



ANNUAL REPORT

2013

CLEAN
ENERGY



Gujarat State Petronet Limited
The Energy Lifeline of Gujarat

Board of Directors

Shri M M Srivastava, IAS (Retd.) (*w.e.f. 24th August, 2012*)

Dr. Hasmukh Adhia, IAS (*w.e.f. 21st March, 2013*)

Shri D J Pandian, IAS

Dr. R Vaidyanathan

Prof. Yogesh Singh (*w.e.f. 20th May, 2013*)

Shri Yogesh B Sinha (*w.e.f. 27th May, 2013*)

Shri Tapan Ray, IAS

Chairman

Managing Director

Shri A K Joti, IAS (*upto 24th August, 2012*)

Dr. Varesh Sinha, IAS (*upto 21st March, 2013*)

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

Company Secretary

Ms. Reena Desai

Internal Auditors

KPMG

Statutory Auditors

Jain Seth & Co.,
Chartered Accountants
Ahmedabad

Cost Auditors

R K Patel & Co.,
Cost Accountants
Vadodara

Subsidiary Companies

GSPL India Gasnet Limited
GSPL India Transco Limited

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.
Hyderabad

Registered Office

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

Contents

Bankers

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

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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 of more than 32 years. He has held various positions in Government Departments prior to his retirement including Member (Finance), Gujarat Electricity Board, Managing Director of Gujarat Agro Industries Corporation, Secretary in Finance Department, Commissioner of Commercial Tax Department, Principal Secretary of Energy and Petrochemicals Department and Additional Chief Secretary of Finance Department, Government of Gujarat.



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

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



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

Shri D J Pandian, IAS holds degree in Master of Business Administration from Madras University. He is a senior IAS officer having administrative and corporate experience spanning more than 30 years. Shri D J Pandian, IAS has worked on deputation with the World Bank in Washington, D.C. He was Director, External Commercial Borrowing, Ministry of Finance, Government of India from 1995 to 1997. In addition, Shri D J Pandian, IAS has also held various appointments in the Government of Gujarat. He previously headed Gujarat Lease Finance Limited from 1993 until 1994. Shri D J Pandian, IAS was Managing Director of GSPCL as well as GSPL from 2004 to 2009. Presently he is Principal Secretary, Energy & Petrochemicals Department, Government of Gujarat.



Dr. R Vaidyanathan, *Independent Director*

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

**Prof. Yogesh Singh, *Independent Director***

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

**Shri Yogesh B Sinha, *Independent Director***

Shri Yogesh B. Sinha holds M.Sc (Geology) degree from Lucknow University. He has over 40 years of experience in oil and gas exploration and development and LNG business. Shri Yogesh B. Sinha was also Director (Exploration) of ONGC. He has also worked as Board member of Petronet LNG Limited and ONGC Videsh Limited from the year 2000 to 2005. Currently, he is an independent exploration and production consultant. He is also a member of the Board of Energy Institute, India and Energy Think Tank, India. He is also Independent Director on the Board of Gujarat State Petroleum Corporation Limited.

**Shri Tapan Ray, IAS, *Managing Director***

Shri Tapan Ray, IAS holds Degree in Mechanical Engineering from Indian Institute of Technology, Delhi, Post Graduate in Public Policy from Woodrow Wilson School, Princeton University USA, Master of Public Administration from Maxwell School, Syracuse University, USA and Degree in Law with various Diplomas. He is a senior IAS officer having wide administrative and corporate experience of more than 32 years. He has also served as Principal Secretary, Finance Department, Government of Gujarat from June 2006 to November 2009. Shri Tapan Ray, IAS, is appointed as Managing Director of GSPL effective from November 2009 and is looking after the entire GSPC Group.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT POLICY

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

GSPL is committed to:

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

NOTICE

Notice is hereby given that 15th Annual General Meeting of the members of Gujarat State Petronet Limited will be held on Friday, the 27th day of September, 2013 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udhyog Bhavan, Sector – 11, Gandhinagar - 382010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, 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 Dr. R Vaidyanathan 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 224 (8) (aa) of the Companies Act, 1956.

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. Hasmukh Adhia, IAS, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 141(a) and 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, 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 Prof. Yogesh Singh, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, 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 Shri Yogesh B Sinha, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a 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 a Special Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Listing Agreement and such other approvals as may be necessary, consent of the Company be and is hereby accorded for payment of monthly salary derived on the basis of “last pay drawn minus pension” as stipulated vide Resolution No. GPC-10-2010-110000-E of Govt. of Gujarat dated 10th May, 2013 and Resolution No. GPC-10-2010-110000-E of Govt. of Gujarat dated 22nd August, 2013 to Shri M. M. Srivastava, IAS (Retd) w.e.f. 27th August, 2012.

RESOLVED FURTHER THAT Shri M. M. Srivastava, IAS (Retd.) shall also be entitled to perquisites/ benefits/ allowances as stipulated in the said GoG Resolutions.

RESOLVED FURTHER THAT the Board of Directors which shall include any Committee of the Board specifically authorised for this purpose from time to time be and is hereby authorised to take such actions as may be necessary for implementing the above resolutions.”

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 23rd August, 2013

Place: Gandhinagar

Registered Office

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

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENTS APPOINTING PROXY TO BE VALID AND EFFECTIVE MUST REACH TO THE REGISTERED OFFICE OF THE COMPANY MINIMUM 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
4. Members desirous of getting any information related to accounts or operations of the Company are requested to send in their queries so as to reach the Company's Registered Office atleast 7 days in advance before the date of meeting to enable the management to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 21st September, 2013 to Friday, 27th September, 2013 (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 Friday, 4th October, 2013 to those Members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 20th September, 2013 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 21st September, 2013, after giving effect to all valid Share transfers in physical form received on or before 20th September, 2013.
6. All transfer deeds, requests for change of address, bank particulars /mandates/ECS mandates, PAN should be lodged with Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Limited, Plot No 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, in case of Shares held in physical form on or before 20th September, 2013. The above details in respect of the Shares held in electronic form should be sent to the respective Depository Participants by the Members well in time.
7. Members are requested to furnish the Registrar / Depository Participants, the name and address of the branch of the bank, MICR code of the branch, type of account and account number to enable the Company to distribute Dividend through National Electronic Clearing Services (NECS). In the absence of NECS facility with the Member's bank, the bank account details will be printed on the Dividend Warrants, if available.
8. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic mode are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to M/s Karvy Computershare Private Limited.
9. As stipulated under Clause 49 of the listing agreement with Stock Exchanges, profile of Directors seeking re-appointment / appointment is provided under Section "Board of Directors" of the Corporate Governance Report, which forms an integral part of this Annual Report.
10. To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards greener environment and to receive all documents, notices, including Annual Reports and other communications of the Company, Shareholders should register their e-mail addresses with our R&TA, M/s Karvy Computershare Private Limited, if Shares are held in physical mode or with their Depository Participant, if the holding is in electronic mode.

ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant To Section 173 (2) Of The Companies Act, 1956

Item No. 5

Dr. Hasmukh Adhia, IAS was appointed as an Additional Director of the Company by the Board of Directors with effect from 21st March, 2013 in accordance with the provisions of Article 141(a) and 148 of Articles of Association. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956, the Company has received a Notice from a Member in writing proposing the candidature of Dr. Hasmukh Adhia, IAS for appointment as a Director of the Company.

The Board recommends the appointment of Dr. Hasmukh Adhia, IAS as a Director of the Company in accordance with the provisions of Article 141(a) of Articles of Association.

No other Director except Dr. Hasmukh Adhia, IAS is in any way concerned or interested in the said Resolution.

The Members are requested to approve the Resolution.

Item No. 6

Prof. Yogesh Singh was appointed as an Additional Director of the Company by the Board of Directors with effect from 20th May, 2013. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956, the Company has received a Notice from a Member in writing proposing the candidature of Prof. Yogesh Singh, for appointment as a Director of the Company.

The Board recommends the appointment of Prof. Yogesh Singh, as a Director of the Company.

No other Director except Prof. Yogesh Singh is in any way concerned or interested in the said Resolution.

The Members are requested to approve the Resolution.

Item No. 7

Shri Yogesh B Sinha was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th May, 2013. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956, the Company has received a Notice from a Member in writing proposing the candidature of Shri Yogesh B Sinha, for appointment as a Director of the Company.

The Board recommends the appointment of Shri Yogesh B Sinha, as a Director of the Company.

No other Director except Shri Yogesh B Sinha is in any way concerned or interested in the said Resolution.

The Members are requested to approve the Resolution.

Item No. 8

The Board of Directors vide Circular Resolution dated 24th August, 2012 appointed Shri M. M. Srivastava, IAS (Retd.) as an Additional Director and Chairman of the Company. Further, the Members at its 14th Annual General Meeting held on 25th September, 2012 regularized appointment of Shri M M Srivastava, IAS (Retd.) as Chairman of the Company.

The Government of Gujarat has vide Resolution No. GPC-10-2010-110000-E dated 10th May, 2013 approved terms and conditions in respect of appointment of Shri M. M. Srivastava, IAS (Retd.) as the Non-Executive Chairman w.e.f. 27th August, 2012. He shall be entitled to monthly salary, allowances, perquisites etc. as follows:

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



- 6) He shall also be entitled to other facilities received by him at the time of retirement as ACS to Government of Gujarat, Finance Department.

Clause 49(I) (B) of the Listing Agreement provides that all fees/ compensation, if any, paid to Non - Executive Directors shall be fixed by the Board of Directors and shall require approval of the shareholders in a general meeting. The Board of Directors of the Company has recommended remuneration for the period from 27th August, 2012 to 26th August, 2014 to Shri M M Srivastava, IAS (Retd.), Chairman pursuant to Govt. of Gujarat Resolution No. GPC-10-2010-110000-E dated 10th May, 2013 and dated 22nd August, 2013 for approval of the Members at the ensuing Annual General Meeting and the total approx annual remuneration would be approx ₹ 12.50/- Lacs.

It is, therefore, proposed to approve payment of monthly remuneration to Shri M. M. Srivastava, IAS (Retd.), Non Executive Chairman of the Company effective from 27th August, 2012, more particularly prescribed in GoG Resolutions dated 10th May, 2013 and 22nd August, 2013. The said GoG Resolutions are open for inspection at the Registered Office of the Company between 11.00 am to 6.00 pm on any working day up to the date of the Annual General Meeting.

No other Director except Shri M M Srivastava, IAS (Retd.) is in any way concerned or interested in the said Resolution.

The Members are requested to approve the Resolution.

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 23rd August, 2013

Place: Gandhinagar

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

DIRECTORS' REPORT

To,
The Members
Gujarat State Petronet Limited

The Directors have pleasure in presenting the 15th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

	(₹ in Crore)	
Particulars (Standalone Accounts)	2011-12	2012-13
Total Income	1174.63	1239.25
Employee Benefit Expenses	19.69	24.71
Other Expenses	70.37	76.52
Total Expenses	90.06	101.23
PBDITA	1084.57	1138.02
Finance Cost	130.20	126.26
Depreciation & Amortisation	181.90	186.11
Preliminary Expenses Written-Off	0.25	-
Prior Period Adjustments	3.21	(0.05)
Profit Before Tax	769.01	825.70
Tax including Deferred Tax	246.95	287.58
Profit After Tax Carried to Balance Sheet	522.06	538.12
Appropriations		
Transfer to General Reserves	NIL	NIL
Transfer from Bond Redemption Reserve	NIL	NIL
Proposed Dividend		
(including Dividend Distribution Tax)	65.41	65.83
Profit After Appropriations	456.65	472.29

MAJOR ACHIEVEMENTS

Your Company has excelled on all performance parameters. Major achievements of the Company are summarized below:

- Total Income increased from ₹ 1174.63 crore in previous year to ₹ 1239.25 crore recording increase of 6%.
- PBDITA increased from ₹ 1084.57 crore in previous year to ₹ 1138.02 crore, recording an increase of 5%.
- 100% Pipeline grid availability and “accident free” year of operations.
- PNGRB has granted authorization for High Pressure Gas Pipeline Network of 2239 Kms and Low Pressure Gas Pipeline Network of 57.60 Kms in Gujarat.
- During the year, PNGRB has determined the “Provisional” Initial Unit Natural Gas Pipeline Tariff” (IUNGPT) for GSPL's High Pressure Natural gas Pipeline Network and the zonal tariff apportionment of the same thereof.
- Your Company in Financial Year 2011 - 12 had promoted two new special purpose vehicles i.e. GSPL India Gasnet Limited and GSPL India Transco Limited for execution of the three Cross Country Pipeline Projects viz. Mallavaram - Vijapur - Bhilwara (approx 1746 Kms) Pipeline Project, Mehsana - Bhatinda (approx 1670 Kms) Pipeline Project and Bhatinda - Jammu -

Srinagar (approx 740 Kms) Pipeline Project. The Company has signed Joint Venture Agreements (JVAs) with IOCL, BPCL and HPCL on 30th April, 2012 for the same. As per the JV Agreement, GSPL shall hold 52% stake in the JV with IOCL (26%), BPCL (11%) and HPCL (11%) holding the rest. The Financial closure for the three projects is already achieved.

CAPITAL

During the year, the Board has approved allotment of 19706 Shares to the eligible employees under ESOP - 2005 upon exercise of Options by them, consequent to which the paid up Share Capital of the Company has increased to ₹ 562.71 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 @ ₹ 1.00 (i.e. 10%) per equity share of the face value of ₹ 10 each for the Financial Year 2012 - 13.

GAS TRANSMISSION SERVICES

The Company has effective Firm GTAs of 30.94 mmscmd for transmission of gas to various customers and interruptible / short - medium term GTAs for 11.32 mmscmd (Previous year: firm GTAs of 29.70 mmscmd and interruptible GTAs of 6.58 mmscmd).

GAS GRID PROJECT

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

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

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

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

Projects Commissioned

Since last Directors' Report, the Company has successfully completed commissioning of various pipeline projects like Mehsana – Palanpur Pipeline, Dahej SEZ – I Pipeline, GSFC (Sikka) Spurline and GNFC TDI Dahej Spurline.

Current grid operations account for approx 2163 Kms. Gas is flowing from Hazira / Dahej / Vapi to various industries and City Gas Distribution (“CGD”) Networks located in various districts of Gujarat including Surat, Bharuch, Baroda, Anand, Ahmedabad, Gandhinagar, Sabarkantha, Bhavnagar, Mehsana, Banaskantha, Surendranagar, Rajkot, Jamnagar, Navsari, Kutchh, Panchmahal, 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. The following pipeline sections are being developed on priority:

- Halol – Dahod Pipeline (approx 105 Kms)
- Anjar – Bhuj Spurline (approx 47 Kms)
- Bodighodi – Ambardi Pipeline (approx 47 Kms)
- Pipavav – Gundlav Pipeline (approx 46 Kms)
- Dabhan – Thasra Pipeline (approx 45 Kms)
- Amboli – Vantevad Pipeline (approx 44 Kms)
- Banas Dairy Connectivity (approx 9.87 Kms)

Your Company is also developing a Natural Gas Compressor station at Gana in Anand region.

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 ongoing 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 12,39,79,705 KWH of electricity generated through Windmill.

FUTURE PLANS

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

OPERATION & MAINTENANCE ACTIVITIES

The Company has transported 9966.06 mmscm of gas during the Financial Year 2012 - 13 (Previous Year: 12430 mmscm).

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

SUBSIDIARY COMPANIES

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

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

GIGL and GITL have achieved significant progress in implementation of the three Cross Country Pipeline Projects. The brief status of the Projects is as follows:

GIGL - PROJECT STATUS

- The Projects have received Environment Clearance from the Ministry of Environment & Forest.
- The respective State Governments have also appointed Competent Authorities for acquisition of ROU in lands, except Haryana and Jammu & Kashmir.
- The basic engineering activities for Mehsana - Bhatinda Pipeline Project are completed and activities for Bhatinda - Jammu Pipeline are under progress.
- The company is awaiting for other statutory clearances.

GITL - PROJECT STATUS

- The Projects have received Environment Clearance from the Ministry of Environment & Forest.
- The respective State Governments have also appointed Competent Authorities for acquisition of ROU in lands.
- The basic engineering activities for Mallavaram - Bhopal - Bhilwara - Vijapur Pipeline Project are completed.
- The company is awaiting for other statutory clearances.

In accordance with the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents for the Financial Year ended 31st March, 2013 of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the Financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The audited annual accounts and related information of the subsidiary companies, where applicable, will be made available to any member upon request. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS

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

HEALTH, SAFETY AND ENVIRONMENT

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

For developing effectiveness of Safety Management Systems, training of all employees across the Company is ensured through various training programs. The same is being monitored through internal audit teams and delegation of safety management up to the local level. Further, Emergency Response and Disaster

Management Plan (ERDMP) of GSPL was accredited by the Third Party Agency as per the requirement of ERDMP regulations 2010 under PNGRB Act, 2006. ERDMP is being reviewed and updated regularly. Moreover, contractors' adherence to Company's QHSE policy is also assured through regular site visits and external audits. Contract employees are subjected to training programs like safety induction, defensive driving, personal protective equipment policy etc. Regular site visits ensure the enhancement of safety culture which has also ensured the 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 for Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) with validity till 30th October 2014. 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 the updating of records. New accredited ERDMP is being submitted to statutory bodies. All conditions of accreditation letter are being adhered to. Effectiveness of ERDMP is verified through regular mock drills as per intervals 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 second time. British Safety Council has awarded Five Star rating to O&M division after an extensive evaluation by the auditor from British Safety Council. Your Company has also bagged International Safety award for 2013 by British Safety Council for its HSE performance in 2012. Your company has successfully bagged International Safety Awards from British Safety Council for 3 Years continuously, based upon previous years' HSE Performance.

FIXED DEPOSITS

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

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS

Since last Director's Report, Shri A K Joti, IAS (Retd.), Dr. Varesh Sinha, IAS and Shri N K Mitra ceased to be the Directors of the Company. Your Directors wish to place on record appreciation of the services rendered by them as the Directors of the Company.

Dr. Has Mukh Adhia, IAS, Prof. Yogesh Singh and Shri Yogesh B Sinha were appointed as Additional Directors to hold office till the ensuing Annual General Meeting. It is proposed to regularize their appointment in the 15th Annual General Meeting.

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Dr. R Vaidyanathan, Director 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 Corporate Governance Report forming part of this Directors' Report.

STATUTORY AND C&AG AUDIT

As your Company is a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, the C&AG has appointed M/s Jain Seth & Co., Chartered Accountants as Statutory Auditors of the Company for the Financial Year 2012 - 13.

C&AG has given NIL comment report for the Financial Year 2012 - 13. The NIL comment report is enclosed herewith as Annexure - V.

COST AUDITORS

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

Accordingly, Central Government has approved appointment of M/s R K Patel & Co. as Cost Auditor for Financial Year 2012 - 13 on recommendation by the Company for the said businesses. The Cost Audit Report for the Financial Year 2011 - 12 which was due to be filed in XBRL with the Ministry of Corporate Affairs on 28th February, 2013 was filed on 28th January, 2013. The due date for filing the Cost Audit Report for the Financial Year ended 31st March, 2013 is 27th September, 2013.

AUDIT COMMITTEE

Audit Committee of Directors of the Company at its meeting held on 30th May, 2013 approved the Annual Accounts for the Financial Year ended on 31st March, 2013 and recommended the same for approval of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year ended 31st March, 2013 the applicable accounting standards read with requirements set out under revised Schedule VI to the Companies Act, 1956, have been followed along with proper explanation relating to material departures.
- (ii) accounting policies are selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of profit of the Company for that period.

- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities is taken.
- (iv) the annual accounts are prepared on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE

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

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

GSPL EMPLOYEES STOCK OPTION PLAN (“ESOP”)

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

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

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

Auditors of the Company have certified that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The Certificate would be placed at the Annual General Meeting for inspection by members.

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

PARTICULARS OF EMPLOYEES

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

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings & Outgo

The Company has incurred Expenditure in Foreign Exchange to the extent of ₹ 1063.13 Lacs during the year under review. Foreign Exchange Earnings during the year were NIL.

ACKNOWLEDGEMENTS

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

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

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

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

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

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date: 23rd August, 2013
Place: Gandhinagar

Annexure - I

Management's Discussion & Analysis forming part of the Directors' Report for the year ended on 31st March, 2013

A. INDUSTRY OVERVIEW

Energy plays a vital role in helping economies grow and create new opportunities. To sustain and enhance economic progress, efforts need to be made to continue to improve energy diversity and support energy security.

As per a report by Exxon Mobil, 75% percent of the world's population will reside in Asia Pacific and Africa by 2040 and India will have the largest population, post - 2030. The report further goes on to mention that about 70% of India's population will be of working age, driving India's economic growth and increasing need for energy.

However, economically the past year has not been impressive. From a high over 9% GDP growth for many years prior to the 2008 crisis, Indian economy grew at 6.5 % last year and is projected by analysts to slow down further to a decadal low of 5.5 % or even lower this fiscal.

However, in the last year, the Indian gas market was embroiled in uncertainties. These uncertainties primarily stemmed from reduced availability of domestic gas and extant regulations.

Falling production from domestic gas fields coupled with no new gas find being commercialized, led to several issues of gas allocation and deficit in supplies.

This once again led to increased dependence on imported LNG. However, volatility in LNG prices in the global market, impacted import of LNG in India to some extent leading to no significant increase in imports over the previous year.

It is strongly believed that economic expansion, coupled with India's billion-plus population, will trigger soaring energy demand.

