


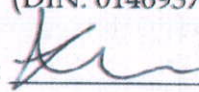
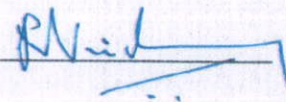
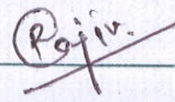


## Gujarat State Petronet Ltd.

GSP 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 <sup>st</sup> March, 2015
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"><li>• CFO</li><li>• CEO/Managing Director</li><li>• Audit Committee Chairman</li><li>• Auditor of the Company</li></ul>	<p>Name : Shri Manish Seth, GM(F&amp;A) Signature : </p> <p>Name : Shri Atanu Chakraborty, IAS (DIN: 01469375) Signature : </p> <p>Name : Dr. R Vaidyanathan (DIN: 00221577) Signature : </p> <p>Name : Shri Rajiv Bajpai, Partner of M/s RMA &amp; Associates, Ahmedabad Membership No.: 405219 &amp; Firm Registration No. 000978N. Signature : </p>

# Annual Report 2014-15



the  
**Energy**  
Lifeline of  
**Gujarat**



Gujarat State  
Petronet Limited



## Board of Directors

Shri M M Srivastava, IAS (Retd.)

Chairman

Dr. J N Singh, IAS (*w.e.f. 24<sup>th</sup> November, 2014*)

Shri L Chuaungo, IAS (*w.e.f. 21<sup>st</sup> February, 2015*)

Smt. Shridevi Shukla (*w.e.f. 22<sup>nd</sup> May, 2015*)

Dr. R Vaidyanathan

Prof. Yogesh Singh

Dr. Bakul Dholakia (*w.e.f. 25<sup>th</sup> September, 2014*)

Shri Atanu Chakraborty, IAS (*w.e.f. 6<sup>th</sup> November, 2014*)

Managing Director

Shri D J Pandian, IAS (*upto 6<sup>th</sup> September, 2014*)

Shri Yogesh B Sinha (*upto 12<sup>th</sup> September, 2014*)

Shri Tapan Ray, IAS (*upto 30<sup>th</sup> September, 2014*)

Dr. Hasmukh Adhia, IAS (*upto 11<sup>th</sup> November, 2014*)

Smt. Vilasini Ramchandran, IAS (Retd.) (*w.e.f. 25<sup>th</sup> September, 2014 to 24<sup>th</sup> February, 2015*)

## Company Secretary

Ms. Reena Desai

## Subsidiary Companies

GSPL India Gasnet Limited

GSPL India Transco Limited

## Internal Auditors

Ernst & Young

## Statutory Auditors

M/s RMA & Associates,

Chartered Accountants

Ahmedabad

## Cost Auditors

M/s R K Patel & Co.,

Cost Accountants, Vadodara

## Registered Office

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

## Secretarial Auditors

M/s Manoj Hurkat & Associates

Practising Company Secretaries,

Ahmedabad

## Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.

Hyderabad

## Corporate Office

GSPL Bhavan, E-18, GIDC Electronics  
Estate, Nr. K-7 Circle, Sector-26,  
Gandhinagar - 382028, Gujarat

## Bankers

Allahabad Bank

Axis Bank Ltd.

Bank of Baroda

Corporation Bank

Dena Bank Ltd.

HDFC Bank Ltd.

ICICI Bank Ltd.

IDBI Bank Ltd.

Oriental Bank Of Commerce

Punjab & Sind Bank

RBL Bank Ltd.

State Bank of Travancore

State Bank of India

The Karur Vysya Bank Ltd.

The South Indian Bank Ltd.

UCO Bank

Union Bank of India

Vijaya Bank

Yes Bank Ltd.

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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. J N Singh, IAS, *Non Executive Director***

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



**Shri L Chuaungo, IAS, *Non Executive Director***

Shri L Chuaungo, IAS has done B.A. (Hons.) (History/Political Science). He has wide experience of working in various Government Departments and Public Sector Undertakings and has significant exposure to Power Sector. He has also worked as Collector and District Magistrate, Valsad, Member (Admin.) of Gujarat Electricity Board (GEB), Principal Secretary, Finance Department (Expenditure). At present, he is Principal Secretary, Energy and Petrochemicals Department and holds position as Managing Director of GUVNL and Chairman of GIPCL.



**Smt. Shridevi Shukla, *Non Executive Woman Director***

Smt. Shridevi Shukla has done B.A in Economics. She has wide administrative and corporate experience. She has held various senior level positions in Government of Gujarat Departments prior to her retirement including Joint Secretary (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department, Deputy Secretary (Services), Finance Department, Deputy Secretary (ARTD), General Administration Department, Deputy Secretary, (Biotechnology), Science and Technology Department. Subsequent to her retirement, she was appointed as Officer on Special Duty (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department from September, 2010 to February, 2014. Thereafter, she was appointed as State Information Commissioner, Gujarat Information Commission from May, 2014 to February, 2015.



**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 Director, Netaji Subhash Institute of Technology (NSIT), New Delhi. Prior to the same, he was 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.



**Dr. Bakul Dholakia, *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 General of International Management Institute (IMI) of Delhi. Prior to joining IMI, he was the Director of Adani Institute of Infrastructure Management & Gujarat Adani Institute of Medical Sciences, Bhuj. He has 46 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. The Competition Commission of India has appointed Dr. Dholakia as a member of the Eminent Person Advisory Group. He has been a consultant to various national and international organisation.



**Shri Atanu Chakraborty, IAS, *Managing Director***

Shri Atanu Chakraborty, IAS is an Engineering Graduate with specialization in Electronics and Communication and has done his Post Graduate Diploma in Business Finance and subsequently MBA from UK (Business Administration). He has wide experience of working in various State as well as Central Government Departments and Public Sector Undertakings. Shri Chakraborty has served in the Districts of Vadodara, Sabarkantha and was Collector of Amreli District. At Gandhinagar, he has served in Finance, Home, Tribal Development and Labour Departments. Shri Atanu Chakraborty, IAS has also worked as Principal Secretary (Economic Affairs), Finance Department and Industries and Mines Department, Government of Gujarat. He has also served as Managing Director, Gujarat State Financial Services Ltd., Chief Executive Officer, Gujarat Infrastructure Development Board, CEO of Gujarat Maritime Board and Executive Director, Gujarat State Fertilizers and Chemical Ltd. In the Central Government, he served as Joint Secretary in the Ministry of Finance.

Shri Atanu Chakraborty, IAS has been contributing Articles on issues relating to PPP and Natural gas transportation, etc. Shri Chakraborty is a voracious reader and areas of his interest include subjects such as Finance, Economics, Infrastructure, etc.

Presently he is also Managing Director, Gujarat State Petroleum Corporation Limited.

## 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 17<sup>th</sup> Annual General Meeting of the Members of Gujarat State Petronet Limited will be held on Thursday, the 24<sup>th</sup> day of September, 2015 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 31<sup>st</sup> March, 2015, 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 M M Srivastava, IAS (Retd.) [DIN: 02190050] 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** Dr. J N Singh, IAS [DIN: 00955107], who was appointed as an Additional Director pursuant to provisions of Sections 149,152, 161 of the Companies Act, 2013 read with Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire 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** Shri L Chuaungo, IAS [DIN: 00032867], who was appointed as an Additional Director pursuant to provisions of Sections 149,152, 161 of the Companies Act, 2013 read with Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire 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** Smt. Shridevi Shukla [DIN: 02028225], who was appointed as an Additional Woman Director pursuant to provisions of Sections 149,152, 161 of the Companies Act, 2013 read with Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], Listing Agreement and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of the Director, be and is hereby appointed as a Woman Director of the Company, liable to retire 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 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, & Company, 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 31<sup>st</sup> March, 2016 be paid the remuneration of ₹ 1,08,000/- [Rupees One Lac Eight Thousand Only] plus applicable taxes and reimbursement of 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.”

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 the 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 10<sup>th</sup> May, 2013 and letter dated 27<sup>th</sup> July, 2015 to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] w.e.f. 28<sup>th</sup> August, 2015 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 Resolutions.



**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 applicable provisions under the Companies Act, 2013.

**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.”

**For Gujarat State Petronet Limited,**

**Reena Desai**

*Company Secretary*

Date: 7<sup>th</sup> August, 2015

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 CORPORATE OFFICE OF THE COMPANY SITUATED AT GSPL BHAVAN, E-18, GIDC ELECTRONIC ESTATE, SECTOR-26, GANDHINAGAR-382028 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 10% [TEN PERCENT] OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% [TEN PERCENT] OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND 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 Corporate Office situated at GSPL Bhavan, E-18, GIDC Electronic Estate, Sector - 26, Gandhinagar - 382028 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 Thursday, 17<sup>th</sup> September, 2015 to Thursday, 24<sup>th</sup> September, 2015 (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 Thursday, 1<sup>st</sup> October, 2015 to those Members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 16<sup>th</sup> September, 2015 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 17<sup>th</sup> September, 2015, after giving effect to all valid Share Transfers in physical form received on or before 16<sup>th</sup> September, 2015.
6. All transfer deeds, requests for change of address, bank particulars /mandates/ECS mandates, PAN should be lodged with the Company's Registrar and Share Transfer Agent (R&TA), M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008, in case of Shares held in physical form on or before 16<sup>th</sup> September, 2015. 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 R&TA / 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 separately annexed herewith.
10. In accordance with Section 20 of the Companies Act, 2013, service of documents on Members by a company is allowed through electronic mode. Accordingly, soft copy of the Annual Report is being sent to all the Members whose E-mail IDs are registered with the Company/R&TA/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 holding Shares in electronic mode 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 R&TA, giving reference of their Folio Number.
12. Members also note that the Annual Report for Financial Year 2014 - 15 will also be available on the Company's website [www.gspcgroup.com](http://www.gspcgroup.com) for their download.

**13. Voting through Electronic Means:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is providing facility to the Members to exercise their right to vote by electronic means in respect of the Resolution(s) contained in this Notice. The Company has engaged the services of M/s Karvy Computershare Private Limited ("Karvy") as the Authorised Agency to provide remote e-voting facility (i.e. the facility of casting votes by a Member by using an electronic voting system from a place other than the venue of a General Meeting).
- II. The Company shall also provide facility for voting through polling paper which shall be available at the Meeting and Members attending the Meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
- III. The cut-off date for the purpose of voting (including remote e-voting) is 17<sup>th</sup> September, 2015. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the Depositories at the close of business hours on 16<sup>th</sup> September, 2015 shall be entitled to avail the facility of voting through Remote E-voting/polling paper. The voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Capital of the Company as on the cut-off date i.e. 17<sup>th</sup> September, 2015.
- IV. The Members who have casted their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- V. The Board of Directors have appointed M/s K K Patel & Associates, Practising Company Secretary, as the Scrutinizer, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
- VI. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	09.00 A.M. (IST) on 21 <sup>st</sup> September, 2015
End of remote e-voting	05.00 P.M. (IST) on 23 <sup>rd</sup> September, 2015

**The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure and instructions for e-voting given hereinafter:**

- i. Open your Internet Web Brower during the voting period and navigate to following URL for e-voting : "https://evoting.karvy.com"
- The home screen will be displayed then click on the shareholders icon in the homepage.
- ii. Enter the login credentials i.e. User ID and Password mentioned in the email forwarding the Annual Report or mentioned on the letter accompanying the Annual Report in case email ID is not registered and physical copy of the Annual Report is being received by you. The said login credentials shall be valid only in case you continue to hold the Shares on the cut-off date i.e. 17<sup>th</sup> September, 2015. Your Folio No/DP ID, Client ID will be your User ID. However, if you are already registered with M/s Karvy for e-voting, you can use your existing User ID and Password for casting your vote.

**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.

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

- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach Password Change menu, wherein, you are required to mandatorily change your 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 (@, #, \$ etc.). The system will prompt you to change your Password and update your contact details like mobile, email ID, etc on 1<sup>st</sup> 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.
- v. You need to Login again with the new credentials.
- vi. On successful Login, the system will prompt you to select the E-Voting Event Number for Gujarat State Petronet Limited.
- vii. 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 number 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 as on the cut-off date, as mentioned above. You may also choose the option “ABSTAIN” in case you do not want to cast vote. Option “FOR” implies assent to the Resolution and “AGAINST” implies dissent to the Resolution.
- viii. You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- ix. 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, Members can login any number of times till they have voted on the Resolution.
- x. Members holding multiple Folios/Demat Account shall choose the voting process separately for each Folio/Demat Account.
- xi. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as Abstained.
- xii. Corporate/ Institutional Members (i.e other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [scrutinizergspl@gmail.com](mailto:scrutinizergspl@gmail.com) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_EVENT NO”.
- xiii. Once the vote on a Resolution is casted by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote through remote e-voting shall not be allowed to vote again at the Meeting.
- xiv. Any person who becomes Member of the Company after dispatch of the Notice of the Annual General Meeting and holding Shares as on the cut-off date i.e 17<sup>th</sup> September, 2015 may obtain the User ID and Password in the Manner as mentioned below :
  - a. If the mobile number of the Member is registered against Folio No./ DPID & Client ID, the Member may send SMS:  
 MYEPWD <space> E-Voting Event Number +Folio no. or DPID & Client ID to +91-9212993399  
 Example for NSDL : MYEPWD<SPACE>IN12345612345678  
 Example for CDSL : MYEPWD<SPACE>1402345612345678  
 Example for Physical: MYEPWD<SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the Member is registered against Folio No. / DPID & Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click “Forgot Password” and enter Folio No. or DPID & Client ID and PAN to generate a Password.
- c. Member may call Karvy’s Toll free number 1-800-3454-001
- d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
- xv. 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 Mr. Srikrishna Pemmaraju, Manager – Corporate Registry, M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008 at afore mentioned Toll free number.

**Poll at the Meeting:**

- xvi. After the items of the Notice have been discussed, the Chairman will order Poll in respect of the items. Poll will be conducted under the supervision of the Scrutinizer appointed for remote e-voting and Poll as stated above. A person, whose name is recorded in the Register of Members or in Register of beneficial owners maintained by the Depositories as on the cut-off date of 17<sup>th</sup> September, 2015 and who have not casted their vote by remote e-voting, and being present in the Annual General Meeting, either personally or through proxy, only shall be entitled to vote at the Annual General Meeting.
- VII. The Scrutinizer shall after the conclusion of voting at the General Annual Meeting, first count the votes cast at the Meeting, and thereafter unblock the vote cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, not later than 3 days of the conclusion of Annual General Meeting, i.e. on or before 27<sup>th</sup> September, 2015, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company, who shall countersign the same and the Chairman, shall declare the result forthwith.
- VIII. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.gspcgroup.com](http://www.gspcgroup.com) and on the website of M/s Karvy Computershare Private Limited immediately after the Result is declared and shall be simultaneously communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) where the Shares of the Company are listed.
- IX. The Resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of requisite number of votes in favour of the Resolutions.
- X. 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,**

**Reena Desai**  
Company Secretary

Date: 7<sup>th</sup> August, 2015

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. J N Singh, IAS [DIN: 00955107] who has been appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 read with Articles of Association of the Company with effect from 24<sup>th</sup> November, 2014 holds office upto the date of this Annual General Meeting.

The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member in writing proposing the candidature of Dr. J N Singh, IAS for appointment as Director of the Company.

A brief profile of Dr. J N Singh, IAS, the nature of his expertise in specific functional areas, names of companies in which he hold Directorship, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Dr. J N Singh, IAS, is concerned or interested in the Ordinary Resolution at Item No. 5 of the Notice. Dr. J N Singh, IAS and his relatives are interested or concerned in the Resolution concerning his appointment proposed at Agenda Item No. 5.

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

#### Item No. 6

Shri L Chuaungo, IAS [DIN: 00032867] who has been appointed as an Additional Director of the Company under Section 161 of the Companies Act, 2013 read with Articles of Association of the Company with effect from 21<sup>st</sup> February, 2015 holds office upto the date of this Annual General Meeting.

The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member in writing proposing the candidature of Shri L Chuaungo, IAS for appointment as Director of the Company.

A brief profile of Shri L Chuaungo, IAS, the nature of his expertise in specific functional areas, names of companies in which he hold Directorship, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Shri L Chuaungo, IAS, is concerned or interested in the Ordinary Resolution at Item No. 6 of the Notice. Shri L Chuaungo, IAS and his relatives are interested or concerned in the Resolution concerning his appointment proposed at Agenda Item No. 6.

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

#### Item No. 7

Smt. Shridevi Shukla [DIN: 02028225] who has been appointed as an Additional Woman Director of the Company under Section 161 of the Companies Act, 2013 read with Listing Agreement entered into with the Stock Exchanges and Articles of Association of the Company with effect from 22<sup>nd</sup> May, 2015 holds office upto the date of this Annual General Meeting.

The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member in writing proposing the candidature of Smt. Shridevi Shukla for appointment as Director of the Company.

A brief profile of Smt. Shridevi Shukla, the nature of her expertise in specific functional areas, names of companies in which she hold Directorship, Committee Memberships/ Chairmanships, her shareholding etc., are separately annexed hereto.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs, except Smt. Shridevi Shukla, is concerned or interested in the Ordinary Resolution at Item No. 7 of the Notice. Smt. Shridevi Shukla and her relatives are interested or concerned in the Resolution concerning her appointment proposed at Agenda Item No. 7.

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

#### Item No. 8

The Board of Directors at its Meeting held on 22<sup>nd</sup> May, 2015, 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 2015 - 2016 at the remuneration of ₹ 1,08,000/- [Rupees One Lac Eight Thousand Only] plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of Audit.

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 at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2015 - 2016.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 8 of the Notice.

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

#### **Item No. 9**

The Members at its 16<sup>th</sup> Annual General Meeting approved payment of monthly remuneration to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] for the period of one year from 28<sup>th</sup> August, 2014 to 27<sup>th</sup> August, 2015. The total approx annual remuneration approved was ₹ 12.50/- Lacs.

The Government of Gujarat has vide Resolution No. GPC-10-2010-110000-E of Govt. of Gujarat dated 10<sup>th</sup> 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 10<sup>th</sup> 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 the applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being force] and Clause 49 (II) (C) of the Listing Agreement entered into with the Stock Exchanges, the Board of Directors of the Company has recommended remuneration for the period from 28<sup>th</sup> August, 2015 to 27<sup>th</sup> August, 2016, 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 Resolutions dated 10<sup>th</sup> May, 2013 and letter dated 27<sup>th</sup> July, 2015 for approval of the Members at the ensuing Annual General Meeting and the total approx annual remuneration would be ₹ 15.67 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 28<sup>th</sup> August, 2015, more particularly prescribed in GoG Resolution dated 10<sup>th</sup> May, 2013 and letter dated 27<sup>th</sup> July, 2015. 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 Ordinary Resolution Item No. 9 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. 9.

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

**For Gujarat State Petronet Limited,**

**Reena Desai**

*Company Secretary*

Date: 7<sup>th</sup> August, 2015

Place: Gandhinagar

#### **Registered Office**

GSPC Bhavan, Sector -11,

Gandhinagar - 382 010.

**Brief Profile of Directors seeking Appointment/ Reappointment**

<b>Name of the Director</b>	<b>Shri M M Srivastava, IAS (Retd.)</b>	<b>Dr. J N Singh, IAS</b>	<b>Shri L Chuauango, IAS</b>	<b>Smt. Shridevi Shukla</b>
<b>Date of Birth</b>	23/07/1952	02/05/1959	01/03/1962	28/08/1952
<b>Date of Appointment</b>	24/08/2012	24/11/2014	21/02/2015	22/05/2015
<b>Qualifications &amp; Expertise</b>	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. J N Singh, IAS has done M.A. (International Studies, JNU), MDM (AIM, Manila), Ph.D from M S University. He has wide experience of working in various Government Departments and Public Sector Undertakings. He has held various key positions like Principal Secretary, Science and Technology Department, Textile Commissioner, Mumbai, Member (Fin), NHAI, Delhi, Managing Director, Sardar Sarovar Narmada Nigam Ltd. He has served largely in Infrastructure and Finance sector having handled Industrial Infrastructure, Power, Telecom, Highways and Water. His Ph.D in Political Economy examined the tripartite relationship of Power Sector, Ground Water Resources and Agriculturists in the context of Gujarat. At present he is Additional Chief Secretary, Finance Department, Govt. of Gujarat.	Shri L Chuauango, IAS has done B.A. (Hons.) (History/Pol. Sci). He has wide experience of working in various Government Departments and Public Sector Undertakings and has significant exposure to Power Sector. He has also worked as Collector and District Magistrate, Valsad, Member (Admin.) of Gujarat Electricity Board (GEB), Principal Secretary, Finance Department (Expenditure). At present, he is Principal Secretary, Energy and Petrochemicals Department and holds position as Managing Director of GUVNL and Chairman of GJPCL.	Smt. Shridevi Shukla has done B.A in Economics. She has wide administrative and corporate experience. She has held various senior level positions in Government of Gujarat Departments prior to her retirement including Joint Secretary (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department, Deputy Secretary (Services), Finance Department, Deputy Secretary (ARTD), General Administration Department, Deputy Secretary, (Biotechnology), Science and Technology Department. Subsequent to her retirement, she was appointed as Officer on Special Duty (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department from September, 2010 to February, 2014. Thereafter, she was appointed as State Information Commissioner, Gujarat Information Commission from May, 2014 to February, 2015.
<b>Directorship held in other Companies (excluding foreign Companies) as on 31<sup>st</sup> March, 2015</b>	1. Gujarat State Petroleum Corporation Limited	1. Dhoolera International Airport Company Ltd. 2. Gujarat Alkalies & Chemicals Ltd. 3. Gujarat International Finance Tech City Ltd. 4. Gujarat Narmada Valley Fertilizers & Chemicals Ltd. 5. Gujarat State Petroleum Corporation Ltd. 6. Gujarat State Fertilizers & Chemicals Ltd. 7. Gujarat State Investment Limited 8. Gujarat State Financial Services Ltd. 9. Sardar Sarovar Narmada Nigam Ltd.	1. Gujarat Energy Transmission Corporation Limited 2. Gujarat Industries Power Company Limited 3. Gujarat Urja Vikas Nigam Limited 4. Gujarat State Petroleum Corporation Limited	Smt. Shridevi Shukla does not hold directorship in any other company.
<b>Chairman/ Member of the Committees of other Companies (excluding foreign Companies)</b>	Chairman NIL	Member Audit Committee: 1. Gujarat State Petroleum Corporation Limited 2. Gujarat State Investment Limited 3. Gujarat State Financial Services Limited	Chairman NIL	Chairman NIL
<b>Shareholding of Directors</b>	NIL	NIL	NIL	NIL
<b>Relationship between Directors inter-se</b>	NIL	NIL	NIL	NIL

## DIRECTORS' REPORT

To,  
The Members  
**Gujarat State Petronet Limited**

The Directors take pleasure in presenting the 17<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS

Your Company has excelled in most of the performance parameters.

Major Highlights of the Company are summarized below:

	(₹ in Crore)	
Particulars (Standalone Accounts)	2014-15	2013-14
<b>Total Income</b>	<b>1116.60</b>	<b>1105.88</b>
Employee Benefit Expenses	35.56	28.71
Other Expenses	101.02	93.10
<b>Total Expenses</b>	<b>136.58</b>	<b>121.81</b>
<b>PBDITA</b>	<b>980.02</b>	<b>984.06</b>
Finance Cost	117.83	141.85
Depreciation & Amortisation	189.23	183.87
Prior Period Adjustments	12.64	0.05
<b>Profit Before Tax</b>	<b>660.32</b>	<b>658.30</b>
Tax including Deferred Tax	249.96	239.15
<b>Profit After Tax Carried to Balance Sheet</b>	<b>410.36</b>	<b>419.15</b>
<b>Appropriations</b>		
Transfer to General Reserves	NIL	NIL
Proposed Dividend		
(including Dividend Distribution Tax)	81.70	65.84
<b>Profit After Appropriations</b>	<b>328.66</b>	<b>353.31</b>

### PERFORMANCE HIGHLIGHTS

- 100% Pipeline grid availability and “accident free” year of operations.
- PNGRB has granted authorization to GSPL for developing City Gas Distribution (CGD) Network in the Geographical Area of Amritsar District (Punjab).
- PNGRB is in the process of re-determining the leveled tariff for GSPL's High Pressure and Low Pressure Natural Gas Pipeline Networks pursuant to APTEL decision on the appeal filed by GSPL.
- Total Income stood at ₹ 1116.60 Crore, as compared to ₹ 1105.88 Crore in previous year.

### CAPITAL

During the year, the Board has approved allotment of 19232 Shares and 222053 Shares to the eligible employees under ESOP - 2005 and ESOP - 2010 Schemes of the Company respectively upon exercise of Options by them, consequent to which the paid up Share Capital of the Company has increased to ₹ 562.98 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 @ ₹ 1.2 (i.e. 12 %) per Equity Share of the face value of ₹ 10 each for the Financial Year 2014 - 15.

### GAS TRANSMISSION SERVICES

The Company has effective Firm GTAs of 22.99 mmscmd for transmission of gas to various customers & interruptible / short - medium term GTAs for 5.96 mmscmd (Previous year: firm GTAs of 26.56 mmscmd and interruptible GTAs of 4.88 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 in-built flexibility to cater to varying loads.

The pipeline grid map of GSPL for Gujarat is enclosed herewith as Annexure - XI.

The map showing the Cross-Country Natural Gas Transmission Pipelines being implemented through special purpose vehicles is enclosed herewith as Annexure - XII.

#### Projects Commissioned

Since last Directors' Report, the Company has successfully completed commissioning of various customer connectivity (ies) projects namely Grasim, Dahej SEZ-II, China steel, Ford, OPaL, Valeo, Inbisco.

The grid operations account for approx 2192 Kms as on 31<sup>st</sup> March, 2015. 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, Botad, 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, 366 Kms of Pipeline and Gas Compressor station at Gana (1Working+1Standby) having capacity of 14 mmscmd each is under construction.

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 10,42,47,114 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. The Company has been granted authorization from PNGRB for developing City Gas Distribution (CGD) Network in the Geographical Area of Amritsar District (Punjab). The Company is embarking on the development of the same.

## OPERATION & MAINTENANCE ACTIVITIES

The Company has transported 8395 mmscm of gas during the financial year 2014 – 15 (Previous year: 7693 mmscm).

To safeguard 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 Pipeline Integrity Management System in line with PNGRB guidelines to safe guard the pipeline assets.

## SUBSIDIARY, ASSOCIATES & JOINT VENTURE COMPANIES

### *Subsidiary Companies:*

Your Company has incorporated following 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 1881 Kms)

*\*Proposed length of Pipeline as on 31<sup>st</sup> March, 2015*

### **GIGL & GITL Performance Highlights:**

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.

### *Associate Companies:*

Your Company had two Associate Companies viz. GSPC Gas Company Limited and GSPC Distribution Networks Limited as on 31<sup>st</sup> March, 2015.

GSPC Gas Company Limited and GSPC Distribution Networks Limited were engaged in the City Gas Distribution (CGD) business to provide natural gas to retail, various industrial, commercial and domestic residential segment customers in the state of Gujarat.

GSPC Gas Company Limited was also engaged in the business of distribution of CNG Gas to transport segment customers through CNG filling stations at major cities and towns of Gujarat State.

The GSPC Gas Company Limited and Gujarat Gas Company Limited have merged with GSPC Distribution Networks Limited with effective from 14<sup>th</sup> May, 2015 and has been renamed as Gujarat Gas Limited. Gujarat Gas Limited has emerged as India's largest City Gas Distribution (CGD) player with presence spread across 19 Districts in the State of Gujarat and Union Territory of Dadra Nagar Haveli and Thane which includes Palghar Districts of Maharashtra.

Gujarat Gas Limited has India's largest customer base in major CGD user segments: 10,25,000 domestic households, 2,775 industrial customers, 11,520 commercial customers, 234 CNG stations selling 7,75,000 kgs of CNG per day. The total daily gas sales volume has reached upto 6.2 MMSCMD which is the highest for any CGD company in India. Gujarat Gas Limited has a widespread gas pipeline network of more than 15,000 KMs (incl. Steel and PE pipeline).

Gujarat Gas Limited is going to play a leading role in making India move towards becoming a gas-based economy so as to significantly contribute towards a 'Greener India'.

Your Company has a total shareholding of 25.76% in the merged entity, Gujarat Gas Limited.

### **Accounts of subsidiary, Associates & Joint Venture companies:**

Pursuant to provisions of Section 129 (3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement in prescribed Form AOC - 1 containing salient features of the financial statement of Subsidiaries i.e. GSPL India Gasnet Limited and GSPL India Transco Limited and Associate Companies i.e. GSPC Distribution Networks Limited and GSPC Gas Company Limited is provided in the Annual Report.

