



35th

Annual Report

2014

GUJARAT STATE PETROLEUM CORPORATION LIMITED

(A Govt. of Gujarat Undertaking)

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**ANNUAL REPORT
2013-2014**



GUJARAT STATE PETROLEUM CORPORATION LIMITED

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35th ANNUAL REPORT
2013-14

Board of Directors

Shri D J Pandian, IAS	Chairman
Dr. J. N. Singh, IAS (w.e.f 12th November, 2014)	
Shri L. Chuaungo IAS (w.e.f 12th November, 2014)	
Shri M. M. Srivastava, IAS (Retd.)	
Shri K. Kailashnathan, IAS (Retd.)	
Dr. N. Ravichandran	
Dr. T. Harinarayana	
Shri Atanu Chakraborty, IAS (w.e.f 1st November, 2014)	Managing Director
Shri Manoj Kumar Das, IAS (w.e.f 8th July, 2014)	Joint Managing Director
Dr. Varesh Sinha, IAS (upto 31st October, 2014)	
Dr. Hasmukh Adhia, IAS (upto 5th November, 2014)	
Late Shri Y. B. Sinha (upto 31st August, 2014)	
Shri Tapan Ray, IAS (upto 30th September, 2014)	

Executives

Shri N. K. Mitra, Chief Operating Officer
Shri Samir Biswal, Director (Exploration)
Shri Karan Singh Yadav, Head (Drilling)
Shri Ramabhai Vankar, Executive Vice President - KG Asset
Shri Alok Chaudhuri, Sr. Vice President (E&C)
Shri Manish Verma, CFO & Head (HR &A)
Shri M Y Farooqui, GM (Overseas Operation)
Shri R N Pandey, GM (R&D)
Shri Sandeep Dave, Company Secretary & DGM (S&L)
Shri Jayesh Dave, SVP (Accounts)

Statutory Auditors

P. Singhvi & Associates
Chartered Accountants.
Ahmedabad

Internal Auditors

KPMG

RT&A

Karvy Computershare Pvt.Ltd.

Bankers

State Bank of India	Punjab and Sind Bank
Bank of Baroda	Union Bank of India
IDBI Bank	Vijaya Bank
Bank of India	EXIM Bank
Corporation Bank	Syndicate Bank
Bank of Maharashtra	UCO Bank
Oriental Bank of Commerce	HSBC Bank
Indian Bank	HDFC Bank
Allahabad Bank	Yes Bank
Canara bank	ICICI Bank
Dena Bank	IndusInd Bank
Indian Overseas Bank	Axis Bank

Corporate & Registered Office

GSPC Bhavan, Sector-11,
Gandhinagar-382010.

DIRECTORS' REPORT

To,
The Members,
Your Directors have pleasure in presenting the 35th Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March 2014.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2014 is summarized below:

(₹. In crores)		
Particulars	2013-14	2012-13
Revenue from Operations (Net)	11,927.20	10,245.91
Other Income	110.62	53.64
Total Revenue	12,037.82	10,299.55
Purchases of Stock in Trade	9,928.32	8,048.34
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	1.50	224.40
Employee Benefits Expense	15.61	12.77
Finance Cost	33.82	93.37
Depreciation, Amortization, Depletion and Impairment	102.83	118.18
Other Expenses	248.04	503.15
Exploration cost written off	1610.69	51.60
Total Expenses	11,940.81	9,051.81
Profit Before Tax and Adjustments	97.01	1,247.74
Prior period Adjustments	0.00	0.60
Profit Before Tax	97.01	1,247.14
Tax Expenses	61.52	400.57
Profit for the Period	35.49	846.57

Total Income increased from ₹. 10,299.55 crore in previous year to ₹. 12,037.82 crore recording an increase of 16.88%.

However there was an adverse impact on profitability of the Company on account of writing off exploration cost of ₹. 1606.14 crores during the Financial Year 2013-14, which mainly includes exploration cost of ₹. 1274.30 crores written off for North Hap'y Block in Egypt.

■ Equity Funding

During the financial year, paid up share capital of the Company has increased from ₹. 235.78 Crore to ₹. 248.62 Crore on account of infusion of additional equity by the Government of Gujarat.

BUSINESS:

The Company along with its subsidiaries and associates has evolved strategically as an "Integrated Energy Company" with significant presence across the entire energy value chain spanning wide range of oil & gas activities comprising oil and gas exploration, development and production, gas trading, gas transmission, gas distribution and power generation. The Company has played a proactive role in the development of entire gas value chain in the State of Gujarat through its initiative of participation in the midstream and downstream segments as well as gas based power generation and initiating activities for setting up of LNG Terminal.

Segment wise performance highlights are summarized below:

I. Upstream Business Activities

The Company has significant growth potential with a diversified portfolio of onland / offshore blocks along with combination of matured blocks and blocks under development and exploration.

Technology plays an important role in E&P sector. The Company has inducted best in class technology in all spheres of its exploration, development and production activities. In addition, your Company has also entered into strategic service agreements with reputed service providers like Schlumberger, Halliburton, Baker Hughes, M I Overseas, B J Services, Weatherford, ITS, Precision Drilling, Fugro, Blade energy, EIL, L&T, Punj Loyd etc. to have cutting edge in E&P operations.

