260.44
Add: Share of Profit	6,106.97	10,245.51
Less: Dividend received	1,175.22	928.85
	11,192.19	15,577.10
35,00,00,000 (31 st March 2013: Nil) Equity Shares of ₹ 10 each of GSPC Distribution Networks Ltd. (Fully Paid Up)	39,551.88	-
Less: Capital Reserve	4,551.88	-
	35,000.00	-
Add: Share of Profit	3,942.98	-
Less: Dividend received	-	-
	38,942.98	-
Investment in Unquoted Equity Shares of Other Companies		
62,50,000 (31 st March, 2013: 62,50,000) Equity Shares of ₹ 10 each of Gujarat State Energy Generation Ltd. (Fully Paid Up) (at Cost)	1,000.00	1,000.00
27,50,000 (31 st March, 2013: 27,50,000) Equity Shares of ₹ 10 each of Sabarmati Gas Ltd. (Fully Paid Up) (at Cost)	1,100.00	1,100.00
5,75,000 (31 st March, 2013: 5,75,000) Equity Shares of ₹ 10 each of Krishna Godavari Gas Network Ltd. (Fully Paid Up) (At Cost less Provision for other than Temporary Diminution in Value ₹ 25.88 Lacs Krishna Godavari Gas Network Ltd.)	31.62	31.62
Investment in Unquoted Debentures of Other Companies		
2,000 (31 st March, 2013: 2000) 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd. (Fully Paid Up)	2,000.00	2,000.00
TOTAL	54,266.79	19,708.72
Aggregate Amount of Unquoted Investments	54,266.79	19,708.72
Aggregate Provision for Diminution in Value of Investments	25.88	25.88

13 LOANS AND ADVANCES

Particulars	Long Term	Short Term	Long Term	Short Term
	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Capital Advances				
Unsecured, Considered Good	5,013.50	-	2,653.40	-
Security Deposit Given				
Unsecured, Considered Good	1,920.42	91.77	1,587.20	38.14
Loans & Advances to Related Parties				
<u>Unsecured, Considered Good</u>				
Equity Share Application - GSPC LNG Ltd.	2,500.00	-	2,500.00	-
Other Loans & Advances				
<u>Secured, Considered Good</u>				
Housing Building Advance to Employees	1,017.38	74.97	744.14	61.14
<u>Unsecured, Considered Good</u>				
Advance Income Tax and TDS (Net of Provision)	2.30	810.36	2.38	691.00
Advance Wealth Tax (Net of Provision)	-	-	-	1.76
Loans & Advances to Employees	79.02	84.07	58.25	65.83
Payment under Protest	96.56	131.99	96.56	131.99
Balance with Service Tax & Excise Duty	-	1,745.88	-	578.15
Other Advances	5,000.00	358.65	0.27	391.78
Prepaid Expenses	25.89	124.46	72.61	45.04
TOTAL	15,655.07	3,422.15	7,714.81	2,004.83

14 OTHER ASSETS

Particulars	Non-Current	Current	Non-Current	Current
	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Unsecured, Considered Good				
Non-Current Bank Balances (Note No. 17)	290.34	-	653.89	-
Others				
Others Receivables	-	279.77	9.36	154.53
Interest Accrued on Share Application Money	-	-	-	24.25
Interest Accrued-but Not Due-Deposits	10.33	1,079.06	85.44	1,125.06
Interest Accrued but not due on OCD	73.16	181.16	146.32	193.16
TOTAL	373.83	1,539.99	895.01	1,497.00

15 INVENTORIES (Valued at Moving Average Cost)

Particulars	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Stores & Spares	1,550.60	1,356.61
Line Pack Gas	5,390.69	6,358.50
TOTAL	6,941.29	7,715.11

16 TRADE RECEIVABLES

Particulars	As at 31 st March 2014	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2013
Unsecured, considered Good				
Outstanding for a period exceeding 6 months	16,140.06		351.63	
Others	8,761.25	24,901.31	25,058.38	25,410.01
Unsecured, considered Doubtful				
Outstanding for a period exceeding 6 months	261.29		-	
Others	-	261.29	-	-
		25,162.60		
Less: Provision for Doubtful debts		261.29		-
TOTAL		24,901.31		25,410.01