Further, 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. Contractors' adherence to Company's QHSE policy is also assured 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 30<sup>th</sup> October, 2017. Effectiveness of these certifications is being assured through planned audits of the system. Continuous improvement is visible in various O&M systems. Preventive Maintenance schedules are being adhered to with updating of records. Further, Emergency Response and Disaster Management Plan (ERDMP) of GSPL was accredited by Disaster Management Institute, Bhopal as per the requirement of ERDMP Regulation, 2010 under PNGRB Act, 2006. ERDMP is being reviewed and updated regularly. 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 fourth time and under new specifications for the second time. GSPL has retained this Five Star grading by British Safety Council (BSC) after an extensive evaluation by BSC auditor. Your Company has sustained the retaining of this 'Five Star' grading continuously for the past three years. Your Company has also bagged International Safety award for 2015 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 05 Years continuously, based upon previous years' HSE Performance of Gas Grid.

## DEPOSITS

During the year, the Company has not accepted Deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013, Loans made, Guarantees given or Securities provided by a company providing infrastructure facilities are exempted from compliance with Section 186 of the Companies Act, 2013 except sub section (1). Accordingly, your Company being engaged in the Gas Transportation business is exempted from aforesaid compliance. However, the details of Loans, Guarantees, Securities and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188 (1) OF THE COMPANIES ACT, 2013

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseeable and repetitive nature and a statement giving details of all Related Party Transactions is placed before the Audit Committee for approval/ratification on a quarterly basis as the case may be.

The Policy on Materiality of Related Party Transactions and Dealing with related Party Transactions as approved by the Board is uploaded on the Company's Website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The particulars of contracts or arrangements with Related Parties referred to in Section 188 (1) of the Companies Act, 2013, as prescribed in Form AOC - 2 of the Companies (Accounts) Rules, 2014 is enclosed herewith as Annexure - III to this Report.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Pursuant to provisions of Section 135 of the Companies Act, 2013, the Company has also formulated a Corporate Social Responsibility Policy which is available on the website of the Company at [http://gspcgroup.com/uploaded\\_data/category\\_pdf/46.pdf](http://gspcgroup.com/uploaded_data/category_pdf/46.pdf).

Your Company being committed in fulfilling its Corporate Social Responsibility has been engaged in various social initiatives through its intervention in the area of promoting education, eradication of hunger & poverty, creating awareness for conservation of energy, providing preventive health care etc in accordance with the Corporate Social Responsibility Policy of the Company.

The Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed herewith as Annexure - IV to this Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Since, last Director's Report, Shri D J Pandian, IAS, Shri Yogesh B Sinha, Dr. Hasmukh Adhia, IAS and Smt. Vilasini Ramachandran, IAS (Retd.) ceased to be the Directors of the Company. Further, Shri Tapan Ray, IAS also ceased to be Managing Director of the Company.

Your Directors wish to place on record appreciation of the services rendered by them as the Directors of the Company.

Dr. J N Singh, IAS, Shri L Chuaungo, IAS and Smt. Shridevi Shukla have been appointed as Additional Directors to hold office till the ensuing Annual General Meeting. It is proposed to

regularize their appointment in the 17<sup>th</sup> Annual General Meeting.

Shri Atanu Chakraborty, IAS has been appointed as Managing Director of the Company w.e.f 6<sup>th</sup> November, 2014 till further intimation from Gujarat State Petroleum Corporation Limited. As per the Notification issued by Ministry of Corporate Affairs, the provisions of sub Section (4) of Section 196 of the Companies Act, 2013 in relation to Shareholders approval for appointment of Managing Director are now not applicable to your Company being Government Company.

Further, Shri Manish Seth has been appointed as Chief Financial Officer of the Company w.e.f. 1<sup>st</sup> April, 2014 pursuant to Section 203 of the Companies Act, 2013.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri M M Srivastava, IAS (Retd.), Chairman of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

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 Explanatory Statement forming part of Notice.

#### **Directors Independence:**

Pursuant to the provisions of Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors of the Company have given confirmation/declaration to the Board that they meet with the criteria of Independence and are Independent in terms of Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors has carried out an annual performance evaluation of Chairman, Non-Independent Directors and the Board as a whole. Further, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the various Committees of Directors of the Company.

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee has also evaluated performance of every Director on the Board of the Company.

The performance evaluation of individual Directors was carried out based on the various parameters after taking into consideration inputs received from the Directors and set out in the Policy for Evaluation of Performance of Directors, Committees & Board such as active participation & contributions in the Meetings, balance of knowledge, expertise and experience, safeguarding the interest of the Company and its Stakeholders etc. The performance evaluation of the Board as a whole and various Committees of Directors of the Company was carried out considering various parameters such as adequacy of the composition of the Board and its Committees, discharge of key functions and responsibilities prescribed under law, corporate governance practice etc. and the overall performance assessment was discussed in detail by the Board members.

#### **Nomination and Remuneration Policy:**

The Company's Nomination and Remuneration Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under the relevant provisions of the Companies Act, 2013 and Listing Agreement is enclosed herewith as Annexure - V to this Report.

#### **Meetings:**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the Meetings. However, in case of a special and urgent business need, the approval is taken by passing resolutions through circulation to the Directors, as permitted by law, which are confirmed in the subsequent Board/Committee Meetings.

During the year, five (5) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## **AUDITORS**

#### **Statutory & 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 2014 - 15.

C&AG has given NIL comment reports (Standalone & Consolidated) for the Financial Year 2014 - 15. The NIL comment reports have been provided after this Report.

#### **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s Manoj Hurkat & Associates, Practising Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2014 - 15.

The Report of Secretarial Auditor on Company's Secretarial Audit for the Financial Year 2014 - 15 is enclosed herewith as Annexure - VI to this Report. The Secretarial Audit Report is self explanatory in nature.

#### **Cost Auditors:**

Your Company is required to carry out Cost Audit for "Gas Transportation" business as well as "Generation of Electricity through Windmill" business pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014.

Accordingly, your Company has carried out Cost Audit for the said business of the Company for the Financial Year 2014 - 15 through the Cost Auditor M/s R K Patel & Co. The Cost Audit Report 2014 - 15 will be submitted to the Central Government

in the prescribed format within stipulated time period.

Further, your Directors has, on the recommendation of the Audit Committee, appointed M/s R K Patel & Co., as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2015 - 16 on a remuneration of ₹ 1,08,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred by them during the course of Audit.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s R K Patel & Co., Cost Auditors for the Financial Year 2015 - 16 is included in the Notice convening the Annual General Meeting.

## AUDIT COMMITTEE

Audit Committee of Directors of the Company at its Meeting held on 22<sup>nd</sup> May, 2015 approved the Annual Accounts for the Financial Year ended on 31<sup>st</sup> March, 2015 and recommended the same for approval of the Board.

## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### Risk Management:

The Company has a well-defined Risk Management Framework for reviewing the major Risks and has adopted a Risk Management Policy.

Further, pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee inter-alia to monitor the Risk Management Plan of the Company.

### Internal Control System:

The Company has a proper and adequate system of Internal Controls commensurate with its size of operations and nature of business. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The details about the identification of elements of Risk and Internal Control Systems are provided in detail in the Management Discussion & Analysis Report forming part of this Directors' Report.

## VIGIL MECHANISM

The Company has established a Vigil Mechanism for Directors and Employees to report their genuine concerns, details of which have been given in the Corporate Governance Report forming part of this Directors' Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of

the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed and no material departures have been made from the same;
- that accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the profit & loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 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 Practising Company Secretary is also annexed 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:

- GSPL Employees Stock Option Plan – 2005 (ESOP – 2005)
- 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 Schemes are being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the Members. The Certificate would be placed at the Annual General Meeting for inspection by Members.

Statutory disclosure regarding ESOP – 2005 and ESOP – 2010 are enclosed at Annexure – VII & VIII respectively.

Further, the Disclosures regarding ESOP - 2005 and ESOP - 2010 pursuant SEBI (Shares Based Employee Benefits) Regulations, 2014 have been made on the website of the Company at [http://gspcgroup.com/pdf/gspl/ESOP\\_2005\\_Disclosure.pdf](http://gspcgroup.com/pdf/gspl/ESOP_2005_Disclosure.pdf) & [http://gspcgroup.com/pdf/gspl/ESOP\\_2010\\_Disclosure.pdf](http://gspcgroup.com/pdf/gspl/ESOP_2010_Disclosure.pdf).

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT – 9 is enclosed herewith as Annexure - IX.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, this Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed that appropriate standard of conduct should be maintained by the employees in their conduct and that there should be a safe, indiscriminatory and harassment - free (including sexual harassment) work environment for every individual working in the Company. The Company has in place a Policy on Prevention of Sexual Harassment at workplace as a part of its Human Resource Policy. It aims at prevention of harassment of employees and lays down the guidelines for reporting and prevention of sexual harassment.

The Company has constituted an Internal Complaints Committee (ICC) as required under the Act which is responsible for redressal of complaints related to sexual harassment.

During the year ended 31<sup>st</sup> March, 2015, no complaint has been received by the ICC pertaining to sexual harassment.

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

Information required to be disclosed pursuant to provisions of the Companies Act, 2013 read with rules thereto with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo are furnished in Annexure - X to this Report.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations during the year.

## 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:** 7<sup>th</sup> August, 2015

**Place:** Gandhinagar

## Annexure - I

### Management's Discussion & Analysis forming part of the Directors' Report for the year ended on 31<sup>st</sup> March, 2015

#### A. INDUSTRY OVERVIEW

The Indian economy in 2014-15 has portrayed a promising outlook with controlled inflation coupled with the lower global crude oil prices.

As a matter of fact, the IMF strengthened its growth forecast FY 2014-15 to 7.2% with India improving the way of measuring economic output.

The year was positive for oil & gas sector with some of the major initiatives by the Government of India being:

- Deregulation of diesel prices.
- Proposal for reviving stranded power plants in the Country.
- Providing support from Power System Development Fund (PSDF) to stranded gas based power plants leading to improved utilization of gas based power generation.
- Expediting environmental clearances for critical infrastructure projects enabling fast paced development, strong focus on creating a nation-wide gas grid of 15,000 Kms pipelines.
- CGD segment being accorded highest priority for gas allocation.
- Alignment of domestic gas price from 4.2 \$/MMBTU to international indices linked price.
- Likelihood of according a premium on gas explored from High Temperature & High Pressure (HTHP) & Deep Water blocks, as announced.
- Encouraging response received to CGD bidding round 5 & 6 initiated by PNGRB covering 44 Geographical Areas in various parts of the Country.
- Grant of Authorizations for CGD development in 8 new Geographical Areas (GAs) bid under 4<sup>th</sup> CGD bidding round conducted by PNGRB.

#### ENABLERS & INHIBITORS FOR GAS INDUSTRY

The year 2014-15 witnessed a mix of enablers and inhibitors in the gas industry.

Production from one of the major domestic source, namely RIL's KG D6 field constantly lowered during the year and was at a level of 11.5 MMSCMD during January-March, 2015 making it imperative for India to rely on LNG imports for meeting the burgeoning demand. However, the said situation got a boost from lowering spot LNG prices. Spot LNG prices which hovered at around 14 \$/MMBTU in the beginning of the year spiraled down to around 7.5 US\$/MMBTU levels by March, 2015 in tandem with crude oil prices.

During past quarter of Q1 2015-16, LNG imports steadily increased owing to falling LNG prices during the year thereby

reducing the Country's oil dependency to that extent and improving the capacity utilization of the pipeline of your Company.

On the other hand, the gas industry is tethered with infrastructure bottlenecks owing to non-availability of pipeline connectivity in major demand centres of the nation which is preventing natural gas from reaching the end consumer, as is the case in one of the newly developed LNG terminals in Southern India (i.e. lack of pipeline connectivity to end consumers). Another terminal in West Coast of India is intermittently operational due to lack of break water facilities.

However, the infrastructure outlook looks positive with estimates that Country's regassification capacity would reach from current levels of 18.7 MTPA to over 45 MTPA by 2020 boosting LNG import into the Country.

It may be noted that construction activities are progressing well at GSPC LNG, of GSPC Group, and the terminal is expected to commission by FY 2017-18.

Further to unveiling of "LNG Terminal Policy" by the State in 2012, wherein several entities have evinced interest in developing LNG terminal along the Coast of Gujarat, setting up of the 4<sup>th</sup> LNG terminal in the State would not only increase India's regassification capacity but also make Gujarat gateway of LNG into the Country.

Early signs of volume improvement have been encouraging for your Company, like availability of significant regassification capacity coupled with commissioning of Cross Country Pipeline projects, increasing energy requirement of the Country and a positive outlook for Spot LNG prices.

#### B. REGULATORY FRAMEWORK

In July 2014, PNGRB re-determined the levelized tariff for GSPL's High Pressure Gujarat Gas Grid.

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 with your Company's submissions and interpretation of regulations. In this regard, APTEL has pronounced the Order in favour of your Company and has asked PNGRB to re-compute the transportation tariff ensuring regulated rate of return to your Company, which is under process.

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

## C. OPPORTUNITIES AND CHALLENGES

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

An important milestone of merging two CGD companies namely GSPC Gas Company Limited and Gujarat Gas Company Limited into a new entity named Gujarat Gas Limited, the largest gas retailing company in the Country was achieved by GSPC Group. Your Company has a total shareholding of 25.76% in the merged entity, Gujarat Gas Ltd.

It is noteworthy to mention that Gujarat Gas Limited, is the largest CGD Company in the Country selling around 6.2 MMSCMD of gas more than 10.25 Lacs households, having 234 CNG stations spread across Gujarat and covering 19 of 33 Districts of the State.

During the year 2014-15, PNGRB has issued Grant of Authorisation to Gujarat Gas Limited for development of CGD network in the Geographical Area of Kutch West, Valsad, Hazira, Jamnagar, Bhavnagar, Thane district (Maharashtra) and Union Territory of Dadra & Nagar Haveli GAs.

Further, Sabarmati Gas Limited, wherein your Company holds 13.75 % stake is selling around 0.7 MMSCMD of gas to around 244 industrial customers, more than 0.86 lacs households, around 471 customers in commercial segment and 38 CNG stations in the State.

In February 2015, your Company emerged as a successful bidder for development of City Gas Distribution (CGD) network in Amritsar Geographical Area (GA), authorization for which was received on 5<sup>th</sup> May, 2015.

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.

## D. OPERATIONS AND FUTURE OUTLOOK

Your Company owns and operates the largest gas transmission network in Gujarat totaling to approximately 2192 Kms (as on 31<sup>st</sup> March, 2015). The gas grid of the Company has reached 24 of 33 Districts in Gujarat.

Further, your Company through the Special Purpose Vehicles, namely GSPL India Gasnet Limited(GIGL) and GSPL India Transco Limited(GITL) is focusing on development of 3 pan-India pipeline projects namely Mallavaram – Bhopal – Bhilwara - Vijapur Pipeline, Mehsana - Bhatinda Pipeline and Bhatinda – Jammu - Srinagar Pipeline. The said Pipelines with a total length of approx 4291 Kms would be traversing through 9 States and 59 Districts of the Country and thereby improving the capacity utilization of LNG terminals as well as GSPL's Gujarat gas grid.

## GIGL & GITL - Project Status:

GIGL and GITL are in the final stages of receiving statutory approvals for development of Pipeline and Right of Use (ROU) acquisition is under progress. Your Company is pleased to inform you that significant progress has been made in this regard.

With Government of India (GoI) initiatives in terms of (a) revival of old fertilizer plants (b) revival of stranded gas based power generation and subsidy support (c) expedition of CGD bidding process by PNGRB across various GAs (d) proposed financial support to infrastructure projects through Viability Gap Funding (VGF) the prospects for upcoming gas infrastructure projects and overall gas demand are promising as these initiatives would unleash the latent & untapped energy demand of the Country.

Your Company intends to develop these pipeline projects progressively over the next few years based upon improvement in the demand-supply scenario.

Development of these Cross Country Pipelines are strategically very critical not only for the SPVs, but also for your Company as it would enable optimum utilization of GSPL's Gujarat Gas Grid.

## E. PERFORMANCE PROFILE

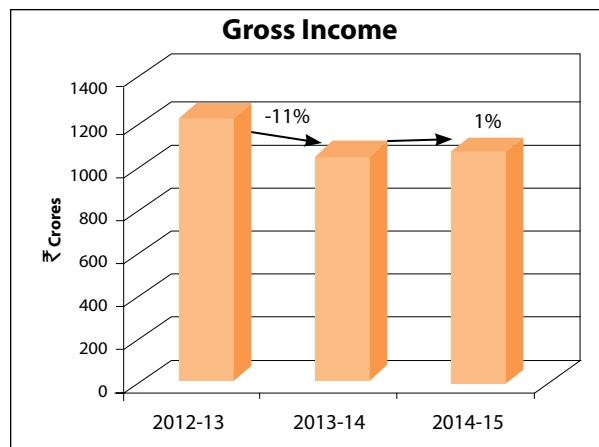
The Company continues to expand its gas grid to reach new markets and connect to new supply sources.

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

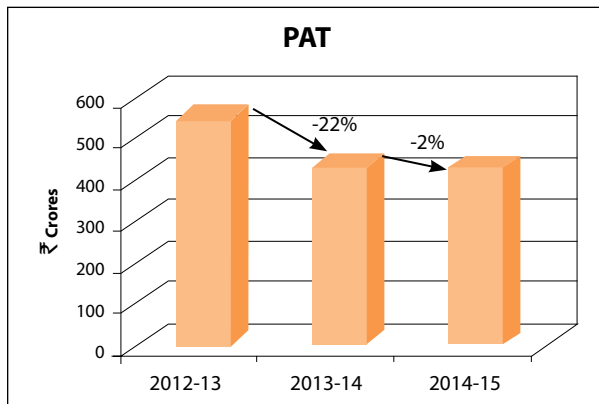
The Company has managed with a lean manpower strength on account of its well thought out strategy of developing major pipeline projects on EPC (Engineering, Procurement and Construction) Model.

The Company transported 8395 MMSCM of natural gas during the year, a increase of 9% over last year's volumes transportation of 7693 MMSCM.

Income from transportation of gas for the year was ₹ 1023.05 Crore, an increase of 1.36% over last year's figure of ₹ 1009.31 Crore. Gross Income has increased by 1%.



Profit After Tax for the year was ₹ 410.36 Crore as compared to ₹ 419.15 Crore in the previous year, recording decrease of 2%.



The Net Worth of the Company has increased from ₹ 3294.83 Crore to ₹ 3623.05 Crore. During the year, Gross Block of Assets increased from ₹ 4710.57 Crore to ₹ 4819.29 Crore.

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

#### 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 10,42,47,114 units of power from the same which resulted in the revenue of approx ₹ 37.51 Crores in the year.

## F. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

#### Risk Management:

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.

Your company feels, at present following are the major Risks which may pose major threat for the Company.

#### 1. Availability of Natural Gas

Gas based power plants, fertilizer manufacturing units, city gas distribution units etc. which account for approx 47% capacity in GSPL's network are dependent on the low priced domestic natural gas. The production of natural gas in India has reduced

substantially as much as 40% in last five years. Due to low production levels of domestic natural gas, there have been major cuts in the allocation of domestic natural gas and if the similar trend continues in future, there may be further cut in the allocation of domestic natural gas and may have adverse impact on Company.

Due to low levels of domestic natural gas production, India is heavily dependent on imported RLNG for its balance requirements. Imported RLNG accounts for around 80% in the Company's network. Import of RLNG in India is hugely impacted by the international prices. In the recent past, there have been high fluctuations in the prices of RLNG at the international markets and the same has created the huge uncertainty in terms of cost of natural gas. Further, cheaper alternate fuels owing to sharp decline in crude oil prices may affect the competitiveness / affordability of natural gas.

Such low levels of production of domestic natural gas and high price volatility is a major risk for the Company's gas transportation business.

#### 2. Regulatory Risk

The Petroleum and Natural Gas Regulatory Board (PNGRB) has been constituted in 2007 as regulatory body to regulate the natural gas pipeline business in India. The transportation tariff for the natural gas pipeline existing at that time is fixed by PNGRB. PNGRB has framed Regulations on various aspects like technical and safety requirements, transportation tariff, access code, authorization, capacity determinations etc. and many more are likely to come in future. In recent past, there have been many instances wherein the actions / decisions of Regulatory Board have been challenged before various courts. This has created an uncertain regulatory environment and it poses a major risk for the Company.

#### 3. Safety and Operational Risk

The changing technologies and the natural ageing of existing facilities pose the risk of Pipelines and stations. Aged Pipelines are prone to unplanned shutdowns, increased maintenance and operating costs. Deployment of new technologies in line with Pipeline Integrity Management Systems and ongoing maintenance processes are key to enhancing the reliability of operations and reduction in operating costs and maximising the life of assets, while improving the safety of operating conditions. Pipeline system's safety is also a major challenge and small operational issue and safety issues may cause major safety hazards, disrupt operations at large levels, pose danger to life, property and safety of people and penalties from statutory / regulatory bodies and reputation of the organisation may also be at stake. .

#### Internal Control Systems:

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 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 221 employees as on 31<sup>st</sup> March, 2015 (Previous year: 239 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:

As per requirement of the Listing Agreement, the Board Structure of the Company maintains an optimum combination of Executive, Non Executive Directors. However, the No. of Independent Directors remained below the one-half of the total No. of Directors due to resignation of various Directors on various occasions.

Smt. Vilasini Ramchandran IAS (Retd.) was appointed as Woman Director cum Independent Director w.e.f. 25<sup>th</sup> September, 2014. However, she resigned and ceased to be Director w.e.f. 24<sup>th</sup> February, 2015. Thereafter, the Company appointed Smt. Shridevi Shukla as Woman Director w.e.f. 22<sup>nd</sup> May, 2015.

The detailed composition of the Board as on 31<sup>st</sup> March, 2015, 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 <sup>st</sup> March, 2015 including GSPL	** Number of Membership/ Chairmanship in Board Committee as on 31 <sup>st</sup> March, 2015 including GSPL	
				Membership+	Chairmanship
1	Shri M M Srivastava, IAS (Retd.)	Non Executive Chairman (GSPC <sup>1</sup> Nominee)	2	0	0
2	Dr. J N Singh, IAS	Non Executive Director (GSPC <sup>1</sup> Nominee)	10	4	0
3	Shri L Chuaungo, IAS	Non Executive Director (GSPC <sup>1</sup> Nominee)	5	2	0
4	Dr. R Vaidyanathan	Independent Director	6	1	2
5	Prof. Yogesh Singh	Independent Director	3	2	0
6	Dr. Bakul Dholakia	Independent Director	7	4	3
7	Shri Atanu Chakraborty, IAS	Managing Director (GSPC <sup>1</sup> Nominee)	10	4	1

1. Gujarat State Petroleum Corporation Limited.

+ Membership excludes Chairmanship.

\* Excluding Directorship held in Foreign Companies.

\*\* Indicates Membership/Chairmanship in the Audit Committee, Stakeholders Relationship Committee (excluding Private Limited Companies, Foreign Companies and Section 8 Companies).

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

##### B. Board Meetings held during the year 2014 - 2015:

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 Meetings 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 2014 - 2015, the Board met 5 (Five) times. Details of these Meetings are as follows:

Sr. No.	Date of Meeting
1	22 <sup>nd</sup> May, 2014
2	7 <sup>th</sup> August, 2014
3	7 <sup>th</sup> November, 2014
4	13 <sup>th</sup> February, 2015
5	23 <sup>rd</sup> March, 2015

**C. Attendance of each Director at the Board Meetings during the year 2014 - 2015 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 25 <sup>th</sup> September, 2014
1	Shri M M Srivastava, IAS (Retd.)	5	5	Yes
2	Dr. Hasmukh Adhia, IAS (upto: 11 <sup>th</sup> November, 2014)	3	0	No
3	Shri D J Pandian, IAS (upto: 6 <sup>th</sup> September, 2014)	2	0	NA
4	Dr. J N Singh, IAS (w.e.f 24 <sup>th</sup> November, 2014)	2	2	NA
5	Shri L Chuaungo, IAS (w.e.f 21 <sup>st</sup> February, 2015)	1	0	NA
6	Dr. R Vaidyanathan	5	5	Yes
7	Prof. Yogesh Singh	5	5	No
8	Shri Yogesh B Sinha (upto: 12 <sup>th</sup> September, 2014)	2	0	NA
9	Dr. Bakul Dholakia (w.e.f 25 <sup>th</sup> September, 2014)	3	2	NA
10	Smt. Vilasini Ramachandran, IAS (Retd.) (w.e.f 25 <sup>th</sup> September, 2014 to 24 <sup>th</sup> February, 2015)	2	1	NA
11	Shri Tapan Ray, IAS (upto 30 <sup>th</sup> September, 2014)	2	2	Yes
12	Shri Atanu Chakraborty, IAS (w.e.f 6 <sup>th</sup> November, 2014)	3	3	NA

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

### 3. AUDIT COMMITTEE

The composition of the Audit Committee as on 31<sup>st</sup> March, 2015 is as follows:

1. Dr. R Vaidyanathan - Chairman
2. Prof. Yogesh Singh - Member
3. Dr. J N Singh, 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 in accordance with the Companies Act, 2013 and the revised Listing Agreement 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 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.

During the year 2014 - 2015, the Audit Committee met 5 (Five) times. Details of these Meetings are as follows:

Sr. No.	Date of Meeting
1	22 <sup>nd</sup> May, 2014
2	7 <sup>th</sup> August, 2014
3	7 <sup>th</sup> November, 2014
4	13 <sup>th</sup> February, 2015
5	23 <sup>rd</sup> March, 2015

The attendance of the Members at the Audit Committee Meetings during 2014 - 2015 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	5	5
2	Prof. Yogesh Singh	5	5
3	Shri Yogesh B Sinha (upto 12 <sup>th</sup> September, 2014)	2	0
4	Smt. Vilasini Ramachandran, IAS (Retd.) (w.e.f 24 <sup>th</sup> December, 2014 to 24 <sup>th</sup> February, 2015)	1	0
5	Dr. Hasmukh Adhia, IAS (upto : 11 <sup>th</sup> November, 2014)	3	0
6	Dr. J N Singh, IAS (w.e.f. 24 <sup>th</sup> December, 2014)	2	2

The Chairman of the Audit Committee remained present at the Annual General Meeting of the Company held on 25<sup>th</sup> September, 2014 to answer Shareholder queries.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2015 was as follows:

- |                                     |            |
|-------------------------------------|------------|
| 1. Prof. Yogesh Singh               | - Chairman |
| 2. Shri M M Srivastava, IAS (Retd.) | - Member   |
| 3. Dr. R Vaidyanathan               | - Member   |

The role of the Nomination and Remuneration Committee inter alia includes the following:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To devise a Policy on Board Diversity.
- Formulate and recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- To formulate, administer and monitor detailed terms and conditions of the Employees' Stock Option Scheme(s) of the Company.
- To carry out any other function as delegated by the Board from time to time and / or required by any statutory notification, amendment or modification, as may be applicable.

During the year 2014 - 2015, the Nomination and Remuneration Committee met 3 (Three) times. Details of these Meetings are as follows:

Sr. No.	Date of Meeting
1	24 <sup>th</sup> December, 2014
2	13 <sup>th</sup> February, 2015
3	23 <sup>rd</sup> March, 2015

The attendance of the Members at the Nomination and Remuneration Committee Meetings during 2014 - 2015 was as follows:

Sr No.	Name of the Nomination and Remuneration Committee Members	Number of Nomination and Remuneration Committee Meetings held while holding the office	Number of Nomination and Remuneration Committee Meetings attended
1	Dr. R Vaidyanathan	3	3
2	Shri M M Srivastava, IAS (Retd.)	3	3
3	Prof. Yogesh Singh	3	3

## 5. REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company framed pursuant to requirement of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement is annexed to the Director's Report.

## 6. REMUNERATION/SITTING FEES TO DIRECTORS

### i) Remuneration to Directors:

During the Financial Year 2014 - 15, the Company has paid remuneration of approx ₹ 15.17/- Lacs to Shri M M Srivastava, IAS (Retd.), Non - Executive Chairman pursuant to approval of Members at the 16<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2014. The payment of remuneration & perquisites to Shri M M Srivastava, IAS (Retd.) is as per the terms and conditions stipulated by the Govt. of Gujarat in its Resolution dated 10<sup>th</sup> May, 2013. Further, as Shri M M Srivastava, IAS (Retd.) has been nominated as Non-Executive Chairman by Gujarat State Petroleum Corporation Limited, the Notice Period and Severance Fees are not applicable.