The major achievements are summarized below:

1.1 KG Block

The KG-OSN-2001/3 offshore block was awarded to GSPC under a production sharing contract with Government of India in February, 2003. The Company since then drilled total of 18 exploratory/appraisal wells, some of these wells were drilled to 6000m depth, which are among the deepest High Pressure High Temperature (HPHT) wells globally.

The Company has carried out detailed G&G studies and deployed internationally renowned technical consultants i.e. Schlumberger, Fugro Robertson and Blade Energy. These technical studies have helped in developing better understanding about the geological system and development philosophy.

The overall strategy for development of KG Offshore block is one involving an integrated development of Deen Dayal Area. The basis of development is to complete the development of Deen Dayal field by building production facility in the DDW area.

The second phase would involve integrated Declaration of Commerciality (DOC) and development of other discovery areas, among them are DDE, DDN, DDW-DT and DD NE. The integrated DOC was submitted to DGH/MOPNG in February 2013 and the same was reviewed/approved by DGH/MOPNG. The integrated development plan is envisaged to be submitted by the end of 2014.

It is envisaged that an integrated field development strategy allows for a phased development and early monetization of the reserve in the Deen Dayal Field. DDW area has been developed as the first phase of development. The Company has also received grant of additional mining lease area of 20.5 sq.km from GoI in January 2012, an area associated with extension of DDW area.

The Deen Dayal West Field Development Project is the first of its kind offshore HPHT (High Pressure High Temperature) field development in India. The Deendayal field development plan consists of four major segments- Well Head Platform (WHP), an Offshore Process-cum-Living Quarter Platform (PLQP), Sub-sea Pipeline and Onshore Gas Terminal (OGT).

All the hard work put in by thousands of workers, technicians and engineers at different levels helped us commission several project facilities. Inspite of multiple challenges (including agitation by fishermen / local people, delay in statutory clearances, etc), the Company has started trial production from the Deen Dayal West (DDW) field.

DDWFDP - Aerial view of WHP & PLQP



A. Well Head Platform

The Offshore Wellhead Platform Project was awarded to L&T (M/s Larsen & Toubro Ltd.) Wellhead Platform has been commissioned. Two wells are connected for flow and are currently under trial production. Third well is likely to be connected shortly.

B. Process Cum Living Quarter Platform (PLQP)

The Process cum Living Quarter Platform project was awarded to L&T Process Cum Living Quarter Platform has been commissioned.

C. Submarine Pipeline

The Submarine Pipeline Project was awarded to Punj Lloyd Ltd. The pipeline Project has been commissioned. The gas produced from the wells after processing at PLQP is currently flowing to OGT through submarine pipeline.

D. Onshore Gas Terminal

The Company has awarded the Contract for development of Onshore Gas Terminal to EIL. OGT has been commissioned. Majority of process units/equipments are commissioned.

DDWFDP - Aerial view of OGT



E. Installation of Platform Rig :

The Company has successfully completed installation of 3000 HP Platform rig capable of drilling up to 7000 mtrs. As compared to the conventional Cantilever Jack Up rig this type of Rig is a highly economic solution. The Company has started development drilling operations in DDW field. Two development wells are drilled and completed. Drilling of third well is completed and Well completion is in progress.

1.2 Other E&P block

1. Operated Blocks

- Oil production from Ahmedabad block has been increased by order of 300-350 BOPB subsequent to drilling of two new wells & stimulation in one well - the field is currently producing close to 850-900 BOPD from 6 wells. The field is now taken up for studies on secondary oil recovery to maximize the incremental recovery of oil. As a fulfillment of extended exploration campaign, the Company along with partner GAIL has signed Ring-fenced PSC for a part of Ahmedabad Block with Government of India. Under this contract, the Company will now be able to carry out appraisal/development of GSAH-5 oil discovery.

■ Tarapur Block is currently producing about 80-90 BOPD along with about 15000-18000 cubic meter of gas per day. The Company has commissioned Tarapur-G gas field and has also embarked on various plans for improved oil recovery, which includes installation of artificial lift and drilling of horizontal well with multi-stage hydraulic fracturing. FDP for tarapur-6 oil discovery has been approved by Management Committee.

■ Field Development Plan (FDP) for Cambay reservoir of Sanand Part-A of Sanand Miroli block has been approved and a new oil pool in Kalol reservoir has been discovered.

■ During the year, the Company has progressively matured various plans as a part of implementation of field development strategies for enhancement of onshore hydrocarbon production. Field development plans, for Miroli Oil discovery and Declaration of Commerciality (DOC) for Ank-40S discovery, have already been approved by Management Committee Ank-21 discovery has been put on production.

■ Sub surface geo-scientific work on development/redevelopment for oil discoveries at Tarapur-1 Ingoli field and Ank-40S are currently under evaluation at Directorate General of Hydrocarbons (DGH). Similarly, work on field development plan is initiated for seven marginal oil discoveries of Tarapur Ring- Fence Production Sharing Contract (RFPSC). One Appraisal well in Ahmedabad Extension area was drilled and found oil bearing in Kalol reservoir.