17 CASH AND BANK BALANCES

Particulars	Non - Current	Current	Non - Current	Current
	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2014 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	2,647.30	-	2,901.34
Fixed Deposit with original maturity of less than 3 months	-	10,848.44	-	50,795.00
Cheque on Hand	-	-	-	1.94
Cash on Hand	-	2.40	-	1.66
	-	13,498.14	-	53,699.94
Earmarked Balances with Banks				
Unpaid Dividend Account	-	77.99	-	84.48
IPO Refund Account	-	-	-	-
Balance in Escrow A/c-PNGB [Incl. TD]	-	2,284.10	-	1,932.17
Margin Money Deposit - Bank Guarantees	290.34	686.74	557.10	12.75
Other Bank Balances				
Fixed Deposit with original maturity of more than 12 months	-	96.79	96.79	-
Fixed Deposit with original maturity of more than 3 months but less than 12 months	-	37,800.14	-	33,500.00
Total	290.34	54,443.90	653.89	89,229.34
Amount disclosed under Other Non-Current Assets (Note No.14)	(290.34)	-	(653.89)	-
TOTAL	-	54,443.90	-	89,229.34

18 REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
Revenue from Transportation of Gas (Net)	100,931.08	111,615.21
Revenue from Sale of Electricity (Net)	3,802.15	4,413.68
Other Operating Revenues Connectivity Charges	336.00	1,291.16
TOTAL	105,069.23	117,320.05

19 OTHER INCOME

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
Interest Income		
Fixed Deposits with Banks	5,008.75	5,859.35
Share Application Money	-	237.99
Optionally Convertible Debentures	120.00	120.00
Others	418.31	195.33
	5,547.06	6,412.67
Dividend from Associate (Long term Trade Investment)	-	41.25
Other Non-Operating Income	140.23	151.83
TOTAL	5,687.29	6,605.75

20 EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
Salaries and Wages		
Salaries and Allowances	2,383.50	1,832.48
Salary Arrears	-	0.28
Leave Salary	50.17	60.51
Contribution to Provident and Other Funds		
Contribution to Provident fund	158.52	132.52
Contribution to Super Annuation Scheme	46.43	35.31
Group Gratuity Expenses	48.05	176.33
ESOP Compensation Expenses	90.29	158.46
Staff Welfare Expenses	94.21	75.12
TOTAL	2,871.17	2,471.01

21 OTHER EXPENSES

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
(A) Operation & Maintenance Expenses		
Maintenance Contracts	2,539.32	1,941.97
Payment to Outsourced Persons	384.46	372.86
Security Service Charges	665.86	544.34
Land Revenue	10.84	7.88
Power & Fuel	492.80	425.41
Consumption of Stores & Spare Parts	531.93	623.46
Sytem Usage Gas	1,278.98	410.75
Repairs & Maintenance - Building	0.23	2.72
Repairs & Maintenance - Machinery	100.66	72.89
Other O&M expenses	705.85	731.53
SLDC Charges - Windmill	2.83	2.67
(A)	6,713.76	5,136.48
(B) Other Expenses		
Advertisement & Publicity Expenses	84.75	73.65
Bandwidth & Website Maintenance Charges	11.18	4.50
Business Promotion	-	3.72
Loss on Sale of Asset	6.73	-
Statutory Audit Fees	1.50	1.50
Donation	30.56	28.00
Provision for Doubtful Debts	261.29	-
Legal & Professional Exp	578.69	580.42
Rent	142.23	204.66
Rate & Taxes	124.48	55.71
Recruitment & Training	51.61	113.45
Seminar & Conference	3.81	22.18
Stationery & Printing	28.33	35.76
Travelling Expenses - Directors	9.57	8.33
Travelling Expenses - Others	112.51	115.02
Postage, Telephone & Courier Expenses	67.57	94.79
HSE Expenses	30.98	45.20
Listing Fee	9.52	9.70
Insurance Expenses	314.34	330.95
Other Administrative Exp.	726.78	787.71
(B)	2,596.43	2,515.25
TOTAL (A+B)	9,310.19	7,651.73