As per Government of India's Twelfth Five Year Plan, while share of oil in total commercial energy consumption is expected to decline from 37.5% in 2000 - 01 to 23.3 % in 2021 - 22, the share of natural gas and liquefied natural gas (LNG) is projected to rise from 8.5% to 13% in the same period.

ROLE OF LNG

Re-gasification capacity is currently limited and owing to its capital intensiveness, the same is expected to grow significantly in coming years. As per projections, India would have more than 50 MMTA capacity by 2017-18 from its current level of 18.5 MMTA capacity.

Last year witnessed the commissioning of yet another LNG receiving terminal in India, at Dabhol Maharashtra, developed by Petronet LNG on the western coast of India. The Kochi LNG terminal is expected to be commissioned very soon. Further, there are other LNG receiving terminals which are in the process of

setting up new capacities at Ennore, Mundra, Gangavaram and Kakinada. The development of such re-gasification capacity / infrastructure shall ensure effective utilization of gas pipelines being developed by your Company.

Recognizing the importance of LNG and its related infrastructure, GSPC Group has reserved 2.25 MMTA capacity at PLL, Dahej Terminal. Further, your Company along with a State PSU has been working on the feasibility of developing LNG receiving terminals in Gujarat.

An equally important aspect of LNG business is also tie up of gas on long term basis. Along with addressing the issue of energy security, long term LNG deals provide the required boost to pipeline developers as the same ensures effective capacity utilization.

In the last year, GAIL (India) Ltd. and GSPCL entered in to long term deals for procurement of LNG from international markets. Supplies from such deals shall commence after 2014 - 15 corresponding with commissioning of pan-India pipelines of your Company. Other Indian companies have also signed long term agreements and a few more contracts are under discussions by various Indian companies.

B. REGULATORY FRAMEWORK

In the last year, PNGRB issued authorization of High Pressure and Low Pressure Gujarat Gas Grid of your Company totaling to 2296 Kms. PNGRB also issued tariff order and zonal tariff apportionment order for the High Pressure Gujarat Gas Grid of your Company.

However, regulatory uncertainty linked to bidding guidelines as well as various legal interventions by several entities have mired the gas sector in the last year.

Besides entailing uncertainty for the entities involved, these legal tussles underline that there are quite a few areas of dispute between the Board and entities which is a concern from the perspective of the sector. Frequent litigations, delays in granting authorization are some of the factors that have impacted the pace of new investments in the gas business.

C. OPPORTUNITIES AND CHALLENGES

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

As per ICF's Report on Assessment of Indian Gas Market (January 2013) Gujarat is expected to account for approximately 27% of the total gas demand in India in the year 2012. Given the significant rise in gas demand of India it is expected to grow at,

almost a CAGR of 6.4% over the period 2012 - 2036.

As per the Report, Gas demand of Gujarat is expected to grow at a CAGR of approximately 6.1% over the period 2012 - 2036. CGD sector is expected to be the largest contributor to such demand.

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

It is noteworthy to mention that GSPC Gas Co. Ltd. is the largest CGD Company in the Country selling around 3.5 MMSCMD of gas to more than 1752 industrial customers, more than 3.99 Lacs households, around 1530 customers in commercial segment and 150 CNG stations spread across Gujarat.

Further, Sabarmati Gas Ltd., is selling around 0.8 MMSCMD of gas to around 218 industrial customers, more than 0.67 Lacs households, around 352 customers in commercial segment and 27 CNG stations in the State.

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

Further, GSPC Group's presence across natural gas value chain is enhanced by its interest in power companies namely GSEG and GSPC Pipavav Power Co., thereby creating additional captive gas demand.

Along with such captive demand, GSPL shall also be required to cater to demand along with Pan-India pipelines being developed by its subsidiaries, GIGL and GITL. Considering the length and breadth of the Country that these pipelines shall cater to, it is expected that your Company shall scale new heights.

However, until such time that new pipeline infrastructure is developed and newer areas are captured, gas demand will remain latent. Your Company is focusing on developing pipeline infrastructure and promoting usage of natural gas in more and more industrial clusters and SEZs in the state of Gujarat.

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

In the past year there were several reports / policies at the Central level regarding gas prices in India. The Rangarajan Committee Report and New Investment Policy (for Fertilizer Sector) supported an increase in gas prices along with advocating for determination of the same through arms - length mechanism.

While the government would take a final decision on the recommendations, Experts believe that domestic producers shall meaningfully benefit from the proposed increase in gas prices. The sector may witness boost in investment in E&P segment, thereby leading to improved availability of domestic gas.

D. OPERATIONS AND FUTURE OUTLOOK

Your Company owns and operates the largest gas transmission network in Gujarat totaling to approximately 2163 Kms. The gas grid of the Company has reached majority of Districts in Gujarat. Your Company has been successful in reaching remote industrial / coastal areas of Gujarat thereby enabling supply of natural gas to all major industries spread across regions in the State. The Company is working on future expansion projects based on the demand in various regions around the gas grid.

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

Your Company has successfully completed Detailed Engineering Route Survey and Basic Engineering for the Mehsana - Bhatinda and Mallavaram - Bhilwara Pipeline Projects. The Basic Engineering activities for Bhatinda - Jammu Pipeline Project are under progress. While the approval from Ministry of Environment & Forests, Government of India has been received for the said Projects, Company is in process of getting other statutory clearance. The ROU and Land Acquisition are under progress.

However, once commissioned these Pipelines will be in a position to serve several cities / markets in 8 States of the Country. With significant volume of the supplies coming in from LNG receiving terminals in Gujarat, the utilization of your Company's Gujarat grid shall also substantially improve.

Further, augmentation of existing pipeline network would be required due to increase in the gas demand and emergence of Inter-State Pipeline from GSPL 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 put up by the Company enabled the flow of LNG and domestic gas from various sources including KG Basin to reach various regions of Gujarat.

The Company has managed to achieve fast track growth in a short period of time 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.

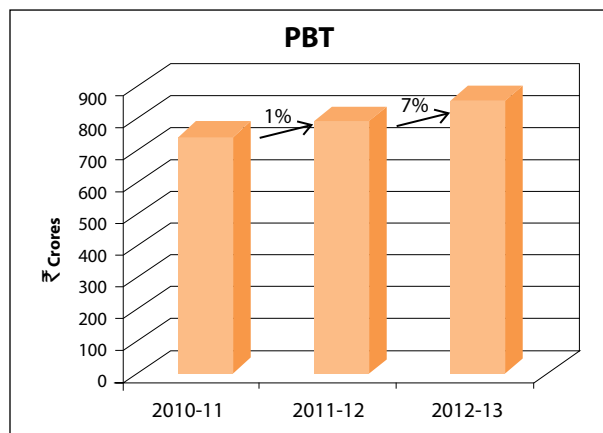
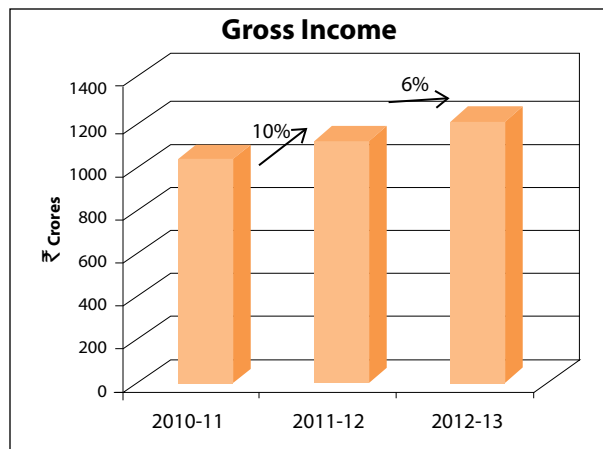
The Company transported 9966.06 mmscm of natural gas during the year, a decrease of 20% over last year's volumes transportation of 12430 mmscm.

Such decrease in volume may be attributed to decline in gas production from RIL's D6 fields and high LNG prices.

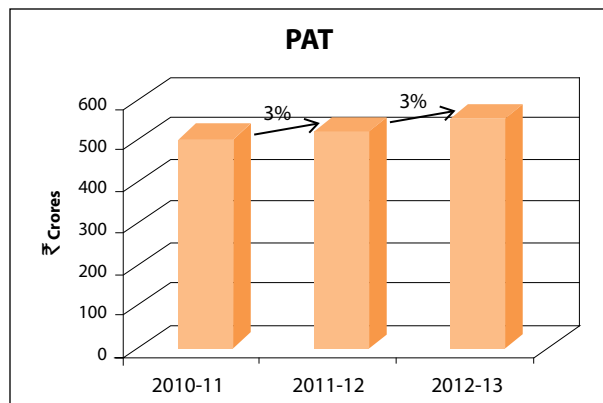
Decline in RIL D6 supplies majorly affected the power sector in Gujarat. In fact, from March, 2013 there have been no supplies from D6 fields to IPPs in Gujarat against original allocation of

more than 10 MMSCMD. Furthermore, addition of coal based power generating capacities in Gujarat led to RLNG being less competitive for IPPs for power generation in order to get dispatch orders from distribution utilities.

Income from transportation of gas for the year was ₹ 1116.15 crore, an increase of 4% over last year's figure of ₹ 1076.46 crore. However, Gross Income was increased by 6%.



Profit After Tax for the year was ₹ 538.12 crore as compared to ₹ 522.06 crore in the previous year, recording an increase of 3%.



The Net Worth of the Company has increased from ₹ 2466.68 crore to ₹ 2940.58 crore as compared to previous year. During the year, Gross Block of Assets increased from ₹ 4322.46 crore to ₹ 4619.72 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 123979705 units of power from the same which resulted in the revenue of approx ₹ 44.14 crores in the year.

F. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

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

The Company has mapped a number of business processes on to SAP System, thereby leading to significant improved controls & transparency. Your Company also continues to invest in Information Technology to support various business processes.

G. HUMAN RESOURCES

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

The increasing human capital aspirations are a major challenge for the Company. In order to remain competitive it is imperative that Company has to hire and retain sufficient number of skilled



talent so as to strengthen its technical and project management skills.

The Company employed 223 employees as on 31st March, 2013 (Previous Year: 195 employees).

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

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

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

Forward Looking Statements:

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

Annexure - II

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

A. Composition of the Board:-

The Board structure of the Company maintains an optimum mix of Executive, Non Executive Directors. However, due to resignation of two Independent Directors viz. Shri J K Jain & Shri Suresh Mathur w.e.f 24th May, 2012 and 9th July, 2012 respectively, the proportion of Independent Directors had fallen below one – half of the total strength of the Board. Except this, the Composition of the Board is in conformity with the listing requirements. Thereafter, the Company has appointed two Independent Directors viz. Prof. Yogesh Singh and Shri Yogesh B Sinha w.e.f 20th May, 2013 and 27th May, 2013 respectively in place of the outgoing Independent Directors.

The detailed composition of the Board as on 31st March, 2013, their category and their Directorship in the companies and Membership/ Chairmanship in the Committees of the Board are given below:-

Sr. No.	Name of the Director	Position /Category++	* Number of Directorship as on 31 st March, 2013 including GSPL	** Number of Membership/ Chairmanship in Board Committee as on 31 st March, 2013 including GSPL	
				Membership+	Chairmanship
1	Shri M M Srivastava, IAS (Retd.)	Non Executive Chairman (GSPC ¹ Nominee)	2	0	0
2	Shri D J Pandian, IAS	Non Executive Director (GSPC ¹ Nominee)	15	2	1
3	Dr. Hasmukh Adhia, IAS	Non Executive Director (GSPC ¹ Nominee)	11	3	0
4	Dr. R Vaidyanathan	Independent Director	5	2	1
5	Shri N K Mitra	Independent Director	1	1	0
6	Shri Tapan Ray, IAS	Managing Director (GSPC ¹ Nominee)	13	3	3

1. Gujarat State Petroleum Corporation Limited.

+ Membership excludes Chairmanship.

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

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

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

B. Board Meetings held during the year 2012-2013:-

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

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

During the year 2012 - 2013, the Board met 6 (Six) times. Details of these Meetings are as follows:-

Sr. No.	Date of Meeting
1	24 th May, 2012
2	30 th July, 2012
3	9 th August, 2012
4	25 th September, 2012
5	7 th November, 2012
6	8 th February, 2013

C. Attendance of each Director at the Board Meetings during the year 2012-2013 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 th September, 2012
1	Shri A K Joti, IAS (up to 24 th August, 2012)	3	3	NA
2	Shri M M Srivastava, IAS (Retd.) (upto 31 st July, 2012 & then w.e.f. 24 th August, 2012)	5	5	Yes
3	Dr. Varesb Sinha, IAS (upto 21 st March, 2013)	3	2	No
4	Dr. Hasmukh Adhia, IAS (w.e.f. 21 st March, 2013)	0	0	NA
5	Shri D J Pandian, IAS	6	3	No
6	Shri Suresh Mathur (up to 9 th July, 2012)	1	1	NA
7	Dr. R Vaidyanathan	6	5	Yes
8	Shri J K Jain (upto 24 th May, 2012)	1	0	NA
9	Shri N K Mitra	6	5	Yes
10	Shri Tapan Ray, IAS	6	6	Yes

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

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

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

i) Dr. R Vaidyanathan

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

Dr. R Vaidyanathan holds Directorship in following other companies:

1. Birla Sunlife Asset Management Company Limited
2. Dalmia Cement Ventures Limited
3. General Optics (Asia) Limited
4. Zee Entertainment Enterprises Limited

Dr. R Vaidyanathan is chairman of the Audit Committee of the Company.

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

ii) Dr. Hasmukh Adhia, IAS

Dr. Hasmukh Adhia, IAS is a senior IAS officer having wide administrative and corporate experience. Dr. Hasmukh Adhia has got a basic degree in Accountancy. He has the distinction of being a Gold medalist from Indian Institute of Management and he holds a Ph.D in

Yoga from Swami Vivekanand Yoga University Bangalore. Presently, he is the Principal Secretary, Finance Department, and Government of Gujarat. Prior to this, he was Principal Secretary Education Department from April, 2008 to January, 2013, Principal Secretary to Chief Minister, Gujarat from May, 2003 to June, 2006. He was also Director General of Sardar Patel Institute of Public Administration (SPIPA) and Managing Director, Gujarat State Financial Services Limited (GSFSL). Prior to this he has worked as Director in the Ministry of Industry, New Delhi, and Secretary Finance Department, Government of Gujarat and Industries Commissioner, Gujarat as well as Vice Chairman & Managing Director, Gujarat Industrial Development Corporation. He has travelled widely around the World for promotion of Industrial and Infrastructure Investment in India.

Dr. Hasmukh Adhia, IAS holds Directorship in following other companies.

1. Gujarat Alkalies & Chemical Limited
2. Gujarat Informatics Limited
3. Gujarat International Finance Tech City Limited
4. Gujarat Narmada Valley Fertilizers Company Limited.
5. Gujarat State Investment Limited
6. Gujarat State Financial Services Limited
7. Gujarat State Financial Services (CAPS) Limited
8. Gujarat State Fertilizers & Chemicals Limited
9. Gujarat State Petroleum Corporation Limited
10. Sardar Sarovar Narmada Nigam Limited

Dr. Hasmukh Adhia, IAS holds Membership of the Audit Committee of the Company.

Dr. Hasmukh Adhia, IAS does not hold any Shares of the Company. Further, he is not related to any Director of the Company.

iii) Prof. Yogesh Singh

Prof. Yogesh Singh holds M. Tech and Ph.D (Computer Engineering) degrees from National Institute of Technology, Kurukshetra, Haryana. Presently, he is a Vice Chancellor at Maharaja Sayajirao University of Baroda, Baroda. Prior to this, he was Professor in the University School of Information Technology, Guru Gobind Singh Indraprastha University, Delhi. He is also the Chairman of the Central Regional Committee, All India Council of Technical Education (AICTE), Bhopal covering areas like Madhya Pradesh, Chattisgarh and Gujarat. Further, he is also the Member of the General Council of National Assessment and Accreditation Council (NAAC). He has also been the founder Head and Dean of University School of Information Technology. Prof. Yogesh Singh has sustained track record of quality teaching, innovation and excellent research contribution in the field of Software Engineering.

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

Prof. Yogesh Singh holds Membership of the Audit Committee of the Company.

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

iv) Shri Yogesh B Sinha

Shri Yogesh B Sinha holds M.Sc (Geology) degree from Lucknow University. He has over 40 years of experience in oil & gas exploration and development and LNG business. Shri Yogesh B Sinha was also Director (Exploration) of ONGC. He has also worked as Board member of Petronet LNG Limited and ONGC Videsh Limited from the year 2000 to 2005. Currently, he is an independent exploration and production consultant. He is also a member of the Board of Energy Institute, India and Energy Think Tank, India. He is also Independent Director on the Board of Gujarat State Petroleum Corporation Limited.

Shri Yogesh B Sinha holds Directorship in following other company:

1. Gujarat State Petroleum Corporation Limited

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

3. AUDIT COMMITTEE

The composition of the Audit Committee as on 31st March, 2013 is as follows:-

- | | |
|---------------------------|------------|
| 1. Dr. R Vaidyanathan | - Chairman |
| 2. Shri N K Mitra | - Member |
| 3. Dr. Hasmukh Adhia, IAS | - Member |

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

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

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

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

The role of the Audit Committee includes the overview of the Company's financial reporting process and related disclosures to ensure that the financials are correct, sufficient and credible. The Committee will also undertake the review, with our management, of our annual and quarterly financial statements before submission to the Board for approval. The Committee shall also review the adequacy of our internal control systems, internal audit functions and discuss any significant findings of the internal auditors. The Committee shall also 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 2012 - 2013, the Audit Committee met 4 (Four) times. Details of these Meetings are as follows:-

Sr. No.	Date of Meeting
1	24 th May, 2012
2	24 th September, 2012
3	7 th November, 2012
4	8 th February, 2013

The attendance of the Members at the Audit Committee Meetings during 2012 - 2013 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	Shri Suresh Mathur (up to 9 th July, 2012)	1	1
2	Dr. R Vaidyanathan	4	4
3	Shri N K Mitra	4	4
4	Shri M M Srivastava, IAS Retd. (up to 31 st July, 2012)	1	1
5	Dr. Varesb Sinha, IAS (from 24 th August, 2012 to 21 st March, 2013)	2	1
6	Shri Tapan Ray, IAS (from 31 st July, 2012 to 25 th September, 2012)	1	1
7	Dr. Hasmukh Adhia, IAS (w.e.f 21 st March, 2013)	0	0

The Chairman of the Audit Committee remained present at the Annual General Meeting of the Company held on 25th September, 2012 to answer shareholder queries.

4. REMUNERATION/SITTING FEES TO DIRECTORS

i) Remuneration to Directors:

The Board of Directors of the Company has recommended remuneration of Shri M M Srivastava, IAS (Retd.), Chairman w.e.f 27th August, 2012 (being date of joining) pursuant to Govt. of Gujarat Resolutions dated 10th May, 2013 and 22nd August, 2013 for approval of the Members at the ensuing Annual General Meeting. The total annual remuneration would be approx ₹ 12.50 Lacs.

ii) Sitting Fees to Directors:

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

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

During the year 2012 - 2013, the Company has paid ₹ 2,90,000/- in aggregate as Sitting Fees to its Directors.

Stock Options granted to Directors:-

ESOP - 2005:

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

ESOP - 2010:

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

No Director holds any share in the Company. Further, as disclosed to the Company, none of the Non-Executive Directors has any other pecuniary interest in the Company.

Terms of appointment of Managing Director:-

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

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

The composition of the Shareholders/Investors Grievance Committee as on 31st March, 2013 is as follows:-

1. Shri D J Pandian, IAS - Chairman
2. Shri Tapan Ray, IAS - Member

The status of shareholders complaint as on 31st March, 2013 is as follows:-

Particulars	Opening as on 1 st April, 2012	Received* during the Year	Disposed during the Year	Balance as on 31 st March, 2013
No. of Complaints	NIL	304	304	NIL

* The Complaints received were mainly in the nature of non receipt of dividend warrants, requests for duplicate/revalidation of dividend warrants, non receipt of electronic credit of shares etc.

Number of complaints received during the year as a percentage of total number of Members as on 31st March, 2013 is 0.16%.

Ms Reena Desai, Company Secretary acts as Compliance Officer of the Company.

6. GENERAL BODY MEETINGS

A. Schedule of the last three Annual General Meetings of the Company is presented below:-

Year	Date & Time of AGM	Venue	Special Resolutions passed
2011 - 2012	25 th September, 2012, 3.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	No
2010 - 2011	23 rd September, 2011, 4.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	No
2009 - 2010	21 st september, 2010, 5.00 P.M.	Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382010	1. For approving offer & issue of Shares to the employees of the Company pursuant to GSPL Employee Stock Option Plan - 2010. 2. For approving offer & issue of Shares to the employees of the holding company i.e. Gujarat State Petroleum Corporation Limited pursuant to GSPL Employee Stock Option Plan - 2010.

B. Postal Ballot:

During the year, no resolution was passed through postal ballot and further no special resolution is proposed to be conducted by postal ballot at the ensuing Annual General Meeting.

7. DISCLOSURES

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

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

8. MEANS OF COMMUNICATION

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

9. CODE OF CONDUCT

Code of Conduct for Directors and Senior Management:-

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

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

Code of Conduct for Prevention of Insider Trading:-

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

10. GENERAL SHAREHOLDERS INFORMATION

A. Schedule & Venue of the 15th Annual General Meeting of the Company:-

Date & Day : 27th September, 2013, Friday
Time : 3.00 P.M
Venue : Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan,
Sector - 11, Gandhinagar - 382010.