1.3 Non Operated Blocks -Domestic

In non-operated blocks portfolio, some discoveries have been made by the company's partner ONGC, pursuant to drilling campaign carried out. In block CB-ONN-2004/3, the discovery well located near Dabka, was gas bearing and tested to flow at the rate of 33,000 SCMD. In block CB-ONN-2004/2, oil well Vadatal-5, two zones were tested and confirmed presence of hydrocarbons. FDP of Vadatal-1 has been approved and DOC of Vadatal-3 & 5 has been reviewed by MC. In block MB-OSN- 2005/1, during drilling of first well in the Mahuwa formation, encouraging results were obtained. The testing of the formation will be conducted after completing the current drilling activity upto the planned depth.

Oilex, the Operator of Cambay Field wherein Company holds 55% participating interest has completed drilling of an offset well to test tight hydrocarbon potential.

II. Midstream Business Activities:

2.1 Gas Trading

Your Company in its role as a 'Gas Demand Aggregator' for customers across Gujarat continued to procure gas from international markets, independently as well as through other suppliers, to meet the demand for gas. Your Company, marketed

9.11 MMSCMD in the FY 2013-14 to cater to demand from various segments, including demand from City Gas Distribution (CGD) companies across the State.

The major achievements in Gas trading business for the current financial year 2013-14 are summarized below:

- The Company ticked its highest ever Sales turnover of more than ₹.11,000 crores
- The Company has imported 2 LNG cargoes (one each at Dahej and Hazira) from global markets .
- The Company executed a string deal for procurement of 6 LNG cargoes to be supplied during Dec'13 to Nov '14 with an International Supplier
- The Company's share of imported LNG in FY 2013-14 accounts for 22% of the total imports made by the Country
- The Company was in a position to develop gas marketing business beyond Gujarat and was able to market gas for the first time to several customers outside Gujarat using GAIL's pipeline network. The Company is currently marketing gas in 7 states namely Gujarat, Maharashtra, Goa, Uttar Pradesh, Madhya Pradesh, Karnataka and Haryana.
- The Company has also entered into 28 Master LNG sales & purchase agreements with leading global companies for its short/ medium term gas requirements.

2.2 Gas Transmission

In the midstream section of the integrated value chain, GSPL the listed subsidiary of the Company has emerged as the leading player in the State of Gujarat which provides connectivity to major demand centers and supply sources in the State of Gujarat. GSPL owns and operates more than 2180 kilometers of gas pipelines. GSPL has transported 7692.84 mmSCM of gas during the financial year 2013 - 14 as compared to 9966.06 mmSCM during the previous financial year.

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

GSPL, the pipeline and gas transmission company of the GSPC group has not only emerged as India's premier pipeline and gas transmission Company but also earned a name for itself for its highly enviable safety track record. GSPL has bagged International Safety Awards from British Safety Council for 4 years continuously, based upon previous years' HSE Performance of Gas Grid.

GSPL is re-certified to Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) with validity till 30th October, 2014.

The Petroleum & Natural Gas Regulatory Board awarded the three major cross-country gas pipeline projects to GSPL consortium. GSPL has a majority stake of 52% along with IOCL (26%), BPCL (11%) and HPCL (11%).

Accordingly GSPL has incorporated following subsidiaries to carry out the aforesaid projects:

GSPL India Transco Limited (GITL)

Project	Kms. (approx.)
Mallavaram-Bhopal-Bhilwara - Vijaipur Pipeline Project (MBBVPL)	1746

The pipeline will traverse through the State of Andhra Pradesh, Maharashtra, Rajasthan and Madhya Pradesh.

• GSPL India Gasnet Limited (GIGL)

Project	Kms. (approx.)
Mehsana - Bhatinda Pipeline Project (MBPL)	1670
Bhatinda - Jammu Srinagar Project (BJSPL)	740

The pipeline will traverse through the State of Gujarat, Rajasthan, Punjab, Haryana and Jammu-Kashmir.

GSPL along with its consortium partners have achieved financial closure for the above said three pipeline projects.

Laying of pipeline requires various approvals, clearances, permission etc. from multiple authorities including ROU, Environment clearance, wildlife & forest clearances, permission from other authorities etc. GIGL and GITL have achieved significant progress in obtaining statutory clearances/ permissions. Keeping in view the progress achieved in obtaining various statutory clearances, GIGL and

GITL have initiated process for implementing sections of the project where statutory clearances, environment approvals and ROU have already been received and floated EPC tenders in respect thereof.

2.3 LNG Terminal

The Company has incorporated GSPC LNG Limited for developing LNG Receiving, Storage and Regasification Terminal at Mundra, Kachchh, Gujarat with an initial capacity of 5 MMTPA to ensure energy diversity and energy security. The LNG terminal is designed to have two LNG storage tanks. FEED has been completed. GSPC LNG has awarded EPC contract. The Company has obtained Environment Clearance for the project and work at site has now started. The project is expected to start commercial operations in first quarter of 2017.