22 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
Depreciation on Tangible Assets	18,305.67	18,513.84
Amortisation of Intangible Assets	81.35	97.00
TOTAL	18,387.02	18,610.84

23 FINANCE COSTS

Particulars	For the Year ended 31 st March, 2014 (₹ in Lacs)	For the Year ended 31 st March, 2013 (₹ in Lacs)
Interest Expenses	14,149.40	12,584.95
Other Borrowing Costs	35.37	40.65
TOTAL	14,184.77	12,625.60

24 Previous year figures have been re-classified or regrouped wherever necessary.

25 CONTINGENT LIABILITIES AS ON 31ST MARCH, 2014

a) Claims against Company not acknowledged as debt:

- By land owners seeking enhancement of compensation in respect of RoU acquired by the Company is ₹ 2,128.53 Lacs (Previous Year: ₹ 2,430.75 Lacs) and by other parties (including share of associates) are ₹ 333.72 Lacs (Previous Year: ₹ 41.76 Lacs)
- Central Excise and Service Tax matters:
 - In respect of GSPL - ₹ 30,881.21 Lacs (Previous Year: ₹ 19,485.64 Lacs)
 - In respect of Subsidiary – Nil (Previous Year: Nil)
 - Share in respect of associates - ₹ 1,425.60 Lacs (Previous Year: ₹ 6.89 Lacs)
- Income Tax matters:
 - In respect of GSPL - ₹ 1,093.43 Lacs (Previous Year: ₹ 888.51 Lacs)
 - In respect of Subsidiary – Nil (Previous Year: Nil)
 - Share in respect of associates - ₹ 3,547.43 Lacs (Previous Year: ₹ 657.04 Lacs)
- Interest Tax matters (Share in respect of associates) : ₹ 16.33 Lacs (Previous Year: Nil)
- Other money for which the Company is contingently liable Nil (Previous Year: ₹ 62.61 Lacs)

Based on interpretation of the Acts & various judicial pronouncements in relation to similar matters, Company is of the view that these demands are likely to be deleted or it may be substantially reduced.

b) Guarantees :

- Outstanding Bank Guarantees / Letter of Credits (including Share of associates) are ₹ 12,790.66 Lacs (Previous year ₹ 9,152.35 Lacs)
- Corporate Guarantee executed jointly & severally along with associate is ₹ 50,000.00 Lacs (Previous year Nil).

c) Other :

Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7th March, 2011, collected for the period prior to 1st April, 2011 amounting to ₹ 226.02 Lacs (net of Taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1st April, 2011.

26 CAPITAL & OTHER COMMITMENT

Capital Commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for (including of subsidiaries and Share of associates) is ₹ 69,033.13 Lacs (Previous year ₹ 84,636.21 Lacs).

Other Commitment:

As on 31st March, 2014, the Company has following other commitments:

- ₹ Nil towards further investments in associates (Previous year ₹ 35,000 Lacs)
- Advance of ₹ 15,000.00 Lacs adjustable against re-gasification services (Previous year ₹ Nil)

27. As per Accounting Standard -16 "Borrowing Cost" issued by ICAI, the Company has capitalised the borrowing cost amounting to ₹1,879.50 Lacs for the current year (Previous year ₹ 2,321.97 Lacs).

28. During the year, the Company has changed its Accounting Policy of charging prepaid expenses and prior period expenses/income up to ₹ 50,000/- in each case to relevant heads of account for the year. As a result, prepaid expenses decreased by ₹ 0.97 Lacs and correspondingly resulted in decrease in profit for the year by ₹ 0.97 Lacs.

29. PAYMENT TO AUDITORS

Particulars	2013-2014 (₹ in Lacs)	2012-2013 (₹ in Lacs)
For Statutory Audit	3.20	2.77
For other Services	1.55	1.12
For Reimbursement of Expense	0.25	-
TOTAL	5.12	3.89

30. There are no Whole Time / Executive Director on the Board of GSPL except Shri Tapan Ray, Managing Director. He is not drawing any remuneration from the Company.