Further, the Board of Directors of the Company has recommended payment of remuneration to Shri M M Srivastava, IAS (Retd.) w.e.f. 28<sup>th</sup> August, 2015 pursuant to Govt. of Gujarat Resolution dated 10<sup>th</sup> May, 2013 and letter dated 27<sup>th</sup> July, 2015 for approval of the Members at the ensuing Annual General Meeting under the applicable provisions of the Companies Act, 2013 and Clause 49 (II) (C) of the Listing Agreement with the Stock Exchanges. The total approx annual remuneration would be ₹ 15.67 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.

The Company upon approval by the Board of Directors has revised payment of Sitting Fees to the Directors (Except Managing Director) for attending Board/Committee Meeting from ₹ 5,000/- to ₹ 7,500/- per Meeting w.e.f. 1<sup>st</sup> September, 2015.

During the year 2014 - 2015, the Company has paid ₹ 3,57,500/- in aggregate as Sitting Fees to its Directors.

**iii) Stock Options granted to Directors:****ESOP - 2005:**

The Company had 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 could be exercised within a period of 5 years from the date of vesting. While the Company had granted the Options, a Director may in his sole discretion, decide to accept or reject the said grant. None of the Directors exercised their Options granted under the ESOP – 2005.

**ESOP - 2010:**

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

Except Shri Atanu Chakraborty, IAS and Dr. Bakul Dholakia who holds 300 Shares and 3500 Shares respectively, no other Director holds any Share in the Company. Further, 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.

**iv) Terms of appointment of Managing Director:**

Shri Atanu Chakraborty, IAS has been appointed as Managing Director of the Company w.e.f. 6<sup>th</sup> November, 2014. 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.

**7. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The composition of the Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2015 is as follows:

1. Dr. R Vaidyanathan - Chairman
2. Shri L Chuaungo, IAS - Member
3. Shri Atanu Chakraborty, IAS - Member

The status of Shareholders complaint as on 31<sup>st</sup> March, 2015 is as follows:

Particulars	Opening as on 1 <sup>st</sup> April, 2014	Received* during the year	Disposed during the year	Balance as on 31 <sup>st</sup> March, 2015
No. of complaints	NIL	686	686	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 31<sup>st</sup> March, 2015 is 0.46%. Company Secretary acts as Compliance Officer of the Company.

**8. ATTENDANCE OF EACH DIRECTOR AT THE COMMITTEE MEETING OTHER THAN THOSE STATED ABOVE AND CONVENED DURING THE FINANCIAL YEAR 2014 - 2015****1. PROJECT MANAGEMENT COMMITTEE:**

During the year 2014 - 2015, the Project Management Committee met 2 (Two) times. Details of these Meetings are as follows:

Sr. No.	Date
1	29 <sup>th</sup> April, 2014
2	23 <sup>rd</sup> March, 2015

The attendance of the Members at the Project Management Committee Meetings during 2014 - 2015 was as follows:

Sr No.	Name of the Project Management Committee Members	Number of Project Management Committee Meetings held while holding the office	Number of Project Management Committee Meetings attended
1	Shri M M Srivastava, IAS (Retd.)	2	2
2	Shri D J Pandian, IAS (upto: 6 <sup>th</sup> September, 2014)	1	0
3	Dr. R Vaidyanathan (upto: 13 <sup>th</sup> February, 2015)	1	1
4	Shri Tapan Ray, IAS (upto: 30 <sup>th</sup> September, 2014)	1	1
5	Dr. Hasmukh Adhia, IAS (upto: 11 <sup>th</sup> November, 2014)	1	0
6	Dr. J N Singh, IAS (w.e.f. 13 <sup>th</sup> February, 2015)	1	1
7	Shri L Chuaungo, IAS (w.e.f 23 <sup>rd</sup> March, 2015)	NA	NA
8	Dr. Bakul Dholakia (w.e.f. 13 <sup>th</sup> February, 2015)	1	1
9	Shri Atanu Chakraborty, IAS (w.e.f. 13 <sup>th</sup> February, 2015)	1	1

## 2. PERSONNEL COMMITTEE:

During the year 2014 - 2015, the Personnel Committee met 2 (Two) times. Details of these Meetings are as follows:

Sr. No.	Date
1	22 <sup>nd</sup> May, 2014
2	7 <sup>th</sup> August, 2014

The attendance of the Members at the Personnel Committee Meetings during 2014 - 2015 was as follows:

Sr No.	Name of the Personnel Committee Members	Number of Personnel Committee Meetings held while holding the office	Number of Personnel Committee Meetings attended
1	Shri M M Srivastava, IAS (Retd.)	2	2
2	Dr. Hasmukh Adhia, IAS (upto: 11 <sup>th</sup> November, 2014)	2	0
3	Dr. R Vaidyanathan	2	2
4	Shri Tapan Ray, IAS (upto: 30 <sup>th</sup> September, 2014)	2	2
5	Shri D J Pandian, IAS (upto: 6 <sup>th</sup> September, 2014)	2	0
6	Dr. J N Singh, IAS (w.e.f. 13 <sup>th</sup> February, 2015)	NA	NA
7	Shri L Chuaungo, IAS (w.e.f 23 <sup>rd</sup> March, 2015)	NA	NA
8	Shri Atanu Chakraborty, IAS (w.e.f. 13 <sup>th</sup> February, 2015)	NA	NA

## 9. 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
2013 - 2014	25 <sup>th</sup> September, 2014, 3.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar - 382010	1. Approving borrowing limit under Section 180 (1) (c) of the Companies Act, 2013. 2. Approving creation of charge/security in favour of lenders under Section 180 (1) (a) of the Companies Act, 2013.
2012 - 2013	27 <sup>th</sup> 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 <sup>th</sup> August, 2012.
2011 - 2012	25 <sup>th</sup> september, 2012, 3.00 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.

**10. 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 during the last three years.

**11. 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](http://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](http://www.nseindia.com)) and The Bombay Stock Exchange Limited ([www.bseindia.com](http://www.bseindia.com)).

**12. 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 & CFO to this effect has been made elsewhere in this Annual Report.

**Code of Conduct for Regulating, Monitoring And Reporting of Trading by Insiders:**

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information w.e.f. 15<sup>th</sup> May, 2015. Company Secretary acts as the Compliance Officer. This Code of Conduct is applicable to the Designated Person(s), Employees and the Immediate Relative(s) of such Designated Persons and Employees of the Company who can have access to Unpublished Price Sensitive Information relating to the Company. Prior to this, the Company had in place the Code of Conduct for Prevention of Insider Trading pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992.

**13. ETHICAL BEHAVIOR AND VIGIL MECHANISM**

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement, the Company has an Ethical Behavior and Vigil Mechanism for Directors and Employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of GSPL and/or GSPC Group. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Management affirms that no Employee of the Company was denied access to the Audit Committee. The Company has provided the details of the said Policy on the website of the Company at <http://gspcgroup.com/pdf/gspl/Vigil Mechanism Policy.pdf>.

**14. POLICY FOR MATERIAL SUBSIDIARIES**

As required under Clause 49 (V) of the revised Listing Agreement, the Company has formulated a Policy for determining "Material" Subsidiaries which has been put on the website of the Company at <http://gspcgroup.com/pdf/gspl/Policy for determining Material Subsidiaries.pdf>.

**15. POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS**

As required under Clause 49 (VIII) of the revised Listing Agreement, the Company has formulated a Related Party Transactions Policy which has been put on the website of the Company at <http://gspcgroup.com/pdf/gspl/Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions.pdf>.

## 16. APPOINTMENT OF INDEPENDENT DIRECTORS

The Company has issued formal letter of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement. The terms and conditions of appointment have also been disclosed on the website of the Company at <http://gspcgroup.com/pdf/gspl/Terms and Conditions of Letter of Appointment to Independent Director.pdf>.

## 17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to provisions of Clause 49 (II) (B) (7) of the Listing Agreement, the Company has formulated a Policy on Familiarization Programme for Independent Directors. The Programme aims to familiarize Independent Directors with activities of the Company so as to enable them to make effective contribution and to assist them in discharging their functions as a Board Member. The Company's Policy on Familiarization Programme for Independent Directors has been disclosed on the website of the Company at <http://gspcgroup.com/pdf/gspl/Policy on Familiarization Programme for Independent Directors.pdf>.

## 18. GENERAL SHAREHOLDERS INFORMATION

### A. Schedule & Venue of the 17<sup>th</sup> Annual General Meeting of the Company:

Date & Day : 24<sup>th</sup> September, 2015, 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 1<sup>st</sup> April and ends on 31<sup>st</sup> March every Year.

Financial Calendar for 2015-2016 (Tentative Schedule) for adoption of quarterly results for:

Quarter ending 30 <sup>th</sup> June, 2015	7 <sup>th</sup> August, 2015
Quarter ending 30 <sup>th</sup> September, 2015	Before 14 <sup>th</sup> November, 2015
Quarter ending 31 <sup>st</sup> December, 2015	Before 14 <sup>th</sup> February, 2016
Quarter & Year ending 31 <sup>st</sup> March, 2016 (Audited)	Before 30 <sup>th</sup> May, 2016

### C. Book Closure Date:

Thursday, 17<sup>th</sup> September, 2015, to Thursday, 24<sup>th</sup> September, 2015 (both days inclusive).

### D. Dividend Payment:

Dividend if approved by the Shareholders, will be paid on Thursday, the 1<sup>st</sup> October, 2015.

### 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 Unclaimed Dividend in respect of the Financial Year 2007 – 2008 and 2008 – 2009 is due for transfer IEPF on 25<sup>th</sup> October, 2015 and 1<sup>st</sup> January, 2016 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 2007 – 2008 onwards on the Company's Website [www.gujpetronet.com](http://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, 33141 Equity Shares (previous year: 33391 Equity Shares) issued to 128 Shareholders (previous year: 129 Shareholders) of the face value of ₹ 10 each are lying in the "GSPL Unclaimed Shares Demat Suspense Account" maintained by the Company. During the year, 250 Shares were transferred from Demat Suspense Account to the respective Shareholders' Account. The voting rights on the Shares outstanding in the suspense account as on 31<sup>st</sup> March, 2015 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
2007 – 2008	0.50 (i.e. 5%)	26 <sup>th</sup> September, 2008	9,92,616	25 <sup>th</sup> October, 2015
2008 – 2009	0.75 (i.e. 7.5%)	03 <sup>rd</sup> December, 2009	14,20,482	01 <sup>st</sup> January, 2016
2009 – 2010	1.00 (i.e. 10%)	21 <sup>st</sup> September, 2010	11,36,771	20 <sup>th</sup> October, 2017
2010 – 2011	1.00 (i.e. 10%)	23 <sup>rd</sup> September, 2011	10,32,163.34	22 <sup>nd</sup> October, 2018
2011 - 2012	1.00 (i.e. 10%)	25 <sup>th</sup> September, 2012	15,58,326	24 <sup>th</sup> October, 2019
2012 - 2013	1.00 (i.e. 10%)	27 <sup>th</sup> September, 2013	9,94,431	26 <sup>th</sup> October, 2020
2013 – 2014	1.00 (i.e. 10%)	25 <sup>th</sup> September, 2014	10,32,220	24 <sup>th</sup> October, 2021

#### 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 2015 - 2016 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 2014	22939.31	22197.51	75.00	65.00	6869.85	6650.04	75.10	65.00
May	25375.63	22277.04	84.45	70.05	7563.50	6639.55	84.90	70.00
June	25725.12	24270.20	95.20	72.90	7700.05	7239.50	95.20	72.50
July	26300.17	24892.00	103.50	82.15	7840.95	7422.15	103.50	82.00
August	26674.38	25232.82	95.00	80.00	7968.25	7540.10	95.20	80.00
September	27354.99	26220.49	99.30	83.30	8180.20	7841.80	99.30	83.45
October	27894.32	25910.77	101.90	85.50	8330.75	7723.85	102.00	85.85
November	28822.37	27739.56	114.85	95.50	8617.00	8290.25	114.80	96.30
December	28809.64	26469.42	117.40	101.85	8623.00	7961.35	117.50	101.50
January 2015	29844.16	26766.12	135.65	113.10	8996.60	8065.45	135.95	112.50
February	29560.32	28044.49	124.90	114.05	8941.10	8470.50	125.00	101.00
March	30024.74	27248.45	128.40	104.30	9119.20	8269.15	128.20	104.40

#### G. Registrar and Share 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

Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad – 500 008, Andhra Pradesh, India  
Tel: +91-40-67161518 | Fax: +91-40-23420814  
Email: mailmanager@karvy.com | Website: www.karvycomputershare.com  
Contact person: Mr. Suresh Babu D

**H. Distribution of Shareholding:**

Distribution of Shareholding as on 31<sup>st</sup> March, 2015 is given below:

Category (Amount of Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	134631	91.10	24799343	4.41
5001-10000	7870	5.32	6203588	1.10
10001-20000	2888	1.95	4335958	0.77
20001-30000	810	0.55	2094315	0.37
30001-40000	340	0.23	1233778	0.22
40001-50000	344	0.23	1642821	0.30
50001-100000	458	0.31	3353726	0.60
100001 & above	492	0.33	519316451	92.24
<b>Total</b>	<b>147833</b>	<b>100</b>	<b>562979980</b>	<b>100</b>

**I. Dematerialization of Shares and its liquidity:**

509022068 Equity Shares representing 90.42% of the total Equity Shares of the Company are held in Dematerialized Form and balance 53957912 Equity Shares representing 9.58% are in Physical Form as on 31<sup>st</sup> March, 2015.

**J. Plant Locations:**

The Company is developing pipeline infrastructure for transportation of gas and has set up wind power project of 52.5 MW in the areas of Maliya Miyana, Rajkot and Gorsar & Adodar, Porbandar. 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**

GSPL Bhavan, E-18, GIDC Electronic Estate, Sector - 26, Nr. K-7 Circle, Gandhinagar - 382028.

Ph.: +91-79-23268500 | Fax: +91-79-23268506

Website: 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. Non-Mandatory Requirements:**

**The Company has complied with the following Non-Mandatory Requirements:**

**1. Audit Qualifications**

There are no qualifications in the Auditor's Report on the financial statements to the Shareholders of the Company.

**2. Separate posts of Chairman and Managing Director**

The positions of the Chairman and Managing Director are separate.

**3. Reporting of Internal Auditor**

The Internal Auditor has access and may report directly to the Audit Committee.

**Date:** 7<sup>th</sup> August, 2015

**Place:** Gandhinagar

**For and on behalf of the Board of Directors,**

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

## CEO & CFO CERTIFICATION

### Certificate by Managing Director and CFO in terms of Clause 41 of the Listing Agreement.

We hereby certify that:-

- a. We have reviewed the audited financial results for the quarter and year ended on 31<sup>st</sup> March, 2015 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.

**Date:** 22<sup>nd</sup> May, 2015

**Place:** Gandhinagar

**Manish Seth**

*CFO*

**Atanu Chakraborty, 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 31<sup>st</sup> March, 2015. 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 remained below one - half for the period from 1<sup>st</sup> April, 2014 to 5<sup>th</sup> September, 2014 and further for the period from 12<sup>th</sup> September, 2014 to 24<sup>th</sup> September, 2014 and also for the period w.e.f. 24<sup>th</sup> February, 2015 due to cessation of Directors and consequent delay in filing up the vacancy of Independent Directors.

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**

*Partner*

Membership No.: FCS 4287

Certificate of Practice No.: CP - 2574

**Date:** 7<sup>th</sup> August, 2015

**Place:** Ahmedabad

## ANNEXURE - III

### AOC – 2

#### [Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of The Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(a) Name(s) of the related party and nature of Relationship: GSPC Gas Company Limited, Associate Company

(c) Duration of the contracts/arrangements/transactions: Ongoing/Recurring

(c) Date(s) of approval by the Board: NA

Nature of contracts/arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value of the transaction in FY 2014-15 (in ₹), if any *	Amount paid as advances, if any
Reimbursement made/received like for employee salary/benefit, RoU, Advt. Expenses	20369446	NIL
Availing/Rendering services	8689744	NIL
Gas Transportation Income	2140930152	NIL
Rent paid/received for sharing of infrastructural facilities for operational purposes	3590258	NIL
Purchase/Sale of Tangible Assets	14609752	NIL

*\*All the Transactions are in the ordinary course of Business and have been entered into considering Arm's Length Principle. Further the threshold for determining the Material Related Party Transactions has been considered as per the term defined in Clause 49 of the Listing Agreement.*

**For and on behalf of the Board of Directors,**

**Date :** 7<sup>th</sup> August, 2015

**Place :** Gandhinagar

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

*Chairman*

## ANNEXURE - IV

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

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

The Corporate Social Responsibility Policy of the Company is available on the website of the Company viz. [www.gspcgroup.com](http://www.gspcgroup.com).

2. Composition of the CSR Committee:

Shri M M Srivastava, IAS (Retd.) - Chairman  
 Prof. Yogesh Singh - Member  
 Shri Atanu Chakraborty, IAS - Member

3. Average Net Profit of the Company for last three Financial Years:

Average Net Profit (2011 - 12 to 2013 - 14) : ₹ 748.28 Crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend approx ₹ 14.96 Crores towards CSR.

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year : ₹ 28,80,900/-

(b) Amount unspent, if any: approx 14.67 Crores

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programmes (1) Local Area or other (2) Specify the state and district where projects or programmes were undertaken	Amount outlay (Budget) projects or programmes wise	Amount spent on the project or programmes		Cumulative expenditure up to the reporting period	Amount spent : Directly or Through Implementing Agency
					Direct expenditure on programmes or projects	Overheads		
1	Sponsorship for Horse Show	Animal Welfare	District Gandhinagar, State Gujarat	-	₹ 2,80,900/-	-	₹ 2,80,900/-	Through Implementing Agency
2	Contribution to Chair Professor Endowment Fund PDP - 2014 - 15	Promoting Education	District Gandhinagar, State Gujarat	-	₹ 25,00,000/-	-	₹ 25,00,000/-	Direct
3	Contribution for Garib Kalyan Mela of Govt. of Gujarat	Eradicating Poverty/ Hunger	District: Dahod, State: Gujarat	-	₹ 1,00,000/-	-	₹ 1,00,000/-	Through Implementing Agency
	<b>Total</b>				<b>₹ 28,80,900/-</b>		<b>₹ 28,80,900/-</b>	

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

The Company has entered in to MoU of ₹ 25 Crores with Govt of Gujarat in the year 2011 for setting up a semi financed Degree Engg Institute under Public Private Partnership Mode in Surendranagar District for promoting education. The project completion period would be two years from the date of allocation of land to the Company. The present estimated cost towards the said project is approx ₹ 43 Crores and the Company earmarked the said amount towards the same. However, as the land allocated by Govt. of Gujarat for establishing the said college was found unsuitable and Govt. of Gujarat is yet to allocate new land to the Company, the Company could not initiate the activities towards the same.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Atanu Chakraborty, IAS  
 Managing Director

M M Srivastava, IAS (Retd.)  
 Chairman of the Corporate Social Responsibility Committee

## ANNEXURE - V

### NOMINATION AND REMUNERATION POLICY OF GSPL

#### 1. INTRODUCTION:

In compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement, the Board of Directors of the Company has constituted the Nomination and Remuneration Committee in accordance with the requirements of the Companies Act 2013.

**The role of the Nomination and Remuneration Committee inter alia includes the following:**

- a. Formulation of criteria for determining qualifications, positive attributes and independence of a Director.
- b. Formulation of criteria for evaluation of Independent Directors and the Board.
- c. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- d. To devise a policy on Board diversity.
- e. Formulate and recommend to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- f. To formulate, administer and monitor detailed terms and conditions of the Employees' Stock Option Scheme(s) of the Company.
- g. To carry out any other function as delegated by the Board from time to time and / or required by any statutory notification, amendment or modification, as may be applicable.

Accordingly the Nomination & Remuneration Policy of Gujarat State Petronet Limited has been formulated and recommended by the Nomination and Remuneration Committee and approved and adopted by the Board of Directors of the Company at its meeting held on 23<sup>rd</sup> March, 2015.

#### 2. DEFINITIONS:

In this Policy unless the context otherwise requires:

- i. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- ii. "Board" means Board of Directors of the Company.
- iii. "Company" means Gujarat State Petronet Limited
- iv. "Director" means a person who has been appointed as Director on the Board of the Company.
- v. "Employees Stock Option" means the Option given to the Directors, Officers or Employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the Shares of the Company at a future date at a pre-determined price.
- vi. "Evaluation Policy" means policy approved by the Board of Directors of the Company for evaluation of performance of Directors, Committees & Board.
- vii. "HR Policy" means the HR policy adapted by the Company from time to time.
- viii. "Independent Director" means an independent director as defined under section 2 (47) of the Act read with provisions of Clause 49 of the Listing Agreement).
- ix. "Key Managerial Personnel (KMP)" means
  - a) Chief Executive Officer or the Managerial Person
  - b) Company Secretary
  - c) Chief Financial Officer and
  - d) Such other officer as may be prescribed under the Act.
- x. "Managerial Person" means any person appointed as Managing Director or Whole Time Director or Manager of the Company in accordance with the provisions of the Companies Act, 2013.
- xi. "Nomination and Remuneration Committee" or the "N&R Committee" means a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.
- xii. "Policy" means Nomination & Remuneration Policy of the Company.
- xiii. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

- xiv. “Senior Management” means those personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors including all functional heads.

(Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.)

### **3. APPLICABILITY:**

This Policy is applicable to:

- a) Directors (Executive & Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other Employees of the Company

### **4. GENERAL:**

This Policy is divided in three parts:

Part – A: Objective of the Nomination & Remuneration Policy

Part – B: Criteria for Appointment and Removal of Director, KMP and Senior Management

Part – C: Policy for Remuneration of Director, KMP and Senior Management

#### **Part-A**

##### **I) Constitution of N & R Committee:**

The N&R Committee shall consist of a minimum 3 non – executive directors, majority of them being independent. Minimum 2 members shall constitute a quorum for the N&R Committee meeting. Chairman of the N&R Committee shall be an Independent Director.

Chairman of the Nomination and Remuneration Committee Meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholder’s queries.

##### **II) Objectives of the Policy:**

The key objectives for adopting the Policy are as follows:

- a. To lay down criteria, terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial positions and Senior Management;
- b. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- c. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- d. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- e. To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **Part-B**

### **CRITERIA FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT:**

##### **I) Appointment criteria and qualifications:**

1. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment as Director, KMP or at Senior Management level. Since Gujarat State Petronet Limited is promoted by Gujarat State Petroleum Corporation Limited (GSPC), a Govt. of Gujarat Undertaking, in terms of the provisions of Articles of Association of the Company so long as GSPC holds not less than 26% of the paid up share capital of the Company either directly or indirectly, GSPC has right to nominate and appoint majority directors on the Board of the Company including the Chairman and Managing Director. The Committee/Board as the case may be, shall have the discretion to assess the person on various criteria and decide whether qualification, skills, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position while considering his/her appointment.
2. Directors should fulfill the qualification and other criteria laid down in the Companies Act, 2013 and should not be disqualified to become a Director.
3. An Independent Director should meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors.
4. The Company shall not appoint or continue the employment of any person as Managerial Person who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the

approval of shareholders by passing a special resolution as may be required under the provisions of the Companies Act, 2013, Listing Agreement and other applicable laws.

## II) Term/Tenure:

### 1. Managerial Person:

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### 2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of any person as an Independent Director, it should be ensured that number of Boards on which such person serves as a Director/Whole-time Director is not exceeding the permissible limit under the Companies Act, 2013 and/or Listing Agreement as the case may be from time to time.

## III) Evaluation:

Evaluation of performance of every Director, KMP and Senior Management will be carried out at regular interval (preferably atleast once in a year) in accordance with the Evaluation Policy/HR Policy as may be applicable.

## IV) Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or HR Policy, the Committee and/or Board subject to the provisions and compliance of the said Act, rules and regulations or HR Policy may consider removal of a Director, KMP or Senior Management and the Committee/ Board as the case may be will record the reasons in writing.

## V) Retirement:

The Director, KMP and Senior Management shall retire as per provisions of the Companies Act, 2013 and HR Policy as may be applicable. The Board will have the discretion to retain the Director, KMP, Senior Management after attaining the retirement age, at such position/remuneration as it may deem fit for the benefit of the Company.

## Part-C

### POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SR. MANAGEMENT PERSONNEL:

In the context of the objectives as mentioned above, the Policy is framed to device a mechanism that allows competitive and fair remuneration & rewards for the achievement of key deliverables by Directors, KMP and Senior Management of the Company and in doing so, following shall act as a benchmark:

#### I) Guiding Principles:

- a) Remuneration should commensurate to the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- b) The level of Remuneration should be sufficient to attract, retain, motivate and promote talent so as to ensure long term sustainability of talented managerial persons and create competitive advantage of human capital of the company as compared to peer companies in the industry.
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- d) It is clarified that since the Managing Director of GSPL being an IAS officer, the remuneration if any, to be paid by the Company to Managing Director, would primarily be governed by the terms and conditions as to remuneration applicable in his/her grade in the Govt. Services. Managing Director is not paid any sitting fees or out of pocket expenses. It is further clarified that presently, the sitting fees in respect of other IAS directors (which are in services of Govt. of Gujarat and not being the retired IAS officers) is being deposited with the government treasury at the end of each financial year based on his/her actual attendance as per directions of Govt.

#### II) Remuneration Mechanism:

- i. The Directors (executive & non executive) of the Company will be entitled to receive the remuneration / compensation / commission etc. if any, approved by the Board of Directors. The remuneration / compensation / commission etc. shall be in

accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company, the Act and shall be subject to the prior / post approval of the shareholders of the Company and/or Central Government, wherever required.

- ii. The Non Executive Directors shall be entitled to receive sitting fees for attending Board/Committee meetings (either as a member or special invitee), of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act or such amount as may be prescribed by the Central Government from time to time and shall also be paid out of pocket expenses for attending such meeting.

- iii. The remuneration and other terms of the KMP (other than Managerial Person), Senior Management Personnel and other employees shall be governed by the HR Policy.

The components of the total remuneration vary for different grades and are governed by the various criteria like qualifications, experience, merit etc of the employee. The remuneration and other benefits to the employees as per HR Policy mainly consists of pay scale, allowances, perquisites & benefits, bonus, performance linked incentive pays, reimbursement of expenses, employee welfare schemes, retirement benefits etc.

- iv. The Company may have Employees Stock Option Schemes or other schemes which are share based with an objective to attract, retain talent, reward loyalty/association of employees, reward for performance and create long-term shareholder value. Such Stock Option Schemes or any other similar scheme if any, should be in compliance with the guidelines, regulations, rules etc. issued SEBI in that relation from time to time.

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock options of the Company.

- v. Where any insurance is taken by the Company on behalf of its Key Managerial Personnel or any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

## **5. DEVIATIONS FROM THE POLICY**

This Policy shall be of guidance for the Board. Any departure/deviation from the policy when deemed necessary in the interests of the Company will be made and be reasoned and recorded.

## **6. AMENDMENT TO THE POLICY:**

This Policy can be amended by the Board of Directors on its own or based on the recommendation made by the Nomination and Remuneration Committee as and when deemed fit from time to time.

## **7. DISCLOSURE OF THE POLICY:**

The Nomination & Remuneration Policy of the Company or contents thereof will be disclosed in the Board's Report and at such other places in such manner as may be required under the provisions of the Companies Act, 2013 and Listing Agreement from time to time.

## ANNEXURE - VI

### SECRETARIAL AUDIT REPORT

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

To,  
The Members of  
GUJARAT STATE PETRONET LIMITED  
GSPC Bhavan, B/h Udyog Bhavan,  
Sector - 11, Gandhinagar - 382010

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GUJARAT STATE PETRONET LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India could not be examined as the same were not notified during the audit period.
- II. The Equity Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

We hereby report that during the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as required under Clause 49 of the Listing Agreement except for the period from 1<sup>st</sup> April, 2014 to 5<sup>th</sup> September, 2014 and further for the period from 12<sup>th</sup> September, 2014 to 24<sup>th</sup> September, 2014 wherein the number of Independent Directors remained below one - half of the total number of the Directors on the Board of the Company due to resignation of Directors.