III. Downstream Business activities

3.1 City Gas Distribution

In the downstream section of integrated value chain, the group Companies have achieved following milestones.

■ GSPC Gas

GSPC Gas has customer base of 504306 domestic customers, 1909 industrial customers and 1940 commercial establishments as well as 159 CNG stations in various areas in the State of Gujarat. GSPC Gas has achieved remarkable sale of 5.00 MMSCMD of gas, which make it India's largest City Gas Distribution Company in terms of volume of gas sales.

Subsidiaries of GSPC GAS

• Gujarat Distribution Network Limited (GDNL)

GDNL was formed as a subsidiary of GSPC Gas to acquire 65.12% stake of British Gas in GGCL. GDNL acquired the stake of British Gas in Gujarat Gas.

• Gujarat Gas Company Limited

GGCL presently operates in three south Gujarat cities (i.e Surat, Ankleswar and Bharuch) GGCL has customer base of 453,249 domestic customers, 778 industrial customers and 9,073 commercial establishments as well as 66 CNG stations in various areas in the State of Gujarat. On an average GGCL gas sale during financial year 2013-14 is 2.54 MMSCMD.

GGCL has won the Bid for the geographic area of Bhavnagar in the PNGRB CGD third bid round, pursuant to which the company has been awarded license by the PNGRB to lay, build and operate the areas comprising of Bhavnagar district and few

talukas of the newly formed district of Botad. GGCL having accepted the authorization, GGCL has begun its operations in the newly awarded geographic area of Bhavnagar.

A process has been initiated for consolidation by way of amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited into GSPC Distribution Network Limited through a High Court approved composite scheme of amalgamation and arrangement.

GSPC Group, intends to achieve accelerated growth and spread its reach to a wider customer base by complementing the strengths of GSPC Gas and Gujarat Gas.

■ Sabarmati Gas Limited (SGL)

SGL has customer base of 78,107 domestic customers, 227 industrial customers and 429 commercial establishment as well as 36 CNG stations in three Districts of North Gujarat.

CGD business is growing very rapidly and CGD companies of GSPC Group are expected to grow by leaps and bounds in the years to come.

IV. Power Generation:

- 4.1 The existing and new power projects will increase the gas based power generation capacity to approx 1200 MW.

Gujarat State Energy Generation Ltd. (GSEG)

- Gujarat State Energy Generation Ltd. (GSEG), the associate of the Company, has successfully commissioned its 351.43 MW combined cycle power plant at Hazira. With the commissioning of the expanded capacity of 351.43 MW, the total capacity of the Hazira CCPP (Combine Cycle Power Plant) has gone up from 156.1 MW to 507.53 MW.

GSPC Pipavav Power Company Limited (GPPC)

- GSPC Pipavav Power Company Limited (GPPC), a subsidiary of the Company, was incorporated to commission 702 MW combined cycle power plant at Pipavav. GPPC has successfully commissioned 702 MW Power Project.

4.2 Alternate sources of Power Generation :

Your Company being committed to promote clean and green energy has also set up alternate sources of power

generation The Company had set up a 71.4 MW wind farm in Gujarat. GSPL had set up a 52.5 MW wind farm in Gujarat. The total wind power generation capacity of GSPC Group is 123.9 MW.

V Other Operations.

5.1 IT Infrastructure

The Company has promoted Guj Info Petro Limited (GIPL) for providing IT related services. GIPL currently holds a category "A" internet service provider license from the Department of Telecom, Government of India for operations across India. GIPL has been appointed as total solution provider (TSP) for various government organisations.

GIPL has also been awarded 9th e-INDIA Award for innovative use.

5.2 Gujarat Energy Research and Management Institute (GERMI)

GERMI is promoted by GSPC with a vision to establish it as a leading one stop institution for the entire gamut of educational, training and research requirements of the energy sector. This institute develops the talent pool for the oil and gas sector, conduct research and training in petroleum sector, assists in devising techno-economically feasible solutions for various problems encountered in exploration, drilling, and production and transportation operations. GERMI has also established a centre of excellence in Energy with focus on oil and gas, solar and environmental research.

GERMI is DSIR (Department of Scientific and Industrial research) approved research institute engaged in the field of advance level research in petroleum, solar and nuclear energy, climate change and also offers training and consultancy services to the industry.

MANAGEMENT DISCUSSION & ANALYSIS:

Management Discussion & Analysis Report for the year under review is presented separately as Annexure - I.

INTERNAL CONTROL SYSTEM

The Company has put in place efficient internal control systems and processes commensurate with its size and scale of operations. The Company has appointed M/s KPMG to carry out the work of Internal Audit so as to ensure adherence to policies and mitigation of the operational risks. The key findings of Internal Auditor

are being reviewed by the Audit Committee from time to time and appropriate action plans are prepared so as to implement the recommendations/observations of the Internal Auditor.