B. Financial Year and Calendar:-

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

Financial Calendar for 2013-2014 (Tentative Schedule) for adoption of quarterly results for:

Quarter ending 30 th June, 2013	On 13 th August, 2013
Quarter ending 30 th September, 2013	Before 14 th November, 2013
Quarter ending 31 st December, 2013	Before 14 th February, 2014
Quarter & Year ending 31 st March, 2014 (Audited)	Before 30 th May, 2014

C. Book Closure Date:-

Saturday, 21st September, 2013 to Friday, 27th September, 2013. (both days inclusive).

D. Dividend Payment:-

The Dividend if approved by the Shareholders will be paid on Friday, the 4th October, 2013.

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 2005 - 2006 and 2006 - 2007 is due for transfer IEPF on 27th October, 2013 and 20th October, 2014 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 2005 - 2006 onwards on the Company's website www.gujpetronet.com under separate dedicated section 'Investors'. The said details of Unclaimed Dividend are updated by the Company on Company's Website on a Quarterly basis.

In accordance with Clause 5A of the Listing Agreement, the Company has transferred and credited 33391 Equity Shares (Previous Year: 34141 Equity Shares) issued to 129 Shareholders (Previous Year: 132 Shareholders) of the face value of ₹ 10 each remaining unclaimed to the "GSPL Unclaimed Shares Demat Suspense Account". During the year, 750 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 31st March, 2013 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
2005 – 2006	0.25 (i.e. 2.5%)	28 th September, 2006	644544	27 th October, 2013
2006 - 2007	0.50 (i.e. 5 %)	21 st September, 2007	602726	20 th October, 2014
2007 – 2008	0.50 (i.e. 5%)	26 th September, 2008	998369	25 th October, 2015
2008 – 2009	0.75 (i.e. 7.5%)	3 rd December, 2009	1434053	1 st January, 2016
2009 - 2010	1.00 (i.e. 10%)	21 st September, 2010	1155917	20 th October, 2017
2010 – 2011	1.00 (i.e. 10%)	23 rd September, 2011	894884	22 nd October, 2018

E. Listing on Stock Exchanges and Scrip Codes:-

Name of Stock Exchanges	Scrip Code
1. Bombay Stock Exchange Limited (BSE)	532702
2. 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 2013 - 2014 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 2012	17664.10	17010.16	79.70	63.10	5378.75	5154.30	79.70	64.90
May	17432.33	15809.71	68.50	62.05	5279.60	4803.95	68.50	62.10
June	17448.48	15748.98	73.80	62.90	5286.25	4770.35	73.90	62.85
July	17631.19	16598.48	74.80	66.50	5348.55	5032.40	74.90	65.10
August	17972.54	17026.97	82.15	70.00	5448.60	5164.65	82.20	68.55
September	18869.94	17250.80	85.50	73.80	5735.15	5215.70	82.50	72.90
October	19137.29	18393.42	84.00	74.15	5815.35	4888.20	86.80	73.75
November	19372.70	18255.69	77.20	70.10	5885.25	5548.35	77.20	70.10
December	19612.18	19149.03	78.65	72.50	5965.15	5823.15	78.50	72.20
January 2013	20203.66	19508.93	81.75	71.45	6111.80	5935.20	81.80	71.30
February	19966.69	18793.97	73.95	63.20	6052.95	5671.90	74.10	62.50
March	19754.66	18568.43	69.50	60.90	5971.20	5604.85	69.50	60.75

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

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

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

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

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

**H. Distribution of Shareholding:-**

Distribution of shareholding as on 31st March, 2013 is given below:

Category (Amount of Shares)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-5000	171971	90.56	31718761	5.64
5001-10000	10644	5.61	8488761	1.51
10001-20000	3990	2.10	6040259	1.07
20001-30000	1179	0.62	3040149	0.54
30001-40000	476	0.25	1732853	0.31
40001-50000	468	0.25	2219219	0.39
50001-100000	626	0.33	4594900	0.82
100001 & above	541	0.28	504873931	89.72
Total	189895	100	562708833	100

I. Dematerialization of Shares and its liquidity:-

508740890 Equity Shares representing 90.41% of the total Equity Shares of the Company are held in Dematerialized Form and balance 53967943 Equity Shares representing 9.59% are in Physical Form as on 31st March, 2013.

J. Plant Locations:-

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

K. Address for correspondence with the Company:-

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

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

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

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

M. Non-Mandatory Requirements:-**1. The Board**

- (a) An office for the use of the Chairman is made available.
- (b) At present there is no policy fixing the tenure of Independent Directors.

2. Training of Board Members

Presently, there is no formal policy for training of the Board of Directors of the Company as the Directors of the Board are eminent and experienced professional persons in their respective fields.

3. Mechanism for evaluating Non-Executive Board Members

Presently, there does not exist any formal mechanism for performance evaluation of Non-Executive Directors.

4. Remuneration Committee

As the Company is not paying any Remuneration to its Executive Directors, no separate Remuneration Committee has been formed by the Board.

5. Shareholders' Rights

Half yearly financial results including summary of the significant events in last six months are presently, not being sent to shareholders of the Company.

6. Audit Qualifications

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

7. Whistle Blower Policy

Presently, the Company has not established any formal Whistle Blower Policy.

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date: 23rd August, 2013
Place: Gandhinagar

CEO & CFO CERTIFICATION

We hereby certify that:-

- a. We have reviewed audited financial results for the quarter and year ended on 31st March, 2013 and that to the best of our knowledge and belief:
 - i. these audited financial results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the period under review are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that:
 - i. there are no significant changes in internal control over financial reporting during the period under review;
 - ii. there are no significant changes in accounting policies during the period under review; and
 - iii. there are no instances of any fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

Manish Seth
GM (Finance)

Date: 30th May, 2013
Place: Gandhinagar

Tapan Ray, IAS
Managing Director



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined all relevant records of Gujarat State Petronet Limited for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the Financial Year ended 31st March, 2013. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

The composition of the Board of Directors of the Company was not as per the stipulation regarding the number of Independent Directors as the number of Independent Directors had fallen below one – half due to resignation of two Independent Directors viz. Shri J K Jain and Shri Suresh Mathur on 24th May, 2012 and 9th July, 2012 respectively. Thereafter, the Company has appointed two Independent Directors viz. Prof. Yogesh Singh and Shri Yogesh B Sinha w.e.f. 20th May, 2013 and 27th May, 2013 respectively in place of the outgoing 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
Proprietor

Date: 23rd August, 2013
Place: Ahmedabad

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

Annexure - III

DISCLOSURE REGARDING GSPL EMPLOYEES STOCK OPTION PLAN-2005

	Description	2012-2013		2011-2012	
		ESOP - 2005 Part - I	ESOP - 2005 Part - II	ESOP - 2005 Part - I	ESOP - 2005 Part - II
A	Total Options granted by the Compensation Committee on 18 th October, 2005	764000 (of which 295000 Options granted to Employees of the Company and 469000 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))	1563940 (of which 593640 Options granted to Employees of the Company and 970300 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))	764000 (of which 295000 Options granted to Employees of the Company and 469000 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))	1563940 (of which 593640 Options granted to Employees of the Company and 970300 Options granted to Employees of Gujarat State Petroleum Corporation Limited (Holding Company))
B	Options granted during the year	Nil	Nil	Nil	Nil
C	Exercise Price (Note 1)	₹ 14/-	₹ 14/-	₹ 14/-	₹ 14/-
D	Total Option vested during the year (Note 2)	Nil	6448.25	2000	8011.25
	Cumulative Option vested up to the respective Financial Year	764000	1370479.75	764000	1364031.5
E	Total Options exercised during the respective Financial Year	Nil	19706	10000	84508
	Cumulative Option exercised up to the respective Financial Year	668000	1047412	668000	1027706
F	Total number of Shares arising as a result of exercise of Options during the respective Financial Year	Nil	19706	10000	84508
	Cumulative number of Shares arising as a result of exercise of Options up to the respective Financial Year	668000	1047412	668000	1027706
G	Total Option lapsed/cancelled during the year (Note 3)	Nil	16816	15000	44991
	Cumulative Option lapsed/cancelled up to the respective Financial Year (Note 4)	95000	451535	95000	434719
H	Money realized by exercise of Options during the respective Financial Year	Nil	275884	140000	1183112
I	Total number of Options in force as on 31 st March of the respective Financial Year	1000	64993	1000	101515
J	Variation in terms of Options	Nil	Nil	Nil	Nil
K	Diluted Earning Per Share (EPS) pursuant to issue of Shares on exercise of Option	9.56	9.56	9.28	9.28

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

Note: 1

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

Note: 2

The Options have been rested out of the fresh Options granted on 19th June, 2008 & 1st July, 2010 by the Compensation Committee of the Company in accordance with the ESOP - 2005.

Note: 3

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

Note: 4

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

	Description	2012 - 13		2011 - 12	
		ESOP - 2005 Part - I	ESOP - 2005 Part - II	ESOP - 2005 Part - I	ESOP - 2005 Part - II
A	Options lapsed/cancelled at the beginning of the respective Financial Year	95000	434719	80000	403748
B	Less: Reversal effect for Options lapsed in earlier years	Nil	Nil	Nil	14020
C	Less: Grant of Options during the respective Financial Year out of A above	Nil	Nil	Nil	Nil
D	Add: Options lapsed during the year	Nil	16816	15000	44991
E	Total Options lapsed/cancelled as on 31st March of the respective Financial Year (A-B-C+D)	95000	451535	95000	434719

Note: 5

Name of Key Managerial Personnel* (as on 31 st March, 2013)	Number of Options granted / exercisable
Mr. Vinay Kumar	24630
Mr. Ravindra Agrawal	22410
Mr. Manish Seth	17640
Mr. N Bose Babu	17640
Mr. Pramod Yenge	17500
Mr. Sanjay Sengupta	17500
Mr. Rajesh Suhane	15500

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

Note: 6**Vesting Schedule**

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

Note: 7

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

Annexure - IV

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

	Description	2012 - 2013		2011 - 2012	
		Type A	Type B	Type A	Type B
A	Total Options granted during the year by the Compensation Committee on 27 th October, 2010	Nil	Nil	Nil	Nil
B	Exercise Price per Option (in ₹) (Note1)	75	75	75	75
C	Total Option vested during the year	288516	5161	209513	Nil
	Cumulative Option vested up to the respective Financial Year	498029	5161	209513	Nil
D	Total Options exercised during the respective Financial Year	Nil	Nil	12151	Nil
	Cumulative Option exercised up to the respective Financial Year	12151	Nil	12151	Nil
E	Total number of Shares arising as a result of exercise of Options during the respective Financial Year	Nil	Nil	12151	Nil
	Cumulative number of Shares arising as a result of exercise of Options up to the respective Financial Year	12151	Nil	12151	Nil
F	Total Option lapsed/cancelled during the year (Note 2)	147155	9699	20910	15880
	Cumulative Option lapsed/cancelled up to the respective Financial Year (Note 3)	214205	25579	67050	15880
G	Money realized by exercise of Options during the respective Financial Year	Nil	Nil	911325	Nil
H	Total number of Options in force as on 31 st March of the respective Financial Year	1812389	64601	1959544	74300
I	Variation in terms of Options	Nil	Nil	Nil	Nil
J	Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of Option (in ₹)	9.56	9.56	9.28	9.28
K	Person-wise details of Options granted to:				
	1. Key managerial employees (please see note 4 below for details of Options granted to key managerial employees)	Note 4	Note 4	Note 4	Note 4
	2. Any other employee who received a grant in any one year of Options amounting to 5% or more of Option granted during that year.	N.A.	N.A.	N.A.	N.A.
	3. Identified employees who are granted Options during any one year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A.	N.A.	N.A.	N.A.
L	Vesting Schedule	Note 5	Note 5	Note 5	Note 5
M	Lock-in	N.A.	N.A.	N.A.	N.A.
N	Method and assumptions for estimation of the fair value of the Options	Note 6	Note 6	Note 6	Note 6
	Price of the underlying Shares in the market at the time of grant of Option (in ₹)	118.05 (NSE)	118.05 (NSE)	118.05 (NSE)	118.05 (NSE)

Note: 1

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

Note: 2

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

Note: 3

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

	Description	2012-2013		2011-2012	
		Type A	Type B	Type A	Type B
A	Options lapsed/cancelled at the beginning of the respective Financial Year	67050	15880	46140	Nil
B	Less: Grant of Options during the respective Financial Year out of A above	Nil	Nil	Nil	Nil
C	Add: Options lapsed during the year	147155	9699	20910	15880
D	Total Options lapsed/cancelled as on 31st March of the respective Financial Year (A-B+C)	214205	25579	67050	15880

Note: 4

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

Key Managerial Personnel* (as on 31 st March, 2013)	Number of Options granted / exercisable
Key Managerial Personnel#	
Mr. Vinay Kumar	64535
Mr. Ravindra Agrawal	64535
Mr. Manish Seth	44035
Mr. N Bose Babu	64535
Mr. Sanjay Sengupta	35035
Mr. Subhasish Majumdar	28535

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

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

Note: 5**Vesting Schedule**

ESOP - 2010	Grant date	No. of Options granted	Vesting Period	Vesting Schedule from date of grant	No. of Options vested
Type A	27 th October, 2010	2038745	5 years	10% – 20% – 20% – 25% – 25%	498029
Type B	27 th October, 2010	90180	5 years	0% – 20% – 20% – 25% – 35%	5161

Note: 6

The Company has calculated the employee compensation cost using the intrinsic value of Stock Options. Had the fair value method been used, in respect of stock Options granted under ESOP - 2010, the employee compensation cost would have been higher by ₹ 64.66 Lacs, Profit After Tax lower by ₹ 64.66 Lacs and the basic and diluted earnings per Share would have been lower by ₹ 0.01 and ₹ 0.01 respectively.

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

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

Fair Value:

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

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

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

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

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

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

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

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

Annexure - V

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GUJARAT STATE PETRONET LIMITED, GANDHINAGAR FOR THE YEAR ENDED 31ST MARCH, 2013.

The preparation of Financial Statements of Gujarat State Petronet Limited for the year ended on 31st March, 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller & Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these Financial Statements under Section 227 of the Companies Act, 1956 based on Independent Audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 5th June 2013.

I, on behalf of the Comptroller & Auditor General of India, have conducted a Supplementary Audit under Section 619(3) (b) of the Companies Act, 1956 of the Financial Statements of Gujarat State Petronet Limited for the year ended on 31st March 2013. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. On the basis of my Audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

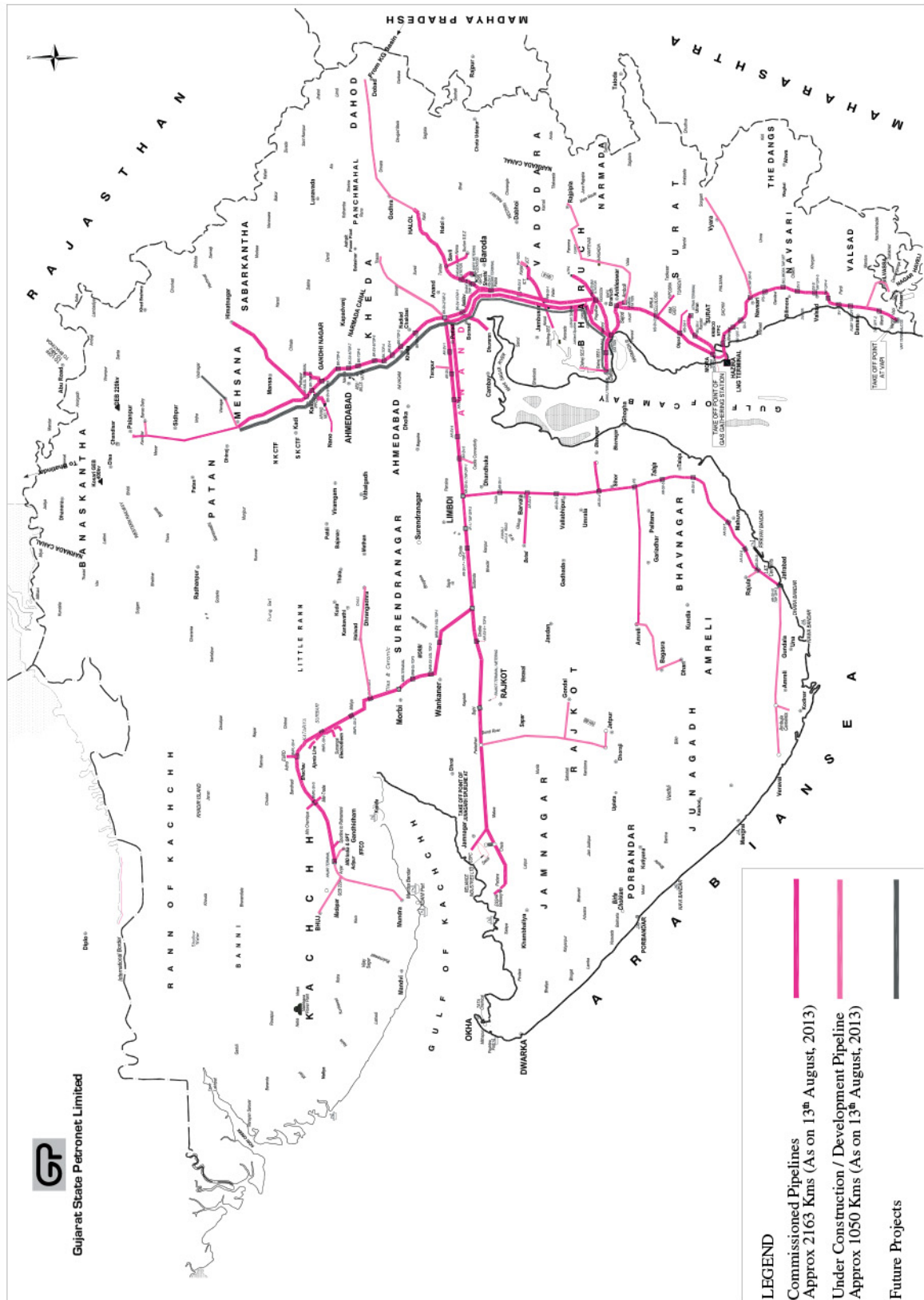
**For and on behalf of the
Comptroller & Auditor General of India**

Place: Ahmedabad
Date: 7th August, 2013

(D.P. Yadav)
Accountant General
(E & RSA), Gujarat

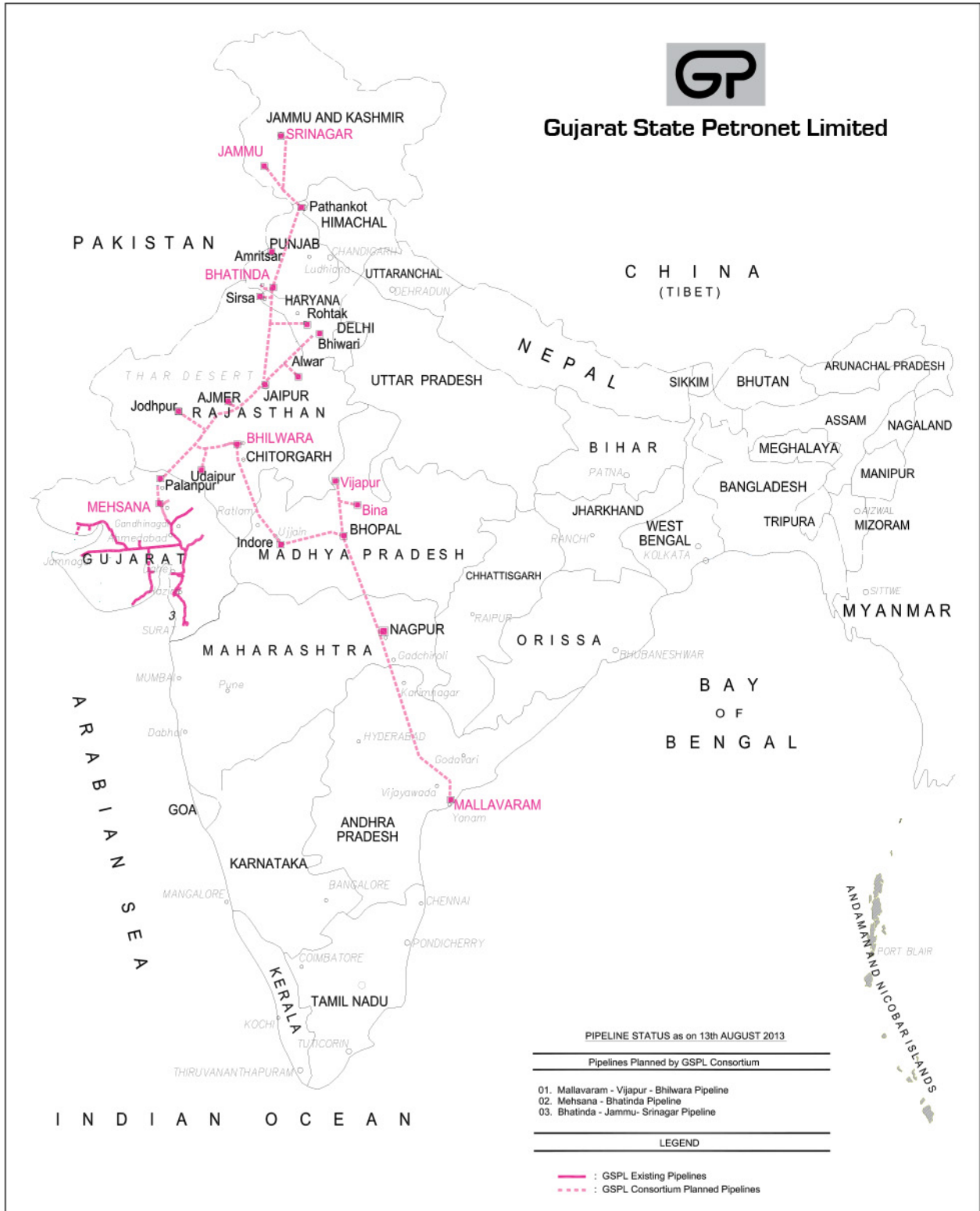


Annexure - VI GSPL Gas Grid Map



Annexure - VII

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





INDEPENDENT AUDITOR'S REPORT

To,
The Members
Gujarat State Petronet Limited
Gandhinagar

Report on the Financial Statements

We have audited the accompanying Financial Statements of GUJARAT STATE PETRONET LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

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

For Jain Seth & Co.
Chartered Accountants
F. R. No. 002069W

Rajendra Kumar Saini
Partner
M. No. 049913

Place: Ahmedabad
Date : 5th June, 2013

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

1. a. The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
- b. We are informed that during the period fixed assets were physically verified by the management and no material discrepancies were noticed between the books records and physical existence of assets.
- c. No substantial part of fixed assets has been disposed off during the period as would affect going concern status of the Company.
2. a. During the year the management and the firm of chartered accountants have physically verified the inventories. In our opinion frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and book stock were not material and the same have been properly dealt with in the books of accounts.
3. (a&b) The Company has neither granted nor taken any loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956 or to a Company under the same management. Therefore requirement of sub clause (b),(c),(d) and (f) of clause (iii) of the order are not applicable to the Company.
4. In our opinion the Company has an adequate Internal Control System commensurate with the size of the Company and nature of its business with regard to purchases of inventory & fixed assets and for sale of goods & services. During the course of audit, we have not observed any major weakness in the internal controls.
5. There are no transactions that need to be entered into register in pursuance of Section 301 of the Act. Therefore requirement of sub-clause (b) of clause (v) of the order is not applicable to the Company.
6. In our opinion and according to information and explanation given to us, the Company has not accepted deposits from the public during the period during the year within the meaning of Section 58A, 58AA and other relevant provisions of the Act.
7. Internal Audit of the Company is entrusted to KPMG. The system is commensurate with the size and nature of the activities of the Company.
8. We have broadly reviewed the books of accounts and record maintain by the company pursuant to the order made by the central government for the maintenance of cost records under Section 209 (1) (d) of The Companies Act, 1956, and are of the opinion that prima facie the prescribed records have been maintained. We have however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanation given to us, there are no undisputed dues payable in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and any other statutory dues which are outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) The details of Service Tax and Income Tax not deposited on account of dispute is as per note no.25 of Notes to Accounts.
10. The Company has been registered for a period for more than five years and it has no accumulated losses. The Company has not incurred cash losses during the year under audit and in the immediately preceding Financial Year. Therefore, the requirement of clause (x) of paragraph 4 of the Order is not applicable to the Company.
11. According to the records of the Company examined by us and on the basis of information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
12. As per the information and according to the explanations given to us the Company has not granted any loans & advances on the basis of security by way of pledge of other securities, and therefore requirement of clause (xii) of para 4 of the order is not applicable to the Company.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence, the requirement of clause (xiii) of paragraph 4 of the order is not applicable to the Company.