Further due to resignation of Smt. Vilasini Ramchandran, IAS (Retd.) a Woman Independent Director w.e.f 24<sup>th</sup> February, 2015, there was vacancy of the Woman Director as well as the Independent Director of the Company from that date. We further note that subsequently Smt Shridevi Shukla has been appointed as a Woman Director on the Board of the Company w.e.f. 22<sup>nd</sup> May 2015. However, the number of Independent Directors continues to remain below one-half w.e.f. 24<sup>th</sup> February, 2015 and onwards. We have been informed that the company has initiated the process for appointment of Independent Directors.

VI. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a) The Petroleum and Minerals Pipelines (Acquisition of Right of User in land) Act, 1962
- b) The Gujarat Water and Gas Pipelines (Acquisition of Right of User in land) Act, 2000
- c) The Petroleum and Natural Gas Regulatory Board Act, 2006
- d) The Petroleum Act, 1934
- e) The Explosives Act, 1884
- f) The Electricity Act, 2003

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors (subject to the observation supra). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all Directors to schedule the Board Meetings at least seven days in advance. Agenda and detailed notes on agenda were also sent to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period, no event/action has taken place which have major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **MANOJ HURKAT & ASSOCIATES**  
*Practicing Company Secretaries*

**Manoj R Hurkat**  
*Partner*

**Date:** 24<sup>th</sup> July, 2015  
**Place:** Ahmedabad

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

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

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

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and cost records of the Company.
4. We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of the same on test basis.
6. The Secretarial audit report 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**

*Partner*

**Date:** 24<sup>th</sup> July, 2015

**Place:** Ahmedabad

Membership No.: FCS 4287

Certificate of Practice No.: CP - 2574

## ANNEXURE - VII

### DISCLOSURE REGARDING GSPL EMPLOYEE STOCK OPTION PLAN - 2005

Disclosure for the FY 2014 - 15			
Sr. No	Particulars	ESOP 2005 – Part-I	ESOP 2005 – Part-II
1	Options granted during the year	Nil	Nil
2	Options Vested during the year	Nil	1865
3	Options exercised during the year	Nil	19232
4	The total number of shares arising as a result of exercise of Options during the respective financial year	Nil	19232
5	Options lapsed during the year	Nil	8495.5
6	The exercise Price (₹)	14/-	14/-
7	Variation in terms of Options	Nil	Nil
8	Money realized by exercise of Options during the respective financial year (₹)	Nil	269248
9	Total Number of Options in force as on 31 <sup>st</sup> March of the respective financial year	Nil	2
10	Employee wise details of Options granted during the year to:		
	(i) Key Managerial Personnel: Shri Manish Seth	Nil	Nil
	(ii) Any other employee who received grant in any one year of Options amounting to five percent or more of Options granted during that year	N.A	N.A
	(iii) Indentified employees who were granted option during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A	N.A

## ANNEXURE - VIII

### DISCLOSURE REGARDING GSPL EMPLOYEE STOCK OPTION PLAN - 2010

Disclosure for the FY 2014 - 15			
Sr. No.	Particulars	ESOP 2010 – Type A	ESOP 2010 – Type B
1	Options granted during the year	Nil	Nil
2	Options Vested during the year	355662	7072
3	Options exercised during the year	222053	Nil
4	The total number of shares arising as a result of exercise of Options during the respective financial year	222053	Nil
5	Options lapsed during the year	142087	8351
6	The exercise Price (₹)	75/-	75/-
7	Variation in terms of Options	Nil	Nil
8	Money realized by exercise of Options during the respective financial year (₹)	16653975	Nil
9	Total Number of Options in force as on 31 <sup>st</sup> March of the respective financial year	1354183	38605
10	Employee wise details of Options granted during the year to:		
	(i) Key Managerial Personnel: Shri Manish Seth	Nil	Nil
	(ii) Any other employee who received grant in any one year of Options amounting to five percent or more of Options granted during that year	N.A	N.A
	(iii) Indentified employees who were granted option during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A	N.A

## ANNEXURE IX TO THE DIRECTORS' REPORT

### FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015 [PURSUANT TO SECTION 92(3) AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i.	CIN	L40200GJ1998SGC035188
ii.	Registration Date	23/12/1998
iii.	Name of the Company	Gujarat State Petronet Limited
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered Office and contact details	GSPC Bhavan, B/h. Udyog Bhavan, Sector - 11, Gandhinagar – 382 010 Tel.: 079 - 66701001   Fax: 079 - 23236477 Website : www.gspcgroup.com   e-mail: investors.gspl@gspc.in
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Karvy Computershare Private Limited</b> Unit : Gujarat State Petronet Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008 Email : einward.ris@karvy.com Phone : +91 040 67161518   Fax : +91 40 23420814

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company, on standalone basis, are as under:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Gas Transportation Business	49300	96%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
i.	Gujarat State Petroleum Corporation Limited, GSPC Bhavan, B/h Udyog Bhavan, Sector - 11, Gandhinagar - 382 010	U23209GJ1979SGC003281	Holding company	37.71	2(46)
ii.	GSPL India Gasnet Limited GSPC Bhavan, B/h Udyog Bhavan, Sector - 11, Gandhinagar - 382 010	U40200GJ2011SGC067449	Subsidiary Company	52	2(87)
iii.	GSPL India Transco Limited GSPC Bhavan, B/h Udyog Bhavan, Sector - 11, Gandhinagar - 382 010	U40200GJ2011SGC067450	Subsidiary Company	52	2(87)
iv.	GSPC Gas Company Limited Block No. 15, 3 <sup>rd</sup> Floor, Udyog Bhavan, Sector - 11, Gandhinagar	U23100GJ1999SGC035573	Associate Company	29.12	2(6)
v.	GSPC Distribution Networks Limited Block No. 15, 3 <sup>rd</sup> Floor, Udyog Bhavan, Sector - 11, Gandhinagar	U40200GJ2012SGC069118	Associate Company	38.89	2(6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	212305270	-	212305270	37.73	212305270	-	212305270	37.71	(0.02)*
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	212305270	-	212305270	37.73	212305270	-	212305270	37.71	(0.02)
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	212305270	-	212305270	37.73	212305270	-	212305270	37.71	(0.02)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	72841115	-	72841115	12.94	92583449	-	92583449	16.45	3.50
b) Banks / FI	56129568	-	56129568	9.97	35922871	-	35922871	6.38	(3.59)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	8000000	53938000	61938000	11.01	8000000	53938000	61938000	11.00	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	28771453	-	28771453	5.11	58519064	-	58519064	10.39	5.28
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	165742136	53938000	219680136	39.04	195025384	53938000	248963384	44.22	5.18
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	50795911	-	50795911	9.03	46856656	-	46856656	8.32	(0.70)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1 lac	51228576	17122	51245698	9.11	41301960	19912	41321872	7.34	(1.77)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	8006100	18521	8024621	1.43	6270324	-	6270324	1.11	(0.31)
c) Others (specify)	-	-	-	-	-	-	-	-	-
Clearing Members	392996	-	392996	0.07	167874	-	167874	0.03	(0.04)
Foreign Bodies	18738000	-	18738000	3.33	6014943	-	6014943	1.07	(2.26)
Foreign Nationals	5000	-	5000	-	5000	-	5000	-	-
Non Resident Indians	1533787	-	1533787	0.27	1070507	-	1070507	0.19	(0.08)
Overseas Corporate Bodies	12000	-	12000	-	600	-	600	-	-
Trusts	5276	-	5276	-	3550	-	3550	-	-
Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	130717646	35643	130753289	23.24	101691414	19912	101711326	18.07	(5.17)
Total Public Shareholding (B) = (B)(1)+(B)(2)	296459782	53973643	350433425	62.27	296716798	53957912	350674710	62.29	0.02
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	508765052	53973643	562738695	100.00	509022068	53957912	562979980	100.00	-

\* The reduction in % of Shareholding during the year is due to increase in Paidup Share capital of the Company consequent to allotment of Shares to employees exercising their Options under Employee Stock Option Schemes of the Company.

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year*
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Gujarat State Petroleum Corporation Limited	212305270	37.73	37.73	212305270	37.71	-	0.02
	<b>TOTAL</b>	<b>212305270</b>	<b>37.73</b>	<b>37.73</b>	<b>212305270</b>	<b>37.71</b>	<b>-</b>	<b>0.02</b>

\* The reduction in % of Shareholding during the year is due to increase in Paidup Share capital of the Company consequent to allotment of Shares to employees exercising their Options under Employee Stock Option Schemes of the Company.

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company*
1.	Gujarat State Petroleum Corporation Limited				
	At the beginning of the year	212305270	37.73	212305270	37.71
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change during the year			
	At the end of the year	212305270	37.73	212305270	37.71

\* The reduction in % of Shareholding during the year is due to increase in Paidup Share capital of the Company consequent to allotment of Shares to employees exercising their Options under Employee Stock Option Schemes of the Company.

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Gujarat Maritime Board</b>				
	At the beginning of the year	37088000	6.59	37088000	6.59
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change during the year			
	At the end of the year	37088000	6.59	37088000	6.59
2.	<b>Life Insurance Corporation of India</b>				
	At the beginning of the year	27780620	4.94		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>
		16.01.2015	(1949888)	0.35	25830732
		23.01.2015	(437759)	0.08	25392973
		30.01.2015	(432928)	0.08	24960045
		06.02.2015	(1137139)	0.20	23822906
		13.02.2015	(337007)	0.06	23485899
	At the end of the year	23485899	4.17		
3.	<b>International Finance Corporation</b>				
	At the beginning of the year	18738000	3.33		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>
		23.05.2014	(3000000)	0.53	15738000
		30.05.2014	(176828)	0.03	15561172
		13.06.2014	(563172)	0.10	14998000
		21.11.2014	(4500)	0.00	14993500
		28.11.2014	(3995000)	0.71	10998500
		19.12.2014	(58751)	0.01	10939749
		31.12.2014	(167171)	0.03	10772578
		02.01.2015	(89285)	0.02	10683293
		09.01.2015	(3934793)	0.70	6748500
		27.03.2015	(530000)	0.09	6218500
		31.03.2015	(203557)	0.03	6014943
	At the end of the year	6014943	1.07		

<b>4.</b>	<b>ICICI Prudential Life Insurance Company Limited</b>					
	At the beginning of the year		16611964	2.95		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		18.04.2014	(67079)	0.01	16544885	2.94
		25.04.2014	(94000)	0.02	16450885	2.92
		02.05.2014	(100000)	0.02	16350885	2.90
		09.05.2014	(29400)	0.00	16321485	2.90
		16.05.2014	(1123700)	0.20	15197785	2.70
		23.05.2014	(2142621)	0.38	13055164	2.32
		30.05.2014	(429000)	0.08	12626164	2.24
		06.06.2014	(250000)	0.04	12376164	2.20
		04.07.2014	(1000000)	0.18	11376164	2.02
		14.11.2014	(294109)	0.05	11082055	1.97
		28.11.2014	(690000)	0.12	10392055	1.85
		31.12.2014	(674)	0.00	10391381	1.85
		06.02.2015	(1899)	0.00	10389482	1.85
		27.02.2015	(1112)	0.00	10388370	1.85
	At the end of the year	10388370	1.85			
<b>5.</b>	<b>IDFC Premier Equity Fund</b>					
	At the beginning of the year		15600478	2.77		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		13.02.2015	(462931)	0.08	15137547	2.69
		20.02.2015	(2467)	0.00	15135080	2.69
		27.02.2015	(510230)	0.09	14624850	2.60
		06.03.2015	(200000)	0.04	14424850	2.56
		27.03.2015	(330000)	0.06	14094850	2.50
	At the end of the year	14094850		2.50		
<b>6.</b>	<b>LIC of India Market Plus 1 Growth Fund</b>					
	At the beginning of the year		13239164	2.35		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		13.06.2014	(536015)	0.09	12703149	2.26
		04.07.2014	(750115)	0.14	11953034	2.12
		11.07.2014	(1030214)	0.18	10922820	1.94
		18.07.2014	(867380)	0.15	10055440	1.79
		25.07.2014	(728292)	0.13	9327148	1.66
		01.08.2014	(1177680)	0.21	8149468	1.45
		08.08.2014	(1123158)	0.20	7026310	1.25
		22.08.2014	(225746)	0.04	6800564	1.21
		29.08.2014	(689824)	0.12	6110740	1.09
		05.09.2014	(1144896)	0.21	4965844	0.88
		12.09.2014	(2091142)	0.37	2874702	0.51
		19.09.2014	(1821624)	0.32	1053078	0.19
		30.09.2014	(966229)	0.17	86849	0.02
		03.10.2014	(19843)	0.01	67006	0.01
		10.10.2014	(67000)	0.01	6	0.00
	At the end of the year	6	0.00			

7.	HDFC Standard Life Insurance Company Limited					
	At the beginning of the year		12175659	2.16		
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Date	No. of shares (sold) / purchased	%	Cumulative No. of shares after the sale / purchase	%
		04.04.2014	214476	0.04	12390135	2.20
		25.04.2014	23202	0.01	12413337	2.21
		09.05.2014	(3691)	0.00	12409646	2.21
		16.05.2014	(35180)	0.01	12374466	2.20
		23.05.2014	(17831)	0.00	12356635	2.20
		20.06.2014	(19227)	0.01	12337408	2.19
		30.06.2014	(297888)	0.05	12039520	2.14
		11.07.2014	(96401)	0.02	11943119	2.12
		18.07.2014	13483	0.00	11956602	2.12
		01.08.2014	63703	0.01	12020305	2.13
		24.10.2014	86174	0.02	12106479	2.15
		14.11.2014	(16587)	0.00	12089892	2.15
		21.11.2014	(25000)	0.01	12064892	2.14
		28.11.2014	(425001)	0.07	11639891	2.07
		05.12.2014	68	0.00	11639959	2.07
		12.12.2014	14	0.00	11639973	2.07
		19.12.2014	13	0.00	11639986	2.07
		31.12.2014	(199978)	0.04	11440008	2.03
		02.01.2015	50	0.00	11440058	2.03
		09.01.2015	(100000)	0.02	11340058	2.01
		16.01.2015	16	0.00	11340074	2.01
		06.02.2015	66	0.00	11340140	2.01
		13.02.2015	(132145)	0.02	11207995	1.99
		27.02.2015	2535	0.00	11210530	1.99
		13.03.2015	105	0.00	11210635	1.99
		20.03.2015	(250000)	0.04	10960635	1.95
		27.03.2015	(93027)	0.02	10867608	1.93
	At the end of the year	10867608	1.93			
8.	Gujarat Urja Vikas Nigam Limited					
	At the beginning of the year		11350000	2.02	11350000	2.02
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Date	No. of shares (sold) / purchased	%	Cumulative No. of shares after the sale / purchase	%
		No Change during the year				
	At the end of the year	11350000	2.02	11350000	2.02	

<b>9.</b>	<b>Reliance Capital Trustee Co. Ltd. A/c Reliance Equity</b>				
	At the beginning of the year		11000050	1.95	
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>
		06.06.2014	400000	0.08	11400050
		30.06.2014	83000	0.01	11483050
		04.07.2014	(34800)	0.01	11448250
		08.08.2014	(903841)	0.16	10544409
		31.10.2014	(544000)	0.09	10000409
		14.11.2014	(381000)	0.07	9619409
		09.01.2015	(619409)	0.11	9000000
	At the end of the year	9000000		1.60	
<b>10.</b>	<b>India Capital Fund Limited</b>				
	At the beginning of the year		8244000	1.46	8244000
	Date wise increase / decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No Change during the year			
	At the end of the year		8244000	1.46	8244000

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>Shri Atanu Chakraborty, IAS (appointed as Managing Director w.e.f. 6<sup>th</sup> November, 2014)</b>				
	At the beginning of the year	300	0.00	300	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	No change during the year			
	At the end of the year	300	0.00	300	0.00
<b>2.</b>	<b>Dr. J N Singh, IAS (appointed as Additional Director w.e.f. 24<sup>th</sup> November, 2014)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00
<b>3.</b>	<b>Shri L Chuaungo, IAS (appointed as Additional Director w.e.f. 21<sup>st</sup> February, 2015)</b>				
	At the beginning of the year	Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA			
	At the end of the year	Nil	0.00	Nil	0.00

4.	<b>Dr. R Vaidyanathan, Independent Director</b>					
	At the beginning of the year	Nil	0.00	Nil	0.00	
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA				
	At the end of the year	Nil	0.00	Nil	0.00	
5.	<b>Prof. Yogesh Singh, Independent Director</b>					
	At the beginning of the year	Nil	0.00	Nil	0.00	
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA				
	At the end of the year	Nil	0.00	Nil	0.00	
6.	<b>Dr. Bakul Dholakia (appointed as Independent Director w.e.f. 25<sup>th</sup> September, 2014)</b>					
	At the beginning of the year	3500	0.00	3500	0.00	
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA				
	At the end of the year	3500	0.00	3500	0.00	
7.	<b>Shri M M Srivastava, IAS (Retd.)</b>					
	At the beginning of the year	Nil	0.00	Nil	0.00	
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA				
	At the end of the year	Nil	0.00	Nil	0.00	
8.	<b>Shri Manish Seth (appointed as Chief Financial Officer w.e.f. 1<sup>st</sup> April, 2014)</b>					
	At the beginning of the year	22043		0.01		
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	<b>Date</b>	<b>No. of shares (sold) / purchased</b>	<b>%</b>	<b>Cumulative No. of shares after the sale / purchase</b>	<b>%</b>
		28.11.2014	6605*	0.00	28648	0.01
		30.01.2015	(3900)	0.00	24748	0.01
	At the end of the year	24748	0.01			
<b>* ESOP exercise</b>						
9.	<b>Ms. Reena Desai, Company Secretary</b>					
	At the beginning of the year		Nil	0.00	Nil	0.00
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	NA				
	At the end of the year		Nil	0.00	Nil	0.00

**INDEBTEDNESS**

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

(₹ in Crores)

Particulars	Secured Loans excluding Deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	1168.82	260.00	-	1428.82
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.23	0.89	-	9.12
<b>Total (i+ii+iii)</b>	<b>1177.05</b>	<b>260.89</b>	<b>-</b>	<b>1437.94</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	321.49	90	-	411.49
Reduction	(612.81)	(70.00)	-	(682.81)
Net change	(291.32)	20.00	-	(271.32)
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	877.49	280.00	-	1157.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5.67	5.75	-	11.42
<b>Total (i+ii+iii)</b>	<b>883.16</b>	<b>285.75</b>	<b>-</b>	<b>1168.91</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA	NA
2.	Stock option	NA	NA
3.	Sweat equity	NA	NA
4.	Commission - as % of profit - others, specify	NA	NA
5.	Others, please specify	NA	NA
	Total (A)	NA	NA
	Ceiling as per the Act	The remuneration payable to one Managing Director or Whole Time Director or Manager shall not exceed 5 % of the Net Profits of the Company and if there is more than one such Director, remuneration shall not exceed 10% of the Net Profits to all such Director and Manager taken together.	

# Please note that pursuant to Ministry of Corporate Affairs Notification dated 5<sup>th</sup> June, 2015; Government companies are exempted from applicability of the provisions of Section 197 of the Companies Act, 2013.

NA: Not Applicable

### B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount (₹)		
1.	Independent Directors	Dr. R Vaidyanathan	Prof. Yogesh Singh	Shri Yogesh B Sinha (upto 12.09.2014)	Dr. Bakul Dholakia (w.e.f. 25.09.2014)	Smt. Vilasini Ramachandran, IAS (Retd.) (w.e.f. 25.09.2014 to 24.02.2015)				
	Fee for attending board / committee meetings (₹)	110000	95000	-	30000	7500				242500
	Commission (₹)	-	-	-	-	-				-
	Others, please specify (₹)	-	-	-	-	-				-
	<b>Total (1) (₹)</b>	<b>110000</b>	<b>95000</b>	<b>-</b>	<b>30000</b>	<b>7500</b>				<b>242500</b>
2.	Other Non-Executive Directors	Shri M M Srivastava, IAS (Retd.)	Dr. Hasmukh Adhia, IAS (upto 11.11.2014)	Shri D J Pandian, IAS (upto 06.09.2014)	Dr. J N Singh, IAS (w.e.f. 24.11.2014)	Shri L Chuaungo, IAS (w.e.f. 21.02.2015)	Shri Tapan Ray, IAS (upto 30.09.2014)	Shri Atanu Chakraborty, IAS (w.e.f. 06.11.2014)		
	Fee for attending board / committee meetings (₹)	77500	-	-	37500	-	-	-		115000
	Commission (₹)	-	-	-	-	-	-	-		-
	Others, please specify (₹)	-	-	-	-	-	-	-		-
	Remuneration	1517280	-	-	-	-	-	-		1517280
	<b>Total (2) (₹)</b>	<b>1594780</b>	<b>-</b>	<b>-</b>	<b>37500</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1632280</b>
	<b>Total (B) = (1+2) (₹)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1874780</b>
	<b>Total managerial remuneration (A+B) (₹)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
	Overall Ceiling as per the Act (%)	The remuneration payable to Directors other than Executive Director shall not exceed 1% of the Net Profits of the Company. The remuneration paid to the Directors is well within the said limit.								

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (Shri Manish Seth)	Company Secretary (Ms. Reena Desai)	Total Amount
1.	Gross salary (in ₹) (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3134137 189601 Nil	1221134 28910 Nil	4355271 218511 Nil
2.	Stock option	Refer Note 1	Nil	Nil
3.	Sweat equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	3323738	1250044	4573782

**Note 1 :** The Perquisite value towards Stock Option is included in 1(b) above and is calculated as difference between exercise price and market price on the date of exercise. The same is not paid by the Company. This amounts to ₹60601.

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## ANNEXURE - X

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

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

#### ***Conservation of Energy***

- i. The Company has taken following initiatives for Conservation of Energy, utilizing Source of Energy:
- a. The Company has shifted to paper less communication for Nomination/ Scheduling and Allocation on daily basis through Master Control Room (MCR) to all customer/shippers.
  - b. All critical documentation is digitized.
  - c. Solar based lighting system is installed in tap off's of GSPL Pipeline.
  - d. Implemented water harvesting at few terminals of Gas grid.

Company has initiated new drive for implementation of energy monitoring system which will help in saving of electric energy:

- It will help GSPL to monitor the condition of major energy consuming devices like Air conditioning system and other devices like submersible pumps, Electrical Pole lights etc. and measure energy usage for billing purpose.

Continuous monitoring of energy consumption and later analysis can lead to identification and operating behaviors of these equipments causing increased electricity consumption and reverting them for timely replacement and adopt energy saving practices.

Initial Capital investment of this system shall be approximately ₹ 1 Crore.

In addition to this, GSPL has installed and commissioned total 35 Nos. of Wind Mills with total capacity of 52.5 MW at Gorsar & Adodar, District: Porbandar and Maliya Miyana, District: Rajkot in the year 2011. GSPL has invested approx ₹ 320 Crores for installation of Wind Mill.

#### ***Technology Absorption***

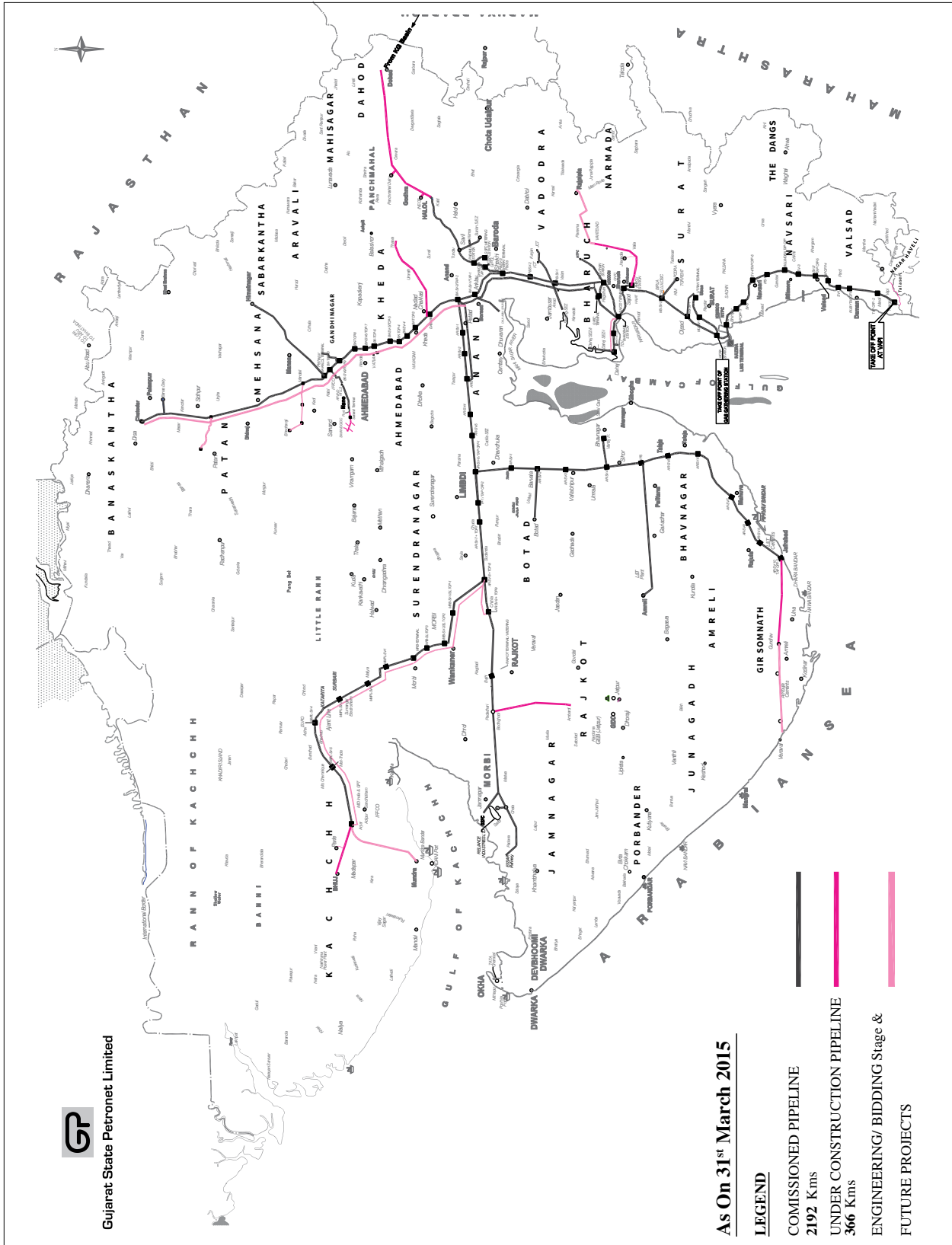
- i) Efforts have been made to upgrade GSPL's long-established SCADA and Telecom System (which is analogue based voice communication and serial connectivity of Remote Terminal Units) to latest technology of VOIP and TCP/IPV4 based Telecommunication and SCADA system. (This is being implemented on six nos. of new spur Gas Pipeline projects.)
- ii) Major benefits derived are :
  - Product improvement: Equipments upgraded to latest feasible technology at all upcoming new terminals enabling any future addition of voice and data to be "plug and play" type.
  - Number of SCADA and Telecom components has reduced in comparison to traditional established system, which in turn reduced costs of project substantially.
  - The above has led not only to cost reduction but also safety and reliability of the network is improved significantly.
- iii) The Company has not imported any technology. However, the Company has engaged consultants/ of international repute to make available latest technology for project implementation and Operations & Maintenance.

The expenditure incurred on Research and Development - Nil

#### ***Foreign Exchange Earnings & Outgo***

The Company has incurred Expenditure in Foreign Exchange to the extent of ₹ 1243.29 Lacs during the year under review. Foreign Exchange Earnings during the year were NIL.