The Company uses SAP system for integration of various business processes across the organization.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT POLICY

At GSPC, Quality, Health, Safety & Environment (QHSE) Policy, is of paramount importance. The Company is committed to achieve high level of QHSE performance as an integral part of company's business performance for sustainable development, safe workplaces and enrichment of quality of life of the employees, customers and community at large.

To ensure that the QHSE management system is functioning satisfactorily, the Company has adopted the best auditing mechanisms and the recommendations of such audits are consistently implemented. The Company has taken many initiatives to achieve continuous improvement in QHSE activities which includes formal safety management systems, comprehensive incident and 'near-miss' reporting and investigation system, establishing Emergency Response System and Oil Spill Response Plan, Safety and Environmental audits and Systematic HSE Training for employees. These facilities are periodically reviewed, audited and upgraded for continuous excellence.

The HSE efforts of the Company have been recognized by OISD and the Company has received the Best "Nearmiss Incident" Reporting Organisation - E&P Drilling Rigs Award.

To create safety awareness amongst employees, the Company organizes various training programs from time to time. Apart from the above the Company takes active part in spreading the awareness amongst customers, citizens and authorities at large in the area of hazards and risks associated in natural gas handling, importance of the clean and environment friendly fuel and the safety measures required.

Corporate Social Responsibility

The Company undertakes the corporate social responsibility as a genuine expression of goodwill and gratitude towards society. The Company being a state sector entity is fully recognizing its social responsibilities and is keen to make significant contributions towards development of social infrastructure, economic, environmental and social upliftment of communities in and around the work centers in the major thrust areas such as community

development, infrastructure, literacy enhancement, education aids and healthcare. The Company is committed towards its corporate social responsibility in the areas of its operation. The Company has contributed from time to time for the benefit of local communities.

In the spirit of enhancing "Educational Awareness" among children especially girl child in the rural areas of Gujarat, your company whole heartedly participated in the Kanya Kelvani Mahotsav. The Company has also adopted a school for promoting educational activities in rural areas.

The cultural programs, social awareness campaigns and volunteer activities are just the right opportunities for GSPC to act and reinforce its commitment towards the society. GSPC prides itself in being always there for the society and desires to be closely intertwined with the society in the future as well.

GSPC never fails to rise to the occasion whenever the nation at large is hit by calamities & disasters. The Company has distributed relief kits to the calamity hit people of Uttarakhand and Jammu & Kashmir.

GSPC has tried to make difference in the lives of the senior citizens by supporting the Old Age homes. As a socially responsible organization, blood donation camps are organized at regular intervals. Besides, GSPC assumes leading role in promoting awareness about various social issues affecting the society today like education, women empowerment, preserving scarce natural resources, etc.

The company has always emphasized on the objective of promoting fuel efficiency and conservation aspect of natural resources in line with national wide oil and gas Conservation campaign.

The Company shall constitute CSR Committee after appointment of Independent Directors in accordance with the provisions of Companies Act, 2013 at the General Meeting.

HR Initiatives:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. GSPC Human Resources remain its biggest strength as the Company sets out to meet the challenges in the days ahead.

The Board has approved HR initiatives which are summarized below:

- As the business grows in size and complexity, the requirements in terms of skills, expertise and experience would increase significantly. The Company continues to focus on initiatives which will

contribute towards enhancing the capabilities of the next generation of leaders and promote the development of a high performance culture.

- The Company has worked out the manpower requirement for the next three years as per the business needs in various functional areas at various geographical locations in India and abroad. Similarly, keeping in view the business plan, it has put in place an Organizational Structure as per the functional & operational needs of the Company.
- 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.
- A new HR policy has been put in place to facilitate the HR objectives and company's business needs.

FIXED DEPOSITS

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

DIRECTORS

During the year under review Dr. Varesh Sinha, IAS, Dr. Hasmukh Adhia, IAS and Shri Tapan Ray, IAS has resigned from the Board. The Board of Director of your Company place on record appreciation of services rendered by Dr. Varesh Sinha, IAS, Dr. Hasmukh Adhia, IAS and Shri Tapan Ray, IAS. Further Shri Atanu Chakraborty, IAS has been nominated by Government of Gujarat as Managing Director of the Company w.e.f. 1st November, 2014 and Shri M. K. Das, IAS has been nominated by Government of Gujarat as Joint Managing Director of the Company w.e.f. 8th July, 2014. It is proposed to approve their appointment at the ensuing Annual General Meeting.

Further, the Board of Director at its meeting held 12th November, 2014 has approved appointment of Shri D.J.Pandian, IAS as Chairman and Dr. J. N. Singh, IAS, Additional Chief Secretary, (FD) and Shri L. Chuaungo, IAS, PS (EPD) as Additional Director on the Board of the Company. It is proposed to regularise appointment of Dr. J. N. Singh, IAS and Shri L. Chuaungo, IAS as Director on the Board at the ensuing Annual General Meeting.

It is with deep sorrow and grief, we inform that Shri Y.B.Sinha, who was Independent Director on the Board of the Company has passed away on 31st August, 2014. Late Shri Y. B. Sinha was source of knowledge and strength for GSPC on many crucial occasions. We have benefited immensely by his expert knowledge and counsel. The Board of Director of your Company place on record appreciation of services rendered by Late Shri Y. B. Sinha as Director of the company.