14. According to the information and explanation given to us, the Company is not dealing in Shares, Securities, Debentures and other Investments and therefore requirement of clause (xiv) of para 4 of the order is not applicable to the Company.
15. The Company has not given any guarantee for loans taken by the others from banks or financial institutions.
16. The term loans obtained were applied for the purpose for which the loans were obtained.
17. No funds raised for short term requirements have been used for long-term investment.
18. During the period under audit, the Company has not made any preferential allotment of Shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. During the period under audit, Company has not issued any debenture and therefore requirement of clause (xix) of the order is not applicable to the Company.
20. During the period under audit, Company has not raised any money by way of public issue and therefore the requirement of clause (xx) of paragraph 4 of the Order is not applicable to the Company.
21. According the information and explanation given to us, fraud on or by the Company has not been noticed or reported during the period under audit.

For Jain Seth & Co.
Chartered Accountants
F. R. No. 002069W

Rajendra Kumar Saini
Partner
M. No. 049913

Place: Ahmedabad
Date : 5th June, 2013



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Notes	As at 31 st March, 2013	As at 31 st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	56,270.88	56,268.91
Reserves and Surplus	4	237,786.90	190,398.92
		294,057.78	246,667.83
Non-Current Liabilities			
Long-Term Borrowings	5	133,886.99	109,509.61
Deferred Tax Liabilities (Net)	6	38,668.95	32,437.15
Other Long-Term Liabilities	7	1,785.21	1,329.03
Long-Term Provisions	8	416.51	297.91
		174,757.66	143,573.70
Current Liabilities			
Trade Payables	9	1,096.33	701.63
Other Current Liabilities	10	48,737.55	49,341.26
Short-Term Provisions	8	6,693.89	6,594.69
		56,527.77	56,637.58
TOTAL		525,343.21	446,879.11
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	312,373.95	302,901.20
Intangible Assets	11	12,776.26	11,121.35
Capital Work-In-Progress	11	52,602.09	41,821.49
Non-Current Investments	12	17,402.08	11,641.64
Long-Term Loans and Advances	13	7,269.14	8,470.81
Other Non-Current Assets	14	894.90	786.02
		403,318.42	376,742.51
Current Assets			
Inventories	15	7,715.11	6,618.37
Trade Receivables	16	25,410.01	8,143.59
Cash and Bank Balances	17	85,305.60	51,476.47
Short Term Loans and Advances	13	2,053.88	2,596.61
Other Current Assets	14	1,540.19	1,301.56
		122,024.79	70,136.60
TOTAL		525,343.21	446,879.11
Significant Accounting Policies	2.1		

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

For Jain Seth & Co.
Chartered Accountants
Firm Regn. No. 002069W

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Ahmedabad
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 st March, 2013	For the Year ended 31 st March, 2012
INCOME :			
Revenue from Operations	18	117,320.05	112,327.75
Other Income	19	6,604.46	5,134.98
Total Revenue (A)		123,924.51	117,462.73
EXPENSES :			
Employee Benefit Expenses	20	2,471.01	1,969.09
Other Expenses	21	7,651.73	7,036.73
Total Expenses (B)		10,122.74	9,005.82
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (A)-(B)		113,801.77	108,456.91
Depreciation and Amortisation Expenses	22	18,610.84	18,190.36
Preliminary Expenses Written-Off		-	24.69
Finance Costs	23	12,625.60	13,019.48
Profit/(Loss) Before Adjustment		82,565.33	77,222.38
Prior Period Adjustments		(5.20)	320.86
Profit/(Loss) Before Tax		82,570.53	76,901.52
Tax Expenses			
Current tax		22,463.72	18,563.79
(Excess)/Short Provision of Income Tax		62.75	100.50
Deferred Tax		6,231.80	6,031.11
Profit/(Loss) After Tax carried to Balance Sheet		53,812.26	52,206.12
Earning Per Equity Share (EPS) (Nominal Value of Share ₹ 10)			
Basic Earning Per Share (₹)		9.56	9.28
Diluted Earning Per Share (₹)		9.56	9.28
Significant Accounting Policies	2.1		

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

For Jain Seth & Co.
Chartered Accountants
Firm Regn. No. 002069W

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Ahmedabad
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

(₹ in Lacs)

Particulars	2012-2013	2011-2012
A Cash Flow from Operating Activities		
Profit Before Taxes	82,570.53	76,901.52
<u>Adjustments for:</u>		
Depreciation & Amortisation	18,610.84	18,215.05
ESOP Compensation Expense	158.46	322.63
Provision for diminution in value of Investment in KGGNL	-	25.88
Prior Period Adjustment	-	234.20
Wealth Tax	8.24	9.53
Profit on Sale of Assets	(0.04)	(2.60)
Loss on Sale & retirement of Assets	3.16	243.83
Dividend Income	(257.92)	(312.85)
Interest Income	(6,001.18)	(4,580.68)
Interest & Financial Charges	12,625.60	13,019.48
Operating Profit before Working Capital Changes	1,07,717.69	1,04,075.99
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	(1,096.74)	(392.11)
(Increase)/Decrease in Trade Receivable	(17,266.42)	(1,375.22)
(Increase)/Decrease in Loans, Advances & Other Current Assets	147.31	(945.07)
Increase/(Decrease) in Trade payable, Other current liability & Provisions	1,767.28	(6,522.14)
Increase/(Decrease) in Other Long Term Liability	456.18	724.85
Cash generated from Operations	91,725.30	95,566.30
Taxes paid	(22,460.46)	(16,214.52)
Net Cash Flow from Operating Activities (A)	69,264.84	79,351.78
B Cash Flow from Investing Activities		
(Increase) / Decrease in Investment	(3,000.00)	(4,010.01)
Interest Received	5,708.46	4,032.40
Dividend Received	257.92	312.85
Changes in earmarked Fixed Deposits & Current Account	2,456.71	(20,313.57)
Proceeds from Sale of Assets	11.08	3,981.37
Acquisition of Fixed Assets and Change in Capital Work in Progress	(38,221.58)	(25,812.14)
Net Cash Flow from Investing Activities (B)	(32,787.41)	(41,809.10)
C Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital including Share Premium	2.76	22.34
Proceeds from Share Application Money	-	-
Increase/ (Decrease) in Borrowing	21,382.32	(8,235.35)
Dividend (Including Corporate Dividend Tax) Paid	(6,539.83)	(6,539.36)
Interest & Financial Charges paid	(14,940.05)	(15,523.62)
Net Cash Flow from Financing Activities (C)	(94.80)	(30,275.99)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	36,382.63	7,266.69
Cash and Cash Equivalents at the beginning of the period	13,393.57	6,126.88
Cash and Cash Equivalents at the end of the period	49,776.20	13,393.57

Notes to Cash Flow Statement

1 Cash and Cash Equivalent includes-

Cash and Cheques on Hand	2.70	1.23
Balances with Scheduled Banks		
– in Current Accounts	2,273.50	1,392.34
– in Deposit Accounts	47,500.00	12,000.00
	49,776.20	13,393.57

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

As per our Report of even date attached

For Jain Seth & Co.

Chartered Accountants
Firm Regn. No. 002069W

Rajendra Kumar Saini

Partner
Membership No.049913

Place : Ahmedabad

Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)

Chairman

Manish Seth

GM (Finance)

Tapan Ray, IAS

Managing Director

Reena Desai

Company Secretary

Place : Gandhinagar

Date : 5th June, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2013

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

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

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 of bringing the asset to its working condition for the intended use. Moreover, the Company capitalises borrowing cost for a project.

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

All the expenditure including direct, indirect expenses, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital Work In Progress (CWIP) and after commissioning the same is transferred / allocated to the respective Fixed Assets.

(b) Intangible Assets

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

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

(c) Depreciation and Amortisation

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

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

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

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

(d) Investment

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

Current Investments are carried at lower of cost 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 moving average cost.

(f) Employee Benefits

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

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

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

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

In respect of Employees Stock Options, in accordance with SEBI (Employee Stock Option Plan and Employee Share Purchase Plan) Guidelines, 1999, the difference between market price as on the date of grant of Option and the exercise price of total no. of Options granted is recognized as an asset called ‘Deferred ESOP Compensation’ and as a liability called ‘ESOP Outstanding Account’. The asset called ‘Deferred ESOP Compensation’ is amortized over the vesting period on straight line basis and considered as a part of ‘Employee Cost’ in Profit & Loss Account, whereas the liability called ‘ESOP Outstanding Account’ is de recognized 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 reasonably 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 expense and income are recognized on time proportion basis. Dividend income is recognized when right to receive is established.

(j) Taxation

Provision for Current Tax is made after taking into consideration benefits admissible under 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) accrued in a year is charged to the Statement of Profit & Loss as Current Tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal Income Tax during the specified year. i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit & Loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified year.

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 if material are disclosed by way of Notes to Accounts

Contingent assets are neither recognized nor disclosed in Financial Statements.

(n) Measurement of EBITDA

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

(o) Cash and Cash Equivalent

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

(p) Cash Flow Statement

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

(q) Prior Period Adjustments

Any expenditure / (income) relating to prior period(s) as a result of errors or omission in the preparation of Financial Statements 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”.

(r) Proposed Dividend

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

(s) Events Occurring after Balance Sheet Date

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

3 SHARE CAPITAL

Particulars	As at		As at	
	No. of Shares	31 st March, 2013 (₹ in Lacs)	No. of Shares	31 st March, 2012 (₹ in Lacs)
AUTHORISED SHARE CAPITAL				
Equity Shares of ₹ 10 each	700,000,000	70,000.00	700,000,000	70,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Equity Shares of ₹ 10/- each fully paid up	562,708,833	56,270.88	562,689,127	56,268.91
TOTAL	562,708,833	56,270.88	562,689,127	56,268.91

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

Particulars	2012-2013		2011-2012	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Equity Shares				
Equity Shares at the beginning of the Year	562,689,127	56,268.91	562,582,468	56,258.25
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	19,706	1.97	106,659	10.66
Equity Shares at the end of the Year	562,708,833	56,270.88	562,689,127	56,268.91

Terms/Rights attached to Equity Shares

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

During the year ended 31st March, 2013, the amount of Dividend per Share recognised as distributions to Equity Shareholders was ₹ 1 per Share. (31st March 2012: ₹1 per Share.)

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

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

Particulars	As At 31 st March, 2013		As At 31 st March, 2012	
	No. of Equity Shares	Amount (₹ in Lacs)	No. of Equity Shares	Amount (₹ in Lacs)
Equity Shares held by Holding Company - Gujarat State Petroleum Corporation Ltd. having face value of ₹ 10/- each	212,305,270	21,230.53	212,305,270	21,230.53

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

Name of the Shareholder	As At 31 st March, 2013		As At 31 st March, 2012	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petroleum Corporation Limited	212,305,270	37.73%	212,305,270	37.73%
Gujarat Maritime Board	37,088,000	6.59%	37,088,000	6.59%
Life Insurance Corporation of India	35,334,376	6.28%	35,334,376	6.28%

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

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
<u>Securities Premium Reserve</u>		
Opening Balance	40,129.85	40,112.45
Add: Additions during the Year	0.79	17.40
Closing Balance	40,130.64	40,129.85
<u>General Reserve</u>		
Opening Balance	272.30	272.30
Add: Additions during the Year	-	-
Closing Balance	272.30	272.30
<u>Employees' Stock Options Outstanding (Net)</u>		
Gross Compensation for ESOPs Granted	1,001.66	1,001.66
Less: Deferred Employee Stock Compensation	250.40	482.66
Less: Transferred to Securities Premium on exercise of ESOPs	5.72	5.72
Less: ESOP Lapsed / Cancelled	112.82	39.02
Closing Balance	632.72	474.26
<u>Profit & Loss Account</u>		
Opening Balance	149,522.51	103,856.98
Add: Profit during the Year	53,812.26	52,206.12
<u>Less: Appropriations</u>		
Proposed Final Equity Dividend	5,627.09	5,626.89
Difference in Final Dividend for Equity Share	0.10	0.76
Tax on Proposed Final Equity Dividend	956.32	912.82
Difference in Tax on Final Dividend for Equity Share	0.02	0.12
Closing Balance	196,751.24	149,522.51
TOTAL	237,786.90	190,398.92

5 LONG TERM BORROWINGS

Particulars	Non-Current As at 31 st March, 2013 (₹ in Lacs)	Current Maturities As at 31 st March, 2013 (₹ in Lacs)	Non-Current As at 31 st March, 2012 (₹ in Lacs)	Current Maturities As at 31 st March, 2012 (₹ in Lacs)
Secured Borrowings				
Term Loan from Banks	69,612.44	22,838.38	75,993.98	25,119.15
Term Loan from Financial Institutions	64,274.55	4,241.07	33,515.63	4,955.36
TOTAL	133,886.99	27,079.45	109,509.61	30,074.51
Amount Disclosed under the Head "Other Current Liabilities" (Note No. 10)	-	(27,079.45)	-	(30,074.51)
Net Amount	133,886.99	-	109,509.61	-

Term Loan from banks and financial institutions are secured by first pari-passu charge on all Tangible and Intangible Assets, Capital Work in Progress (except 36" pipeline from Hazira to Mora), operating cash flows, book debts and other movables of the Company.

Term loan from bank includes foreign currency loan, which is secured by first pari-passu charge on all Tangible and Intangible Assets, Capital Work in Progress (except 36" pipeline from Hazira to Mora), operating cash flows, book debts and other movables of the Company. The Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

Maturity Profile and Rate of Interest of Term Loans

Rate of Interest	No. of Installments	Maturity Profile					(₹ in Lacs)
		Outstanding as at 31 st March 2013	2013-2014	2014-2016	2016-20	2020-2024	
8.64%	37	5,395.83	583.33	1,166.67	2,333.33	1,312.50	
7.50%	37	15,416.67	1,666.67	3,333.33	6,666.67	3,750.00	
8.11%	37	5,203.13	562.50	1,125.00	2,250.00	1,265.63	
1 Year GSEC + 2.75%	25	9,166.67	1,466.67	2,933.33	4,766.67	-	
1 Year GSEC + 2.175%	15	9,049.09	1,206.55	2,413.09	4,826.18	603.27	
Base Rate + 2%	1	95.05	95.05	-	-	-	
Base Rate + 2.5%	1	191.64	191.64	-	-	-	
BPLR - 2.5%	6	535.84	267.84	268.00	-	-	
BPLR - 3.25%	8	2,143.00	803.55	1,339.45	-	-	
Base Rate + 1%	9	4,134.91	1,842.86	2,292.06	-	-	
Base Rate + 1.25%	7	619.06	267.86	351.21	-	-	
Base Rate + 0.75%	7	1,239.53	714.29	525.24	-	-	
BPLR - 3.75%	7	1,633.71	942.86	690.86	-	-	
7.25%	6	2,139.41	1,071.43	1,067.99	-	-	
Base Rate + 1.8%	12	3,207.71	1,071.43	2,136.28	-	-	
Base Rate + 1.55%	12	4,283.53	1,428.57	2,854.92	-	-	
Base Rate + 2.25%	12	4,246.08	1,428.57	2,817.51	-	-	
Base Rate + 2.3%	12	814.59	271.43	543.16	-	-	
Base Rate + 2.25%	13	1,148.58	357.14	714.29	77.15	-	
Base Rate + 1.25%	15	4,017.86	1,071.43	2,142.86	803.57	-	
Base Rate + 1.90%	21	13,213.36	2,520.00	5,040.00	5,653.36	-	
Base Rate + 1.75%	21	5,244.23	1,000.00	2,000.00	2,244.23	-	
Base Rate + 1.95%	21	5,615.57	1,072.00	2,144.00	2,399.57	-	
Base Rate + 1.95%	21	6,558.04	1,252.00	2,504.00	2,802.04	-	
Base Rate + 2.25%	20	5,296.21	1,066.67	2,133.33	2,096.21	-	
5 Year GSEC + 2.59%	22	7,857.14	1,428.57	2,857.14	3,571.43	-	
11.50% - Reset at every 2 year	3	35,000.00	-	35,000.00	-	-	
11.95% - Reset at every year	21	7,500.00	1,428.57	2,857.14	3,214.29	-	
Grand Total	429	160,966.44	27,079.48	83,250.86	43,704.70	6,931.40	

6 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Deferred Tax Liability:		
Impact of Difference between Tax Depreciation and Book Depreciation on Fixed Assets	38,838.37	32,542.30
Total Deferred Tax Liability (A)	38,838.37	32,542.30
Deferred Tax Asset:		
Provision for Leave Salary	124.20	101.13
Provision for Gratuity	45.22	4.02
Total Deferred Tax Asset (B)	169.42	105.15
Net Deferred Tax Liability (A-B)	38,668.95	32,437.15

7 OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Others		
Security Deposit from Customers	1,721.20	1,274.20
OYVS Installments from Employees	13.67	4.49
Other payables (including payables for Capital Goods and Services)	50.34	50.34
TOTAL	1,785.21	1,329.03

8 PROVISIONS

Particulars	Long Term	Short Term	Long Term	Short Term
	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
<u>Provision for employee benefits</u>				
Provision for Gratuity	67.59	65.45	-	12.39
Provision for Leave Salary	348.92	16.50	297.91	13.79
Provision for Leave Travel Allowance	-	28.53	-	19.27
	416.51	110.48	297.91	45.45
<u>Other Provisions</u>				
Proposed Equity Dividend	-	5,627.09	-	5,626.89
Provision for Tax on Proposed Equity Dividend	-	956.32	-	912.82
Provision for Wealth Tax (Net)	-	-	-	9.53
	-	6,583.41	-	6,549.24
TOTAL	416.51	6,693.89	297.91	6,594.69

9 TRADE PAYABLES

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Trade Payables (refer Note no.33 for details of due to Micro, Small and Medium Enterprises)	1,096.33	701.63
TOTAL	1,096.33	701.63

10 OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Current Maturities of Long-Term Borrowings (Refer Note No. 5)	27,079.45	30,074.51
Other payables (including payables for Capital Goods and Services) (Refer Note No. 33 for details of due to Micro, Small and Medium Enterprises)	17,833.03	16,975.87
Interest accrued but not due on Long Term Borrowings	856.65	849.13
Earnest Money Deposit	18.85	23.75
Deposit from Customers	870.05	361.55
Unclaimed refundable Share Application Money	-	40.57
Dividend Payable / Unclaimed	74.96	59.66
Imbalance, Overrun & Other Charges	1,710.25	722.67
Other Statutory Liabilities	294.31	233.55
TOTAL	48,737.55	49,341.26