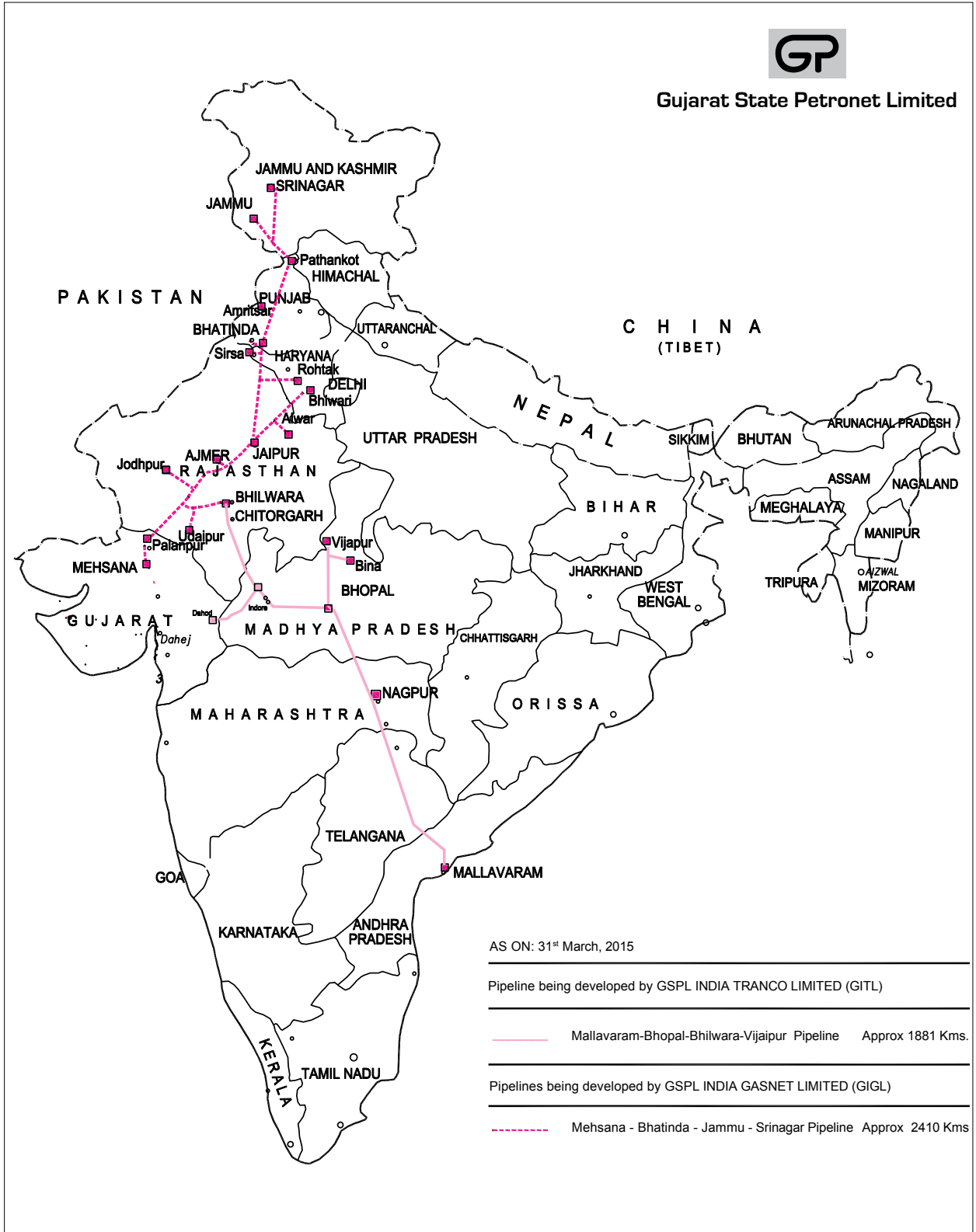
## Annexure - XI GSPL Gas Grid Map





## Annexure - XII

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



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GUJARAT STATE PETRONET LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

The preparation of financial statements of Gujarat State Petronet Limited for the year ended 31<sup>st</sup> March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22<sup>nd</sup> May, 2015 and supplemented on 21<sup>st</sup> July, 2015 for reporting the compliance to directions issued under Section 143(5) of the Act.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Gujarat State Petronet Limited for the year ended 31<sup>st</sup> March, 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report.

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

**Place:** Ahmedabad  
**Date:** 4<sup>th</sup> August, 2015

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

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETRONET LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

The preparation of consolidated financial statements of Gujarat State Petronet Limited for the year ended 31<sup>st</sup> March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the consolidated financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22<sup>nd</sup> May, 2015 and supplemented on 22<sup>nd</sup> July, 2015 for reporting the compliance to directions issued under Section 143(5) of the Act.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Gujarat State Petronet Limited for the year ended 31<sup>st</sup> March, 2015. We conducted a supplementary audit of the financial statements of Gujarat State Petronet Limited, GSPL India Gasnet Limited and GSPL India Transco Limited, but did not conduct supplementary audit of the financial statements of GSPC Gas Company Limited and GSPC Distribution Networks Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

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

**Place:** Ahmedabad  
**Date:** 4<sup>th</sup> August, 2015

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

## INDEPENDENT AUDITOR'S REPORT

To,  
The Members  
Gujarat State Petronet Limited  
Gandhinagar

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GUJARAT STATE PETRONET LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 financial 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 Company's Director, 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 aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its profit & its cash flows for the year ended on the date.

### Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought & 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 and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer note 25 to the financial statements.
  - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and protection fund by the Company.

**Place:** Ahmedabad  
**Date :** 22<sup>nd</sup> May, 2015

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

**Rajiv Bajpai**  
Partner  
Membership No. 405219

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2015, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of 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.
- (ii) (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the company.  
(b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate according to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the records of the Company, we are of the opinion that the Company has maintained proper records of inventory. Discrepancies noticed on physical verification between physical stock records were not material and have been properly dealt within the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clause 3 (a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under apply.
- (vi) 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 section (1) of section 148 of the Companies Act, 2013 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.
- (vii) (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, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, value added tax, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities.  
According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31<sup>st</sup> March 2015 for a period of more than six months from the date they become payable.  
(b) According to the information and explanations given to us, there are no dues of wealth tax, duties of custom, VAT and cess which have not been deposited on account of any dispute. However, according to information & explanation given to us, the detail of dues of income tax & service tax which have not been deposited by the company on account of disputes are as per note no. 25 of notes to accounts.  
(c) The company does not have such type of amount which required to be transferred to Investor and Education fund.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (x) 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 ₹ 56,500.00 Lacs in favour of IDBI Trustship Services Limited "Debenture Trustee of GSPC Distribution Networks Limited".

- (xi) According to the information and explanations and certificate in this regard given to us, term loans were applied by the Company for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

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

**Rajiv Bajpai**  
Partner  
Membership No. 405219

**Place:** Ahmedabad  
**Date :** 22<sup>nd</sup> May, 2015

## PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT 2013 APPLICABLE FOR THE YEAR 2014 -15

In the continuation of our independent audit report on standalone financial statements of Gujarat State Petronet Limited “The Company”, dated 22nd May 2015 & pursuant to directions under section 143(5) of Companies Act 2013 applicable for the year 2014-15

1. If the Company is selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process.

**Not Applicable as the company is not selected for disinvestment.**

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

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

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

**Company does not own any inventory which is lying with third party. Further company has not received any asset as gift from Govt. or other authorities.**

4. A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

**A Report on age wise analysis of cases against the company as on 31<sup>st</sup> March 2015 including the other details is as per Annexure-1.**

### Sub-directions under Section 143(5) of the Companies Act, 2013

1. Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.

**As per information and explanation given to us, the Company has taken adequate measures to prevent encroachment and there is no encroachment to the land owned by the company.**

2. Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/ policies of the Government? Comment on deviation if any.

**The Company does not have any project to be taken up under Public Private Partnership.**

3. Whether system for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.

**System for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.**

4. Whether funds received/ receivable for specific schemes from central/ State agencies were properly accounted for/utilized? List the cases of deviations.

**The Company does not have received/ receivable any fund for specific schemes from central/ State agencies.**

5. Whether the bank guarantees have been revalidated in time?

**Bank guarantees have been revalidated in a timely manner.**

6. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.

**Balance Confirmation has been received in respect of term deposits, bank accounts & Cash. Separate disclosure has been made for trade receivables & trade payables- kindly refer note 31 to notes to accounts.**

7. The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.

**During the year 2014-15 the Company has not abandoned any projects.**

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

**Rajiv Bajpai**  
Partner  
Membership No. 405219

**Place:** Ahmedabad  
**Date :** 21<sup>st</sup> July, 2015

## ANNEXURE-I

Age wise details of litigations of Direct taxes & Indirect taxes along with reason of pendency are as follows:

Period	Amount ₹ (In Lacs)		Reason for pendency
	Indirect Tax	Direct Tax	
Less than 1 Year	5,015.76	109.59	Matters have not attained finality either because the hearings are ongoing OR date yet not notified by relevant authorities
1-3 Years	28,104.27	769.37	
3-5 Years	-	311.46	
More than 5 years	17.90	5.53	
<b>TOTAL</b>	<b>33137.94</b>	<b>1195.95</b>	

Age wise details of litigations pending before other forums with reasons of pendency are as follows:

Period	No. of pending cases	Reason for pendency
Less than 1 Year	10	Courts/Arbitrators are required to dispose of the cases as per procedure prescribed under law. Parties need to be given reasonable opportunity of being heard. Further, law provides for appeal before higher courts. Reasons for pendency vary from case to case.
1-3 Years	31	
3-5 Years	23	
More than 5 years	13	
<b>TOTAL</b>	<b>77</b>	

Additionally, cases are pending before various collectors offices which are primarily in relation to seeking of additional compensation under Gujarat Water and Gas Pipelines (Acquisition of Right of User in Land) Act, 2000.



## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	56,298.00	56,273.87
Reserves and Surplus	4	306,007.14	273,209.17
		<b>362,305.14</b>	<b>329,483.04</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	88,788.07	103,650.63
Deferred Tax Liabilities (Net)	6	45,039.48	42,024.66
Other Long-Term Liabilities	7	2,505.78	2,395.67
Long-Term Provisions	8	801.40	416.87
		<b>137,134.73</b>	<b>148,487.83</b>
<b>Current Liabilities</b>			
Trade Payables	9	4,045.50	1,515.20
Other Current Liabilities	10	42,215.00	54,061.83
Short-Term Provisions	8	8,330.07	6,730.48
		<b>54,590.57</b>	<b>62,307.51</b>
<b>TOTAL</b>		<b>554,030.44</b>	<b>540,278.38</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	293,730.11	302,172.15
Intangible Assets	11	12,808.69	13,761.88
Capital Work-In-Progress	11	77,649.93	65,610.45
Non-Current Investments	12	64,865.45	58,497.07
Long-Term Loans and Advances	13	29,115.96	13,548.93
Other Non-Current Assets	14	1,080.08	73.16
		<b>479,250.22</b>	<b>453,663.64</b>
<b>Current Assets</b>			
Inventories	15	11,023.50	6,941.29
Trade Receivables	16	15,039.25	24,901.31
Cash and Bank Balances	17	43,515.25	49,921.85
Short Term Loans and Advances	13	3,871.95	3,392.34
Other Current Assets	14	1,330.27	1,457.95
		<b>74,780.22</b>	<b>86,614.74</b>
<b>TOTAL</b>		<b>554,030.44</b>	<b>540,278.38</b>
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

**Rajiv Bajpai**  
Partner  
Membership No.405219

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

**For and on behalf of the Board of Directors,**

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015

## STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
<b>INCOME :</b>			
Revenue from Operations	18	106,459.65	105,069.23
Other Income	19	5,200.52	5,518.51
<b>Total Revenue (A)</b>		<b>111,660.17</b>	<b>110,587.74</b>
<b>EXPENSES :</b>			
Employee Benefit Expenses	20	3,556.37	2,871.17
Other Expenses	21	10,102.12	9,310.19
Depreciation and Amortisation Expenses	22	18,922.97	18,387.02
Finance Costs	23	11,782.52	14,184.77
<b>Total Expenses (B)</b>		<b>44,363.98</b>	<b>44,753.15</b>
<b>Profit Before Tax &amp; Adjustment</b>		<b>67,296.19</b>	<b>65,834.59</b>
Prior Period Adjustments		1,264.00	5.09
<b>Profit Before Tax</b>		<b>66,032.19</b>	<b>65,829.50</b>
<b>Tax Expenses</b>			
Current tax		21,981.66	20,531.30
(Excess)/Short Provision of Tax - Earlier Years		(0.47)	27.72
Deferred Tax		3,014.83	3,355.70
<b>Profit After Tax carried to Balance Sheet</b>		<b>41,036.17</b>	<b>41,914.78</b>
<b>Earning Per Equity Share (EPS) (Face Value of Share ₹ 10)</b>			
Basic (₹)		7.29	7.45
Diluted (₹)		7.29	7.45
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

**Rajiv Bajpai**  
Partner  
Membership No.405219

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

### For and on behalf of the Board of Directors,

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015



## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	2014-2015	2013-2014
<b>A Cash Flow from Operating Activities</b>		
Profit Before Taxes as per Profit & Loss Statement	66,032.19	65,829.50
<u>Adjustments for:</u>		
Depreciation & amortisation	18,922.97	18,387.02
ESOP Compensation Expense	10.42	90.29
Provision for doubtful debts	6.81	261.29
Prior Period Adjustments	1,210.36	-
Wealth Tax	9.39	10.63
(Profit)/Loss on sale of Assets	14.30	3.61
Loss on Retirement of assets	0.06	13.67
Dividend Income	(55.00)	(246.37)
Interest Income	(4,585.99)	(4,657.89)
Finance cost	11,782.52	14,184.77
Provision/(Reversal) of diminution in value of Investments	(4.10)	-
<b>Operating Profit before Working Capital Changes</b>	<b>93,343.93</b>	<b>93,876.52</b>
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	(4,082.21)	773.82
(Increase)/Decrease in Trade Receivable	9,855.25	247.41
(Increase)/Decrease in Loans, Advances & Other Current Assets	(18,082.73)	(6,315.15)
Increase/(Decrease) in Trade payable, Other current liability & Provisions	3,485.95	(4,004.52)
Increase/(Decrease) in Other Long Term Liability	110.11	610.46
<b>Cash generated from Operations</b>	<b>84,630.30</b>	<b>85,188.54</b>
Taxes paid	(21,947.07)	(20,680.14)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>62,683.23</b>	<b>64,508.40</b>
<b>B Cash Flow from Investing Activities</b>		
(Increase) / Decrease in Investment	(3,864.28)	(41,094.99)
Interest Received	4,704.97	4,914.51
Dividend Received	55.00	246.37
Changes in earmarked Fixed Deposits & Current Account	5,430.60	(4,719.63)
Proceeds from sale of Assets	55.09	74.45
Acquisition of Fixed Assets and Change in Capital Work in Progress	(21,565.34)	(24,013.07)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(15,183.96)</b>	<b>(64,592.36)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital including Share Premium	169.24	4.18
Proceeds from Long Term Borrowing	41,149.33	26,000.00
Repayment of Long Term Borrowings	(68,281.67)	(44,084.87)
Dividend (Including Corporate Dividend Tax) Paid	(6,584.08)	(6,583.64)
Interest & Financial Charges paid	(13,885.93)	(16,008.88)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(47,433.11)</b>	<b>(40,673.21)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)</b>	<b>66.16</b>	<b>(40,757.17)</b>
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>9,019.03</b>	<b>49,776.20</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>9,085.19</b>	<b>9,019.03</b>

## Notes to Cash Flow Statement

## 1 Cash and Cash Equivalent includes-

Cash and Cheques on Hand	0.72	1.82
Balances with Scheduled Banks		
– in Current Accounts	1,434.47	2,426.80
– in Deposit Accounts	7,650.00	6,590.40
	<b>9,085.19</b>	<b>9,019.03</b>

2 Previous period's figures have been rearranged/regrouped wherever necessary, to confirm to this year's classification.

## As per our Report of even date attached

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

**Rajiv Bajpai**  
Partner  
Membership No.405219

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

## For and on behalf of the Board of Directors,

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary  
Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

### 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 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange 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, 2013 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 like software, licenses, Right-of-Use of land (ROU) and Right of Way (ROW) permissions which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

##### (c) Depreciation and Amortisation

Depreciation on gas transmission pipeline(s) is provided on straight line method (SLM) and on other tangible assets is provided on written down value method (WDV) based on the useful life prescribed in schedule II to the Companies Act 2013 except, for mobile phones which are depreciated over useful life of two years based on technical opinion.

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.

Right of Use is perpetual in nature. However, as required by AS-26, Right of Use (ROU) is amortised over 99 years on straight line method. Moreover, Right of Way (ROW) is amortised over 30 years on straight line method

##### (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 and 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 weighted 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 and 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 and Loss for the year in which related services are rendered.

In respect of employees stock options, in accordance with SEBI (Share based employee benefits) Regulations, 2014, the difference between market price as on the date of grant of option and the exercise price of total no. of options granted is recognized as an asset called 'Deferred ESOP Compensation' and as a liability called 'ESOP Outstanding Account'. The asset called 'Deferred ESOP Compensation' is amortized over the vesting period on straight line basis and considered as a part of 'Employee Benefit Expenses' in the Statement of Profit & Loss Account, whereas the liability called 'ESOP Outstanding Account' is derecognized at the time of exercise of options by the employees.

**(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 and Loss. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the Statement of Profit and Loss.

**(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) Cash and cash Equivalents**

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

**(o) 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.

**(p) 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".

**(q) Proposed Dividend**

The Dividend as proposed by the Board including tax thereon is provided in financial statements pending approval at the Annual General Meeting.



**(r) 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 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
<b>AUTHORISED SHARE CAPITAL</b>				
Equity Shares of ₹ 10 each	700,000,000	70,000.00	700,000,000	70,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
Equity Shares of ₹ 10/- each fully paid up	562,979,980	56,298.00	562,738,695	56,273.87
<b>TOTAL</b>	<b>562,979,980</b>	<b>56,298.00</b>	<b>562,738,695</b>	<b>56,273.87</b>

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

Particulars	2014 - 15		2013 - 14	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
<b>Equity Shares</b>				
Equity Shares at the beginning of the Year	562,738,695	56,273.87	562,708,833	56,270.88
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	241,285	24.13	29,862	2.99
<b>Equity Shares at the end of the Year</b>	<b>562,979,980</b>	<b>56,298.00</b>	<b>562,738,695</b>	<b>56,273.87</b>

#### 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 31<sup>st</sup> March, 2015, the amount of Dividend per Share recognised as distributions to Equity Shareholders is ₹ 1.2 per Share. (31<sup>st</sup> March 2014: ₹ 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 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	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 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petroleum Corporation Limited	212,305,270	37.71%	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. 37.

#### 4 RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b><u>Securities Premium Reserve</u></b>		
Opening Balance	40,131.83	40,130.64
Add: Additions during the Year	249.58	1.19
Closing Balance	40,381.41	40,131.83
<b><u>General Reserve</u></b>		
Opening Balance	272.30	272.30
Add: Additions during the Year	-	-
Closing Balance	272.30	272.30
<b><u>Employees' Stock Options Outstanding (Net)</u></b>		
Gross Compensation for ESOPs Granted	1,001.66	1,001.66
Less: Deferred Employee Stock Compensation	26.35	107.55
Less: Transferred to Securities Premium on exercise of ESOPs	110.19	5.72
Less: ESOP Lapsed / Cancelled	236.16	165.38
Closing Balance	628.96	723.01
<b><u>Profit &amp; Loss Account</u></b>		
Opening Balance	232,082.03	196,751.24
Add: Profit during the Year	41,036.17	41,914.78
Less: Adjustment for Assets with expired useful life as on 01.04.2014	224.00	-
<b><u>Less: Appropriations</u></b>		
Proposed Equity Dividend	6,755.76	5,627.39
Difference in Dividend for Equity Share	0.27	0.20
Tax on Dividend	1,413.65	956.37
Difference in Tax on Dividend for Equity Share	0.05	0.03
<b>Closing Balance</b>	<b>264,724.47</b>	<b>232,082.03</b>
<b>TOTAL</b>	<b>306,007.14</b>	<b>273,209.17</b>

#### 5 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
Term Loan from Banks	53,995.66	8,720.09	36,283.81	16,323.20
Term Loan from Financial Institutions	20,792.41	4,241.07	48,366.82	15,907.74
<b>Unsecured</b>				
Term Loan from Financial Institutions	14,000.00	14,000.00	19,000.00	7,000.00
<b>TOTAL</b>	<b>88,788.07</b>	<b>26,961.16</b>	<b>103,650.63</b>	<b>39,230.94</b>
Disclosed under "Other Current Liabilities" (Note No. 10)	-	(26,961.16)	-	(39,230.94)
<b>Net Amount</b>	<b>88,788.07</b>	<b>-</b>	<b>103,650.63</b>	<b>-</b>

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 Loan <sup>§</sup>

			<b>Maturity Profile</b>		(₹ in Lacs)
<b>Rate of Interest</b>	<b>No. of Installments</b>	<b>Outstanding as at 31<sup>st</sup> March 2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	
Base Rate + 1%	1	446.84	446.84	-	
Base Rate + 0.80%	13	1,672.79	515.40	1,157.40	
Base Rate + 1.75%	8	1,989.52	1,000.00	989.52	
Base Rate + 1%	13	3,466.51	1,072.00	2,394.51	
Base Rate + 1%	13	4,048.12	1,252.00	2,796.12	
Base Rate + 0.75%	13	1,078.18	332.07	746.11	
8.64%	29	4,229.17	583.33	3,645.83	
7.50%	29	12,083.33	1,666.67	10,416.67	
8.11%	29	4,078.13	562.50	3,515.63	
1 Year GSEC + 2.75%	17	6,233.33	1,466.67	4,766.67	
1 Year GSEC + 2.175%	11	6,636.00	1,206.55	5,429.46	
Base Rate + 0.25%	28	2,395.28	-	9,995.28	
Base Rate + 0.45%	36	2,000.00	-	15,000.00	
Base Rate + 0.25%	32	599.99	-	4,999.99	
Base Rate + 0.40%	32	9,649.25	-	17,499.92	
Base Rate + 0.25%	28	17,499.91	-	17,499.91	
Base Rate + 1.25%	14	5,000.00	1,428.57	3,571.43	
11.30% - Reset at every year	13	4,642.86	1,428.57	3,214.29	
10%	8	28,000.00	14,000.00	14,000.00	
<b>Grand Total</b>	<b>367</b>	<b>115,749.23</b>	<b>26,961.16</b>	<b>121,638.73</b>	

<sup>§</sup> Repayment schedule includes amount of loan sanctioned but to be drawn.

## 6 DEFERRED TAX LIABILITIES (Net)

(₹ in Lacs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
<b>Deferred Tax Liability:</b>		
On account of Depreciation	45,451.36	42,292.66
Total Deferred Tax Liability (A)	<b>45,451.36</b>	<b>42,292.66</b>
<b>Deferred Tax Asset:</b>		
Provision for Leave Salary	205.08	139.80
Provision for Gratuity	114.02	39.39
Provision for Doubtful Debts	92.78	88.81
Total Deferred Tax Asset (B)	<b>411.88</b>	<b>268.00</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>45,039.48</b>	<b>42,024.66</b>

## 7 OTHER LONG TERM LIABILITIES

(₹ in Lacs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
Security Deposit from Customers	2,421.20	2,321.20
OYVS Installments from Employees	34.24	24.13
Other Payables (including payables for Capital Goods and Services)	50.34	50.34
<b>TOTAL</b>	<b>2,505.78</b>	<b>2,395.67</b>

## 8 PROVISIONS

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Long Term	Short Term	Long Term	Short Term
<b>Provision for employee benefits</b>				
Provision for Gratuity	232.11	97.36	25.23	90.67
Provision for Leave Salary	569.29	23.27	391.64	19.66
Provision for Leave Travel Allowance	-	30.64	-	27.52
	801.40	151.27	416.87	137.85
<b>Other Provisions</b>				
Proposed Equity Dividend	-	6,755.76	-	5,627.39
Provision for Tax on Proposed Equity Dividend	-	1,413.65	-	956.37
Provision for Wealth Tax (Net)	-	9.39	-	8.87
	-	8,178.80	-	6,592.63
<b>TOTAL</b>	<b>801.40</b>	<b>8,330.07</b>	<b>416.87</b>	<b>6,730.48</b>

## 9 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Trade Payables (refer Note no. 33 for details of due to Micro, Small and Medium Enterprises)	4,045.50	1,515.20
<b>TOTAL</b>	<b>4,045.50</b>	<b>1,515.20</b>

## 10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Current Maturities of Long-Term Borrowings (Refer Note No. 5)	26,961.16	39,230.94
Other Payables (including payables for Capital Goods and Services) (Refer Note No. 33 for details of due to Micro, Small and Medium Enterprises)	10,180.99	10,183.29
Interest accrued but not due on Long term borrowings	1,142.35	912.04
Earnest Money Deposit	33.05	67.92
Deposit from Customers	945.59	1,098.09
Dividend Payable / Unclaimed	81.67	77.99
Imbalance, Overrun & Other Charges	2,608.78	2,190.75
Other Statutory Liabilities	261.41	300.81
<b>TOTAL</b>	<b>42,215.00</b>	<b>54,061.83</b>

## 11 FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation				Net Carrying Amount	
	Balance as on 01-Apr-2014	Additions/ Adjustments during the year	Deduction During the year	Balance as on 31-Mar-2015	Balance as on 01-Apr-2014	Adjustments* During the year	Additions During the year	Deduction During the year	Balance as on 31-Mar-2015
<b>Tangible Assets</b>									
Land- Free Hold	8,512.24	824.14	-	9,336.38	-	-	-	-	9,336.38
Land- Lease Hold	2,547.30	75.98	-	2,623.28	226.74	-	46.01	-	2,350.53
Building	18,898.09	1,098.88	-	19,996.97	6,582.67	73.71	1,113.75	-	12,226.84
Plant & Machinery	402,454.77	6,357.12	8.54	408,803.35	134,481.41	-	13,910.72	3.95	148,388.18
Communication Equipments	9,564.81	845.85	18.30	10,392.36	5,454.97	20.09	896.60	11.66	6,360.00
Electrical Install.& Equipments	12,182.55	971.80	0.19	13,154.16	6,188.55	113.69	2,293.30	0.02	8,595.52
Computers	664.34	91.10	26.14	729.30	493.14	8.34	129.87	21.51	609.84
Furniture & Fittings	770.26	173.20	69.31	874.15	343.34	3.85	140.31	38.24	449.26
Office Equipments	119.98	22.98	0.38	142.58	46.42	4.31	50.02	0.18	100.57
Vehicles	595.49	65.50	36.94	624.05	328.40	-	92.94	14.79	406.55
Books	13.44	-	-	13.44	13.44	-	-	-	13.44
Ship / Boat	9.82	-	-	9.82	1.84	-	1.65	-	3.49
<b>Total (A)</b>	<b>456,333.09</b>	<b>10,526.55</b>	<b>159.80</b>	<b>466,699.84</b>	<b>154,160.92</b>	<b>223.99</b>	<b>18,675.17</b>	<b>90.35</b>	<b>172,969.73</b>
<b>Intangible Assets</b>									
Computer Software	1,092.78	77.48	-	1,170.26	962.27	-	66.16	-	1,028.43
Right of Use / Right of Way	13,631.37	427.48	-	14,058.85	-	1,210.35	181.64	-	1,391.99
<b>Total (B)</b>	<b>14,724.15</b>	<b>504.96</b>	<b>-</b>	<b>15,229.11</b>	<b>962.27</b>	<b>1,210.35</b>	<b>247.80</b>	<b>-</b>	<b>2,420.42</b>
<b>Capital Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>471,057.24</b>	<b>11,031.51</b>	<b>159.80</b>	<b>481,928.95</b>	<b>155,123.19</b>	<b>1,434.34</b>	<b>18,922.97</b>	<b>90.35</b>	<b>175,390.15</b>
Previous Year	461,972.06	9,262.55	177.39	471,057.23	136,821.85	-	18,387.02	85.66	155,123.20
									381,544.48
									377,752.30

\* Adjustment during the year includes (i) depreciation on tangible assets with expired useful life as on 01.04.2014 under Schedule II to the Companies Act 2013 and (ii) amortisation on intangible assets pertaining to prior period (Refer Note No.44).