31. EXPENDITURE / INCOME IN FOREIGN CURRENCY

Particulars	2013-2014 (₹ in Lacs)	2012-2013 (₹ in Lacs)
Capital Goods	97.23	-
Component & Spare parts*	19.73	-
Professional and Consultation Fee	14.81	14.55
Interest	952.94	1,024.22
Training & Conferences	-	24.36
Others	6.83	-
TOTAL	1091.54	1,063.13

* Comparison of consumption of Imported Component & Spares with Domestic Component & Spares is as below :

Particulars	2013 - 2014		2012 - 2013	
	Amount (₹ in Lacs)	% of total Consumption	Amount (₹ in Lacs)	% of total Consumption
Imported	19.73	3.71%	-	-
Domestic	512.20	96.29%	623.46	100.00%
TOTAL	531.93	100.00%	623.46	100.00%

During the year an amount of ₹ 5.46 Lacs has been received as Bid Fee in Foreign Currency (Previous Year Earning in Foreign Currency: NIL).

32. The balances of sundry Debtors, Creditors, Loans & Advances and Deposits are subject to confirmation and provision for all liabilities is adequate in opinion of the Company.

33 EARNINGS PER SHARE (EPS)

Particulars	2013 - 2014 (₹ in Lacs)	2012 - 2013 (₹ in Lacs)
Profit After Tax	41,578.91	53,786.58
Weighted Average Number of Equity Shares	56,27,26,857	56,26,99,509
Basic EPS (in ₹)	7.39	9.56
Total Weighted Average Number of Equity Shares including Potential Equity Shares	56,27,47,875	56,27,52,905
Diluted EPS (in ₹)	7.39	9.56
Face Value / Nominal Value of Share (in ₹)	10.00	10.00

34 Information in respect Micro, Small and Medium Enterprises Development Act, 2006; Company had sought confirmation from the vendors whether they fall in the category of Micro/Small/Medium Enterprises. Based on the information available, the required disclosures are given below:

Particulars	2013 - 2014 (₹ in Lacs)	2012 - 2013 (₹ in Lacs)
Principal amount remaining unpaid as on 31 st March, 2014	374.23	605.85
Interest due thereon as on 31 st March, 2014	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31 st March, 2014	-	-
Further Interest remaining due and payable even in the succeeding years, until such date when the Interest dues as above are actually paid to the Small Enterprise	-	-

35 SEGMENT REPORTING

a. Business Segments

The Company has identified and reported business segments taking into account nature of product and services, differing risks and returns and internal business reporting systems. The Company's principal business is transportation of Gas through pipeline. Other business segment includes generation of electricity through windmill.

b. Segment Revenue and Expense

Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".

c. Segment Assets and Liabilities

Segment Assets include all operating assets in respective segments comprising of net Fixed Assets, Capital Work in Progress, Current Assets, Loans and Advances. Segment Liabilities include Operating Liabilities and Provisions.

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

SEGMENTAL INFORMATION

Primary Segment (Business Segment)

(₹ in Lacs)

Particulars	Year 2013 - 2014				Year 2012 - 2013			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
1 Segment Revenue								
External Revenue*	101,668.23	3,802.15	-	105,470.38	113,097.87	4,413.68	-	117,511.55
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Segment Revenue	101,668.23	3,802.15	-	105,470.38	113,097.87	4,413.68	-	117,511.55
2 Segment Result - Profit(+) / Loss(-)	77,095.98	612.35	-	77,708.33	91,034.02	481.43	-	91,515.45
Unallocated Other Income	-	-	5,286.08	5,286.08	-	-	6,414.25	6,414.25
Unallocated Expenses & Finance Cost	-	-	(17,001.22)	(17,001.22)	-	-	(15,352.68)	(15,352.68)
Prior Period Adjustments	-	-	5.09	5.09	-	-	(5.20)	(5.20)
Profit Before Tax	77,095.98	612.35	(11,710.05)	65,998.28	91,034.02	481.43	(8,943.63)	82,571.82
Income Tax - Current Tax	-	-	(20,685.95)	(20,685.95)	-	-	(22,532.98)	(22,532.98)
Excess/Short Provision of Income Tax	-	-	(27.72)	(27.72)	-	-	(62.75)	(62.75)
Deferred Tax	-	-	(3,355.70)	(3,355.70)	-	-	(6,231.61)	(6,231.61)
Profit After Tax	77,095.98	612.35	(35,779.42)	41,928.91	91,034.02	481.43	(37,770.97)	53,744.48
3 Other Information								
Segment Assets	424,349.51	18,511.97	119,616.29	562,477.77	403,228.33	21,788.19	115,966.36	540,982.88
Segment Liabilities	43,181.30	88.08	519,208.39	562,477.77	35,435.40	430.77	505,116.71	540,982.88
Cost to Acquire Fixed Assets (incl.CWIP)	29,854.00	-	3,714.23	33,568.23	44,893.62	-	2,270.28	47,163.90
Depreciation & Amortisation	14,782.04	3,108.50	496.48	18,387.02	14,555.29	3,804.97	250.58	18,610.84
Non-Cash Expenses other than Depreciation & Amortisation	-	-	368.86	368.86	-	-	161.58	161.58