The Company has received declaration from Dr. N. Ravichandran (DIN :- 02065298) confirming that he meets the criteria of Independence as prescribed under the Companies Act, 2013. The Board of Directors at its meeting held on 15th July, 2014 has recommended appointment of Dr. N. Ravichandran as Independent Directors of the Company. It is proposed to appoint Dr. N. Ravichandran as Independent Directors of the Company at the ensuing Annual General Meeting.

AUDITORS

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India. Accordingly, M/s P Singhvi & Associates Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company for the financial year 2013-14.

The Company has received Comments of Comptroller and Auditor General of India (CAG) on accounts of the Company for the financial year ended on 31st March, 2014. Comments of CAG on report of Statutory Auditor and reply form the Statutory Auditor is enclosed as Annexure - II.

AUDIT COMMITTEE

The Company has constituted Audit Committee in compliance with the provisions of Section 292A of the Companies Act, 1956. The Audit Committee consists of following Directors:

Audit Committee
Dr. N. Ravichandran
Dr. T. Harinarayana
Shri M. K. Das, IAS

Audit Committee has approved and recommended the Annual Accounts for the year ended on 31st March, 2014 for approval of the Board at its meeting held on 19th September, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) accounting policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of 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.

COST ACCOUNTING RECORDS

The company has maintained cost records as required by Cost Accounting Records (Petroleum Industry) Rules, 2011.

The Company has filed the Cost Audit Report for the financial year 2012-13. The Cost Audit for the financial year 2013-14 shall be filed before due date.

The Board of Director has appointed M/s N. D. Birla as Cost auditor for the financial year 2013-14.

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

Your Company is in the business of exploration of oil and gas wherein consumption of energy is not significant. However, the Company is still taking all steps for efficient consumption of energy.

Technology Absorption

The Company has not imported any technology. However, based on the technology used by the Contractors and Joint Venture partners, the Company is continuously upgrading its skills.

Foreign Exchange Earnings and Outgo

Foreign Exchange	Rs. In crores
Earnings	16.10
Outgo	614.90

ACKNOWLEDGEMENTS

The lead in hydrocarbon sector that GSPC has attained so far is indeed the end result of persistent hard work of its employees coupled with unstinted support from the Government of Gujarat.

The Directors convey their sincere appreciation for the valuable services rendered by employees at all levels, without whose contributions the excellent performance and growth 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 enabled GSPC to carry out this high risk business of exploration in a bold and professional manner.

The Directors place on record their sincere thanks to the Ministry of Petroleum & Natural Gas, Directorate General of Hydrocarbon, PNGRB Government of Gujarat, Natural Gas Suppliers, Customers, Joint Venture partners, Lenders, and investors for their continuous support and guidance.

For and on behalf of the Board of Directors

D. J. Pandian, IAS
Chairman

Date: 20th December, 2014
Place: Gandhinagar

Annexure – I

Management Discussion & Analysis

The Indian Economy has been going through challenging times with the growth rate having been contained below 5% levels for two consecutive years during 2012-13 and 2013-14. Persistent downtrend across the globe including Euro-Asia crisis, depreciation of Indian rupee vis-à-vis US dollar, increase in global oil prices owing to crisis in Syria have led to bleak global economy.

GLOBAL LNG SCENARIO

LNG markets remained extremely tight in 2013, demand pull from nuclear closures in Japan and South Korea and the difficulties to ramp-up production of new facilities in Angola and Algeria, bringing LNG price levels in the Far East to record highs in the first quarter. Demand remained strong in Asia, mainly in China and South Korea. In Japan, imports continued to increase, although more moderately in a response to high prices and the yen devaluation, shifting the energy mix towards other sources of energy. Demand also increased in South America, strongly related to weather factors.

Global LNG volumes have stagnated over the past two years reflecting a lull in the completion of new liquefaction capacity. Of the two export terminals slated to come onstream last year, only the long-delayed Angola LNG project commenced operations in Algeria, the start-up of Sonatrach's Skikda liquefaction train shifted from 2013 to Q1 2014.

Limited capacity additions and higher utilization rates at certain facilities were offset by supply disruptions in Nigeria and waning production in Egypt, where an reservoir issues and domestic demand curtailed exports by 44%.

LNG IMPORTS & REGASSIFICATION CAPACITY: INDIA

India's LNG imports were pegged at 13.05 MMT in 2013 as per the GIIGNL report *"The LNG Industry"*. Such static / flat LNG imports on year-on-year basis were juxtaposed with a sharp decline in gas production from domestic fields, RIL's KG D6 fields in specific, supplies from which, stood at \approx 13 MMSCMD in 2013-14.

The regassification capacity currently available in India is \approx 16.5 MTPA which is expected to reach \approx 45 MTPA by commissioning of the following projects by 2019.

In 2013-14, Petronet LNG Ltd. completed construction of second jetty at its Dahej facilities and PLL further proposes expansion of its facilities to increase the nameplate capacity to 15 MTPA by end of 2016.