11 FIXED ASSETS

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Op. Balance As On 1 st April, 2012	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As On 31 st March, 2013	Op. Balance As On 1 st April, 2012	Additions During the Year	Deduction During the Year	Cl. Balance As On 31 st March, 2013	As On 31 st March, 2012
TANGIBLE ASSETS									
Land- Free Hold	7,484.38	720.78	-	8,205.16	-	-	-	-	7,484.38
Land- Lease Hold	2,547.30	-	-	2,547.30	135.54	45.60	-	181.14	2,411.76
Building	13,717.13	2,029.27	-	15,746.40	4,491.14	990.09	-	5,481.23	9,225.99
Plant & Machinery	386,549.28	24,027.94	-	410,577.22	107,830.97	16,574.39	-	124,405.36	278,718.31
Communication Equipments	8,441.90	918.60	5.28	9,355.22	4,141.62	668.49	1.64	4,808.47	4,300.28
Computers	514.89	103.62	10.85	607.66	355.62	81.02	9.84	426.80	159.27
Furniture & Fittings	476.47	13.86	0.69	489.64	210.80	49.71	-	260.51	265.67
Office Equipments	174.21	13.80	-	188.01	89.09	12.95	-	102.04	85.12
Vehicles	430.51	164.39	9.75	585.15	180.09	83.07	0.89	262.27	250.42
Books	4.59	8.53	-	13.12	4.59	8.53	-	13.12	-
Total (A)	420,340.66	28,000.79	26.57	448,314.88	117,439.46	18,513.85	12.37	135,940.93	302,901.20
INTANGIBLE ASSETS									
Computer Software	1,011.17	78.97	-	1,090.14	783.92	97.00	-	880.92	227.25
Right of Use / Right of Way	10,894.10	1,672.94	-	12,567.04	-	-	-	-	10,894.10
Total (B)	11,905.27	1,751.91	-	13,657.18	783.92	97.00	-	880.92	11,121.35
CAPITAL WORK IN PROGRESS									
Total (C)	-	-	-	-	-	-	-	-	41,821.49
TOTAL (A+B+C)	432,245.93	29,752.70	26.57	461,972.06	118,223.38	18,610.85	12.37	136,821.85	355,844.04
Previous Year	419,352.78	18,267.68	5,374.53	432,245.93	101,184.95	18,190.36	1,151.93	118,223.38	351,605.10

**12 NON-CURRENT INVESTMENTS**

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Trade Investments (Long Term)		
Investment in Unquoted Equity Shares of Subsidiary Companies		
4,00,50,060 (31 st March 2012: 2,00,50,060) Equity Shares of ₹ 10 each of GSPL India Gasnet Limited (Fully Paid Up) (at Cost)	4,005.01	2,005.01
3,00,50,060 (31 st March 2012: 2,00,50,060) Equity Shares of ₹ 10 each of GSPL India Transco Limited (Fully Paid Up) (at Cost)	3,005.01	2,005.01
Investment in Unquoted Equity Shares of Associate Companies		
2,46,37,085 (31 st March 2012: 2,16,66,666) Equity Shares of ₹ 10 each of GSPC Gas Company Limited (Fully Paid Up) (at Cost)	6,260.44	3,500.00
Investment in Unquoted Equity Shares of Other Companies		
62,50,000 (31 st March 2012: 62,50,000) Equity Shares of ₹ 10 each of Gujarat State Energy Generation Ltd. (Fully Paid Up) (at Cost)	1,000.00	1,000.00
27,50,000 (31 st March 2012: 27,50,000) Equity Shares of ₹ 10 each of Sabarmati Gas Ltd. (Fully Paid Up) (at Cost)	1,100.00	1,100.00
5,75,000 (31 st March 2012: 5,75,000) Equity Shares of ₹ 10 each of Krishna Godavari Gas Network Ltd. (Fully Paid Up) (At Cost less Provision for other than Temporary Diminution in Value ₹ 25.88 Lacs Krishna Godavari Gas Network Ltd.)	31.62	31.62
Investment in Unquoted Long Term Debentures of Other Companies		
2,000 (31 st March, 2012: 2000) 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd. (Fully Paid Up)	2,000.00	2,000.00
TOTAL	17,402.08	11,641.64
Aggregate Amount of Unquoted Investments	17,402.08	11,641.64
Aggregate Provision for Diminution in Value of Investments	25.88	25.88

13 LOANS AND ADVANCES

Particulars	Long Term	Short Term	Long Term	Short Term
	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Capital Advances				
Unsecured, Considered Good	2,443.84	-	1,238.71	-
Security Deposit Given				
Unsecured, Considered Good	1,392.22	34.36	1,209.48	32.46
Loans & Advances to Related Parties				
<u>Unsecured, Considered Good</u>				
Equity Share Application - GSPC Gas Co. Ltd.	-	-	2,760.44	-
Equity Share Application - GSPC LNG Ltd.	2,500.00	-	2,500.00	-
Other Loans & Advances				
<u>Secured, Considered Good</u>				
Housing Building Advance to Employees	744.14	61.14	610.85	47.86
<u>Unsecured, considered Good</u>				
Advance Income Tax and TDS (net of Provision)	-	691.00	-	592.40
Advance Wealth Tax (net of Provision)	-	1.76	-	-
Loans & Advances to Employees	58.25	65.15	47.38	71.01
Advances Recoverable in Cash or Kind	-	18.06	-	-
Payment under Protest	96.56	131.99	80.00	131.99
MAT Credit Entitlement	-	-	-	198.94
Balance with Service Tax & Excise Duty	-	578.15	-	1,038.39
Other Advance Payments	0.27	389.90	-	400.07
Prepaid Expenses	33.86	82.37	23.95	83.49
TOTAL	7,269.14	2,053.88	8,470.81	2,596.61

14 OTHER ASSETS

Particulars	Non-Current	Current	Non-Current	Current
	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
<u>Unsecured, Considered Good</u>				
Non-Current Bank Balances (Note No. 17)	653.79	-	557.00	-
Others				
Others Receivables	9.36	210.49	9.36	252.49
Interest Accrued on Share Application Money	-	24.25	-	197.40
Interest Accrued but not due Deposits	85.43	1,112.29	8.02	758.67
Interest Accrued but not due on OCD	146.32	193.16	211.64	93.00
TOTAL	894.90	1,540.19	786.02	1,301.56

15 INVENTORIES*

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Stores & Spares	1,356.61	1,272.25
Line Pack Gas	6,358.50	5,346.12
TOTAL	7,715.11	6,618.37

*(Valued at Moving Average Cost)

16 TRADE RECEIVABLES

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
<u>Trade Receivables - Unsecured, Considered Good</u>		
Outstanding for a period exceeding 6 months	351.63	738.33
Others	25,058.38	7,405.26
TOTAL	25,410.01	8,143.59

17 CASH AND BANK BALANCES

Particulars	Non-Current		Current	
	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	2,273.50	-	1,392.34
Fixed Deposit with original maturity of less than 3 months	-	47,500.00	-	12,000.00
Cheque on Hand	-	1.94	-	-
Cash on Hand	-	0.76	-	1.23
	-	49,776.20	-	13,393.57
Earmarked Balances with Banks				
Unpaid Dividend Account	-	84.48	-	73.95
IPO Refund Account	-	-	-	40.57
Balance in Escrow A/c-PNGRB [Incl. TD]	-	1,932.17	-	679.65
Other Bank Balances				
Fixed Deposit with original maturity of more than 12 months	96.79	-	-	-
Fixed Deposit with original maturity of more than 3 months but less than 12 months	-	33,500.00	-	37,088.73
Margin Money Deposit - Bank Guarantees	557.00	12.75	557.00	200.00
Total	653.79	85,305.60	557.00	51,476.47
Amount disclosed under Other Non-Current Assets (Note No.14)	(653.79)	-	(557.00)	-
TOTAL	-	85,305.60	-	51,476.47

18 REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2013 (₹ in Lacs)	For the Year ended 31st March, 2012 (₹ in Lacs)
Revenue from Transportation of Gas (Net)	111,615.21	107,645.65
Revenue from Sale of Electricity (Net)	4,413.68	3,885.54
Other Operating Revenues		
Connectivity Charges	1,291.16	713.57
Others	-	82.99
TOTAL	117,320.05	112,327.75

19 OTHER INCOME

Particulars	For the Year ended 31st March, 2013 (₹ in Lacs)	For the Year ended 31st March, 2012 (₹ in Lacs)
Interest Income		
Fixed Deposits with Banks	5,641.39	4,196.96
Share Application Money	237.99	262.78
Optionally Convertible Debentures	120.00	120.00
Others	195.33	85.26
	6,194.71	4,665.00
Dividend Income from Associate (Long Term Trade Investment)	257.92	312.85
Other Non-Operating Income	151.83	157.13
TOTAL	6,604.46	5,134.98

20 EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2013 (₹ in Lacs)	For the Year ended 31st March, 2012 (₹ in Lacs)
Salaries and Wages		
Salaries and Allowances	1,832.48	1,342.99
Salary Arrears	0.28	21.52
Leave Salary	60.51	83.90
Contribution to Provident and Other Funds		
Contribution to Provident Fund	132.52	96.67
Contribution to Super Annuation Scheme	35.31	31.44
Group Gratuity Expenses	176.33	7.04
ESOP Compensation Expenses	158.46	322.63
Staff Welfare Expenses	75.12	62.90
TOTAL	2,471.01	1,969.09

21 OTHER EXPENSES

Particulars	For the Year ended 31 st March, 2013 (₹ in Lacs)	For the Year ended 31 st March, 2012 (₹ in Lacs)
(A) Operation & Maintenance Expenses		
Maintenance Contracts	1,941.97	2,001.02
Payment to Outsourced Persons	372.86	299.14
Security Service Charges	544.34	424.13
Land Revenue	7.88	19.91
Power & Fuel	425.41	359.40
Consumption of Stores & Spare Parts	623.46	450.79
Gas Transmission Loss	408.65	-
Gas Consumption for Heating	2.10	-
Repairs & Maintenance - Building	2.72	34.65
Repairs & Maintenance - Machinery	72.89	127.44
Other O&M Expenses	731.53	723.02
SLDC Charges - Windmill	2.67	2.86
(A)	5,136.48	4,442.36
(B) Other Expenses		
Advertisement & Publicity Expenses	73.65	153.32
Bandwidth & Website Maintenance Charges	4.50	6.11
Business Promotion	3.72	21.44
Loss on Sale of Fixed Assets	-	73.61
Statutory Audit Fees	1.50	1.00
Donation	28.00	45.75
Miscellaneous Expenses	787.71	852.15
Legal & Professional Expenses	580.42	433.08
Provision for diminution in Investment	-	25.88
Rent	204.66	259.85
Rate & Taxes	55.71	30.05
Recruitment & Training	113.45	75.55
Seminar & Conference	22.18	25.46
Stationery & Printing	35.76	36.26
Travelling Expenses - Directors	8.33	7.35
Travelling Expenses - Others	115.02	94.31
Postage, Telephone & Courier Expenses	94.79	145.11
HSE Expenses	45.20	32.33
Listing Fee	9.70	9.65
Insurance Expenses	330.95	266.11
(B)	2,515.25	2,594.37
TOTAL (A+B)	7,651.73	7,036.73

22 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended 31 st March, 2013 (₹ in Lacs)	For the Year ended 31 st March, 2012 (₹ in Lacs)
Depreciation on Tangible Assets	18,513.84	18,063.53
Amortisation of Intangible Assets	97.00	126.83
TOTAL	18,610.84	18,190.36

23 FINANCE COSTS

Particulars	For the Year ended 31 st March, 2013 (₹ in Lacs)	For the Year ended 31 st March, 2012 (₹ in Lacs)
Interest Expenses	12,584.95	12,997.34
Other Borrowing Costs	40.65	22.14
TOTAL	12,625.60	13,019.48

24 Previous Year figures have been reclassified or regrouped wherever necessary.

25 CONTINGENT LIABILITIES

- a) Bank Guarantee/Letter of Credit issued and outstanding as on 31st March 2013 is for an amount of ₹ 9,024.00 Lacs (Previous Year ₹ 6,870.00 Lacs)
- b) As on 31st March, 2013, the ascertainable claims against the Company:
- By land owners seeking enhancement of compensation in respect of RoU acquired by the Company is ₹ 2,430.75 Lacs (Previous Year: ₹ 2,544.84 Lacs) and
 - By other parties are ₹ 39.86 Lacs (Previous Year: ₹ 39.86 Lacs)
- c) As regards Central Excise & Service Tax related matters, Department vide order for the period 2002-03 to 2004-05 has demanded Service Tax of ₹ 17.90 Lacs (Previous Year: ₹ 17.90 Lacs) along with interest and penalty, against which the Company filed an appeal with CCE (Appeals) and got favourable order. However, the Department has preferred an appeal against order of CCE (Appeals) with Custom Excise & Service Tax Appellate Tribunal (CESTAT), pending disposal.

Department vide various orders amounting to ₹ 28,835.56 Lacs (Previous Year: ₹ 18,699.49 Lacs) for the period 2005-06 to 2011-12 has raised demand towards CENVAT credit on input services and capital goods availed by the Company plus applicable Interest and Penalty. Being aggrieved by the said orders, the Company has filed appeals before CESTAT, of which appeals of ₹ 4,980.84 Lacs as regards denial of CENVAT credit on input services are pending disposal.

As regards appeals filed against the orders confirming demand of ₹ 19,835.32 Lacs along with interest and penalty, CESTAT set aside demand for extended period of limitation and penalty however, confirming denial of CENVAT credit on capital goods. Being aggrieved by negative portion of order of CESTAT, the Company has filed Tax Appeals before Honourable Gujarat High Court which is pending for disposal.

As regards order denying CENVAT credit on capital goods for ₹ 4,019.40 Lacs, Company is in process of filling appeals before CESTAT.

Further, various Show Cause Notices amounting to ₹ 1,096.92 Lacs (Previous Year: 10,227.07 Lacs) plus Interest and Penalty have been issued by the department on various service tax related matters, for which suitable replies have been submitted by the Company, pending final disposal.

- d) Income Tax assessments up to Assessment Year 2010-11 have been completed. Company had filed appeals against the various orders passed by assessing officers, whereby appeals lying before Honourable Gujarat High Court for Assessment Year 2005-06 – ₹ 5.53 Lacs, before the Income Tax Appellate Tribunal (ITAT) for Assessment Year 2008-09 to Assessment Year 2009-10 – ₹ 300.71 Lacs, before CIT(Appeals) for Assessment Year 2010-11 – ₹ 543.50 Lacs & matters restored back to Assessing Officer for Assessment Year 2004-05 & 2006-07 - ₹ 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.

- e) Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7th March 2011, collected for the period prior to 1st April 2011 amounting to ₹ 212.73 Lacs (Net of Taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1st April 2011.

26 CAPITAL & OTHER COMMITMENT

Capital Commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 53,438.64 Lacs (Previous Year ₹ 58,301.58 Lacs).

Other Commitment:

As on 31st March 2013, the Company has commitment of around ₹ 2,41,589.99 Lacs towards further investments in Subsidiaries and Associates (Previous Year ₹ 2,09,589.98 Lacs)

- 27 As per AS-16 "Borrowing Cost" issued by ICAI, the Company has capitalised the borrowing cost amounting to ₹ 2,321.97 Lacs (Previous Year ₹ 2,646.70 Lacs).

28 PAYMENT TO AUDITORS

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
For Statutory Audit	1.50	1.00
For Other Services	1.12	2.95
For Reimbursement of Expense	-	0.74
TOTAL	2.62	4.69

29 MANAGERIAL REMUNERATION

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

30 EXPENDITURE / INCOME IN FOREIGN CURRENCY

Particulars	2012 - 2013 (₹ in Lacs)	2011 - 2012 (₹ in Lacs)
Raw Material	-	-
Component & Spare Parts*	-	27.70
Capital Goods	-	-
Royalty, Know How	-	-
Professional and Consultation Fee	14.55	7.54
Training & Conferences	24.36	24.38
Interest & processing Fee	1,024.22	1,032.40
Others	-	1.02
TOTAL	1,063.13	1093.04

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

Particulars	2012 - 2013		2011 - 2012	
	Amount (₹ in Lacs)	% of Total Consumption	Amount (₹ in Lacs)	% of Total Consumption
Imported	-	-	27.70	6.14%
Domestic	623.46	100.00%	423.09	93.86%
TOTAL	623.46	100.00%	450.79	100.00%

There is no earnings in foreign currency during the Year as well as Previous Year.

31 The balances of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation by the parties and provision for all liabilities is adequate in opinion of the Company.

32 EARNINGS PER SHARE (EPS)

Particulars	2012 - 2013 (₹ in Lacs)	2011 - 2012 (₹ in Lacs)
Profit After Tax	53,812.26	52,206.12
Weighted average number of Equity Shares	56,26,99,509	56,26,48,145
Basic EPS (in ₹)	9.56	9.28
Total weighted average number of Equity Shares including Potential Equity Shares	56,27,52,905	56,28,37,744
Diluted EPS (in ₹)	9.56	9.28
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:

Particulars	2012 - 2013 (₹ in Lacs)	2011 - 2012 (₹ in Lacs)
Principal amount remaining unpaid as on 31 st March, 2013	496.61	341.61
Interest due thereon as on 31 st March, 2013	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Year) but without adding the Interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31 st March, 2013	-	-
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

- 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.
- 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".
- 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
- 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 2012-2013				Year 2011-2012			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
1 Segment Revenue								
External Revenue*	1,13,097.87	4,413.68	-	1,17,511.55	1,08,437.48	3,968.54	-	1,12,406.02
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Segment Revenue	1,13,097.87	4,413.68	-	1,17,511.55	1,08,437.48	3,968.54	-	1,12,406.02
2 Segment Result - Profit(+) / Loss(-)	91,034.02	481.43	-	91,515.45	89,112.45	(635.50)	-	88,476.95
Unallocated Other Income	-	-	6,412.96	6,412.96	-	-	5,056.73	5,056.73
Unallocated Expenses & Finance Cost	-	-	(15,352.68)	(15,352.68)	-	-	(16,311.30)	(16,311.30)
Prior Period Adjustments	-	-	(5.20)	(5.20)	-	-	(320.86)	(320.86)
Profit Before Tax	91,034.02	481.43	(8,944.92)	82,570.53	89,112.45	(635.50)	(11,575.43)	76,901.52
Income Tax - Current Tax	-	-	(22,463.72)	(22,463.72)	-	-	(18,563.79)	(18,563.79)
Excess/Short Provision of Income Tax	-	-	(62.75)	(62.75)	-	-	(100.50)	(100.50)
Deferred Tax	-	-	(6,231.80)	(6,231.80)	-	-	(6,031.11)	(6,031.11)
Profit After Tax	91,034.02	481.43	(37,703.19)	53,812.26	89,112.45	(635.50)	(36,270.83)	52,206.12
3 Other Information								
Segment Assets	3,89,891.37	21,788.19	1,13,663.65	5,25,343.21	3,46,539.80	25,064.83	75,259.96	4,46,864.59
Segment Liabilities	22,098.44	430.77	5,02,814.00	5,25,343.21	19,213.72	458.63	4,27,192.23	4,46,864.59
Cost to Acquire Fixed Assets (incl.CWIP)	38,263.02	-	2,270.28	40,533.30	25,538.45	0.51	1,112.95	26,651.91
Depreciation & Amortisation	14,555.29	3,804.97	250.58	18,610.84	13,503.35	4,489.99	544.35	18,537.69
Non-Cash Expenses other than Depreciation & Amortisation	-	-	161.58	161.58	-	-	267.11	267.11

* 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 Institute of Chartered Accountants of India, transactions* entered into with the related parties of the Company are as follows:

(₹ in Lacs)

Particulars	2012 - 2013	2011 - 2012
Gujarat State Petroleum Corporation Limited(Holding)		
Gas Transportation Income	9,370.68	10,181.23
Expenditure Reimbursement Received	77.50	96.51
Rent Expense	98.24	185.94
Purchase of Line Pack Gas	1,423.12	856.98
Dividend Paid	2,123.05	2,123.05
Expenditure Reimbursement Paid	84.74	74.59
Sale of Fixed Assets	0.79	-
GSPL India Gasnet Limited (Subsidiary)		
Investment in Equity Shares of GIGL	2,000.00	2,005.01
Expenditure Reimbursement Received	246.95	759.24
Expenditure Reimbursement Paid	17.98	-
GSPL India Transco Limited(Subsidiary)		
Investment in Equity Shares of GITL	1,000.00	2,005.01
Expenditure Reimbursement Received	174.11	213.90
GSPC Gas Company Limited(Associate)		
Gas Transportation Income	18,437.69	22,484.34
Rent Income	36.69	26.73
Rent Received in Advance	0.91	-
Interest Income on Share Application Money	237.99	262.78
Sale of Line pipes/Fittings	-	1.90
Security Deposit Released	12.00	10.00
Security Deposit Received	46.00	38.00
Security Deposit Paid	2.00	-
Pipeline Crossing Charges Income	25.84	22.06
Pipeline Crossing Charges Expense	1.00	-
Dividend Received	216.67	270.83
Purchase of Capital Goods	52.38	11.11
Expenditure Reimbursement Paid	85.17	3.07
Expenditure Reimbursement Received	3.56	1.05
Connectivity Charges Income	698.25	57.36
Sabarmati Gas Limited(Associate)		
Gas Transportation Income	3,895.35	4,679.73
Security Deposit Released	-	2.00
Security Deposit Received	4.00	4.00
Pipeline Crossing Charges Income	2.25	2.21
Pipeline Crossing Charges Expense	-	5.70
Rent Received	36.44	-
Dividend Income	41.25	41.25
Late Payment Charges Income	-	0.65
Interest Income on Optionally Convertible Debenture	120.00	120.00
Expenditure Reimbursement Paid	6.59	-
Expenditure Reimbursement Received	6.06	8.78
Gujarat State Energy Generation Limited (Associate)		
Gas Transportation Income	752.80	1,112.84
Expenditure Reimbursement Paid	2.08	1.97
Expenditure Reimbursement Received	0.90	-
Dividend Income	-	0.77



Gujarat Info Petro Limited(Fellow Subsidiary)		
Document Scanning Charges Paid	0.85	3.84
Bandwidth Charges Paid	5.06	6.62
Software Development Expense	0.96	2.15
AMC Charges of Software Expense	22.32	13.37
Gujarat Pipavav Power Company Limited (Fellow Subsidiary)		
Gas Transportation Income	32.38	-
Expenditure Reimbursement Paid	4.53	-
Expenditure Reimbursement Received	3.65	-
GSPC LNG Limited(Fellow Subsidiary)		
Expenditure Reimbursement Received	5.54	14.67

* Above transactions are inclusive of all Taxes.