**12 NON-CURRENT INVESTMENTS****(₹ in Lacs)**

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b><u>Trade Investments (Long Term)</u></b>		
<b>Investment in Unquoted Equity Shares of Subsidiary Companies</b>		
9,72,50,060 (Previous Year: 7,12,50,060) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Gasnet Limited (at Cost)	9,725.01	7,125.01
7,28,00,000 (Previous Year: 5,98,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPL India Transco Limited (at Cost)	7,280.00	5,980.00
<b>Investment in Unquoted Equity Shares of Associate Companies</b>		
2,46,37,085 (Previous Year: 2,46,37,085) Fully Paid Up Equity Shares of ₹ 10 each of GSPC Gas Company Limited (at Cost)	6,260.44	6,260.44
35,00,00,000 (Previous Year: 35,00,00,000) Fully Paid Up Equity Shares of ₹ 10 each of GSPC Distribution Networks Limited (at Cost)	35,000.00	35,000.00
<b>Investment in Unquoted Equity Shares of Other Companies</b>		
2,50,00,000 (Previous Year: Nil) Fully Paid Up Equity Shares of ₹ 10 each of GSPC LNG Limited (at Cost)	2,500.00	-
62,50,000 (Previous Year: 62,50,000) Fully Paid Up Equity Shares of ₹ 10 each of Gujarat State Energy Generation Limited (at cost)	1,000.00	1,000.00
27,50,000 (Previous Year: 27,50,000) Fully Paid Up Equity Shares of ₹ 10 each of Sabarmati Gas Limited (at cost)	1,100.00	1,100.00
Nil (Previous Year: 5,75,000) Fully Paid Up Equity Shares of ₹ 10 each of Krishna Godavari Gas Network Limited (At cost less provision for other than temporary diminution in value ₹ 25.88 Lacs)	-	31.62
<b>Investment in Unquoted Long Term Debentures of Other Companies</b>		
2,000 (Previous Year: 2,000) Fully Paid Up 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd.	2,000.00	2,000.00
<b>TOTAL</b>	<b>64,865.45</b>	<b>58,497.07</b>
<b>Aggregate Value of Unquoted Investments</b>	<b>64,865.45</b>	<b>58,497.07</b>
<b>Aggregate Provision for Diminution in Value of Investments</b>	<b>-</b>	<b>25.88</b>

**13 LOANS AND ADVANCES**

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<b>Capital Advances</b>				
Unsecured, Considered Good	4,096.97	-	3,634.01	-
<b>Security Deposit Given</b>				
Unsecured, Considered Good	1,285.62	100.90	1,274.94	88.04
<b>Loans &amp; Advances to Related Parties</b>				
<u>Unsecured, Considered Good</u>				
Equity Share Application - GSPC LNG Ltd.	-	-	2,500.00	-
<b>Other Loans &amp; Advances</b>				
<u>Secured, Considered Good</u>				
Housing Building Advance to Employees	1,080.10	78.64	940.33	69.93
<u>Unsecured, considered Good</u>				
Advance Income Tax and TDS (net of Provision)	-	223.39	-	810.36
Loans & Advances to Employees	79.35	93.81	77.20	80.41
Payment under Protest	772.53	-	96.56	131.99
Balance of Service Tax & Excise Duty	6,767.45	2,966.27	-	1,744.78
Other Advances	15,000.00	323.61	5,000.00	354.71
Prepaid Expenses	33.94	85.33	25.89	112.12
<b>TOTAL</b>	<b>29,115.96</b>	<b>3,871.95</b>	<b>13,548.93</b>	<b>3,392.34</b>

**14 OTHER ASSETS**

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<u>Unsecured, Considered Good</u>				
Non-Current Bank Balances (Note No. 17)	1,042.16	-	-	-
<b>Others</b>				
Others Receivables	-	182.34	-	226.28
Interest Accrued But not due-Deposits	37.92	966.77	-	1,050.51
Interest Accrued But not due on OCD	-	181.16	73.16	181.16
<b>TOTAL</b>	<b>1,080.08</b>	<b>1,330.27</b>	<b>73.16</b>	<b>1,457.95</b>

**15 INVENTORIES (Valued at Weighted Moving Average Cost)**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Stores & Spares	1,861.82	1,550.60
Line Pack Gas	9,161.68	5,390.69
<b>TOTAL</b>	<b>11,023.50</b>	<b>6,941.29</b>

## 16 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2014
<b><u>Unsecured, considered Good</u></b>				
Outstanding for a period exceeding 6 months	9,141.42		16,140.06	
Others	5,897.83	15,039.25	8,761.25	24,901.31
<b><u>Unsecured, considered Doubtful</u></b>				
Outstanding for a period exceeding 6 months	268.10		261.29	
Others	-	268.10	-	261.29
Less: Provision for Doubtful debts		(268.10)		(261.29)
<b>TOTAL</b>		<b>15,039.25</b>		<b>24,901.31</b>

## 17 CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<b>Cash and Cash Equivalents</b>				
Balances with Banks				
In Current Accounts	-	1,434.47	-	2,426.80
Fixed Deposit with original maturity of less than 3 months	-	7,650.00	-	6,590.40
Cash on Hand	-	0.72	-	1.82
	-	9,085.19	-	9,019.03
<b>Earmarked Balances with Banks</b>				
Unpaid Dividend Account	-	71.35	-	77.99
Balance in Escrow A/c-PNGRB [Incl. TD]	490.16	2,234.95	-	2,284.10
Margin Money Deposit - Bank Guarantees	-	11,010.00	-	643.80
<b>Other Bank Balances</b>				
Fixed Deposit				
With original maturity of more than 12 months	552.00	107.74	-	96.79
With original maturity of more than 3 months but less than 12 months	-	21,006.02	-	37,800.14
<b>Total</b>	<b>1,042.16</b>	<b>43,515.25</b>	<b>-</b>	<b>49,921.85</b>
Amount disclosed under Other Non-Current Assets (Note No.14)	(1,042.16)	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>43,515.25</b>	<b>-</b>	<b>49,921.85</b>

**18 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Revenue from Transportation of Gas (Net)	102,305.21	100,931.08
Revenue from Sale of Electricity (Net)	3,750.80	3,802.15
Other Operating Revenues Connectivity Charges	403.64	336.00
<b>TOTAL</b>	<b>106,459.65</b>	<b>105,069.23</b>

**19 OTHER INCOME**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Interest Income		
Fixed Deposits with Banks	4,465.99	4,537.56
Optionally Convertible Debentures	120.00	120.00
Others	245.61	412.86
	<b>4,831.60</b>	<b>5,070.42</b>
Dividend Income from Associate (Long Term Trade Investment)	55.00	246.37
Other Non-Operating Income	313.92	201.72
<b>TOTAL</b>	<b>5,200.52</b>	<b>5,518.51</b>

**20 EMPLOYEE BENEFIT EXPENSES**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Salaries and Wages		
Salaries and Allowances	2,737.03	2,383.50
Salary Arrears	0.28	-
Leave Salary	201.18	50.17
Contribution to Provident and Other Funds		
Contribution to Provident Fund	185.86	158.52
Contribution to Super Annuation Scheme	72.52	46.43
Group Gratuity Expenses	248.46	48.05
ESOP Compensation Expenses	10.42	90.29
Staff Welfare Expenses	100.62	94.21
<b>TOTAL</b>	<b>3,556.37</b>	<b>2,871.17</b>

## 21 OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
<b>(A) Operation &amp; Maintenance Expenses</b>		
Maintenance Contracts	2,785.91	2,539.32
Payment to Outsourced Persons	342.89	384.46
Security Service Charges	717.15	665.86
Land Revenue	13.24	10.84
Power & Fuel	588.40	492.80
Consumption of Stores & Spare Parts	337.16	531.93
System Usage Gas	1,560.44	1,278.98
Repairs & Maintenance - Building	49.09	0.23
Repairs & Maintenance - Machinery	199.81	100.66
Other O&M expenses	620.63	705.85
SLDC Charges - Windmill	2.69	2.83
<b>(A)</b>	<b>7,217.41</b>	<b>6,713.76</b>
<b>(B) Other Expenses</b>		
Advertisement & Publicity Expenses	115.53	84.75
Bandwidth & Website Maintenance Charges	12.65	11.18
Business Promotion	11.04	-
Loss on Sale of Asset	14.36	6.73
Provision/(Reversal) of diminution in value of Investments	(4.10)	-
Statutory Audit Fees	2.00	1.50
Donation	26.05	30.56
Provision for doubtful debts	6.81	261.29
Legal & Professional Expenses	550.79	578.69
Rent	156.83	142.23
Rate & Taxes	146.85	124.48
Recruitment & Training	55.22	51.61
Seminar & Conference	430.83	3.81
Stationery & Printing	34.66	28.33
Travelling Expenses - Directors	6.51	9.57
Travelling Expenses - Others	104.67	112.51
Postage, Telephone & Courier Expenses	53.95	67.57
HSE Expenses	50.00	30.98
Listing Fee	13.73	9.52
Insurance Expenses	310.36	314.34
Other Administrative Expenses	785.97	726.78
<b>(B)</b>	<b>2,884.71</b>	<b>2,596.43</b>
<b>TOTAL (A+B)</b>	<b>10,102.12</b>	<b>9,310.19</b>

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 28.81 Lacs

## 22 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Depreciation on Tangible Assets	18,675.18	18,305.67
Amortisation of Intangible Assets	247.79	81.35
<b>TOTAL</b>	<b>18,922.97</b>	<b>18,387.02</b>

**23 FINANCE COSTS**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Interest Expenses	11,732.99	14,149.40
Other Borrowing Costs	49.53	35.37
<b>TOTAL</b>	<b>11,782.52</b>	<b>14,184.77</b>

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

**25 CONTINGENT LIABILITIES AS ON 31<sup>ST</sup> MARCH, 2015:**

a) Claims against Company not acknowledged as debt:

- By land owners seeking enhancement of compensation in respect of RoU acquired by the Company is ₹ 2,124.57 Lacs (Previous Year: ₹ 2,128.53 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 Hon'ble Supreme Court - ₹ 735.04 Lacs (Previous Year: ₹ Nil), Hon'ble Gujarat High Court - ₹ 19,100.28 Lacs (Previous Year: ₹ 19,100.28 Lacs), before CESTAT - ₹ 10,111.30 Lacs (Previous Year: ₹ 9,018.14 Lacs), before Commissioner/ Asst. Commissioner - ₹ 1525.45 Lacs (Previous Year: ₹ 2,671.78 Lacs). Further, the company is in process of filing appeal before CESTAT for ₹ 1,665.86 Lacs (Previous Year: ₹ 91.01 Lacs). (Applicable interest & penalty has also been demanded by Department).
- Income Tax assessments up to Assessment Year 2012-13 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 Hon'ble Gujarat High Court for Assessment Year 2005-06 & 2009-10 is ₹ 19.69 Lacs (Previous Year : ₹ 26.77 Lacs), lying before the Income Tax Appellate Tribunal (ITAT) for Assessment Year 2008-09 & 2009-10 is ₹ 370.41 Lacs (Previous Year : ₹ 370.41 Lacs), lying before CIT(Appeals) for Assessment Year 2008-09, 2010-11, 2011-12 & 2012-13 is ₹ 767.08 Lacs (Previous Year : ₹ 657.48 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 may be substantially reduced.

b) Guarantees :

- Outstanding Bank Guarantees / Letter of Credits are ₹ 68,983.64 Lacs (Previous year ₹ 9,813.12 Lacs)
- Corporate Guarantee executed jointly & severally along with associate is ₹ 56,500.00 Lacs (Previous year 50,000.00 Lacs).

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 7<sup>th</sup> March, 2011, collected for the period prior to 1<sup>st</sup> 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. 1<sup>st</sup> April, 2011.

**26 CAPITAL & OTHER COMMITMENT****Capital Commitment:**

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 25,686.84 Lacs (Previous year ₹ 40,086.24 Lacs).

**Other Commitment:**

As on 31<sup>st</sup> March, 2015, the Company has following other commitments:

- ₹ 1,96,594.99 Lacs (approx.) towards further investments in subsidiaries & associates (Previous year ₹ 2,00,494.99 Lacs)
- Advance of ₹ 5,000.00 Lacs adjustable against re-gasification services (Previous year ₹ 15,000.00 Lacs)

27 As per Accounting Standard - 16 "Borrowing Cost" issued by ICAI, the Company has capitalised the borrowing cost amounting to ₹ 2,333.72 Lacs for the current year. (Previous year ₹ 1,879.50 Lacs).

**28 PAYMENT TO AUDITORS** (₹ in Lacs)

Particulars	2014-2015	2013-2014
For Statutory Audit	2.00	1.50
For Other Services	1.90	1.55
For Reimbursement of Expense	0.12	0.05
<b>TOTAL</b>	<b>4.02</b>	<b>3.10</b>

29 There are no whole time / executive directors on the Board except Managing Director. Managing director is not drawing any remuneration from the Company.

**30 EXPENDITURE / INCOME IN FOREIGN CURRENCY** (₹ in Lacs)

Particulars	2014-2015	2013-2014
Capital Goods	-	97.23
Component & Spare Parts*	292.89	19.73
Professional and Consultation Fee	99.86	14.81
Interest	843.23	952.94
Training & Conferences	1.80	-
Others	5.51	6.83
<b>TOTAL</b>	<b>1243.29</b>	<b>1091.54</b>

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

Particulars	2014 - 2015		2013 - 2014	
	Amount (₹ in Lacs)	% of total Consumption	Amount (₹ in Lacs)	% of total Consumption
Imported	9.31	2.76%	19.73	3.71%
Domestic	327.85	97.24%	512.20	96.29%
<b>TOTAL</b>	<b>337.16</b>	<b>100.00%</b>	<b>531.93</b>	<b>100.00%</b>

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

31 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.

**32 EARNINGS PER SHARE (EPS)**

Particulars	2014 - 2015	2013 - 2014
Profit After Tax (₹ in Lacs)	41,036.17	41,914.78
Weighted Average Number of Equity Shares	56,27,98,298	56,27,26,857
Basic EPS (in ₹)	7.29	7.45
Total Weighted Average Number of Equity Shares including Potential Equity Shares	56,31,05,017	56,27,47,875
Diluted EPS (in ₹)	7.29	7.45
Face Value / Nominal Value of Share (in ₹)	10.00	10.00

**33** 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:

	(₹ in Lacs)	
Particulars	2014 - 2015	2013 - 2014
Principal amount remaining unpaid as on 31 <sup>st</sup> March, 2015	61.56	134.84
Interest due thereon as on 31 <sup>st</sup> March, 2015	-	-
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 <sup>st</sup> March, 2015	-	-
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	-	-

**34 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 2014 - 2015				Year 2013 - 2014			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
<b>1 Segment Revenue</b>								
External Revenue*	1,02,983.79	3750.80	-	106734.59	101,668.23	3,802.15	-	105,470.38
Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>Total Segment Revenue</b>	1,02,983.79	3750.80	-	106734.59	101,668.23	3,802.15	-	105,470.38
<b>2 Segment Result - Profit(+) / Loss(-)</b>	77,254.11	905.15	-	78,159.26	77,092.98	609.15	-	77,702.13
Unallocated Other Income	-	-	4,925.58	4,925.58	-	-	5,117.30	5,117.30
Unallocated Expenses & Finance Cost	-	-	(15,788.65)	(15,788.65)	-	-	(17,001.22)	(17,001.22)
Prior Period Adjustments	(1210.36)	35.33	(88.97)	(1264.00)	-	-	5.09	5.09
<b>Profit Before Tax</b>	76,043.75	940.48	(10,952.05)	66,032.19	77,092.98	609.15	(11,878.83)	65,829.50
Income Tax - Current Tax	-	-	(21,981.72)	(21,981.72)	-	-	(20,531.30)	(20,531.30)
Excess/Short Provision of Income Tax	-	-	0.47	0.47	-	-	(27.72)	(27.72)
Deferred Tax	-	-	(3,014.83)	(3,014.83)	-	-	(3,355.70)	(3,355.70)
<b>Profit After Tax</b>	76,043.75	940.48	(35,948.07)	41,036.17	77,092.98	609.15	(35,793.55)	41,914.78
<b>3 Other Information</b>								
Segment Assets	4,05,564.20	16,137.17	1,32,329.05	5,54,030.42	397,888.16	18,511.97	123,878.27	540,278.40
Segment Liabilities	19,201.66	137.23	5,34,691.53	5,54,030.42	16,719.95	88.08	523,470.37	540,278.40
Cost to Acquire Fixed Assets (incl.CWIP)	21,715.18	-	886.76	22,601.94	19,459.29	-	3,714.23	23,173.53
Depreciation & Amortisation	15,784.62	2,163.19	975.16	18,922.97	14,782.04	3,108.50	496.48	18,387.02
Non-Cash Expenses other than Depreciation & Amortisation	-	-	31.59	31.59	-	-	368.86	368.86

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

## 35 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 Network Limited
- 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 (upto 30<sup>th</sup> September, 2014)
- Shri Atanu Chakraborty, IAS, MD (w.e.f. 6<sup>th</sup> November, 2014)

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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Gas Transportation Income	2,433.06	4,540.01	-	-	21,626.31	14,342.69	4,361.80	1,318.60	28421.16	20,201.30
Other Income	21.27	10.91	144.46	69.08	54.49	30.83	49.94	0.21	270.17	111.03
Dividend Received	-	-	-	-	-	246.37	-	-	-	246.37
Services Received	43.62	28.69	-	-	26.40	42.40	40.12	56.07	110.14	127.16
Reimbursement made for Expenses	125.71	40.03	331.94	143.03	2.83	172.93	0.14	1.80	460.62	357.79
Reimbursement Received for Expenses	80.05	60.83	373.68	420.41	202.36	6.99	-	-	656.09	488.23
Purchase of Line Pack Gas	5,379.47	355.72	-	-	-	-	-	-	5379.47	355.72
Dividend Paid	2,123.05	2,123.05	-	-	-	-	-	-	2,123.05	2,123.05
Investment in Equity	-	-	3900.00	6,094.99	-	35,000.00	-	-	3900.00	41,094.99
Purchase of Line Pipes	-	-	-	-	-	326.90	-	-	-	326.90
Purchase of Tangible Asset	139.43	7.22	-	-	146.10	-	-	-	285.53	7.22
Sale of Tangible Assets	-	-	9.50	55.68	-	-	-	-	9.50	55.68
Security deposits paid/ Released	-	-	-	-	2.00	106.60	-	10.00	2.00	116.60
Security Deposits Received	-	-	-	-	40.00	37.00	22.00	-	62.00	37.00
Corporate Guarantee Given (jointly & severally with Associate)	-	-	6500.00	-	-	50,000.00	-	-	6500.00	50,000.00
Account Payable as at year end	2,573.55	185.46	28.86	13.97	179.26	81.67	46.12	33.15	2827.79	314.25
Account Receivable as at year end	87.80	135.24	42.44	19.88	1,034.06	1103.07	263.98	149.42	1428.28	1,407.62

\*Including Associate of Holding Company

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

### 36 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	2014 - 2015		2013 - 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.	
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	7.80%	7.80%	9.10%	9.10%
Rate of Return on Plan Assets	9.00%	-	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	2014 - 2015		2013 - 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Table showing change in Benefit Obligation</b>				
Opening defined Benefit Obligation	443.25	411.30	374.63	365.42
Interest Cost	39.37	36.53	30.72	29.79
Current Service Cost	80.62	30.00	73.89	27.49
Benefit Paid	(20.46)	(19.91)	-	4.28
Actuarial Loss / (Gain) on Obligations	154.06	134.65	(37.33)	(7.11)
Past Service Liability	-	-	1.34	-
Liability at the end of the period	696.84	592.57	443.25	411.30
<b>Table showing change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning	327.35	-	241.59	-
Adjustment to Opening fund	(0.96)	-	-	-
Expected Return on Plan Assets	32.59	-	25.15	-
Contributions	22.31	-	60.61	-
Benefit Paid	(11.39)	-	-	-
Actuarial (gain) / loss on Plan Assets	(2.53)	-	-	-
Fair Value of Plan Assets at the end of the period	367.37	-	327.35	-
<b>Actual Gain/Loss recognised</b>				
Actuarial (gain) / loss on obligations	154.06	134.65	(37.33)	(7.11)
Actuarial (gain) / loss on Plan Assets	2.53	-	-	-
Net Actuarial (gain) / loss recognized during year	156.59	134.65	(37.33)	(7.11)
<b>Amount recognised in Balance Sheet</b>				
Liability at the end of the period	696.84	592.57	443.25	411.30
Fair Value of Plan Asset at the end of the period	367.37	-	327.35	-
Net Amount recognised in Balance Sheet	329.47	592.57	115.90	411.30
<b>Expense recognised in the Income Statement</b>				
Current Service cost	80.62	30.00	73.89	27.49
Interest cost	39.37	36.53	30.72	29.79
Expected return on Plan Asset	(32.59)	-	25.15	-
Net Actuarial Loss / (gain) to be recognized	156.59	134.65	(37.33)	(7.11)
Adjustment to Opening fund/Prior year Charges	0.96	-	1.34	-
Gratuity Life Coverage Premium	3.50	-	4.58	-
Net Expense recognized in P&L	248.46	201.18	48.05	50.17

**37 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 13<sup>th</sup> October, 05 and 18<sup>th</sup> October, 05 respectively, which provides for the issue of 23,27,940 equity shares to the employees of the company and of Gujarat State Petroleum Corporation Ltd. The Compensation Committee administers ESOP-2005. These ESOPs are granted at an exercise price of ₹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 23<sup>rd</sup> August, 2010 and 21<sup>st</sup> 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 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
ESOP 2005 Scheme	2	27,730
ESOP 2010 Scheme	13,92,788	17,65,279
<b>Total</b>	<b>13,92,790</b>	<b>17,93,009</b>

38. 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.
39. 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.
40. Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).
41. In the matter of appeal filed by few customers with The Appellate Tribunal for Electricity (APTEL) against the stipulation in the PNGRB Tariff order No. TO/09/2012 dated 11<sup>th</sup> September, 2012 requiring GSPL to implement the order with retrospective effect from 20<sup>th</sup> November, 2008, being the date on which Petroleum and Natural Gas Regulatory Board (Determination of Tariff for Natural Gas Pipelines) Regulations, 2008 were notified, APTEL passed judgment on 6<sup>th</sup> January, 2014 against such retrospective application of tariff. Accordingly, PNGRB has vide Letter Ref: PNGR/M/(C)/43/Tariff GSPL Vol III dated 19<sup>th</sup> February, 2014 read with PNGRB Order Ref.No: TO/04/2014 dated 11<sup>th</sup> July, 2014 issued revised Provisional Initial Unit Natural Gas Pipeline tariff Order and zonal apportionment Order thereof for GSPL's High Pressure Pipeline Network. The same has been implemented during the year w.e.f. 27<sup>th</sup> July, 2012 being the authorization date for GSPL's High Pressure Pipeline Network.
42. Further APTEL in the matter of the appeals filed by GSPL against the various provisions of the order No. TO/09/2012 dated 11<sup>th</sup> September, 2012 has in judgment dated 25<sup>th</sup> November, 2014 and 28<sup>th</sup> November, 2014 allowed the appeals asking PNGRB to reconsider the tariff proposal to be submitted by GSPL based on relevant data and other submissions made by the appellant in this regard. GSPL has submitted the revised tariff proposals for consideration of PNGRB.
43. During the current year, the company has adopted useful lives of fixed assets as per Schedule II of Companies Act, 2013. Accordingly, the carrying value of fixed assets as on 1<sup>st</sup> April, 2014, net of residual value, has been depreciated over remaining useful lives. Further, an amount of ₹ 2.24 crores representing the carrying value of assets, whose remaining useful life as at 1<sup>st</sup> April, 2014 as per schedule II has already elapsed, has been charged to the opening balance of retained earnings in accordance with Companies Act, 2013.
44. In compliance of opinion of Expert Advisory Committee (EAC) of ICAI and Accounting Standard 26 - Intangible Assets, during the year, estimated useful life of ROU and ROW has been changed to 99 years and 30 years respectively. As a result, depreciation and amortization expenses increased by ₹ 1,391.99 lacs (out of which ₹ 1,210.36 lacs pertains up to financial year 2013-14) and accordingly, profit for the year reduced by corresponding amount.
45. The figures appearing in financial statements are rounded off to the nearest rupees in lacs.

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

**Rajiv Bajpai**  
Partner  
Membership No.405219

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

**For and on behalf of the Board of Directors,**

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015

## 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.** (hereinafter referred to as "the Holding Company"), its two subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and two associate which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, 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 (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

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

### Auditor's Responsibility

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the its associates and jointly controlled entities as at 31<sup>st</sup> March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

## Other Matters

We did not audit the financial statements of two subsidiaries included in the consolidated annual financial results, whose annual financial statements reflect total assets of ₹ 34,563.28 lacs as at 31<sup>st</sup> March 2015; as well as the total revenue of ₹ 406.85 lacs for the year ended on 31<sup>st</sup> March 2015. These annual Financial statements and other financial information have been audited by other auditors whose report(s) has (have) been furnished to us, and our opinion on the annual consolidated financial results, to the extent they have been derived from such annual financial statements of subsidiaries is based solely on the report of such other auditors.

We have relied upon the unaudited financial statements of two associates, the profit of which is included in the consolidated annual financial results, whose annual financial statements reflect total assets of ₹ 730,372.19 lacs as at 31<sup>st</sup> March 2015; as well as the total revenue of ₹ 910,895.82 lacs for the year ended on 31<sup>st</sup> March 2015. These unaudited financial statements have been furnished to us by the management and our report insofar as relates to the amounts included in respect of associates is based solely on such approved unaudited financial statements.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Group Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 25 to financial statements.
    - (ii) The Group, its associates and joint controlled entities have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

**Rajiv Bajpai**  
Partner  
M. No. 405219

Place: Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended 31<sup>st</sup> March, 2015, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of 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.
- (ii) (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the company.  
(b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate according to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the records of the Company, we are of the opinion that the Company has maintained proper records of inventory. Discrepancies noticed on physical verification between physical stock records were not material and have been properly dealt within the books of accounts.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clause 3 (a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under apply.
- (vi) 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 section (1) of section 148 of the Companies Act, 2013 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.
- (vii) (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, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, value added tax, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities.  
According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they become payable.  
(b) According to the information and explanations given to us, there are no dues of wealth tax, duties of custom, VAT and cess which have not been deposited on account of any dispute. However, according to information & explanation given to us, the detail of dues of income tax & service tax which have not been deposited by the company on account of disputes are as per note no. 25 of notes to accounts.  
(c) The company does not have such type of amount which required to be transferred to Investor and Education fund.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (x) 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 ₹ 56,500.00 Lacs in favour of IDBI Trustship Services Limited "Debenture Trustee of GSPC Distribution Networks Limited".

- (xi) According to the information and explanations and certificate in this regard given to us, term loans were applied by the Company for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

**For RMA & Associates**

Chartered Accountants

Firm Regn. No. 000978N

**Rajiv Bajpai**

Partner

Membership No. 405219

**Place:** Ahmedabad

**Date :** 22<sup>nd</sup> May, 2015

## PURSUANT TO DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT 2013 APPLICABLE FOR THE YEAR 2014 -15

In the continuation of our independent audit report on consolidated financial statements of Gujarat State Petronet Limited "The Company", its subsidiaries & associates, dated 22<sup>nd</sup> May 2015 & pursuant to directions under section 143(5) of Companies Act 2013 applicable for the year 2014-15.

1. If the Company is selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process.

**Not Applicable as the company is not selected for disinvestment.**

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

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

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

**Company does not own any inventory which is lying with third party. Further company has not received any asset as gift from Govt. or other authorities.**

4. A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.

**A Report on age wise analysis of cases against the company as on 31<sup>st</sup> March 2015 including the other details is as per Annexure-1.**

### Sub-directions under Section 143(5) of the Companies Act, 2013

1. Whether the Company has taken adequate measures to prevent encroachment of idle land owned by it. Whether any land of the Company is encroached, under litigation, not put to use or declared surplus? Details may be provided.

**As per information and explanation given to us, the Company has taken adequate measures to prevent encroachment and there is no encroachment to the land owned by the company.**

2. Whether the system in vogue for identification of projects to be taken up under Public Private Partnership is in line with the guidelines/ policies of the Government? Comment on deviation if any.

**The Company does not have any project to be taken up under Public Private Partnership.**

3. Whether system for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.

**System for monitoring the execution of works vis-à-vis the milestones stipulated in the agreement is in existence and the impact of cost escalation, if any, revenues/ losses from contracts, etc., have been properly accounted for in the books.**

4. Whether funds received/ receivable for specific schemes from central/ State agencies were properly accounted for/utilized? List the cases of deviations.

**The Company does not have received/ receivable any fund for specific schemes from central/ State agencies.**

5. Whether the bank guarantees have been revalidated in time?

**Bank guarantees have been revalidated in a timely manner.**

6. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.