* Segment Revenue includes Other Income which is directly attributable to each segment.

36 RELATED PARTY TRANSACTIONS

As per the Accounting Standard-18 on "Related Party Disclosures" issued by The ICAI, list of related parties identified of the Company are as follows:

A. Holding Company:

- Gujarat State Petroleum Corporation Limited

B. Associates:

- GSPC Distribution Network Limited
- GSPC Gas Company Limited
- Sabarmati Gas Limited (associate of Holding Company)
- Gujarat State Energy Generation Limited (associate of Holding Company)

C. Fellow Subsidiary:

- Guj Info Petro Limited
- GSPC Pipavav Power Company Limited
- GSPC LNG Limited
- Gujarat Gas Company Limited

D. Co-Promoter of Subsidiaries

- Indian Oil Corporation Limited
- Bharat Petroleum Corporation Limited
- Hindustan Petroleum Corporation Limited

E. Key Managerial Personnel:

- Shri Tapan Ray, IAS, MD
- Shri N. Bose Babu, Director – GIGL & GITL
- Shri Ravindra Agrawal, Director - GIGL & GITL

*Transactions entered into with (inclusive of all taxes) and balances of the related parties of the Company are as follows,

₹ in Lacs

Particulars	Holding		Associate*		Fellow Subsidiary		Co-Promoter of GIGL & GITL		Key Managerial Personnel		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Gas Transportation Income	4,540.01	9,370.68	17,517.48	23,085.84	1,318.60	32.38	-	-	-	-	23,376.09	32,488.90
Other Income	10.91	-	50.68	772.29	0.21	-	-	-	-	-	61.80	772.29
Interest Received on Investment	-	-	120.00	357.99	-	-	-	-	-	-	120.00	357.99
Dividend Received	-	-	246.37	257.92	-	-	-	-	-	-	246.37	257.92
Services Received	28.69	98.24	42.40	34.85	56.07	29.19	321.53	2.34	-	-	448.69	164.62
Reimbursement made for Expenses	52.98	96.42	172.93	88.08	1.80	4.53	29.07	181.17	-	-	256.78	370.20
Reimbursement received for Expenses	132.65	80.53	10.41	10.52	-	9.19	-	-	-	-	143.06	100.24
Purchase of Line Pack Gas	355.72	1,423.12	-	-	-	-	-	-	-	-	355.72	1,423.12
Sitting Fees	-	-	-	-	-	-	1.69	1.42	1.35	1.47	3.03	2.90
Dividend Paid	2,123.05	2,123.05	-	-	-	-	-	-	-	-	2,123.05	2,123.05
Investment in Equity	-	-	35,000.00	-	-	-	-	-	-	-	35,000.00	-
Investment in Equity by Co-Promoters (including Share application money)	-	-	-	-	-	-	7,472.30	5,182.03	-	-	7,472.30	5,182.03
Purchase of Line Pipes	-	-	326.90	52.38	-	-	-	-	-	-	326.90	52.38
Purchase of Tangible Asset	7.22	-	-	-	-	-	-	-	-	-	7.22	-
Sale of Tangible Assets	-	0.79	-	-	-	-	-	-	-	-	-	0.79
Security Deposits Paid/ Released	-	-	106.60	14.00	10.00	-	52.62	-	-	-	169.22	14.00
Security Deposits Received	-	-	38.00	50.00	-	-	-	-	-	-	38.00	50.00
Corporate Guarantee Given (jointly & severally with Associate)	-	-	50,000.00	-	-	-	-	-	-	-	50,000.00	-
Account Payable as at year end	186.50	100.26	95.67	4,838.24	33.15	36.42	24.64	0.14	-	-	339.97	4,975.05
Account Receivable as at year end	174.75	381.29	1,252.93	265.58	149.42	59.87	52.62	1.50	0.10	-	1,629.83	708.24