Details of outstanding balance with Related Parties:

(₹ in Lacs)

Particulars	As on 31 st March, 2013	As on 31 st March, 2012
Gujarat State Petroleum Corporation Limited(Holding)		
Account Receivable	380.87	590.69
Account Payable	92.86	19.13
GSPL India Gasnet Limited(Subsidiary)		
Account Receivable	39.26	127.68
Account Payable	1.89	-
GSPL India Transco Limited(Subsidiary)		
Account Receivable	35.75	3.65
Account Payable	-	-
GSPC Gas Company Limited(Associate)		
Account Receivable	5.85	1,161.31
Account Payable	4189.05	96.00
Sabarmati Gas Limited(Associate)		
Account Receivable	32.87	219.23
Account Payable	630.85	10.00
Gujarat State Energy Generation Limited (Associate)		
Account Receivable	226.86	203.55
Account Payable	18.34	18.14
Gujarat Pipavav Power Company Limited (Fellow Subsidiary)		
Account Receivable	18.48	-
Account Payable	2.37	-
Gujarat Info Petro Limited(Fellow Subsidiary)		
Account Receivable	-	-
Account Payable	10.05	2.49
GSPC LNG Limited(Fellow Subsidiary)		
Account Receivable	0.64	2.49
Account Payable	-	-

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	2012 - 2013		2011 - 2012	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	LIC (1994-96) published table for Mortality rate		LIC (1994-96) published table for Mortality rate	
Withdrawal Rate	5% at Younger Age Reducing to 1% at Old Age		5% at Younger Age Reducing to 1% at Old Age	
Retirement Age	60 Years		60 Years	
Discount Rate	8.20%	8.20%	8.50%	8.50%
Rate of Return on Plan Assets	9.25%	-	9.25%	-
Salary Escalation	7.00%	7.00%	7.00%	7.00%

The following table sets out status of gratuity plan and leave salary as required under Accounting Standard 15 (Revised) on “Employee Benefit”.

(₹ in Lacs)

Particulars	2012 - 2013		2011 - 2012	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in Benefit Obligation				
Opening defined Benefit Obligation	187.76	311.70	174.00	232.82
Interest Cost	15.76	26.21	14.56	19.49
Current Service Cost	52.76	32.29	29.66	22.18
Benefit Paid	4.60	6.80	3.78	5.01
Actuarial Loss/(Gain) on Obligations	122.95	2.01	(26.69)	42.23
Liability at the end of the period	374.63	365.41	187.75	311.71
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning	175.37	-	107.56	-
Expected Return on Plan Assets	18.42	-	12.49	-
Contributions	52.18	-	58.70	-
Benefit Paid	4.60	-	3.78	-
Actuarial Gain/(Loss) on Plan Assets	0.22	-	0.40	-
Fair Value of Plan Assets at the end of the period	241.59	-	175.37	-
Actual Gain / loss recognised				
Actuarial Gain/(Loss) on obligations	122.95	2.01	(26.69)	42.23
Actuarial Gain/(Loss) on Plan Assets	0.22	-	0.40	-
Net Actuarial Gain/(Loss) recognised during the period	122.73	2.01	(27.09)	42.23
Amount recognised in Balance Sheet				
Liability at the end of the period	374.63	365.42	187.76	311.70
Fair Value of Plan Asset at the end of the period	241.59	-	175.37	-
Amount recognised in the Balance Sheet	133.04	365.42	12.39	311.70
Expense recognised in the Income Statement				
Current Service Cost	52.76	32.29	29.66	22.18
Interest Cost	15.76	26.21	14.56	19.49
Expected Return on Plan Asset	18.42	-	12.49	-
Net Actuarial Loss/(Gain) to be recognised	122.73	2.01	(27.09)	42.23
Gratuity Life Coverage Premium	3.50	-	2.39	-
Net Expense recognized in P&L	176.33	60.51	7.04	83.90

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

ESOP 2010 Scheme:

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

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

Particulars	31 st March, 2013	31 st March, 2012
ESOP 2005 Scheme	65,993	1,02,515
ESOP 2010 Scheme	18,76,990	20,33,844
Total	19,42,983	21,36,359

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. The 'Petroleum & Natural Gas Regulatory Board' has granted authorization to GSPL's Pipeline Network under Section 18(1) of the 'Petroleum & Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 during the year. The Authorization Letter for GSPL's High Pressure Natural gas Pipeline Network totalling to 2239 Kms was issued on 27th July, 2012 and Authorization Letter for GSPL's Low Pressure Natural gas Pipeline Network totalling to 57.6 Kms was issued on 19th March, 2013.
41. PNGRB has vide Order No. TO/09/2012 dated 11th September, 2012 determined the "Provisional" Initial Unit Natural Gas Pipeline Tariff (IUNGPT) for GSPL's High Pressure Natural Gas Pipeline Network. Further, PNGRB has vide Order No. TO/02/2013 dated 19th February, 2013 determined the zonal tariff apportionment of the "Provisional" Initial Unit Natural Gas Pipeline Tariff (IUNGPT) for GSPL's High Pressure Natural Gas Pipeline Network.

GSPL has filed appeal with The Appellate Tribunal for Electricity (APTEL) against the various provisions of the Order No. TO/09/2012 dated 11th September, 2012. Further few customers have also filed appeal with The Appellate Tribunal for Electricity (APTEL) against the stipulation in the order requiring GSPL to implement the order with retrospective effect from 20th November, 2008, being the date on which Petroleum and Natural Gas Regulatory Board (Determination of Tariff for Natural Gas Pipelines) Regulations, 2008 were notified. Accordingly APTEL has passed an order dated 25th February, 2013, staying the retrospective application of the Order No. TO/09/2012 dated 11th September, 2012. Thus in accordance with the APTEL Order, GSPL has implemented the Order No. TO/09/2012 dated 11th September, 2012 read with Order No. TO/02/2013 dated 19th February, 2013 from 27th July, 2012.

Further GSPL in compliance with APTEL Order dated 22nd March, 2013 has started bearing the expense on account of System Use Gas on account of transmission loss w.e.f. 16th February, 2013 against the earlier system of customers bearing the same based on periodical reconciliation of such loss with customers.

42. Amount due for credit to Investor Education and Protection Fund towards unclaimed interest warrant – Fixed Deposit from Public & Unclaimed Dividend is NIL (Previous year NIL).
43. The figures appearing in Financial Statements are rounded off to the nearest Rupees in Lacs.

As per our Report of even date attached

For Jain Seth & Co.

Chartered Accountants

Firm Regn. No. 002069W

Rajendra Kumar Saini

Partner

Membership No.049913

Place : Ahmedabad

Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)

Chairman

Manish Seth

GM (Finance)

Tapan Ray, IAS

Managing Director

Reena Desai

Company Secretary

Place : Gandhinagar

Date : 5th June, 2013

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Gujarat State Petronet Ltd. ("the Company"), its two subsidiaries and one associate which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

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

We did not audit the Financial Statements of two subsidiaries included in the Consolidated Financial Statements, whose annual financial statements reflect total assets of ₹ 13,413.87 Lacs as at 31st March 2013; as well as the total revenue of ₹ 217.96 Lacs for the year ended on 31st March 2013. Similarly, We did not audit the financial statements of one associate, the profit of which is included in the consolidated annual financial statements, whose annual financial statements reflect total assets of ₹ 3,87,993.62 Lacs as at 31st March 2013; as well as the total revenue of ₹ 4,22,251.17 Lacs for the year ended on 31st March 2013. This financial Statement and other financial information has been audited by other auditor whose reports has been furnished to us, and our opinion is based solely on the report of other auditor.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Ahmedabad
Date : 5th June, 2013

For Jain Seth & Co.
Chartered Accountants
F. R. No. 002069W

Rajendra Kumar Saini
Partner
M. No. 049913



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Notes	As at 31 st March, 2013	As at 31 st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	56,270.88	56,268.91
Reserves and Surplus	4	247,198.33	199,838.84
		303,469.21	256,107.75
Minority Interest		5,243.42	-
Non-Current Liabilities			
Long-Term Borrowings	5	133,886.99	109,509.61
Deferred Tax Liabilities (Net)	6	38,665.00	32,433.39
Other Long-Term Liabilities	7	1,785.21	1,329.03
Long-Term Provisions	8	418.66	297.91
		174,755.86	143,569.94
Current Liabilities			
Trade Payables	9	1,094.44	701.63
Other Current Liabilities	10	49,724.02	50,342.41
Short-Term Provisions	8	6,695.93	6,594.69
		57,514.39	57,638.73
TOTAL		540,982.88	457,316.42
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	312,411.98	302,901.20
Intangible Assets	11	12,965.19	11,121.70
Capital Work-In-Progress	11	61,430.87	44,271.08
Non-Current Investments	12	19,708.73	17,064.27
Long-Term Loans and Advances	13	7,714.81	8,470.81
Other Non-Current Assets	14	895.01	786.02
		415,126.59	384,615.08
Current Assets			
Inventories	15	7,715.11	6,618.37
Trade Receivables	16	25,410.01	8,143.59
Cash and Bank Balance	17	89,229.34	54,155.68
Short-Term Loans and Advances	13	2,022.89	2,597.48
Other Current Assets	14	1,478.94	1,186.22
		125,856.29	72,701.34
TOTAL		540,982.88	457,316.42
Significant Accounting Policies	2.1		
The accompanying Notes are integral part of the Financial Statements.			

As per our Report of even date attached

For Jain Seth & Co.
Chartered Accountants
Firm Regn. No. 002069W

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Ahmedabad
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013

(₹ in Lacs)

Particulars	Notes	For the Year ended 31 st March, 2013	For the Year ended 31 st March, 2012
INCOME :			
Revenue from Operations	18	117,320.05	112,327.75
Other Income	19	6,605.75	4,886.83
Total Revenue (A)		123,925.80	117,214.58
EXPENSES :			
Employee Benefit Expenses	20	2,471.01	1,969.09
Other Expenses	21	7,651.73	7,036.73
Total Expenses (B)		10,122.74	9,005.82
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (A)-(B)		113,803.06	108,208.76
Depreciation and Amortisation Expenses	22	18,610.84	18,190.36
Preliminary Expenses Written-Off		-	36.85
Finance Costs	23	12,625.60	13,019.48
Profit/(Loss) Before Adjustment		82,566.62	76,962.07
Prior Period Adjustments		(5.20)	320.86
Profit Before Tax		82,571.82	76,641.21
Tax Expenses			
Current Tax		22,532.98	18,570.79
(Excess)Short Provision of Income Tax		62.75	100.50
Deferred Tax		6,231.61	6,027.35
Profit/(Loss) After Tax		53,744.48	51,942.57
Less: Share of Profit transferred to Minority Interest		58.59	-
Add: Share of Profit in Associate for the year		100.69	2,552.87
Profit after Tax carried to Balance Sheet		53,786.58	54,495.44
Earning Per Equity Share (EPS) (Nominal value of Share ₹ 10)			
Basic (₹ Per Share)		9.56	9.69
Diluted (₹ Per Share)		9.56	9.68
Significant Accounting Policies	2.1		
The accompanying Notes are integral part of the Financial Statements.			

As per our Report of even date attached

For Jain Seth & Co.
Chartered Accountants
Firm Regn. No. 002069W

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Ahmedabad
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2013

(₹ in Lacs)

Particulars	2012-2013	2011-2012
A Cash Flow from Operating Activities		
Profit Before Taxes	82,571.82	76,641.20
<u>Adjustments for:</u>		
Depreciation & Amortisation	18,610.84	18,215.05
ESOP Compensation Expenses	158.46	322.63
Provision for diminution in value of Investment in KGGNL	-	25.88
Prior Period Adjustment	-	234.20
Wealth Tax	8.24	9.53
Profit on Sale of Assets	(0.04)	(2.60)
Loss on sale & retirement of Assets	3.16	243.83
Dividend Income	(41.25)	(42.02)
Interest Income	(6,001.18)	(4,603.35)
Interest & Financial Charges	12,407.64	13,019.48
Operating Profit Before Working Capital Changes	107,717.69	104,063.83
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	(1,096.74)	(392.11)
(Increase)/Decrease in Trade Receivable	(17,266.42)	(1,375.22)
(Increase)/Decrease in Loans, Advances & Other Current Assets	91.01	(813.75)
Increase/(Decrease) in Trade payable, Other current liability & Provisions	1,765.39	(6,522.14)
Increase/(Decrease) in Other Long Term Liability	456.18	724.85
Cash Generated from Operations	91,667.10	95,685.46
Taxes Paid	(22,460.46)	(16,214.52)
Net Cash Flow from Operating Activities (A)	69,206.64	79,470.94
B Cash Flow from Investing Activities		
(Increase) / Decrease in Investment	-	-
Interest Received	5,929.61	4,039.10
Dividend Received	257.92	312.85
Changes in earmarked Fixed Deposits & Current Account	2,456.61	(20,313.57)
Proceeds from Sale of Assets	11.08	3,981.37
Acquisition of Fixed Assets and Change in Capital Work in Progress	(45,251.14)	(27,260.93)
Tax paid on Interest Income of Subsidiaries	(70.76)	(7.87)
Net Cash Flow from Investing Activities (B)	(36,666.68)	(39,249.06)
C Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital including Share Premium	4,627.38	22.34
Proceeds from Share Application Money	557.40	-
Increase/ (Decrease) in Borrowing	21,382.32	(8,235.35)
Dividend (Including Corporate Dividend Tax) paid	(6,539.83)	(6,539.36)
Interest & Financial Charges paid	(14,940.05)	(15,523.62)
Net Cash Flow from Financing Activities (C)	5,087.22	(30,275.99)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	37,627.18	9,945.89
Cash and Cash Equivalents at the beginning of the Period	16,072.77	6,126.88
Cash and Cash Equivalents at the end of the Period	53,699.95	16,072.77

Notes to Cash Flow Statement for the year ended on 31st March, 2013

1 Cash and Cash Equivalent includes-

Cash and Cheques on Hand	3.61	1.23
Balances with Scheduled Banks		
– in Current Accounts	2,901.34	1,621.54
– in Deposit Accounts	50,795.00	14,450.00
	53,699.95	16,072.77

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

As per our Report of even date attached

For Jain Seth & Co.
Chartered Accountants
Firm Regn. No. 002069W

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Ahmedabad
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH, 2013

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION & PRINCIPLES OF CONSOLIDATION

- (i) The Financial Statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of the Companies Act, 1956 including Accounting Standards notified there under.
- (ii) The preparation of Financial Statements requires management to make certain judgments, estimates and assumptions that affect the amounts reported in the Financial Statements and notes thereto. Management believes these assumptions are reasonable and prudent. However, actual results could differ from estimates.
- (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 one associate as per Accounting Standard 23 'Accounting for Investment in Associates in Consolidated Financial Statements'.

The Proportion of Ownership Interest in each subsidiary and associate is as follows:

Name of Company	Relation with GSPL	Proportion of Ownership Interest as at 31 st March, 2013
GSPL India Gasnet Ltd.	Subsidiary	59.08%
GSPL India Transco Ltd.	Subsidiary	61.89%
GSPC Gas Company Ltd.	Associate	29.12%

- (iv) Consolidation of Financial Statements of subsidiaries

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

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

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

- (v) Accounting for Investment in Associate

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

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

Most of the Accounting Policies of Associate are same except few, mainly depreciation, for which necessary adjustments have been made.

- (vi) The accounts of both the subsidiaries and one associate are drawn up to the same reporting date as per the reporting date of GSPL i.e. 31st March, 2013.
- (vii) Minority Interest in share of net assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and the Equity of the Company's Shareholders. Minority Interest's share of Net Profit/Loss of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the Net Income attributable to the Shareholders of the Company.
- (viii) Investment in other companies (other than subsidiaries and associates) are accounted as per Accounting Standard 13 'Accounting for Investment'
- (ix) The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 dated 8th February, 2011 has granted a general exemption from attaching Financial Statements of subsidiaries, subject to fulfilment of certain conditions stipulated in the circular. Accordingly the Financial Statements of subsidiaries have not been attached.

2.1 Significant Accounting Policies

(a) Fixed Assets and Capital Work in Progress

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

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

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

All the expenditure including direct, indirect expenses, incidental and related to construction incurred during the period of construction on a project, till it is commissioned, is kept as Capital Work In Progress (CWIP) and after commissioning the same is transferred / allocated to the respective Fixed Assets.

(b) Intangible Assets

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

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

(c) Depreciation and Amortisation

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

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

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

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

(d) Investment

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

Current Investments are carried at lower of cost 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 moving average cost.

(f) Employee Benefits

Employees Benefits are provided in the books as per Accounting Standard -15 "Employee Benefits" (revised 2005) in the following manner:

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

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

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

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

straight line basis and considered as a part of 'Employee Cost' in Profit & Loss Account, whereas the liability called 'ESOP Outstanding Account' is de recognized 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 expense and income are recognized on time proportion basis. Dividend income is recognized when right to receive is established.

(j) Taxation

Provision for Current Tax is made after taking into consideration benefits admissible under 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) accrued in a year is charged to the Statement of Profit & Loss as Current Tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified year. i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit & Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified year.

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 if material are disclosed by way of notes to accounts

Contingent Assets are neither recognized nor disclosed in Financial Statements.

(n) Measurement of EBITDA

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

(o) Cash and cash Equivalent

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

(p) Cash Flow Statement

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

(q) Prior Period Adjustments

Any expenditure / (income) relating to prior period(s) as a result of errors or omission in the preparation of Financial Statements 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".

(r) Proposed Dividend

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

(s) Event Occurring after Balance Sheet Date

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

3 SHARE CAPITAL

Particulars	As at		As at	
	No. of Shares	31 st March, 2013 (₹ in Lacs)	No. of Shares	31 st March, 2012 (₹ in Lacs)
AUTHORISED SHARE CAPITAL				
Equity Shares of ₹ 10 each	700,000,000	70,000.00	700,000,000	70,000.00
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Equity Shares of ₹ 10/- each fully paid up	562,708,833	56,270.88	562,689,127	56,268.91
TOTAL	562,708,833	56,270.88	562,689,127	56,268.91

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

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares	Amount (₹ in Lacs)	No. of Shares	Amount (₹ in Lacs)
Equity Shares				
Equity Shares at the beginning of the Year	562,689,127	56,268.91	562,582,468	56,258.25
Add: Equity Shares allotted pursuant to Employee Stock Option Plan	19,706	1.97	106,659	10.66
Equity Shares at the end of the Year	562,708,833	56,270.88	562,689,127	56,268.91

Terms/Rights attached to Equity Shares

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

During the year ended 31st March, 2013, the amount of dividend per share recognised as distributions to Equity Shareholders was ₹ 1/- per Share. (31st March, 2012: ₹ 1 per Share.)

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

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

Particulars	As At 31 st March, 2013		As At 31 st March, 2012	
	No. of Equity Shares	Amount (₹ in Lacs)	No. of Equity Shares	Amount (₹ in Lacs)
Equity Shares held by Holding Company - Gujarat State Petroleum Corporation Ltd. having face value of ₹ 10/- each	212,305,270	21,230.53	212,305,270	21,230.53

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

Name of the Shareholder	As At 31 st March, 2013		As At 31 st March, 2012	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petroleum Corporation Limited	212,305,270	37.73%	212,305,270	37.73%
Gujarat Maritime Board	37,088,000	6.59%	37,088,000	6.59%
Life Insurance Corporation of India	35,334,376	6.28%	35,334,376	6.28%

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 the GSPL, please refer Note No. 37

4 RESERVES & SURPLUS

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
<u>Securities Premium Reserve</u>		
Opening Balance	40,129.85	40,112.45
Add: Additions during the Year	0.79	17.40
Closing Balance	40,130.64	40,129.85
<u>General Reserve</u>		
Opening Balance	272.30	272.30
Add: Additions during the Year	-	-
Closing Balance	272.30	272.30
<u>Capital Reserve on Consolidation</u>	27.42	-
<u>Employees' Stock Options Outstanding (Net)</u>		
Gross Compensation for ESOPs Granted	1,001.66	1,001.66
Less: Deferred Employee Stock Compensation	250.40	482.66
Less: Transferred to Securities Premium on exercise of ESOPs	5.72	5.72
Less: ESOP Lapsed / Cancelled	112.82	39.02
Closing Balance	632.72	474.26
<u>Profit & Loss Account</u>		
Opening Balance	158,962.43	110,995.72
Add: Profit during the Year	53,786.58	54,495.44
Add: Share of Profit from Associate	-	11.86
Less: Profit Transferred to Minority Interest	(2.81)	-
<u>Less: Appropriations</u>		
Transfer to Capital Reserve	27.42	-
Proposed Final Equity Dividend	5,627.09	5,626.89
Difference in Final Dividend for Equity Share	0.10	0.76
Tax on Proposed Final Equity Dividend	956.32	912.82
Difference in Tax on Final Dividend for Equity Share	0.02	0.12
Closing Balance	206,135.25	158,962.43
TOTAL	247,198.33	199,838.84

5 LONG TERM BORROWINGS

Particulars	Non - Current As at 31 st March, 2013 (₹ in Lacs)	Current Maturities As at 31 st March, 2013 (₹ in Lacs)	Non - Current As at 31 st March, 2012 (₹ in Lacs)	Current Maturities As at 31 st March, 2012 (₹ in Lacs)
<u>Secured Borrowings</u>				
Term Loan from Banks	69,612.44	22,838.38	75,993.98	25,119.15
Term Loan from Financial Institutions	64,274.55	4,241.07	33,515.63	4,955.36
TOTAL	133,886.99	27,079.45	109,509.61	30,074.51
Amount Disclosed under the Head "Other Current Liabilities" (Note No. 10)	-	(27,079.45)	-	(30,074.51)
Net Amount	133,886.99	-	109,509.61	-

Term Loan from banks and financial institutions are secured by first pari-passu charge on all Tangible and Intangible Assets, Capital Work in Progress (except 36" pipeline from Hazira to Mora), operating cash flows, book debts and other movables of the Company.