**Balance Confirmation has been received in respect of term deposits, bank accounts & Cash. Separate disclosure has been made for trade receivables & trade payables- kindly refer note 31 to notes to accounts.**

7. The cost incurred on abandoned projects may be quantified and the amount actually written-off shall be mentioned.

**During the year 2014-15 the Company has not abandoned any projects.**

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

**Rajiv Bajpai**  
Partner  
Membership No. 405219

**Place:** Ahmedabad  
**Date :** 22<sup>nd</sup> July, 2015

## ANNEXURE-I

Age wise details of litigations of Direct taxes & Indirect taxes along with reason of pendency are as follows:

Period	Amount ₹ (In Lacs)		Reason for pendency
	Indirect Tax	Direct Tax	
Less than 1 Year	5,015.76	109.59	Matters have not attained finality either because the hearings are ongoing OR date yet not notified by relevant authorities
1-3 Years	28,104.27	769.37	
3-5 Years	-	311.46	
More than 5 years	17.90	5.53	
<b>TOTAL</b>	<b>33137.94</b>	<b>1195.95</b>	

Age wise details of litigations pending before other forums with reasons of pendency are as follows:

Period	No. of pending cases	Reason for pendency
Less than 1 Year	22	Courts/Arbitrators are required to dispose of the cases as per procedure prescribed under law. Parties need to be given reasonable opportunity of being heard. Further, law provides for appeal before higher courts. Reasons for pendency vary from case to case.
1-3 Years	32	
3-5 Years	23	
More than 5 years	13	
<b>TOTAL</b>	<b>77</b>	

Additionally, cases are pending before various collectors offices which are primarily in relation to seeking of additional compensation under Gujarat Water and Gas Pipelines (Acquisition of Right of User in Land) Act, 2000.



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	Notes	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	56,298.00	56,273.87
Reserves and Surplus	4	321,700.47	282,271.06
		<b>377,998.47</b>	<b>338,544.93</b>
<b>Minority Interest</b>		<b>16,058.41</b>	<b>12,326.44</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	5	88,788.07	103,650.63
Deferred Tax Liabilities (Net)	6	45,035.46	42,020.71
Other Long-Term Liabilities	7	2,515.10	2,399.46
Long-Term Provisions	8	911.10	451.53
		<b>137,249.73</b>	<b>148,522.33</b>
<b>Current Liabilities</b>			
Trade Payables	9	4,056.07	1,589.99
Other Current Liabilities	10	43,061.40	54,736.03
Short-Term Provisions	8	8,391.04	6,758.05
		<b>55,508.51</b>	<b>63,084.07</b>
<b>TOTAL</b>		<b>586,815.12</b>	<b>562,477.77</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	300,966.03	305,107.52
Intangible Assets	11	15,979.30	15,423.95
Capital Work-In-Progress	11	94,874.46	80,401.97
Non-Current Investments	12	63,305.63	54,266.79
Long-Term Loans and Advances	13	31,786.45	15,655.07
Other Non-Current Assets	14	1,897.08	373.83
		<b>508,808.95</b>	<b>471,229.13</b>
<b>Current Assets</b>			
Inventories	15	11,023.50	6,941.29
Trade Receivables	16	15,039.25	24,901.31
Cash and Bank Balance	17	46,694.38	54,443.90
Short-Term Loans and Advances	13	3,936.51	3,422.15
Other Current Assets	14	1,312.53	1,539.99
		<b>78,006.17</b>	<b>91,248.64</b>
<b>TOTAL</b>		<b>586,815.12</b>	<b>562,477.77</b>
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

**Rajiv Bajpai**  
Partner  
Membership No.405219

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

**For and on behalf of the Board of Directors,**

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
<b>INCOME :</b>			
Revenue from Operations	18	106,459.65	105,069.23
Other Income	19	5,525.39	5,687.29
<b>Total Revenue (A)</b>		<b>111,985.04</b>	<b>110,756.52</b>
<b>EXPENSES :</b>			
Employee Benefit Expenses	20	3,556.37	2,871.17
Other Expenses	21	10,102.12	9,310.19
Depreciation and Amortisation Expenses	22	18,922.97	18,387.02
Finance Costs	23	11,782.52	14,184.77
<b>Total Expenses (B)</b>		<b>44,363.98</b>	<b>44,753.15</b>
<b>Profit Before Tax and Adjustment</b>		<b>67,621.06</b>	<b>66,003.37</b>
Prior Period Adjustments		1,264.00	5.09
<b>Profit Before Tax</b>		<b>66,357.06</b>	<b>65,998.28</b>
<b>Tax Expenses</b>			
Current Tax		22,113.66	20,685.95
Short/(Excess) Provision of Tax - Earlier Years		(0.47)	27.72
Deferred Tax		3,014.75	3,355.70
<b>Profit After Tax</b>		<b>41,229.11</b>	<b>41,928.91</b>
Less: Share of Profit transferred to Minority Interest		131.96	154.56
Add: Share of Profit/(Loss) in Associate for the year		7,533.40	(195.56)
<b>Profit after Tax</b>		<b>48,630.55</b>	<b>41,578.79</b>
<b>Earnings Per Equity Share (EPS)</b> <b>(Face value of Share ₹ 10)</b>			
Basic (₹ Per Share)		8.64	7.39
Diluted (₹ Per Share)		8.64	7.39
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

**Rajiv Bajpai**  
Partner  
Membership No.405219

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

### For and on behalf of the Board of Directors,

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

(₹ in Lacs)

Particulars	2014-2015	2013-2014
<b>A Cash Flow from Operating Activities</b>		
Profit Before Taxes	66,357.06	65,998.29
<u>Adjustments for:</u>		
Depreciation & amortisation	18,922.97	18,387.02
ESOP Compensation Expenses	10.42	90.29
Provision for Doubtful Debts	6.81	261.29
Prior Period Adjustment	1,210.36	-
Wealth Tax	9.39	10.63
(Profit) / Loss on sale of Assets	14.30	3.61
Loss on Retirement of Assets	0.06	13.67
Dividend Income	(55.00)	-
Interest Income	(4,992.84)	(5,134.54)
Interest & Financial Charges	11,782.52	14,184.77
Provision/(Reversal) of diminution in value of Investments	(4.10)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>93,261.95</b>	<b>93,815.03</b>
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	(4,082.21)	773.82
(Increase)/Decrease in Trade Receivable	9,855.25	247.41
(Increase)/Decrease in Loans, Advances & Other Current Assets	(18,060.17)	(6,370.29)
Increase/(Decrease) in Trade payable, Other current liability & Provisions	3,471.06	(4,010.10)
Increase/(Decrease) in Other Long Term Liability	110.11	610.46
<b>Cash Generated from Operations</b>	<b>84,555.99</b>	<b>85,066.33</b>
Taxes Paid	(21,947.06)	(20,680.14)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>62,608.93</b>	<b>64,386.19</b>
<b>B Cash Flow from Investing Activities</b>		
(Increase) / Decrease in Investment	35.72	(35,000.00)
Interest Received	5,052.95	5,363.09
Dividend Received	55.00	246.37
Changes in earmarked Fixed Deposits & Current Account	4,920.97	(5,052.80)
Proceeds from sale of Assets	46.42	75.09
Acquisition of Fixed Assets and Change in Capital Work in Progress	(30,071.24)	(36,306.84)
Tax paid on interest income of Subsidiaries	(140.48)	(154.58)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(20,100.65)</b>	<b>(70,829.67)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Share Capital including Share Premium	3,769.24	6,919.08
Proceeds from Long Term Borrowing	41,149.33	26,000.00
Repayment of Long Term Borrowings	(68,281.67)	(44,084.87)
Dividend (Including Corporate Dividend Tax) Paid	(6,584.08)	(6,583.64)
Interest & Financial Charges paid	(13,885.93)	(16,008.88)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(43,833.11)</b>	<b>(33,758.31)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)</b>	<b>(1,324.83)</b>	<b>(40,201.81)</b>
<b>Cash and Cash Equivalents at the beginning of the Period</b>	<b>13,498.14</b>	<b>53,699.95</b>
<b>Cash and Cash Equivalents at the end of the Period</b>	<b>12,173.31</b>	<b>13,498.14</b>

## Notes to Cash Flow Statement

1 Cash and Cash Equivalent includes-

Cash and Cheques on Hand	1.75	2.40
Balances with Scheduled Banks		
– in Current Accounts	1,526.56	2,647.30
– in Deposit Accounts	10,645.00	10,848.44
	<b>12,173.31</b>	<b>13,498.14</b>

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

**Rajiv Bajpai**  
Partner  
Membership No.405219

Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

## For and on behalf of the Board of Directors,

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary

Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015

### 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 2(45) of Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange 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, 2013 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 <sup>st</sup> March, 2015
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 an 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. 31<sup>st</sup> March 2015.
- (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'

## 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 like software, licenses, Right-of-Use of land (ROU) and Right of Way (ROW) permissions which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

### (c) Depreciation and Amortisation

Depreciation on gas transmission pipeline(s) is provided on straight line method (SLM) and on other tangible assets is provided on written down value method (WDV) based on the useful life prescribed in schedule II to the Companies Act 2013 except, for mobile phones which are depreciated over useful life of two years based on technical opinion.

Moreover, useful life of CNG Gas Stations & Network Equipments is considered as 18 years by associate companies.

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. Right of Use is perpetual in nature. However, as required by AS-26, Right of Use (ROU) is amortised over 99 years on straight line method and Right of Way (ROW) is amortised over 30 years on straight line method.

### (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 and 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 weighted 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 (Share based employee benefits) Regulations, 2014, the difference between market price as on the date of grant of Option and the Exercise Price of total no. of Options granted is recognized as an Asset called 'Deferred ESOP Compensation' and as a liability called 'ESOP Outstanding Account'. The asset called 'Deferred ESOP Compensation' is amortized over the vesting period on Straight Line basis and considered

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

**(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 & 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) 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.

**(o) 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.

**(p) 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 & 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".

**(q) Proposed Dividend**

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

**(r) 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**

(₹ in Lacs)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount	No. of Shares	Amount
<b>AUTHORISED SHARE CAPITAL</b>				
Equity Shares of ₹ 10 each	700,000,000	70,000.00	700,000,000	70,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>				
Equity Shares of ₹ 10/- each fully paid up	562,979,980	56,298.00	562,738,695	56,273.87
<b>TOTAL</b>	<b>562,979,980</b>	<b>56,298.00</b>	<b>562,738,695</b>	<b>56,273.87</b>

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

Particulars	2014 - 15		2013 - 14	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
Equity Shares at the beginning of the Year	562,738,695	56,273.87	562,708,833	56,270.88
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	241,285	24.13	29,862	2.99
<b>Equity Shares at the end of the Year</b>	<b>562,979,980</b>	<b>56,298.00</b>	<b>562,738,695</b>	<b>56,273.87</b>

**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 31<sup>st</sup> March, 2015, the amount of Dividend per share recognised as distributions to Equity Shareholders was ₹ 1.2 per Share. (31<sup>st</sup> March 2014: ₹ 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 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	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 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petroleum Corporation Limited	212,305,270	37.71%	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. 37.

#### 4 RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b><u>Securities Premium Reserve</u></b>		
Opening Balance	40,131.83	40,130.64
Add: Additions during the Year	249.58	1.19
<b>Closing Balance</b>	<b>40,381.41</b>	<b>40,131.83</b>
<b><u>General Reserve</u></b>		
Opening Balance	272.30	272.30
Add: Additions during the Year	-	-
<b>Closing Balance</b>	<b>272.30</b>	<b>272.30</b>
<b><u>Capital Reserve on Consolidation</u></b>	<b>196.03</b>	<b>125.95</b>
<b><u>Employees' Stock Options Outstanding (Net)</u></b>		
Gross Compensation for ESOPs Granted	1,001.66	1,001.66
Less: Deferred Employee Stock Compensation	26.35	107.55
Less: Transferred to Securities Premium on exercise of ESOPs	110.19	5.72
Less: ESOP Lapsed / Cancelled	236.16	165.38
<b>Closing Balance</b>	<b>628.96</b>	<b>723.01</b>
<b><u>Profit &amp; Loss Account</u></b>		
Opening Balance	241,017.97	206,135.25
Add: Profit during the Year	48,630.55	41,578.79
Add: Change in Associates share of profit due to policy / holding pattern change	(487.94)	-
Less: Profit Transferred to Minority Interest	-	13.55
Less: Adjustment for Assets with expired useful life as on 01.04.2014	699.00	-
<b><u>Less: Appropriations</u></b>		
Transfer to Capital Reserve	70.08	98.53
Proposed Equity Dividend	6,755.76	5,627.39
Difference in Final Dividend for Equity Share	0.27	0.20
Tax on Proposed Final Equity Dividend	1,413.65	956.37
Difference in Tax on Final Dividend for Equity Share	0.05	0.03
<b>Closing Balance</b>	<b>280,221.77</b>	<b>241,017.97</b>
<b>TOTAL</b>	<b>321,700.47</b>	<b>282,271.06</b>

#### 5 LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<b><u>Secured</u></b>				
Term Loan from Banks	53,995.66	8,720.09	36,283.81	16,323.20
Term Loan from Financial Institutions	20,792.41	4,241.07	48,366.82	15,907.74
<b><u>Unsecured</u></b>				
Term Loan from Financial Institutions	14,000.00	14,000.00	19,000.00	7,000.00
<b>TOTAL</b>	<b>88,788.07</b>	<b>26,961.16</b>	<b>103,650.63</b>	<b>39,230.94</b>
Amount Disclosed under the Head "Other Current Liabilities" (Note No. 10)	-	(26,961.16)	-	(39,230.94)
<b>Net Amount</b>	<b>88,788.07</b>	<b>-</b>	<b>103,650.63</b>	<b>-</b>

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 Loan <sup>\$</sup>

			<b>Maturity Profile</b>		(₹ in Lacs)
<b>Rate of Interest</b>	<b>No. of Installments</b>	<b>Outstanding as at 31st March 2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	
Base Rate + 1%	1	446.84	446.84	-	
Base Rate + 0.80%	13	1,672.79	515.40	1,157.40	
Base Rate + 1.75%	8	1,989.52	1,000.00	989.52	
Base Rate + 1%	13	3,466.51	1,072.00	2,394.51	
Base Rate + 1%	13	4,048.12	1,252.00	2,796.12	
Base Rate + 0.75%	13	1,078.18	332.07	746.11	
8.64%	29	4,229.17	583.33	3,645.83	
7.50%	29	12,083.33	1,666.67	10,416.67	
8.11%	29	4,078.13	562.50	3,515.63	
1 Year GSEC + 2.75%	17	6,233.33	1,466.67	4,766.67	
1 Year GSEC + 2.175%	11	6,636.00	1,206.55	5,429.46	
Base Rate + 0.25%	28	2,395.28	-	9,995.28	
Base Rate + 0.45%	36	2,000.00	-	15,000.00	
Base Rate + 0.25%	32	599.99	-	4,999.99	
Base Rate + 0.40%	32	9,649.25	-	17,499.92	
Base Rate + 0.25%	28	17,499.91	-	17,499.91	
Base Rate + 1.25%	14	5,000.00	1,428.57	3,571.43	
11.30% - Reset at every year	13	4,642.86	1,428.57	3,214.29	
10.00%	8	28,000.00	14,000.00	14,000.00	
<b>Grand Total</b>	<b>367</b>	<b>115,749.23</b>	<b>26,961.16</b>	<b>121,638.73</b>	

<sup>\$</sup> Repayment schedule includes amount of loan sanctioned to be drawn.

## 6 DEFERRED TAX LIABILITIES (Net)

(₹ in Lacs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
<b>Deferred Tax Liability:</b>		
On account of Depreciation	45,451.36	42,292.66
Total Deferred Tax Liability (A)	<b>45,451.36</b>	<b>42,292.66</b>
<b>Deferred Tax Asset:</b>		
Provision for Leave Salary	205.08	139.80
Provision for Gratuity	114.02	39.39
Preliminary Expenses u/s 35D	4.02	3.95
Provision for Doubtful Debts	92.78	88.81
Total Deferred Tax Asset (B)	<b>415.90</b>	<b>271.95</b>
<b>Net Deferred Tax Liability (A-B)</b>	<b>45,035.46</b>	<b>42,020.71</b>

## 7 OTHER LONG TERM LIABILITIES

(₹ in Lacs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
Security Deposit from Customers	2,421.20	2,321.20
OYVS Installments from Employees	43.56	27.92
Other Payables (including payables for Capital Goods and Services)	50.34	50.34
<b>TOTAL</b>	<b>2,515.10</b>	<b>2,399.46</b>

## 8 PROVISIONS

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<b>Provision for employee benefits</b>				
Provision for Gratuity	274.30	97.44	38.45	90.69
Provision for Leave Salary	636.79	26.50	413.08	20.85
Provision for Leave Travel Allowance	-	44.67	-	35.23
Provision for Superannuation	-	43.39	-	18.39
	911.10	212.00	451.53	165.16
<b>Other Provisions</b>				
Proposed Equity Dividend	-	6,755.76	-	5,627.39
Provision for Tax on Proposed Equity Dividend	-	1,413.65	-	956.37
Provision for Wealth Tax	-	9.63	-	9.13
	-	8,179.04	-	6,592.89
<b>TOTAL</b>	<b>911.10</b>	<b>8,391.04</b>	<b>451.53</b>	<b>6,758.05</b>

## 9 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Trade Payables (refer Note No.33 for details of due to Micro, Small and Medium Enterprises)	4,056.07	1,589.99
<b>TOTAL</b>	<b>4,056.07</b>	<b>1,589.99</b>

## 10 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Current Maturities of Long-Term Borrowings (Refer Note No. 5)	26,961.16	39,230.94
Other Payables (including payables for Capital Goods and Services) (refer note no.33 for details of due to Micro, Small and Medium Enterprises)	10,969.53	10,760.07
Interest accrued but not due on Long Term Borrowings	1,142.35	912.04
Earnest Money Deposit	33.15	67.92
Deposit from Customers	945.59	1,098.09
Dividend Payable / Unclaimed	81.67	77.99
Imbalance, Overrun & Other Charges	2,608.78	2,190.75
Other Statutory Liabilities	319.17	398.23
<b>TOTAL</b>	<b>43,061.40</b>	<b>54,736.03</b>

## (₹ in Lacs)

Particulars	Gross Carrying Amount			Accumulated Depreciation / Amortisation					Net Carrying Amount		
	Balance as on 1-Apr-2014	Additions/ Adjustments during the year	Deduction During the year	Balance as on 31-Mar-2015	Balance as on 01-Apr-2014	Adjustments* During the year	Additions During the year	Deduction During the year	Balance as on 31-Mar-2015	As on 31-Mar-2015	As on 31-Mar-2014
<b>Tangible Assets</b>											
Land- Free Hold	11,262.67	4,253.47	-	15,516.13	-	-	-	-	-	15,516.13	11,262.67
Land- Lease Hold	2,547.30	983.90	-	3,531.20	226.74	-	50.76	-	277.50	3,253.70	2,320.56
Building	18,898.08	1,134.51	-	20,032.59	6,582.67	73.71	1,122.01	-	7,778.39	12,254.20	12,315.41
Plant & Machinery	402,454.77	6,357.12	8.54	408,803.35	134,481.41	-	13,910.72	3.95	148,388.18	260,415.17	267,973.36
Communication Equipments	9,574.80	849.37	21.17	10,403.00	5,456.01	20.09	905.90	14.34	6,367.65	4,035.35	4,118.79
Electrical Install.& Equipments	12,185.95	973.18	0.19	13,158.94	6,189.17	113.69	2,294.44	0.02	8,597.29	4,561.65	5,996.78
Computers	766.52	113.20	27.49	852.22	523.65	8.34	188.51	22.26	698.25	153.97	242.85
Furniture & Fittings	782.94	174.94	69.31	888.57	345.17	3.85	143.44	38.24	454.22	434.35	437.77
Office Equipments	121.32	23.23	0.38	144.17	46.59	4.31	50.63	0.18	101.35	42.82	74.73
Vehicles	699.89	83.14	36.94	746.09	343.27	-	125.25	14.79	453.73	292.36	356.62
Books	13.44	-	-	13.44	13.44	-	-	-	13.44	-	-
Ship / Boat	9.82	-	-	9.82	1.84	-	1.65	-	3.49	6.33	7.98
<b>Total (A)</b>	<b>459,317.49</b>	<b>14,946.05</b>	<b>164.02</b>	<b>474,099.53</b>	<b>154,209.97</b>	<b>223.99</b>	<b>18,793.32</b>	<b>93.78</b>	<b>173,133.50</b>	<b>300,966.03</b>	<b>305,107.52</b>
<b>Intangible Assets</b>											
Computer Software	1,206.81	97.23	-	1,304.04	1,017.46	-	89.86	-	1,107.32	196.72	189.35
Right of Use / Right of Way	15,234.60	1,939.96	-	17,174.57	-	1,210.35	181.64	-	1,391.99	15,782.58	15,234.60
<b>Total (B)</b>	<b>16,441.41</b>	<b>2,037.19</b>	-	<b>18,478.61</b>	<b>1,017.46</b>	<b>1,210.35</b>	<b>271.50</b>	-	<b>2,499.31</b>	<b>15,979.30</b>	<b>15,423.95</b>
<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-	-	<b>94,874.46</b>	<b>80,401.97</b>
<b>Total (C)</b>	-	-	-	-	-	-	-	-	-	<b>94,874.46</b>	<b>80,401.97</b>
<b>Total (A+B+C)</b>	<b>475,758.90</b>	<b>16,983.24</b>	<b>164.02</b>	<b>492,578.14</b>	<b>155,227.43</b>	<b>1,434.34</b>	<b>19,064.82</b>	<b>93.78</b>	<b>175,632.81</b>	<b>411,819.79</b>	<b>400,933.44</b>
Previous Year	462,223.90	13,713.06	178.06	475,758.90	136,846.70	-	18,466.42	85.69	155,227.43	400,933.44	386,808.04

\* Adjustment during the year includes (i) depreciation on tangible assets with expired useful life as on 01.04.2014 under Schedule II to the Companies Act 2013 and (ii) amortisation on intangible assets pertaining to prior period (Refer Note No.44).

## 12 NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Trade Investments (Long Term)</b>		
<b>Investment in Unquoted Equity Shares of Associate Companies</b>		
2,46,37,085 (31 <sup>st</sup> March 2014: 2,46,37,085) Equity Shares of ₹ 10 each of GSPC Gas Company Limited (Fully Paid Up)	6,240.19	6,277.44
Less: Capital Reserve/(Goodwill)	(20.25)	17.00
	6,260.44	6,260.44
Add: Share of Profit	12,232.85	6,106.97
Less: Dividend received	1,175.22	1,175.22
	17,318.07	11,192.19
35,00,00,000 (31 <sup>st</sup> March 2014: 35,00,00,000) Equity Shares of ₹ 10 each of GSPC Distribution Networks Ltd. (Fully Paid Up)	39,544.68	39,551.88
Less: Capital Reserve	4,544.68	4,551.88
	35,000.00	35,000.00
Add: Share of Profit	4,387.56	3,942.98
	<b>39,387.56</b>	<b>38,942.98</b>
<b>Investment in Unquoted Equity Shares of Other Companies</b>		
2,50,00,000 (31 <sup>st</sup> March 2014: NIL) Equity Shares of ₹ 10 each of GSPC LNG Limited (Fully Paid Up) (at Cost)	2,500.00	-
62,50,000 (31 <sup>st</sup> March, 2014: 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 <sup>st</sup> March, 2014: 27,50,000) Equity Shares of ₹ 10 each of Sabarmati Gas Ltd. (Fully Paid Up) (at Cost)	1,100.00	1,100.00
Nil (31 <sup>st</sup> March, 2014: 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)	-	31.62
<b>Investment in Unquoted Debentures of Other Companies</b>		
2,000 (31 <sup>st</sup> March, 2014: 2000) 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd. (Fully Paid Up)	2,000.00	2,000.00
<b>TOTAL</b>	<b>63,305.63</b>	<b>54,266.79</b>
<b>Aggregate Amount of Unquoted Investments</b>	<b>63,305.63</b>	<b>54,266.79</b>
<b>Aggregate Provision for Diminution in Value of Investments</b>	<b>-</b>	<b>25.88</b>

**13 LOANS AND ADVANCES**

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<b>Capital Advances</b>				
Unsecured, Considered Good	4,273.51	-	5,013.50	-
<b>Security Deposit Given</b>				
Unsecured, Considered Good	2,062.64	103.30	1,920.42	91.77
<b>Loans &amp; Advances to Related Parties</b>				
<u>Unsecured, Considered Good</u>				
Equity Share Application - GSPC LNG Ltd.	-	-	2,500.00	-
<b>Other Loans &amp; Advances</b>				
<u>Secured, Considered Good</u>				
Housing Building Advance to Employees	1,171.15	84.40	1,017.38	74.97
<u>Unsecured, Considered Good</u>				
Advance Income Tax and TDS (Net of Provision)	10.78	223.39	2.30	810.36
Loans & Advances to Employees	82.14	104.02	79.02	84.07
Payment under Protest	772.53	-	96.56	131.99
Balance of Service Tax & Excise Duty	8,366.86	2,966.49	-	1,745.88
Other Advances	15,000.00	327.12	5,000.00	358.65
Prepaid Expenses	46.85	127.78	25.89	124.46
<b>TOTAL</b>	<b>31,786.45</b>	<b>3,936.51</b>	<b>15,655.07</b>	<b>3,422.15</b>

**14 OTHER ASSETS**

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<u>Unsecured, Considered Good</u>				
Non-Current Bank Balances (Note No. 17)	1,794.05	-	290.34	-
<b>Others</b>				
Others Receivables	-	140.22	-	279.77
Interest Accrued but Not Due on Deposits	103.03	991.14	10.33	1,079.06
Interest Accrued But not due on OCDs	-	181.16	73.16	181.16
<b>TOTAL</b>	<b>1,897.08</b>	<b>1,312.53</b>	<b>373.83</b>	<b>1,539.99</b>

**15 INVENTORIES (Valued at Weighted Moving Average Cost)**

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Stores & Spares	1,861.82	1,550.60
Line Pack Gas	9,161.68	5,390.69
<b>TOTAL</b>	<b>11,023.50</b>	<b>6,941.29</b>

## 16 TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2015	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2014
<b>Unsecured, considered Good</b>				
Outstanding for a period exceeding 6 months	9,141.42		16,140.06	
Others	5,897.83	15,039.25	8,761.25	24,901.31
<b>Unsecured, considered Doubtful</b>				
Outstanding for a period exceeding 6 months	268.10		261.29	
Others	-	268.10	-	261.29
Less: Provision for Doubtful debts		(268.10)		(261.29)
<b>TOTAL</b>		<b>15,039.25</b>		<b>24,901.31</b>

## 17 CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2015		As At 31 <sup>st</sup> March, 2014	
	Non-Current	Current	Non-Current	Current
<b>Cash and Cash Equivalents</b>				
Balances with Banks				
In Current Accounts	-	1,526.56	-	2,647.30
Fixed Deposit with original maturity of less than 3 months	-	10,645.00	-	10,848.44
Cash on Hand	-	1.75	-	2.40
	-	12,173.31	-	13,498.14
<b>Earmarked Balances with Banks</b>				
Unpaid Dividend Account	-	71.35	-	77.99
Balance in Escrow A/c-PNGRB [Incl. TD]	490.16	2,234.95	-	2,284.10
Margin Money Deposit - Bank Guarantees	751.89	11,101.01	290.34	686.74
<b>Other Bank Balances</b>				
Fixed Deposit				
With original maturity of more than 12 months	552.00	107.74	-	96.79
With original maturity of more than 3 months but less than 12 months	-	21,006.02	-	37,800.14
<b>Total</b>	1,794.05	46,694.38	290.34	54,443.90
Amount disclosed under Other Non-Current Assets (Note No.14)	(1,794.05)	-	(290.34)	-
<b>TOTAL</b>	-	<b>46,694.38</b>	-	<b>54,443.90</b>

**18 REVENUE FROM OPERATIONS**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Revenue from Transportation of Gas (Net)	102,305.21	100,931.08
Revenue from Sale of Electricity (Net)	3,750.80	3,802.15
Other Operating Revenues Connectivity Charges	403.64	336.00
<b>TOTAL</b>	<b>106,459.65</b>	<b>105,069.23</b>

**19 OTHER INCOME**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Interest Income		
Fixed Deposits with Banks	4,864.56	5,008.75
Optionally Convertible Debentures	120.00	120.00
Others	253.89	418.31
	<b>5,238.45</b>	<b>5,547.06</b>
Dividend from Associate (Long term Trade Investment)	55.00	-
Other Non-Operating Income	231.94	140.23
<b>TOTAL</b>	<b>5,525.39</b>	<b>5,687.29</b>

**20 EMPLOYEE BENEFIT EXPENSES**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Salaries and Wages		
Salaries and Allowances	2,737.03	2,383.50
Salary Arrears	0.28	-
Leave Salary	201.18	50.17
Contribution to Provident and Other Funds		
Contribution to Provident fund	185.86	158.52
Contribution to Super Annuation Scheme	72.52	46.43
Group Gratuity Expenses	248.46	48.05
ESOP Compensation Expenses	10.42	90.29
Staff Welfare Expenses	100.62	94.21
<b>TOTAL</b>	<b>3,556.37</b>	<b>2,871.17</b>

## 21 OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
<b>(A) Operation &amp; Maintenance Expenses</b>		
Maintenance Contracts	2,785.91	2,539.32
Payment to Outsourced Persons	342.89	384.46
Security Service Charges	717.15	665.86
Land Revenue	13.24	10.84
Power & Fuel	588.40	492.80
Consumption of Stores & Spare Parts	337.16	531.93
System Usage Gas	1,560.44	1,278.98
Repairs & Maintenance - Building	49.09	0.23
Repairs & Maintenance - Machinery	199.81	100.66
Other Operation & Maintenance expenses	620.63	705.85
SLDC Charges - Windmill	2.69	2.83
<b>(A)</b>	<b>7,217.41</b>	<b>6,713.76</b>
<b>(B) Other Expenses</b>		
Advertisement & Publicity Expenses	115.53	84.75
Bandwidth & Website Maintenance Charges	12.65	11.18
Business Promotion	11.04	-
Loss on Sale of Asset	14.36	6.73
Provision for diminution in Investment	(4.10)	-
Statutory Audit Fees	2.00	1.50
Donation	26.05	30.56
Provision for Doubtful Debts	6.81	261.29
Legal & Professional Expenses	550.79	578.69
Rent	156.83	142.23
Rates & Taxes	146.85	124.48
Recruitment & Training	55.22	51.61
Seminar & Conference	430.83	3.81
Stationery & Printing	34.66	28.33
Travelling Expenses - Directors	6.51	9.57
Travelling Expenses - Others	104.67	112.51
Postage, Telephone & Courier Expenses	53.95	67.57
HSE Expenses	50.00	30.98
Listing Fee	13.73	9.52
Insurance Expenses	310.36	314.34
Other Administrative Expenses	785.97	726.78
<b>(B)</b>	<b>2,884.71</b>	<b>2,596.43</b>
<b>TOTAL (A+B)</b>	<b>10,102.12</b>	<b>9,310.19</b>

Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹ 28.81 Lacs.