*Including Associate of Holding Company

37 DISCLOSURE FOR GRATUITY & LEAVE SALARY PROVISION AS PER AS-15

Company has participated in Group Gratuity Scheme of Life Insurance Corporation of India. The liability in respect of gratuity benefits & leave salary being defined benefit schemes, payable in future, are determined by actuarial valuation as on Balance Sheet date.

In arriving at the valuation for gratuity & leave salary following assumptions were used:

Particulars	2013 - 2014		2012 - 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		LIC (1994-96) published table for Mortality Rate	
Withdrawal Rate	5% at Younger Age Reducing to 1% at Old Age		5% at Younger Age Reducing to 1% at Old Age	
Retirement Age	60 Years		60 Years	
Discount Rate	9.10%	9.10%	8.20%	8.20%
Rate of Return on Plan Assets	9.25%	-	9.25%	-
Salary Escalation	7.00%	7.00%	7.00%	7.00%

The following table sets out the status of the Gratuity Plan and Leave Salary as required under Accounting Standard 15 (Revised) on "Employee Benefit".

(₹ in Lacs)

Particulars	2013 - 2014		2012 - 2013	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in Benefit Obligation				
Opening defined Benefit Obligation	375.03	367.19	187.76	311.70
Interest Cost	30.75	29.94	15.76	26.21
Current Service Cost	85.43	42.54	53.16	34.66
Benefit Paid	-	4.29	4.60	6.80
Actuarial Loss/(Gain) on Obligations	(36.06)	(1.43)	122.95	2.01
Past Service Liability	1.34	-	-	-
Liability at the end of the Period	456.49	433.94	375.03	367.78
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning	241.59	-	175.37	-
Expected Return on Plan Assets	25.15	-	18.42	-
Contributions	60.61	-	52.18	-
Benefit Paid	-	-	4.60	-
Actuarial Gain/(Loss) on Plan Assets	-	-	0.22	-
Fair Value of Plan Assets at the end of the Period	327.35	-	241.59	-
Actual Gain/Loss recognised				
Actuarial (Gain)/Loss on obligations	(36.06)	(1.43)	122.95	2.01
Actuarial (Gain)/Loss on Plan Assets	-	-	0.22	-
Net Actuarial (Gain)/Loss recognised during the Year	(36.06)	(1.43)	122.73	2.01
Amount recognised in Balance Sheet				
Liability at the end of the Period	456.49	22.63	375.03	367.79
Fair Value of Plan Asset at the end of the Period	327.35	-	241.59	-
Net Amount recognised in the Balance Sheet	129.14	22.63	133.44	367.79
Expense recognised in the Income Statement				
Current Service Cost	85.43	42.54	53.16	34.66
Interest Cost	30.75	29.94	15.76	26.21
Expected Return on Plan Asset	25.15	-	18.42	-
Net Actuarial Loss / (Gain) to be recognized	(36.06)	(1.43)	122.73	2.01
Prior year Charges	1.34	-	-	-
Gratuity Life Coverage Premium	4.58	-	3.50	-
Net Expense recognized in P&L	60.89	71.04	176.73	62.88

38 EMPLOYEE STOCK OPTION PLANS**ESOP 2005 Scheme:**

During the Financial Year 2005-06, the company instituted ESOP-2005. The Board of Directors and the Shareholders approved the Plan in the Meeting held on 13th October, 2005 and 18th October, 2005 respectively, which provides for the issue of 23,27,940 Equity Shares to the Employees of the Company and of Gujarat State Petroleum Corporation Ltd. The Compensation Committee administers ESOP-2005. These ESOPs are granted at an Exercise Price of ₹ 14 per Share to be vested equally over the period of four years and to be exercised within a period of five years from the date of vesting.