Term loan from bank includes foreign currency loan, which is secured by first pari-passu charge on all Tangible and Intangible Assets, Capital Work in Progress (except 36" pipeline from Hazira to Mora), operating cash flows, book debts and other movables of the Company. The Company has entered in to cross currency swap and interest rate swap in order to hedge its foreign currency risks in full.

Maturity Profile and Rate of Interest of Term Loans

			Maturity Profile				(₹ in Lacs)
Rate of Interest	No. of Installments	Outstanding as at 31.03.2013	2013-2014	2014-2016	2016-20	2020-2023	
8.64%	37	5,395.83	583.33	1,166.67	2,333.33	1,312.50	
7.50%	37	15,416.67	1,666.67	3,333.33	6,666.67	3,750.00	
8.11%	37	5,203.13	562.50	1,125.00	2,250.00	1,265.63	
1 Year GSEC + 2.75%	25	9,166.67	1,466.67	2,933.33	4,766.67	-	
1 Year GSEC + 2.175%	15	9,049.09	1,206.55	2,413.09	4,826.18	603.27	
Base Rate + 2%	1	95.05	95.05	-	-	-	
Base Rate + 2.5%	1	191.64	191.64	-	-	-	
BPLR - 2.5%	6	535.84	267.84	268.00	-	-	
BPLR - 3.25%	8	2,143.00	803.55	1,339.45	-	-	
Base Rate + 1%	9	4,134.91	1,842.86	2,292.06	-	-	
Base Rate + 1.25%	7	619.06	267.86	351.21	-	-	
Base Rate + 0.75%	7	1,239.53	714.29	525.24	-	-	
BPLR - 3.75%	7	1,633.71	942.86	690.86	-	-	
7.25%	6	2,139.41	1,071.43	1,067.99	-	-	
Base Rate + 1.8%	12	3,207.71	1,071.43	2,136.28	-	-	
Base Rate + 1.55%	12	4,283.54	1,428.57	2,854.97	-	-	
Base Rate + 2.25%	12	4,246.08	1,428.57	2,817.51	-	-	
Base Rate + 2.3%	12	814.59	271.43	543.16	-	-	
Base Rate + 2.25%	13	1,148.58	357.14	714.29	77.15	-	
Base Rate + 1.25%	15	4,017.86	1,071.43	2,142.86	803.57	-	
Base Rate + 1.90%	21	13,213.36	2,520.00	5,040.00	5,653.36	-	
Base Rate + 1.75%	21	5,244.23	1,000.00	2,000.00	2,244.23	-	
Base Rate + 1.95%	21	5,615.57	1,072.00	2,144.00	2,399.57	-	
Base Rate + 1.95%	21	6,558.04	1,252.00	2,504.00	2,802.04	-	
Base Rate + 2.25%	20	5,296.21	1,066.67	2,133.33	2,096.21	-	
5 Year GSEC + 2.59%	22	7,857.14	1,428.57	2,857.14	3,571.43	-	
11.50% - Reset at every 2 year	3	35,000.00	-	35,000.00	-	-	
11.95% - Reset at every year	21	7,500.00	1,428.57	2,857.14	3,214.29	-	
Grand Total	429	160,966.45	27,079.45	83,250.90	43,704.69	6,931.40	

6 DEFERRED TAX LIABILITIES (Net)

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Deferred Tax Liability:		
Impact of Difference between Tax Depreciation and Book Depreciation on Fixed Assets	38,838.37	32,542.30
Total Deferred Tax Liability (A)	38,838.37	32,542.30
Deferred Tax Asset:		
Provision for Leave Salary	124.20	101.13
Provision for Gratuity	45.22	4.02
Preliminary Expenses u/s 35D	3.95	3.76
Total Deferred Tax Asset (B)	173.37	108.91
Net Deferred Tax Liability (A-B)	38,665.00	32,433.39

7 OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Others		
Security Deposit from Customers	1,721.20	1,274.20
OYVS Installments from Employees	13.67	4.49
Other Payables (including payables for Capital Goods and Services)	50.34	50.34
TOTAL	1,785.21	1,329.03

8 PROVISIONS

Particulars	Long Term	Short Term	Long Term	Short Term
	As at	As at	As at	As at
	31 st March, 2013 (₹ in Lacs)	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)
<u>Provision for employee benefits</u>				
Provision for Gratuity	67.99	65.45	-	12.39
Provision for Leave Salary	350.67	17.12	297.91	13.79
Provision for Leave Travel Allowance	-	29.28	-	19.27
Provision for Superannuation	-	0.67	-	-
	418.66	112.52	297.91	45.45
<u>Other Provisions</u>				
Proposed Equity Dividend	-	5,627.09	-	5,626.89
Provision for Tax on Proposed Equity Dividend	-	956.32	-	912.82
Provision for Wealth Tax (Net)	-	-	-	9.53
	-	6,583.41	-	6,549.24
TOTAL	418.66	6,695.93	297.91	6,594.69

9 TRADE PAYABLES

Particulars	As at	As at
	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)
Trade Payables (refer Note No.33 for details of due to Micro, Small and Medium Enterprises)	1,094.44	701.63
TOTAL	1,094.44	701.63

10 OTHER CURRENT LIABILITIES

Particulars	As at	As at
	31 st March, 2013 (₹ in Lacs)	31 st March, 2012 (₹ in Lacs)
Current Maturities of Long-Term Borrowings (Refer Note No. 5)	27,079.45	30,074.51
Other Payables (including payables for Capital Goods and Services) (refer note no.33 for details of due to Micro, Small and Medium Enterprises)	18,731.28	17,787.17
Interest accrued but not due on Long Term Borrowings	856.65	849.13
Earnest Money Deposit	18.85	23.75
Deposit from Customers	870.05	361.55
Unclaimed refundable Share Application Money	-	40.57
Dividend Payable / Unclaimed	74.96	59.66
Imbalance, Overrun & Other Charges	1,710.25	722.67
Other Statutory Liabilities	382.53	423.40
TOTAL	49,724.02	50,342.41

11 FIXED ASSETS

	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT		(₹ in Lacs)
Particulars	Op. Balance As On 1 st April, 2012	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As On 31 st March, 2013	Op. Balance As On 1 st April, 2012	Additions During the Year	Deduction During the Year	Cl. Balance As On 31 st March, 2013	As On 31 st March, 2013	As On 31 st March, 2012	
TANGIBLE ASSETS											
Land- Free Hold	7,484.38	720.78	-	8,205.16	-	-	-	-	8,205.16	7,484.38	
Land- Lease Hold	2,547.30	-	-	2,547.30	135.54	45.60	-	181.14	2,366.16	2,411.76	
Building	13,717.13	2,029.27	-	15,746.40	4,491.14	990.09	-	5,481.23	10,265.17	9,225.99	
Plant & Machinery	386,549.28	24,027.94	-	410,577.22	107,830.97	16,574.39	-	124,405.36	286,171.86	278,718.31	
Communication Equipments	8,441.90	920.35	5.28	9,356.97	4,141.62	668.57	1.64	4,808.55	4,548.42	4,300.28	
Computers	514.89	142.74	10.85	646.79	355.62	87.09	9.84	432.87	213.91	159.27	
Furniture & Fittings	476.47	17.25	0.69	493.03	210.80	49.78	-	260.58	232.44	265.67	
Office Equipments	174.21	13.80	-	188.01	89.09	12.95	-	102.04	85.97	85.12	
Vehicles	430.51	164.39	9.75	585.16	180.09	83.07	0.89	262.26	322.89	250.42	
Books	4.59	8.53	-	13.12	4.59	8.53	-	13.12	-	-	
Total (A)	420,340.66	28,045.05	26.56	448,359.15	117,439.46	18,520.07	12.37	135,947.16	312,411.98	302,901.20	
INTANGIBLE ASSETS											
Computer Software	1,011.57	168.28	0.41	1,179.45	783.97	115.66	0.08	899.55	279.90	227.60	
Right of Use / Right of Way	10,894.10	1,791.19	-	12,685.29	-	-	-	-	12,685.29	10,894.10	
Total (B)	11,905.67	1,959.48	0.41	13,864.74	783.97	115.66	0.08	899.55	12,965.19	11,121.70	
CAPITAL WORK IN PROGRESS											
Total (C)	-	-	-	-	-	-	-	-	61,430.87	44,271.08	
TOTAL (A+B+C)	432,246.33	30,004.53	26.97	462,223.89	118,223.43	18,635.73	12.45	136,846.71	386,808.04	358,293.98	
Previous Year	419,352.77	18,268.09	5,374.53	432,246.33	101,184.95	18,190.40	1,151.93	118,223.43	358,293.98	351,605.10	

(₹ in Lacs)

12 NON-CURRENT INVESTMENTS

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Trade Investments (Long Term)		
Investment in Unquoted Equity Shares of Associate Companies		
2,46,37,085 (31 st March 2012: 2,16,66,666) Equity Shares of ₹ 10 each of GSPC Gas Company Limited (Fully Paid Up) (at Cost)	6,277.44	4,308.69
Less: Capital Reserve	(17.00)	(808.69)
	6,260.44	3,500.00
Add: Share of Profit	10,245.51	10,144.82
Less: Dividend received	(928.85)	(712.18)
	15,577.10	12,932.64
Investment in Unquoted Equity Shares of Other Companies		
62,50,000 (31 st March, 2012: 62,50,000) Equity Shares of ₹ 10 each of Gujarat State Energy Generation Ltd. (Fully Paid Up) (at Cost)	1,000.00	1,000.00
27,50,000 (31 st March, 2012: 27,50,000) Equity Shares of ₹ 10 each of Sabarmati Gas Ltd. (Fully Paid Up) (at Cost)	1,100.00	1,100.00
5,75,000 (31 st March, 2012: 5,75,000) Equity Shares of ₹ 10 each of Krishna Godavari Gas Network Ltd. (Fully Paid Up) (At Cost less Provision for other than Temporary Diminution in Value ₹ 25.88 Lacs Krishna Godavari Gas Network Ltd.)	31.63	31.63
Investment in Unquoted Long Term Debentures of Other Companies		
2,000 (31 st March, 2012: 2000) 6% Optionally Convertible Debentures of ₹ 1,00,000 each of Sabarmati Gas Ltd. (Fully Paid Up)	2,000.00	2,000.00
TOTAL	19,708.73	17,064.27
Aggregate Amount of Unquoted Investments	19,708.73	17,064.27
Aggregate Provision for Diminution in Value of Investments	25.88	25.88

13 LOANS AND ADVANCES

Particulars	Long Term	Short Term	Long Term	Short Term
	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Capital Advances				
Unsecured, Considered Good	2,653.40	-	1,238.71	-
Security Deposit Given				
Unsecured, Considered Good	1,587.20	38.14	1,209.48	32.46
Loans & Advances to Related Parties				
<u>Unsecured, Considered Good</u>				
Equity Share Application - GSPC Gas Co. Ltd.	-	-	2,760.44	-
Equity Share Application - GSPC LNG Ltd.	2,500.00	-	2,500.00	-
Other Loans & Advances				
<u>Secured, Considered Good</u>				
Housing Building Advance to Employees	744.14	61.14	610.85	47.86
<u>Unsecured, Considered Good</u>				
Advance Income Tax and TDS (Net of Provision)	2.38	691.00	-	593.27
Advance Wealth Tax (Net of Provision)	-	1.76	-	-
Loans & Advances to Employees	58.25	65.83	47.38	71.01
Advances Recoverable in Cash or Kind	-	18.06	-	-
Payment under Protest	96.56	131.99	80.00	131.99
MAT Credit Entitlement	-	-	-	198.94
Balance with Service Tax & Excise Duty	-	578.15	-	1,038.39
Other Advance Payments	0.27	391.78	-	400.07
Prepaid Expenses	72.61	45.04	23.95	83.49
TOTAL	7,714.81	2,022.89	8,470.81	2,597.48

14 OTHER ASSETS

Particulars	Non-Current	Current	Non-Current	Current
	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
<u>Unsecured, Considered Good</u>				
Non-Current Bank Balances (Note No. 17)	653.89	-	557.00	-
Others				
Others Receivables	9.36	136.47	9.36	121.17
Interest Accrued on Share Application Money	-	24.25	-	197.40
Interest Accrued but not due on Deposits	85.44	1,125.06	8.02	774.65
Interest Accrued but not due on OCD	146.32	193.16	211.64	93.00
TOTAL	895.01	1,478.94	786.02	1,186.22

15 INVENTORIES*

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Stores & Spares	1,356.61	1,272.25
Line Pack Gas	6,358.50	5,346.12
TOTAL	7,715.11	6,618.37

*(Valued at Moving Average Cost)

16 TRADE RECEIVABLES

Particulars	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
<u>Trade Receivables - Unsecured, Considered Good</u>		
Outstanding for a period exceeding 6 months	351.63	738.33
Others	25,058.38	7,405.26
TOTAL	25,410.01	8,143.59

17 CASH AND BANK BALANCES

Particulars	Non - Current		Current	
	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2013 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)	As at 31 st March, 2012 (₹ in Lacs)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	2,901.34	-	1,621.55
Fixed Deposit with original maturity of less than 3 months	-	50,795.00	-	14,450.00
Cheque on Hand	-	1.94	-	-
Cash on Hand	-	1.66	-	1.23
	-	53,699.94	-	16,072.78
Earmarked Balances with Banks				
Unpaid Dividend Account	-	84.48	-	73.95
IPO Refund Account	-	-	-	40.57
Balance in Escrow A/c-PNGRB [Incl. TD]	-	1,932.17	-	679.65
Other Bank Balances				
Fixed Deposit with original maturity of more than 12 months	96.79	-	-	-
Fixed Deposit with original maturity of more than 3 months but less than 12 months	-	33,500.00	-	37,088.73
Margin Money Deposit - Bank Guarantees	557.10	12.75	557.00	200.00
Total	653.89	89,229.34	557.00	54,155.68
Amount disclosed under Other Non-Current Assets (Note No.14)	(653.89)	-	(557.00)	-
TOTAL	-	89,229.34	-	54,155.68

18 REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2013 (₹ in Lacs)	For the Year ended 31st March, 2012 (₹ in Lacs)
Revenue from Transportation of Gas (Net)	111,615.21	107,645.65
Revenue from Sale of Electricity	4,413.68	3,885.54
Other Operating Revenues		
Connectivity Charges	1,291.16	713.57
Others	-	82.99
TOTAL	117,320.05	112,327.75

19 OTHER INCOME

Particulars	For the Year ended 31st March, 2013 (₹ in Lacs)	For the Year ended 31st March, 2012 (₹ in Lacs)
Interest Income		
Fixed Deposits with Banks	5,859.35	4,219.64
Share Application Money	237.99	262.78
Optionally Convertible Debentures	120.00	120.00
Others	195.33	85.26
	6,412.67	4,687.68
Dividend from Associate (Long term Trade Investment)	41.25	42.02
Other Non-Operating Income	151.83	157.13
TOTAL	6,605.75	4,886.83

20 EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2013 (₹ in Lacs)	For the Year ended 31st March, 2012 (₹ in Lacs)
Salaries and Wages		
Salaries and Allowances	1,832.48	1,342.99
Salary Arrears	0.28	21.52
Leave Salary	60.51	83.90
Contribution to Provident and Other Funds		
Contribution to Provident fund	132.52	96.67
Contribution to Super Annuation Scheme	35.31	31.44
Group Gratuity Expenses	176.33	7.04
ESOP Compensation Expenses	158.46	322.63
Staff Welfare Expenses	75.12	62.90
TOTAL	2,471.01	1,969.09

21 OTHER EXPENSES

Particulars	For the Year ended 31 st March, 2013 (₹ in Lacs)	For the Year ended 31 st March, 2012 (₹ in Lacs)
(A) Operation & Maintenance Expenses		
Maintenance Contracts	1,941.97	2,001.02
Payment to Outsourced Persons	372.86	299.14
Security Service Charges	544.34	424.13
Land Revenue	7.88	19.91
Power & Fuel	425.41	359.40
Consumption of Stores & Spare Parts	623.46	450.79
Gas Transmission Loss	408.65	-
Gas Consumption for Heating	2.10	-
Repairs & Maintenance - Building	2.72	34.65
Repairs & Maintenance - Machinery	72.89	127.44
Other O&M Expenses	731.53	723.02
SLDC Charges - Windmill	2.67	2.86
(A)	5,136.48	4,442.36
(B) Other Expenses		
Advertisement & Publicity Expenses	73.65	153.32
Bandwidth & Website Maintenance Charges	4.50	6.11
Business Promotion	3.72	21.44
Loss on Sale of Fixed Assets	-	73.61
Statutory Audit Fees	1.50	1.00
Donation	28.00	45.75
Miscellaneous Expenses	787.71	852.15
Legal & Professional Expenses	580.42	433.08
Provision for Diminution in Investment	-	25.88
Rent	204.66	259.85
Rate & Taxes	55.71	30.05
Recruitment & Training	113.45	75.55
Seminar & Conference	22.18	25.46
Stationery & Printing	35.76	36.26
Travelling Expenses - Directors	8.33	7.35
Travelling Expenses - Others	115.02	94.31
Postage, Telephone & Courier Expenses	94.79	145.11
HSE Expenses	45.20	32.33
Listing Fee	9.70	9.65
Insurance Expenses	330.95	266.11
(B)	2,515.25	2,594.37
TOTAL (A+B)	7,651.73	7,036.73

22 DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the Year ended 31 st March, 2013 (₹ in Lacs)	For the Year ended 31 st March, 2012 (₹ in Lacs)
Depreciation on Tangible Assets	18,513.84	18,063.53
Amortisation of Intangible Assets	97.00	126.83
TOTAL	18,610.84	18,190.36

23 FINANCE COSTS

Particulars	For the Year ended 31 st March, 2013 (₹ in Lacs)	For the Year ended 31 st March, 2012 (₹ in Lacs)
Interest Expenses	12,584.95	12,997.34
Other Borrowing Costs	40.65	22.14
TOTAL	12,625.60	13,019.48

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

25 CONTINGENT LIABILITY

- a) Bank Guarantee/Letter of Credit issued and outstanding (including associate) as on 31st March, 2013 is for an amount of ₹ 9,152.35 Lacs (Previous Year ₹ 6943.77 Lacs)
- b) As on 31st March, 2013, the ascertainable claims against the Company:

I. Claims against the company not acknowledged as debt:

- a. By land owners seeking enhancement of compensation in respect of RoU acquired by the Company is ₹ 2,430.75 Lacs (Previous Year: ₹ 2,544.84 Lacs).
- b. By other parties (including associate) are ₹ 41.76 Lacs (Previous Year: ₹ 42.25 Lacs).

II. Other money for which the Company is contingently liable (Associate) ₹ 726.53 Lacs (Previous Year ₹ 705.12 Lacs).

- c) As regards Central Excise & Service Tax related matters, Department vide order for the period 2002-03 to 2004-05 has demanded Service Tax of ₹ 17.90 Lacs (Previous Year: ₹ 17.90 Lacs) along with interest and penalty, against which the Company filed an appeal with CCE (Appeals) and got favourable order. However, the Department has preferred an appeal against order of CCE (Appeals) with Custom Excise & Service Tax Appellate Tribunal (CESTAT), pending disposal.

Department vide various orders amounting to ₹ 28,835.56 Lacs (Previous Year: ₹ 18,699.49 Lacs) for the period 2005-06 to 2011-12 has raised demand towards CENVAT credit on input services and capital goods availed by the Company plus applicable Interest and Penalty. Being aggrieved by the said orders, the Company has filed appeals before CESTAT, of which appeals of ₹ 4,980.84 Lacs as regards denial of CENVAT credit on input services are pending disposal.

As regards appeals filed against the orders confirming demand of ₹ 19,835.32 Lacs along with interest and penalty, CESTAT set aside demand for extended period of limitation and penalty however, confirming denial of CENVAT credit on capital goods. Being aggrieved by negative portion of order of CESTAT, the Company has filed Tax Appeals before Honourable Gujarat High Court which is pending for disposal.

As regards order denying CENVAT credit on capital goods for ₹ 4,019.40 Lacs, Company is in process of filing appeals before CESTAT.