## 22 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Depreciation on Tangible Assets	18,675.18	18,305.67
Amortisation of Intangible Assets	247.79	81.35
<b>TOTAL</b>	<b>18,922.97</b>	<b>18,387.02</b>

**23 FINANCE COSTS**

(₹ in Lacs)

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
Interest Expenses	11,732.99	14,149.40
Other Borrowing Costs	49.53	35.37
<b>TOTAL</b>	<b>11,782.52</b>	<b>14,184.77</b>

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

**25 CONTINGENT LIABILITIES AS ON 31<sup>ST</sup> MARCH, 2015**

## a) Claims against Company not acknowledged as debt:

- By land owners seeking enhancement of compensation in respect of RoU acquired by the Company is ₹ 2,124.57 Lacs (Previous Year: ₹ 2,128.53 Lacs) and by other parties are ₹ 40.68 Lacs (Previous Year: ₹ 39.86 Lacs)
- o As regards Central Excise and Service Tax matters, the matters lying before Hon'ble Supreme Court- ₹ 735.04 Lacs (Previous Year: ₹ Nil), Hon'ble Gujarat High Court - ₹ 19,100.28 Lacs (Previous Year: ₹ 19,100.28 Lacs), before CESTAT - ₹ 10,111.30 Lacs (Previous Year: ₹ 9,018.14 Lacs), before Commissioner/ Asst. Commissioner - ₹ 1525.45 Lacs (Previous Year: ₹ 2,671.78 Lacs). Further, the company is in process of filing appeal before CESTAT for ₹ 1,665.86 Lacs (Previous Year: ₹ 91.01 Lacs). (Applicable interest & penalty has also been demanded by Department)
- o Income Tax assessments up to Assessment Year 2012-13 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 Hon'ble Gujarat High Court for Assessment Year 2005-06 & 2009-10 is ₹ 19.69 Lacs (Previous Year : ₹ 26.77 Lacs), lying before the Income Tax Appellate Tribunal (ITAT) for Assessment Year 2008-09 & 2009-10 is ₹ 370.41 Lacs (Previous Year : ₹ 370.41 Lacs), lying before CIT(Appeals) for Assessment Year 2008-09, 2010-11, 2011-12 & 2012-13 is ₹ 767.08 Lacs (Previous Year : ₹ 657.48 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 (including share of associates) are ₹ 75,088.74 Lacs (Previous year ₹ 10,146.39 Lacs)
- Corporate Guarantee executed jointly & severally along with associate is ₹ 56,500.00 Lacs (Previous year 50,000.00 Lacs.)

## 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 7<sup>th</sup> March, 2011, collected for the period prior to 1<sup>st</sup> 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. 1<sup>st</sup> April, 2011.

**26 CAPITAL & OTHER COMMITMENT AS ON 31<sup>ST</sup> MARCH, 2015****Capital Commitment :**

Estimated amount of contracts remaining to be executed on capital account and not provided for (including of subsidiaries) is ₹45,344.95 Lacs (Previous year ₹ 60,642.12 Lacs).

**Other Commitment :**

Advance of ₹ 5,000.00 Lacs adjustable against re-gasification services (Previous year ₹ 15,000.00 Lacs)

27. As per Accounting Standard - 16 "Borrowing Cost" issued by ICAI, the Company has capitalised the borrowing cost amounting to ₹ 2,333.72 Lacs for the current year. (Previous year ₹ 1,879.50 Lacs).

#### 28. PAYMENT TO AUDITORS

(₹ in Lacs)

Particulars	2014-2015	2013-2014
For Statutory Audit	5.02	3.31
For other Services	1.90	1.55
For Reimbursement of Expense	0.33	0.26
<b>TOTAL</b>	<b>7.25</b>	<b>5.12</b>

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

#### 30. EXPENDITURE / INCOME IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	2014-2015	2013-2014
<b>Expenditure</b>		
Capital Goods	-	97.23
Component & Spare parts*	292.89	19.73
Professional and Consultation Fee	99.86	14.81
Interest	843.23	952.94
Training & Conferences	1.80	-
Others	5.51	6.83
<b>TOTAL</b>	<b>1243.29</b>	<b>1091.54</b>
<b>Income</b>		
Bid fees received	0.00	5.46

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

Particulars	2014 - 2015		2013 - 2014	
	Amount (₹ in Lacs)	% of total Consumption	Amount (₹ in Lacs)	% of total Consumption
Imported	9.31	2.76%	19.73	3.71%
Domestic	327.85	97.24%	512.20	96.29%
<b>TOTAL</b>	<b>337.16</b>	<b>100.00%</b>	<b>531.93</b>	<b>100.00%</b>

31. 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.

**32 EARNINGS PER SHARE (EPS)**

Particulars	2014 - 2015	2013 - 2014
Profit After Tax (₹ in Lacs)	48,630.55	41,578.79
Weighted Average Number of Equity Shares	56,27,98,298	56,27,26,857
Basic EPS (in ₹)	8.64	7.39
Total Weighted Average Number of Equity Shares including Potential Equity Shares	56,31,05,017	56,27,47,875
Diluted EPS (in ₹)	8.64	7.39
Face Value / Nominal Value of Share (in ₹)	10.00	10.00

**33** 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:

(₹ in Lacs)

Particulars	2014 - 2015	2013 - 2014
Principal amount remaining unpaid as on 31 <sup>st</sup> March, 2015	316.46	374.23
Interest due thereon as on 31 <sup>st</sup> March, 2015	-	-
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 <sup>st</sup> March, 2015	-	-
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	-	-

**34 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 2014 - 2015				Year 2013 - 2014			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
<b>1 Segment Revenue</b>								
External Revenue*	1,02,983.79	3,750.80	-	1,06,734.59	101,668.23	3,802.15	-	105,470.38
Inter Segment Revenue	-	-	-	-	-	-	-	-
<b>Total Segment Revenue</b>	1,02,983.79	3,750.80	-	1,06,734.59	101,668.23	3,802.15	-	105,470.38
<b>2 Segment Result - Profit(+) / Loss(-)</b>	77,254.12	905.15	-	78,159.26	77,095.98	612.35	-	77,708.33
Unallocated Other Income	-	-	5,250.45	5,250.45	-	-	5,286.08	5,286.08
Unallocated Expenses & Finance Cost	-	-	(15,788.66)	(15,788.66)	-	-	(17,001.22)	(17,001.22)
Prior Period Adjustments	(1,210.36)	35.33	(88.97)	(1,264.00)	-	-	5.09	5.09
<b>Profit Before Tax</b>	76,043.75	940.48	(10,627.18)	66,357.05	77,095.98	612.35	(11,710.05)	65,998.28
Income Tax - Current Tax	-	-	(22,113.66)	(22,113.66)	-	-	(20,685.95)	(20,685.95)
Excess/Short Provision of Income Tax	-	-	0.47	0.47	-	-	(27.72)	(27.72)
Deferred Tax	-	-	(3,014.75)	(3,014.75)	-	-	(3,355.70)	(3,355.70)
<b>Profit After Tax</b>	76,043.75	940.48	(35,755.12)	41,229.11	77,095.98	612.35	(35,779.42)	41,928.91
<b>3 Other Information</b>								
Segment Assets	4,40,056.17	16,137.17	1,30,621.78	5,86,815.12	424,349.51	18,511.97	119,616.29	562,477.77
Segment Liabilities	53,693.63	137.23	5,32,984.26	5,86,815.12	43,181.30	88.08	519,208.39	562,477.77
Cost to Acquire Fixed Assets (incl.CWIP)	30,039.26	-	886.76	30,926.02	29,854.00	-	3,714.23	33,568.23
Depreciation & Amortisation	15,784.62	2,163.19	975.16	18,922.97	14,782.04	3,108.50	496.48	18,387.02
Non-Cash Expenses other than Depreciation & Amortisation	-	-	40.92	40.92	-	-	368.86	368.86

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

## 35 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
- 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 (upto 30<sup>th</sup> September, 2014) Shri Atanu Chakraborty, IAS (w.e.f. 6<sup>th</sup> November, 2014)
- Shri M K Das, IAS, Chairman – GIGL & GITL
- 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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Gas Transportation Income	2,433.06	4,540.01	21,626.31	14,342.69	4,361.80	1,318.60					28,421.17	20,201.30
Other Income	21.27	10.91	54.49	30.83	49.94	0.21					125.70	41.95
Dividend Received				246.37							0.00	246.37
Services Received	43.62	28.69	26.40	42.40	40.12	56.07	49.41	321.53			159.55	448.69
Reimbursement made for Expenses	159.12	52.98	2.83	172.93	0.14	1.80	61.12	29.07			223.21	256.78
Reimbursement received for Expenses	114.02	132.65	202.67	6.99		-					316.69	139.64
Purchase of Line Pack Gas	5,379.47	355.72									5,379.47	355.72
Sitting Fees							1.24	1.69	1.34	1.35	2.58	3.04
Dividend Paid	2,123.05	2,123.05									2,123.05	2,123.05
Investment in Equity				35,000.00							0.00	35,000.00
Investment in Equity by Co-Promoters (including Share application money)							3,600.00	7,472.30			3,600.00	7,472.30
Purchase of Line Pipes				326.90							0.00	326.90
Purchase of Tangible Asset	170.93	7.22	146.10		1.69						318.72	7.22
Security Deposits Paid/ Released			2.00	106.60		10.00	2.75	52.62			4.75	169.22
Security Deposits Received			40.00	37.00	22.00						62.00	37.00
Corporate Guarantee Given (jointly & severally with Associate)				50,000.00							0.00	50,000.00
Account Payable as at year end	2,625.48	186.50	179.26	81.67	46.12	33.15	75.38	24.64	-	-	2,926.24	325.96
Account Receivable as at year end	88.12	174.75	1,034.06	1,103.07	263.98	149.42	55.36	52.62	0.15	0.10	1,441.67	1,479.96

\*Including Associate of Holding Company.

### 36 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	2014 - 2015		2013 - 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		Indian Assured Lives Mortality (2006-08) Ult.	
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	7.80%	7.80%	9.10%	9.10%
Rate of Return on Plan Assets	9.00%	-	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	2014 - 2015		2013 - 2014	
	Gratuity	Leave Salary	Gratuity	Leave Salary
<b>Table showing change in Benefit Obligation</b>				
Opening defined Benefit Obligation	456.49	433.93	375.03	367.19
Interest Cost	40.58	38.53	30.75	29.94
Current Service Cost	97.65	57.26	85.43	42.54
Benefit Paid	(20.46)	(21.65)	-	4.29
Actuarial Loss/(Gain) on Obligations	164.86	155.23	(36.06)	(1.43)
Past Service Liability	-	-	1.34	-
Liability at the end of the Period	739.12	663.32	456.49	433.94
<b>Table showing change in Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning	327.35	-	241.59	-
Adjustment to Opening Fund	(0.96)	-	-	-
Expected Return on Plan Assets	32.59	-	25.15	-
Contributions	22.31	-	60.61	-
Benefit Paid	(11.39)	-	-	-
Actuarial (gain) / loss on Plan Assets	(2.53)	-	-	-
Fair Value of Plan Assets at the end of the period	367.37	-	327.35	-
<b>Actual Gain/Loss recognised</b>				
Actuarial (gain) / loss on obligations	164.86	155.23	(36.06)	(1.43)
Actuarial (gain) / loss on Plan Assets	2.53	-	-	-
Net Actuarial (gain) / loss recognized during year	167.39	155.23	(36.06)	(1.43)
<b>Amount recognised in Balance Sheet</b>				
Liability at the end of the period	739.12	663.32	456.49	22.63
Fair Value of Plan Asset at the end of the period	367.37	-	327.35	-
Net Amount recognised in Balance Sheet	371.75	663.32	129.14	22.63
<b>Expense recognised in the Income Statement</b>				
Current Service cost	97.65	57.26	85.43	42.54
Interest cost	40.58	38.53	30.75	29.94
Expected return on Plan Asset	(32.59)	-	25.15	-
Net Actuarial Loss / (gain) to be recognized	167.39	155.23	(36.06)	(1.43)
Adjustment to Opening fund/Prior year Charges	0.96	-	1.34	-
Gratuity Life Coverage Premium	3.50	-	4.58	-
Net Cost	277.49	251.02	60.89	71.04

**37 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 13<sup>th</sup> October, 05 and 18<sup>th</sup> October, 05 respectively, which provides for the issue of 23,27,940 equity shares to the employees of the company and of Gujarat State Petroleum Corporation Ltd. The Compensation Committee administers ESOP-2005. These ESOPs are granted at an exercise price of ₹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 23<sup>rd</sup> August, 2010 and 21<sup>st</sup> 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 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
ESOP 2005 Scheme	2	27,730
ESOP 2010 Scheme	13,92,788	17,65,279
<b>Total</b>	<b>13,92,790</b>	<b>17,93,009</b>

- 38 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.
- 39 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.
- 40 Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).
- 41 In the matter of appeal filed by few customers with The Appellate Tribunal for Electricity (APTEL) against the stipulation in the PNGRB Tariff order No. TO/09/2012 dated 11<sup>th</sup> September, 2012 requiring GSPL to implement the order with retrospective effect from 20<sup>th</sup> November, 2008, being the date on which Petroleum and Natural Gas Regulatory Board (Determination of Tariff for Natural Gas Pipelines) Regulations, 2008 were notified, APTEL passed judgment on 6<sup>th</sup> January, 2014 against such retrospective application of tariff. Accordingly, PNGRB has vide Letter Ref: PNGR/M/(C)/43/Tariff GSPL Vol III dated 19<sup>th</sup> February, 2014 read with PNGRB Order Ref. No: TO/04/2014 dated 11<sup>th</sup> July, 2014 issued revised Provisional Initial Unit Natural Gas Pipeline tariff Order and zonal apportionment Order thereof for GSPL's High Pressure Pipeline Network. The same has been implemented during the year w.e.f. 27<sup>th</sup> July, 2012 being the authorization date for GSPL's High Pressure Pipeline Network.
- 42 Further APTEL in the matter of the appeals filed by GSPL against the various provisions of the order No. TO/09/2012 dated 11<sup>th</sup> September, 2012 has in judgment dated 25<sup>th</sup> November, 2014 and 28<sup>th</sup> November, 2014 allowed the appeals asking PNGRB to reconsider the tariff proposal to be submitted by GSPL based on relevant data and other submissions made by the appellant in this regard. GSPL has submitted the revised tariff proposals for consideration of PNGRB.
- 43 During the current year, the company has adopted useful lives of fixed assets as per Schedule II of Companies Act, 2013. Accordingly, the carrying value of fixed assets as on 1<sup>st</sup> April, 2014, net of residual value, has been depreciated over remaining useful lives. Further, an amount of ₹ 2.24 crores representing the carrying value of assets, whose remaining useful life as at 1<sup>st</sup> April, 2014 as per schedule II has already elapsed has been charged to the opening balance of retained earnings in accordance with Companies Act, 2013.
- 44 In compliance of opinion of Expert Advisory Committee (EAC) of ICAI and Accounting Standard 26 - Intangible Assets, during the year, estimated useful life of ROU and ROW has been changed to 99 years and 30 years respectively. As a result, depreciation and amortization expenses increased by ₹ 1,391.99 lacs (out of which ₹ 1,210.36 lacs pertains up to financial year 2013-14) and accordingly, profit for the year reduced by corresponding amount.
- 45 Both subsidiaries, GSPL India Gasnet Limited (GIGL) and GSPL India Transco Limited (GITL) have signed Rupee Loan Facility Agreement for Term Loan of ₹ 4,516 crores and ₹ 5,080 crores respectively with a consortium of banks with Bank of India as the Lead bank. However, disbursement of loan is not yet taken by both the subsidiaries.



46. Scheme of Amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited along with its two subsidiaries into GSPC Distribution Network Ltd. effective from 1<sup>st</sup> April, 2013 was approved by Hon'ble High Court of Gujarat vide order dated 30<sup>th</sup> March, 2015. The same has been filed with ROC on 14<sup>th</sup> May, 2015 and thus GSPC Gas Company Limited and other transferor companies have ceased to exist on 14<sup>th</sup> May, 2015.

Consolidation of accounts of associates is done based on un-audited accounts.

47. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates:

(₹ in Lacs)

Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profits or loss	
	As % of consolidated net assets	Amount in ₹	As % of consolidated net assets	Amount in ₹
Gujarat State Petronet Limited	80.41	303,935.68	84.21	40,954.18
<b>Subsidiary Companies</b>				
GSPL India Gasnet Limited	5.04	19,034.95	0.26	127.96
GSPL India Transco Limited	3.80	14,380.62	0.30	146.96
Minority Interest in all subsidiaries	(4.25)	(16,058.41)	(0.27)	(131.96)
<b>Associate Companies</b>				
GSPC Gas Company Limited	4.58	17,318.07	14.41	7,006.39
GSPC Distribution Networks Limited	10.42	39,387.56	1.09	527.01
<b>TOTAL</b>	<b>100.00</b>	<b>377,998.47</b>	<b>100.00</b>	<b>48,630.55</b>

48. 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

**Rajiv Bajpai**  
Partner  
Membership No.405219  
Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

#### For and on behalf of the Board of Directors,

**M M Srivastava, IAS (Retd.)**  
Chairman  
DIN : 02190050

**Manish Seth**  
Chief Financial Officer

**Atanu Chakraborty, IAS**  
Managing Director  
DIN : 01469375

**Reena Desai**  
Company Secretary  
Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015

## FORM AOC – 1

[Pursuant to first proviso to sub-Section (3) of Section 129 read with Rule 5 of The Companies (Accounts) Rules, 2014]

Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures.

### Part - A: Subsidiaries

(₹ in Lacs)

Sr. No.	Particulars	GSPL India Gasnet Limited	GSPL India Transco Limited
1	Reporting period for the subsidiary Company	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2015
2	Reporting currency and Exchange rate as on the last date of the relevant financial in the case of foreign subsidiaries	NA	NA
3	Share Capital	18701.93	14000
4	Reserves & Surplus	352.85	400.23
5	Total Assets	19608.37	14,954.91
6	Total Liabilities	19608.37	14,954.91
7	Investments	-	-
8	Turnover	-	-
9	Profit Before Taxation	189.36	217.49
10	Provision for Taxation	61.4	70.53
11	Profit after Taxation	127.96	146.96
12	Proposed dividend	-	-
13	% of Share Holding	52%	52%

- Name of the Subsidiaries which are yet to commence operations:
  - GSPL India Gasnet Limited
  - GSPL India Transco Limited
- Name of the Subsidiaries which have been liquidated or sold during the year: NA

### Part - B: Associates and Joint Ventures

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

(₹ in Lacs)

Sr. No.	Particulars	GSPC Gas Company Limited	GSPC Distribution Networks Limited
1	Latest Audited Balance Sheet Date	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2014
2	Shares of Associate/Joint Ventures held by the company on the year end (in No.)	24637085	350000000
3	Amount of Investment in Associates/Joint Venture	6260.44	35000
4	Extend of Holding %	29.12%	38.89%
5	Description of how there is significant influence	By holding more than 20% of voting power	By holding more than 20% of voting power
6	Reason why the Associate/Joint Venture is not consolidated	NA	NA
7	Networth attributable to Shareholding as per latest audited Balance Sheet	57,161.99	120,761.15
8	Profit/Loss for the year:	28,398.25	3,262.21
	i. Considered in Consolidation	7,006.39	527.01
	ii. Not Considered in Consolidation	21,391.86	2,735.19

- Name of Associates or Joint Ventures which are yet to commence operations: NA
- Names of Associates or Joint Ventures which have been liquidated or sold during the year: NA

**Note:**

- a. Scheme of Amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited along with its two subsidiaries into GSPC Distribution Networks Ltd. effective from 1<sup>st</sup> April, 2013 was approved by Hon'ble High Court of Gujarat vide order dated 30<sup>th</sup> March, 2015. The same has been filed with ROC on 14<sup>th</sup> May, 2015 and thus GSPC Gas Company Limited and other transferor companies have ceased to exist on 14<sup>th</sup> May, 2015. Pursuant to the aforesaid order GSPC Gas Company Limited and GSPC Distribution Networks Limited have not prepared their Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2015. Accordingly, the Associate Accounting in Consolidated Financial Statements has been carried out based on unaudited financial statements of the Associate Companies.
- b. The Associate Companies follow the same accounting policies as of the GSPL except in case of Depreciation and Amortization of ESOP expenses. Accordingly, profit of the Associate companies has been adjusted for such differences in accounting policies as prescribed under Accounting Standards.

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

**Rajiv Bajpai**  
*Partner*  
Membership No.405219  
Place : Ahmedabad  
Date : 22<sup>nd</sup> May, 2015

**For and on behalf of the Board of Directors,**

**M M Srivastava, IAS (Retd.)**  
*Chairman*  
DIN : 02190050

**Manish Seth**  
*Chief Financial Officer*

**Atanu Chakraborty, IAS**  
*Managing Director*  
DIN : 01469375

**Reena Desai**  
*Company Secretary*  
Place : Gandhinagar  
Date : 22<sup>nd</sup> May, 2015

**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**

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I hereby record my presence at the **17<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Thursday, the 24<sup>th</sup> September, 2015 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382 010.

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**Signature of the Shareholder or Proxy**



## PROXY FORM MGT – 11

## 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 **17<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company, to be held on Thursday, the 24<sup>th</sup> September, 2015 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
<b>Ordinary Business</b>	
1	To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2015, 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 M M Srivastava, IAS (Retd.) [DIN: 02190050] 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.
<b>Special Business</b>	
5	To regularize appointment of Dr. J N Singh, IAS [DIN: 00955107] as a Director of the Company, liable to retire by rotation.
6	To regularize appointment of Shri L Chuaungo, IAS [DIN: 00032867] as a Director of the Company, liable to retire by rotation.
7	To regularize appointment of Smt. Shridevi Shukla [DIN: 02028225] as a Woman Director of the Company, liable to retire by rotation.
8	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 2015 - 2016.
9	To approve payment of remuneration to Shri M M Srivastava, IAS (Retd.), Chairman [DIN: 02190050] w.e.f. 28 <sup>th</sup> August, 2015.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

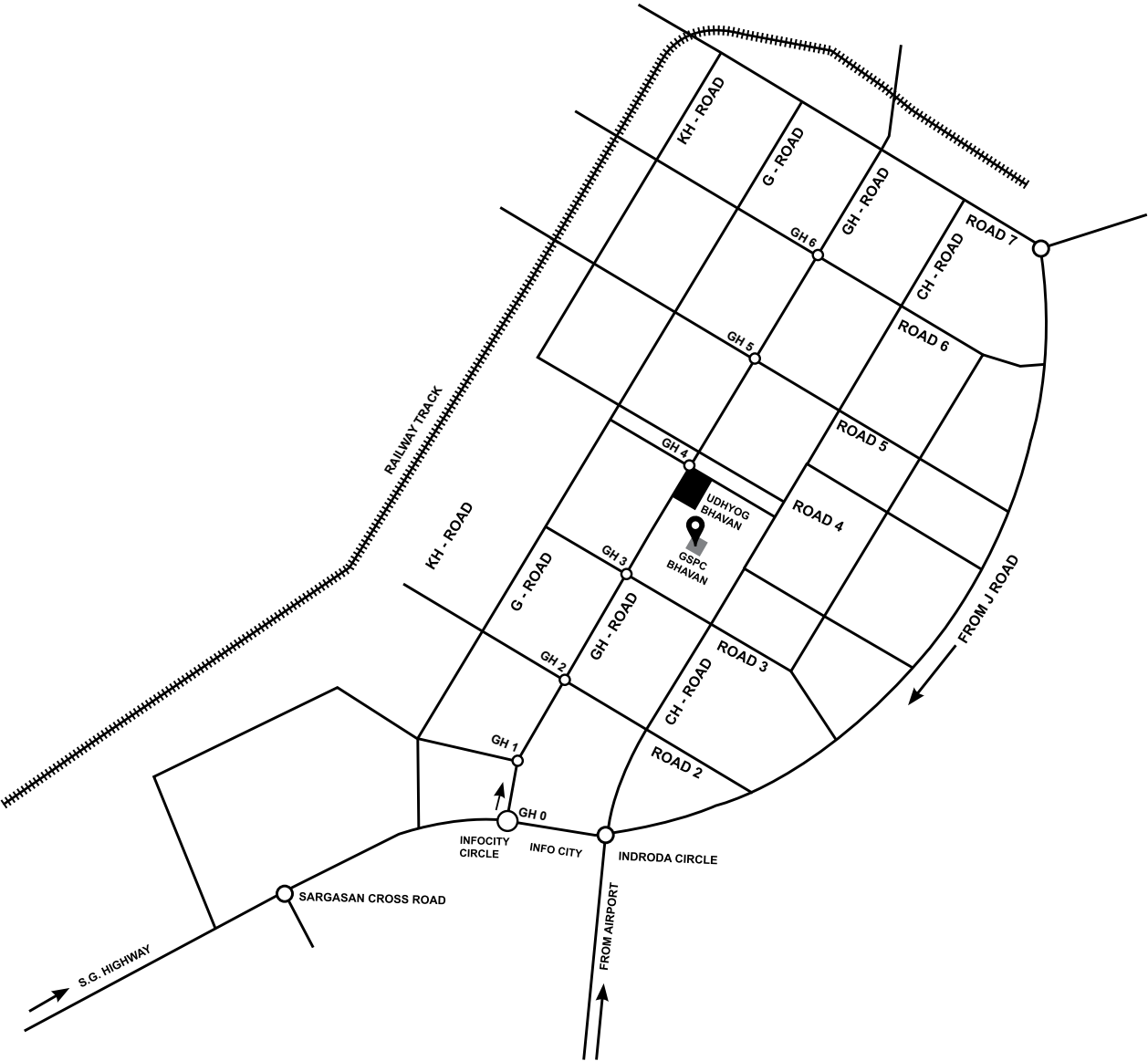
Signature of Shareholder(s) \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

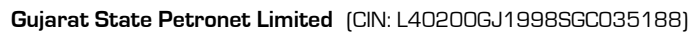
Affix  
Revenue  
Stamp**NOTE:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company situated at GSPL Bhavan, E-18, GIDC Electronic Estate, Sector - 26, Gandhinagar - 382028 not less than 48 hours before the commencement of the Meeting.



ROUTE MAP





## 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.



If Undelivered, please return to:



## Gujarat State Petronet Limited

(Corporate Identity Number : L40200GJ1998SGC035188)

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

Tel. : 079-66701001 ■ Fax : 079-23236477

Email : investors.gspl@gspc.in