ESOP 2010 Scheme:

During the Financial Year 2010-11, the Company instituted ESOP-2010. The Board of Directors and the Shareholders approved the Plan in the Meeting held on 23rd August, 2010 and 21st September, 2010 respectively, which provides for the issue of 21,28,925 Equity shares to the Employees of the Company. The Compensation Committee administers ESOP-2010. These ESOPs are granted at an exercise price of ₹ 75 per Share to be vested over the period of five years and to be exercised within a period of ten years from the date of Grant.

No. of Options reserved for issue (No. of Options in force) under both ESOP 2005 & ESOP 2010 is as follows:

Particulars	31 st March, 2014	31 st March, 2013
ESOP 2005 Scheme	27,730	65,993
ESOP 2010 Scheme	17,65,279	18,76,990
Total	17,93,009	19,42,983

- 39 The Company has maintained a separate escrow account as per PNGRB guidelines for modalities of maintaining and operation of escrow account for charges towards system indiscipline in terms of positive or negative imbalance or overruns. In this regard, since Financial Year 2011-12, amount recovered from customers is deposited in the said account and the amount invoiced (net of taxes) is recognized as liability.
- 40 As at the Balance Sheet date, Company has reviewed the carrying amounts of its Assets and found that there is no indication that those Assets have suffered any impairment loss. Hence, no such impairment loss has been provided.
- 41 Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).
- 42 The figures appearing in Financial Statements are rounded off to the nearest ₹ in Lacs.

As per our Report of even date attached

For RMA & Associates
Chartered Accountants
Firm Regn. No. 000978N

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014



FINANCIAL SUMMARY OF SUBSIDIARY COMPANIES

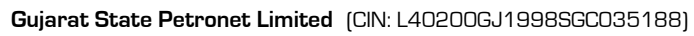
Ministry of Corporate Affairs vide its circular no.2/2011 (No.51/12/2007-CL-III) dated 8th February, 2011, has granted general exemption under Section 212 (8) of Companies Act, 1956 to companies from attaching the accounts of subsidiary companies with Annual Report of the Company. However, companies are required to provide the summarised financial information of subsidiaries.

The summary of financial information of subsidiary companies for the Financial Year 2013-14 is as follows:

(₹ in Lacs)

Particulars	For the period ended on 31 st March, 2014	For the period ended on 31 st March, 2014
Name of Subsidiary	GSPL India Gasnet Ltd.	GSPL India Transco Ltd.
Capital	13,701.93	11,500.00
Reserves	224.89	253.26
Total Assets	14,256.80	12,238.40
Total Liabilities	14,256.80	12,238.40
Investments	NIL	NIL
Turnover / Total Income	233.90	242.76
Profit Before Tax	233.90	242.76
Provision for Tax (Including Deferred Tax)	75.89	78.76
Profit After Tax	158.01	164.00
Proposed Dividend	NIL	NIL

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

ATTENDANCE SLIP**GUJARAT STATE PETRONET LIMITED**

(CIN: L40200GJ1998SGC035188)

Registered Office: GSPC Bhavan, Sector - 11, Gandhinagar - 382010.

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

DP Id*	Master Folio No.
Client Id*	No of Shares held

** Applicable for the investors holding Shares in the Demat Form***NAME AND ADDRESS OF THE SHAREHOLDER**

I hereby record my presence at the **16TH ANNUAL GENERAL MEETING** of the Company held on Thursday, the 25th September, 2014 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382 010.

Signature of the Shareholder or Proxy

GUJARAT STATE PETRONET LIMITED

(CIN: L40200GJ1998SGC035188)

Registered Office: GSPC Bhavan, Sector -11, Gandhinagar - 382 010.