Ratnagiri Gas and Power Pvt. Ltd. (RGPPL) which commissioned its 2.5 MTPA LNG terminal in 2013 is also in process of awarding EPC contracts for construction of break water at its Dabhol facilities which would take the nameplate capacity of its LNG terminal to 5 MTPA. PLL's Kochi terminal of 5 MTPA which was commissioned in 2013 became the fourth LNG terminal in the country after Dahej, Hazira in Gujarat and Dabhol in Maharashtra.

GSPC LNG Ltd., is advancing with construction of its 5 MTPA LNG project in Mundra, which is expected to be completed by end of 2016. Further, IOCL's 5 MTPA LNG project at Ennore in Tamil Nadu would also be operational by the end of 2016.

In addition to the above, it is expected that either a land based terminal (by PLL at Gangavarm) or FSRU project (by APGDC at Kakinada) in Andhra Pradesh of \approx 5 MTPA capacity would be developed to cater to the gas demand in the Eastern region.

Evidently by 2019, while development of LNG infrastructure in the country would make available additional regassification capacity for import of LNG to approx. 45 MTPA, long term contracts for import of LNG by such timeframe, would be 20 MTPA, creating huge opportunity for import of LNG catapulting India in the league of LNG import majors, namely, Japan, Korea and China.

LNG EXPORTS FROM US

Meanwhile, the emergence of the US as a viable LNG exporter has provided various international operators to lock up longer-term contracts. Many prospective US liquefaction schemes involve the addition of export capacity to existing import-only facilities, reducing construction costs relative to projects in Australia and offshore East Africa.

Whereas majority of existing LNG export facilities exploit a specific basin, US liquefaction sites would draw their volumes from a wide range of producers and basins, reducing exploration and development risks. Reliable supply and the prospect of pricing indexed to Henry Hub natural gas - as opposed to Brent crude or JCC- holds significant appeal to Asian countries relying heavily on LNG to meet their energy needs.

GSPC'S DDW FIELDS

As regards indigenous gas production in India, GSPC's DDW field is set for commercial production and the same shall play an important role in meeting the growing energy demand of the country. Your Company has successfully discovered the gas price for supplies from its DDW field through a transparent e-auction mechanism involving customers from all segments and submitted the same for approval of Government of India, as per the terms of Production Sharing Contract.

CROSS COUNTRY PIPELINES

Gujarat State Petronet Ltd. (GSPL), a subsidiary of GSPCL, has incorporated two JVs namely GSPL India Gasnet Ltd. (GIGL) and GSPL India Transco Ltd. (GITL) which have made significant progress in developing the coveted Mallavaram-Bhilwara-Bhopal-Vijaipur, Mehsana - Bhatinda, and Bhatinda-Jammu-Srinagar pipeline projects of over 4000 kms with an investment of over ₹. 13,700 crores, passing through 9 States and around 60 districts, most of which do not have access to natural gas. Moreover, the pipeline projects would not only bring out the untapped gas demand but also curb existing pollution levels, create employment opportunities and facilitate industrial, SME as well as City Gas Distribution network development in these regions.

Commissioning of the said pipelines is inline with the vision of the Government of India to develop additional 15,000 kms of pipelines across the Country with the motive of increasing the usage of gas (domestic as well as imported), which, in the long-term will be beneficial in reducing dependence on any one energy sources.

Creation of infrastructure for incremental regassification capacity in consonance with cross country pipelines being developed by JVs of your Company shall not only ensure effective utilization of the energy infrastructure but also increase overall natural gas consumption of the country, resulting in increase of natural gas share in the overall Energy Mix.

Gas trading will continue to be an important segment for your Company, as India will continue to rely on LNG imports to meet its demand of gas. In its endeavor to source long term LNG, the Company continues to carry out negotiations with several global LNG suppliers and has made satisfactory progress during this year in this direction.

VALUE PROPOSITION IN CGD BUSINESS

In the coming years, CGD segment would be a major driver for growth in natural gas demand of the Country as the same would make natural gas accessible to common man by reducing hassles of subsidized fuels including LPG, Kerosene and Diesel, reduce pollution levels, save substantial subsidy burden to Central Government and promote industrial development.

Owing to the same, recently the Government of India has accorded highest priority to the city gas distribution segment in place of Fertilizer and Power segments and is in the process of allocating gas from domestic fields to cater to the entire CNG & PNG demand of the Country. With the said motive, your Company continues to participate in bids invited by the PNGRB for development of CGD across various cities and increase its presence in CGD business outside Gujarat as well as within Gujarat (by way of acquisition of Gujarat Gas Co Ltd.).

The CGD business is a major Focus area for your Company and its sustained efforts towards participating in CGD business is poised to not only ensure increase in utilization of its existing and upcoming pipeline infrastructure but also leverage the Gas Trading business.

E&P business : Producing Assets

Oil and gas production volumes, which depend on the yield from the company's producing fields, have a significant impact on the Company's results of operations. Currently, all of our producing fields are within the Cambay basin, where company holds participating interests in 16 producing fields. The Cambay basin is a maturing resource province with declining production levels, especially of gas. The volume of production from oil and gas fields generally declines as reserves are depleted with ongoing production.