Further, various Show Cause Notices amounting to ₹ 1,096.92 Lacs (Previous Year: 10,227.07 Lacs) plus Interest and Penalty have been issued by the Department on various Service Tax related matters, for which suitable replies have been submitted by the Company, pending final disposal.

- d) Income Tax assessments up to Assessment Year 2010-11 have been completed. Company had filed appeals against the various orders passed by assessing officers, whereby appeals lying before Honourable Gujarat High Court for Assessment Year 2005-06 – ₹ 5.53 Lacs, before the Income Tax Appellate Tribunal (ITAT) for Assessment Year 2008-09 to Assessment Year 2009-10 – ₹ 300.71 Lacs, before CIT(Appeals) for Assessment Year 2010-11 – ₹ 543.50 Lacs & matters restored back to Assessing Officer for Assessment Year 2004-05 & 2006-07 - ₹ 38.77 Lacs

Based on interpretation of the Acts and 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.

- e) Imbalance and overrun charges as per the 'Modalities of Maintaining & Operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7th March, 2011, collected for the period prior to 1st April, 2011 amounting to ₹ 212.73 Lacs (Net of Taxes) has been deposited in Escrow Account under protest. However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1st April, 2011.

26. CAPITAL & OTHER COMMITMENT

Capital Commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for (including Subsidiaries and Associate) is ₹ 84,636.21 Lacs (Previous Year ₹ 85,984.51 Lacs).

Other Commitment:

As on 31st March, 2013, the Company has commitment of around ₹ 35,000.00 Lacs towards further Investments in subsidiaries and associates (Previous Year ₹ NIL).

27. As per AS-16 "Borrowing Cost" issued by ICAI, the Company has capitalised the borrowing cost amounting to ₹ 2,321.97 Lacs (Previous Year ₹ 2,646.70 Lacs).

28 PAYMENT TO AUDITORS

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
For Statutory Audit	2.77	1.53
For Other Services	1.12	2.95
For Reimbursement of Expense	-	0.74
TOTAL	3.89	5.22

29 MANAGERIAL REMUNERATION

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

30 EXPENDITURE / INCOME IN FOREIGN CURRENCY

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Raw Material	-	-
Component & Spare parts*	-	27.70
Capital Goods	-	-
Royalty, Know How	-	-
Professional and Consultation Fee	14.55	7.54
Training & Conferences	24.36	24.38
Interest & Processing Fee	1,024.22	1,032.40
Others	-	1.02
TOTAL	1,063.13	1,093.04

* Comparison of consumption of imported component & spares with domestic component & spares is as below :

Particulars	2012 - 2013		2011 - 2012	
	Amount (₹ in Lacs)	% of total Consumption	Amount (₹ in Lacs)	% of total Consumption
Imported	-	-	27.70	6.14%
Domestic	623.46	100.00%	423.09	93.86%
TOTAL	623.46	100.00%	450.79	100.00%

There is no earnings in foreign currency during the Year as well as Previous Year.

31 The balances of Sundry Debtors, Creditors, Loans and Advances and Deposits are subject to confirmation by the parties and provision for all liabilities is adequate in opinion of the Company.

32 EARNINGS PER SHARE (EPS)

Particulars	2012 - 2013 (₹ in Lacs)	2011 - 2012 (₹ in Lacs)
Profit After Tax	53,786.58	54,495.44
Weighted Average Number of Equity Shares	56,26,99,509	56,26,48,145
Basic EPS (in ₹)	9.56	9.69
Total Weighted Average Number of Equity Shares including Potential Equity Shares	56,27,52,905	56,28,37,744
Diluted EPS (in ₹)	9.56	9.68
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:

Particulars	2012 - 2013 (₹ in Lacs)	2011 - 2012 (₹ in Lacs)
Principal amount remaining unpaid as on 31 st March, 2013	497.34	341.61
Interest due thereon as on 31 st March, 2013	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the Year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31 st March, 2013	-	-
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 2012 - 2013				Year 2011 - 2012			
	Gas Transportation	Windmill	Unallocated	Total	Gas Transportation	Windmill	Unallocated	Total
1 Segment Revenue								
External Revenue*	1,13,097.87	4,413.68	-	1,17,511.55	1,08,437.48	3,968.54	-	1,12,406.02
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total Segment Revenue	1,13,097.87	4,413.68	-	1,17,511.55	1,08,437.48	3,968.54	-	1,12,406.02
2 Segment Result - Profit(+) / Loss(-)	91,034.02	481.43	-	91,515.45	89,112.45	(635.50)	-	88,476.95
Unallocated Other Income	-	-	6,414.25	6,414.25	-	-	4,808.57	4,808.57
Unallocated Expenses & Finance Cost	-	-	(15,352.68)	(15,352.68)	-	-	(16,323.44)	(16,323.44)
Prior Period Adjustments	-	-	(5.20)	(5.20)	-	-	(320.86)	(320.86)
Profit Before Tax	91,034.02	481.43	(8,943.63)	82,571.82	89,112.45	(635.50)	(11,835.74)	76,641.21
Income Tax - Current Tax	-	-	(22,532.98)	(22,532.98)	-	-	(18,570.79)	(18,570.79)
Excess/Short Provision of Income Tax	-	-	(62.75)	(62.75)	-	-	(100.50)	(100.50)
Deferred Tax	-	-	(6,231.61)	(6,231.61)	-	-	(6,027.35)	(6,027.35)
Profit After Tax	91,034.02	481.43	(37,770.97)	53,744.48	89,112.45	(635.50)	(36,534.38)	51,942.57
3 Other Information								
Segment Assets	4,03,228.33	21,788.19	1,15,966.36	5,40,982.88	3,48,989.39	25,064.83	83,262.20	4,57,316.42
Segment Liabilities	35,435.40	430.77	5,05,116.71	5,40,982.88	19,213.72	458.63	4,37,644.06	4,57,316.42
Cost to Acquire Fixed Assets (incl.CWIP)	44,893.62	-	2,270.28	47,163.90	27,988.04	0.51	1,112.95	29,101.50
Depreciation & Amortisation	14,555.29	3,804.97	250.58	18,610.84	13,503.35	4,489.99	544.35	18,537.69
Non-Cash Expenses other than Depreciation & Amortisation	-	-	161.58	161.58	-	-	267.11	267.11

* 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 Institute of Chartered Accountants of India, transactions* entered into with the Related Parties of the Company are as follows:

(₹ in Lacs)

Particulars	2012 - 2013	2011 - 2012
Gujarat State Petroleum Corporation Limited (Holding)		
Gas Transportation Income	9,370.68	10,181.23
Expenditure Reimbursement Received	80.53	96.51
Rent Expense	98.24	185.94
Purchase of Line Pack Gas	1,423.12	856.98
Dividend Paid	2,123.05	2,123.05
Expenditure Reimbursement Paid	96.43	74.59
Sale of Fixed Assets	0.79	-
GSPC Gas Company Limited (Associate)		
Gas Transportation Income	18,437.69	22,484.34
Rent Income	36.69	26.73
Rent Received in Advance	0.91	-
Interest Income on Share Application Money	237.99	262.78
Sale of Line pipes/Fittings	-	1.90
Security Deposit Released	12.00	10.00
Security Deposit Received	46.00	38.00
Security Deposit Paid	2.00	-
Pipeline Crossing Charges Income	25.84	22.06
Pipeline Crossing Charges Expense	1.00	-
Purchase of Capital Goods	52.38	11.11
Expenditure Reimbursement Paid	85.17	3.07
Expenditure Reimbursement Received	3.56	1.05
Connectivity Charges Income	698.25	57.36
Sabarmati Gas Limited (Associate)		
Gas Transportation Income	3,895.35	4,679.73
Security Deposit Released	-	2.00
Security Deposit Received	4.00	4.00
Pipeline Crossing Charges Income	2.25	2.21
Pipeline Crossing Charges Expense	-	5.70
Rent Received	36.44	-
Dividend Income	41.25	41.25
Late Payment Charges Income	-	0.65
Interest Income on Optionally Convertible Debenture	120.00	120.00
Expenditure Reimbursement Paid	6.59	-
Expenditure Reimbursement Received	6.06	8.78
Gujarat State Energy Generation Limited (Associate)		
Gas Transportation Income	752.80	1,112.84
Expenditure Reimbursement Paid	2.08	1.97
Expenditure Reimbursement Received	0.90	-
Dividend Income	-	0.77
Gujarat Info Petro Limited (Fellow Subsidiary)		
Document Scanning Charges Paid	0.85	3.84
Bandwidth Charges Paid	5.06	6.62
Software Development Expense	0.96	2.15
AMC Charges of Software Expense	22.32	13.37



Gujarat Pipavav Power Company Limited (Fellow Subsidiary)		
Gas Transportation Income	32.38	-
Expenditure Reimbursement Paid	4.53	-
Expenditure Reimbursement Received	3.65	-
GSPC LNG Limited(Fellow Subsidiary)		
Expenditure Reimbursement Received	5.54	14.67
Indian Oil Corporation Ltd.(Co - Promoter of GIGL & GITL)		
Expenditure Reimbursement Paid by GIGL & GITL	181.17	-
Sitting Fees paid by GIGL & GITL	0.87	-
Investment in Equity Shares by IOCL in GIGL & GITL	2,505.01	-
Bharat Petroleum Corporation Ltd.(Co - Promoter of GIGL & GITL)		
Sitting Fees Paid by GIGL & GITL	0.44	-
Investment in Equity Shares by BPCL in GIGL & GITL	1,059.81	-
Equity Share Application Money Received & Pending Allotment in GIGL & GITL	557.40	-
Hindustan Petroleum Corporation Ltd.(Co - Promoter of GIGL & GITL)		
Sitting Fees Paid by GIGL & GITL	0.11	-
Pipeline Crossing Charges Paid by GIGL	2.34	-
Refundable Deposit for RoW Given by GIGL	1.50	-
Investment in Equity Shares by HPCL in GIGL & GITL	1,059.81	-
Key Managerial Personnel		
Sitting Fees paid by GIGL & GITL	1.47	0.70

* Above transactions are inclusive of all Taxes.

Details of outstanding balance with Related Parties:

(₹ in Lacs)

Particulars	As on 31 st March, 2013	As on 31 st March, 2012
Gujarat State Petroleum Corporation Limited (Holding)		
Account Receivable	381.29	590.69
Account Payable	100.26	19.13
GSPC Gas Company Limited (Associate)		
Account Receivable	5.85	1,161.31
Account Payable	4189.05	96.00
Sabarmati Gas Limited (Associate)		
Account Receivable	32.87	219.23
Account Payable	630.85	10.00
Gujarat State Energy Generation Limited (Associate)		
Account Receivable	226.86	203.55
Account Payable	18.34	18.14
Gujarat Pipavav Power Company Limited (Fellow Subsidiary)		
Account Receivable	18.48	-
Account Payable	2.37	-
Gujarat Info Petro Limited (Fellow Subsidiary)		
Account Receivable	-	-
Account Payable	10.05	2.49
GSPC LNG Limited (Fellow Subsidiary)		
Account Receivable	0.64	2.49
Account Payable	-	-
Indian Oil Corporation Ltd. (Co-Promoter of GIGL & GITL)		
Account Receivable	-	-
Account Payable	0.09	-
Bharat Petroleum Corporation Ltd. (Co-Promoter of GIGL & GITL)		
Account Receivable	-	-
Account Payable	0.05	-
Hindustan Petroleum Corporation Ltd. (Co-Promoter of GIGL & GITL)		
Account Receivable	1.50	-
Account Payable	-	-
Key Managerial Personnel		
Account Receivable	-	-
Account Payable	-	-

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	2012 - 2013		2011 - 2012	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	LIC (1994-96) published table for Mortality Rate		LIC (1994-96) published table for Mortality Rate	
Withdrawal Rate	5% at Younger Age Reducing to 1% at Old Age		5% at Younger Age Reducing to 1% at Old Age	
Retirement Age	60 Years		60 Years	
Discount Rate	8.20%	8.20%	8.50%	8.50%
Rate of Return on Plan Assets	9.25%	-	9.25%	-
Salary Escalation	7.00%	7.00%	7.00%	7.00%

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

(₹ in Lacs)

Particulars	2012 - 2013		2011 - 2012	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in Benefit Obligation				
Opening defined Benefit Obligation	187.76	311.70	174.00	232.82
Interest Cost	15.76	26.21	14.56	19.49
Current Service Cost	53.16	34.66	29.66	22.18
Benefit Paid	4.60	6.80	3.78	5.01
Actuarial Loss/(Gain) on Obligations	122.95	2.01	(26.69)	42.23
Liability at the end of the Period	375.03	367.78	187.75	311.71
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the Beginning	175.37	-	107.56	-
Expected Return on Plan Assets	18.42	-	12.49	-
Contributions	52.18	-	58.70	-
Benefit Paid	4.60	-	3.78	-
Actuarial Gain/(Loss) on Plan Assets	0.22	-	0.40	-
Fair Value of Plan Assets at the end of the Period	241.59	-	175.37	-
Actual Gain/Loss recognised				
Actuarial (Gain)/Loss on obligations	122.95	2.01	(26.69)	42.23
Actuarial Gain/(Loss) on Plan Assets	0.22	-	0.40	-
Net Actuarial (Gain)/Loss recognised during the Period	122.73	2.01	(27.09)	42.23
Amount recognised in Balance Sheet				
Liability at the end of the Period	375.03	367.79	187.76	311.70
Fair Value of Plan Asset at the end of the Period	241.59	-	175.37	-
Net Amount recognised in the Balance Sheet	133.44	367.79	12.39	311.70
Expense recognised in the Income Statement				
Current Service Cost	53.16	34.66	29.66	22.18
Interest Cost	15.76	26.21	14.56	19.49
Expected return on Plan Asset	18.42	-	12.49	-
Net Actuarial Loss/(Gain) to be Recognised	122.73	2.01	(27.09)	42.23
Gratuity Life Coverage Premium	3.50	-	2.39	-
Net Expense recognised in P&L	176.73	62.88	7.04	83.90

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

ESOP 2010 Scheme:

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

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

Particulars	31 st March, 2013	31 st March, 2012
ESOP 2005 Scheme	65,993	1,02,515
ESOP 2010 Scheme	18,76,990	20,33,844
Total	19,42,983	21,36,359

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. The 'Petroleum & Natural Gas Regulatory Board' has granted authorization to GSPL's Pipeline Network under Section 18(1) of the 'Petroleum & Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 during the year. The Authorization Letter for GSPL's High Pressure Natural gas Pipeline Network totalling to 2239 Kms was issued on 27th July, 2012 and Authorization Letter for GSPL's Low Pressure Natural gas Pipeline Network totalling to 57.6 Kms was issued on 19th March, 2013.
41. PNGRB has vide Order No. TO/09/2012 dated 11th September, 2012 determined the "Provisional" Initial Unit Natural Gas Pipeline Tariff (IUNGPT) for GSPL's High Pressure Natural gas Pipeline Network. Further, PNGRB has vide Order No. TO/02/2013 dated 19th February, 2013 determined the zonal tariff apportionment of the "Provisional" Initial Unit Natural Gas Pipeline Tariff (IUNGPT) for GSPL's High Pressure Natural Gas Pipeline Network.
- GSPL has filed appeal with The Appellate Tribunal for Electricity (APTEL) against the various provisions of the Order No. TO/09/2012 dated 11th September, 2012. Further few customers have also filed appeal with The Appellate Tribunal for Electricity (APTEL) against the stipulation in the Order requiring GSPL to implement the Order with retrospective effect from 20th November, 2008, being the date on which Petroleum & Natural Gas Regulatory Board (Determination of Tariff for Natural Gas Pipelines) Regulations, 2008 were notified. Accordingly APTEL has passed an Order dated 25th February, 2013, staying the retrospective application of the Order No. TO/09/2012 dated 11th September, 2012. Thus in accordance with the APTEL Order, GSPL has implemented the Order No. TO/09/2012 dated 11th September, 2012 read with Order No. TO/02/2013 dated 19th February, 2013 from 27th July, 2012.
- Further GSPL in compliance with APTEL Order dated 22nd March, 2013 has started bearing the expense on account of System Use Gas on account of transmission loss w.e.f. 16th February, 2013 against the earlier system of customers bearing the same based on periodical reconciliation of such loss with customers.
42. Amount due for credit to Investor Education and Protection Fund towards Unclaimed Interest Warrant – Fixed Deposit from Public & Unclaimed Dividend is NIL (Previous Year NIL).
43. The figures appearing in Financial Statements are rounded off to the nearest ₹ in Lacs.

As per our Report of even date attached

For Jain Seth & Co.
Chartered Accountants
Firm Regn. No. 002069W

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Ahmedabad
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013

FINANCIAL SUMMARY OF SUBSIDIARY COMPANIES

(As required by MCA General Circular No. 2/2011 (No. 51/12/2007-CL-III) dated 8th February, 2011)

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

The summary of financial information of subsidiary companies for the Financial Year 2012-2013 is as follows:

(₹ in Lacs)

Particulars	For the period ended on 31 st March, 2013	For the period ended on 31 st March, 2013
Name of Subsidiary	GSPL India Gasnet Ltd.	GSPL India Transco Ltd.
Capital	6778.86	4855.78
Reserves	66.88	89.27
Total Assets	7523.38	5890.49
Total Liabilities	7523.38	5890.49
Investments	NIL	NIL
Turnover / Total Income	94.58	123.38
Profit Before Tax	94.58	123.38
Provision for Tax (Including Deferred Tax)	29.13	39.94
Profit After Tax	65.45	83.44
Proposed Dividend	NIL	NIL

GREEN INITIATIVE IN CORPORATE GOVERNANCE

23th August, 2013

Dear Shareholder,

Sub: Green Initiative in Corporate Governance – Electronic Mode of Service of Documents.

The Ministry of Corporate Affairs, Government of India (“MCA”) has taken “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies through Electronic Mode. MCA has issued Circulars dated 21st April, 2011 and 29th April, 2011 inter-alia allowing companies to serve documents including Annual Reports, etc to the Shareholders through Electronic Mode.

Clause 32 of the Listing Agreement as amended provides that the Company shall send soft copy of the Annual Report containing its Balance Sheet, Statement of Profit & Loss and Director’s Report to all those Shareholders who have registered their e-mail addresses for the purpose.

Your Company has always supported the activities promoting to the green environment as a part of its Corporate Social Responsibility and hence, your Company has effected Electronic delivery of the Annual Report for the Financial Year 2010 - 11 onwards to the Shareholders who had provided their e-mail addresses. In continuation of the said initiative, the Company has sent Annual Report for the Financial Year 2012 - 13 in Electronic Form in lieu of the Paper Form to the Shareholders who had provided their e-mail addresses.

At the same time, as a shareholder of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report upon receipt of a requisition from you, at any time.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses so that the Company can send the documents including Annual Report in Electronic Mode.

Shareholders can register their e-mail addresses with their concerned Depository Participants (DPs). Shareholders can also register their e-mail addresses with M/s. Karvy Computershare Private Limited, our R&TA, by e- mailing at gspl.cs@karvy.com quoting their Folio No. /Client ID and DP ID.

Alternatively, Shareholders may also write to our R&TA at the following address:

M/s Karvy Computershare Private Limited
Unit: Gujarat State Petronet Limited,
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081

We also request you to intimate changes in your e-mail address/contact details as and when they change, to the Share Transfer Agent/ Depository Participant, as applicable.

The above referred documents including Annual Report would also be made available on the Company’s website: www.gujpetronet.com.

We are sure, that as a responsible citizen, you will support this “Green Initiative” of MCA and the decision of the Company in implementing the same.

Thanking You,

Yours Faithfully,
For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

NOTES

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NOTES

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ATTENDANCE SLIP

GUJARAT STATE PETRONET LIMITED

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

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

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

** Applicable for the investors holding Shares in the Demat Form*

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 15th Annual General Meeting of the Company held on Friday, the 27th September, 2013 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382 010.

Signature of the Shareholder or Proxy

----- TEAR HERE -----

PROXY FORM

GUJARAT STATE PETRONET LIMITED

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

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

** Applicable for the investors holding Shares in the Demat Form*

I/We, _____ of _____ in the District of _____ being a Shareholder/Shareholders of Gujarat State Petronet Limited, hereby appoint _____ resident of _____ in the district of _____ or failing him _____ in the district of _____ as my/our Proxy to vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Shareholders of the Company to be held on Friday, the 27th September, 2013 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382 010 or at any adjournment thereof.

Signed this _____ day of _____ 2013.

AFFIX
REVENUE
STAMP

(Signature of the Proxy)

(Signature of the First Holder/Sole Holder)

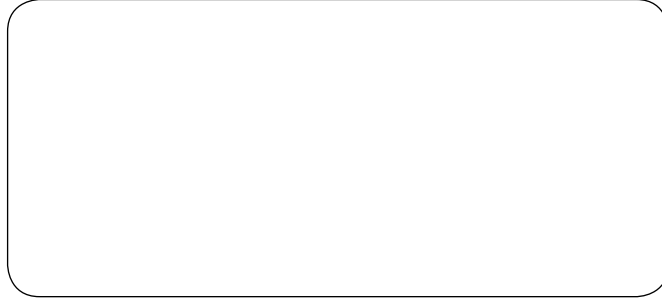
Note: The Proxy in order to be effective shall be duly stamped, completed, signed and deposited at the Registered Office of the Company minimum 48 hours before the time for commencement of the aforesaid Meeting. The Proxy need not be a Member of the Company.

Book-Post

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Gujarat State Petronet Limited

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

Phone: 079-66701001 Fax: 079-23236477 E-mail: gujpetronet@gujaratpetro.com

www.gujpetronet.com