[PURSUANT TO SECTION 105(6) OF THE COMPANIES ACT, 2013 AND RULE 19 (3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

Name of the Member (s) : _____

Registered Address : _____

Email ID : _____

Folio No./Client ID No.: _____ DP ID No.: _____

I/We, being the Member (s), holding of _____ Shares of the above named Company, hereby appoint:

1. Name: _____ Address: _____

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

2. Name: _____ Address: _____

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

3. Name: _____ Address: _____

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

as my/our Proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the **16TH ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, the 25th September, 2014 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector – 11, Gandhinagar – 382 010 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1	To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2	To declare Dividend on Equity Shares.
3	To Appoint a Director in place of Shri D J Pandian, IAS [DIN: 00015443] who retires by rotation and being eligible offers himself for re-appointment.
4	To fix remuneration of Statutory Auditors of the Company in terms of the provisions of Section 142 of the Companies Act, 2013.
Special Business	
5	To approve appointment of Dr. R Vaidyanathan [DIN: 00221577] as an Independent Director.
6	To approve appointment of Prof. Yogesh Singh [DIN: 06600055] as an Independent Director.
7	To approve appointment of Shri Yogesh B Sinha [DIN: 02902722] as an Independent Director.
8	To approve appointment of Dr. Bakul Dholakia [DIN: 00005754] as an Independent Director.
9	To approve appointment of Smt. Vilasini Ramachandran, IAS (Retd.) [DIN: 02224693] as Woman Independent Director.
10	To fix remuneration of M/s R K Patel & Co., Cost Auditor of the Company in terms of the provisions of Section 148 of the Companies Act, 2013 for the Financial Year 2014 – 2015.
11	To approve payment of remuneration to Shri M M Srivastava, IAS (Retd.), Chairman [DIN: 02190050] w.e.f. 28 th August, 2014.
12	Special Resolution for borrowing limit under Section 180 (1) (c) of the Companies Act, 2013.
13	Special Resolution for creation of charge/security in favour of lenders under Section 180 (1) (a) of the Companies Act, 2013.

Signed this _____ day of _____ 2014.

Signature of Shareholder(s) _____ Signature of Proxy holder(s) _____

NOTES:

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

If undelivered, please return to :



GUJARAT STATE PETRONET LIMITED

(Corporate Identity Number : L40200GJ1998SGC035188)

Regd. Office : GSPC Bhavan, 7th Floor, Sector - 11, Gandhinagar - 382 010.

Tel.: 079-66701001 **Fax:** 079-23236477 **E-mail:** investors.gspl@gspc.in

Website : www.gujpetronet.com


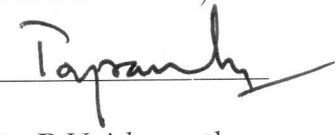
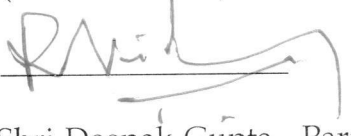
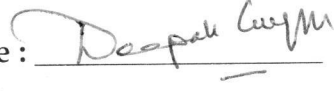


Gujarat State Petronet Ltd.

GSPL Bhavan,
E-18, GIDC Electronics Estate, Nr. K-7 Circle,
Sector-26, Gandhinagar-382028.
Tel.: +91-79-23268500/600 Fax : +91-79-23268506
Web site : www.gspcgroup.com

FORM A

Format of covering letter of the Annual Audit Report to be filed with the stock Exchanges

1.	Name of the Company	Gujarat State Petronet Limited
2.	Annual Financial Statements for the Year ended	31 st March, 2014
3.	Type of Audit Observation	Un - Qualified
4.	Frequency of Audit Observation	Not Applicable
5.	To be signed by - <ul style="list-style-type: none">• CFO• CEO/Managing Director• Audit Committee Chairman• Auditor of the Company	<p>Name : Shri Manish Seth, GM(F&A) Signature : </p> <p>Name : Shri Tapan, Ray, IAS (DIN: 00728682) Signature : </p> <p>Name : Dr. R Vaidyanathan (DIN: 00221577) Signature : </p> <p>Name : Shri Deepak Gupta, Partner of M/s RMA & Associates, Ahmedabad Signature : </p>