The Company also intends to continue exploration activities in its existing exploration blocks to discover new oil and gas reserves for development. The company's future production will be significantly dependent upon success in finding and developing reserves in a timely and cost effective manner.

Forward Looking Statements :

This report contains forward looking statements which address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expectations and financial results. The company can not guarantee that these assumptions and expectations are accurate or will be realized.

Annexure - II	
CAG comments on the Auditor Report	Auditor Reply on the comment of CAG
<p>The Statutory Auditors have given opinion under Section - 227 (3) that Balance Sheet and Statement of Profit and Loss are in agreement with the Books of account. The producing properties of Rs. 115.20 crores in respect of seven producing Blocks were capitalized on 31st March, 2008 and shown in the fixed Assets Register maintained under Section - 209 (1) (C) of the Companies Act, 1956 by the Company. However, the Company continued to disclose these assets as capital works-in-progress and accounts the depletion thereof in the accounts. The Statutory Auditor Report is deficient to that extent.</p>	<p>The accounting policy adopted by the company for Accounting for Oil & Gas Joint Ventures as referred in Note 1-J is as follows:</p> <p>"The company has adopted Full Cost Method with effect from 1-4-2005 for accounting for its oil and gas activity and all costs incurred in prospecting, acquisition, exploration and development of blocks are accumulated considering the country as a cost center. However as a matter of policy, the company is writing off the balance of entire cost of the block which is permanently abandoned, in the year of abandonment. All Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly the financial statements of the Company reflect its share of assets, liabilities, income and expenditure of the Joint Venture operations which are accounted on the basis of available information on line by line basis with similar items in the Company's accounts to the extent of the Participating Interest of the Company and also as per the various joint venture agreements except in cases of abandonment, impairment, depletion and depreciation which are accounted as per the accounting policies of the Company. The financial statements of the unincorporated joint ventures are prepared by the respective Operators in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 1956 have been made in the financial statements of the Company only to the extent of information available with the Company. Such information include information relating to foreign exchange differences, information relating to micro, small and medium enterprises, particulars of expenditure in foreign currency, particulars of earnings in foreign currency, particulars of CIF value of imports, transactions with related parties, details of commitments and contingencies and information relating to consumption of stores and spares."</p> <p>As per the adopted policy Company is consolidating accounts of joint Ventures on line by line basis. Hence, if a joint venture is disclosing any amount under Capital Work in Progress (CWIP) then the company will have to consolidate the same into CWIP only. Accordingly the Company has consolidated Capital Work in Progress of producing properties under the head Producing Properties in Progress as Capital Work in Progress.</p> <p>Further, financial information of few JVs (i. e. Hazira), the company is consolidating based on unaudited - limited information available with the company since last few years.</p>

Annexure - II

CAG comments on the Auditor Report	Auditor Reply on the comment of CAG
	<p>However, the entire Producing Properties and Producing Properties in Progress (CWIP) is taken into account while calculating depletion. Hence Change in classification, if any, would not have any impact on the Profits of the Company. Also, Producing Properties & Producing Properties in Progress are ultimately part of the Fixed Assets and it's a matter of internal classification only.</p> <p>We have noted concern of C&AG and the company has also assured us to reclassify the Producing Properties in Progress made in JVs based on accounting policy, if required, from next year onwards.</p>

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED ON 31 MARCH, 2014

The preparation of financial statements of Gujarat State Petroleum Corporation Limited for the period ended 31 March, 2014 in accordance with the financial reporting frame work prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 Chartered Accountants of India. This is stated to have been done vide their Auditors Report dated 19 September 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 619 (3)(b) of the Companies Act, 1956 of the financial statements of Gujarat State Petroleum Corporation Limited for the period ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquires of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

COMMENT ON AUDITOR'S REPORT

The Statutory Auditors have given opinion under section 227(3) that Balance Sheet and Statement of Profit and Loss are in agreement with the books of account. The producing properties of ₹.115.20 crore in respect of seven producing blocks were capitalized on 31 March 2008 and shown in the Fixed Assets Register maintained under section 209 (1)(C) of the Companies Act, 1956 by the Company. However, the Company continued to disclose these assets as capital works-in-progress and account the depletion thereof in the accounts. The Statutory Auditors Report is deficient to that extent.

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

Place : Ahmedabad
Date : 24 November 2014

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

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Gujarat State Petroleum Corporation Limited.
Gandhinagar

1. Report on the Financial Statements :

We have audited the accompanying financial statement of GUJARAT STATE PETROLEUM CORPORATION LIMITED (the Company) which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, annexed thereto, in which are incorporated the Company's share in the total value of assets, liabilities, expenditure, income and net profit/net loss of sixty eight, (Previous Year : sixty eight) joint ventures for exploration and production audited by other auditors or certified by the management.

2. Management's Responsibility for the Financial Statements :

The Company's Management is responsible for the preparation of these financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and Presentation of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

3. 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 misstatements.

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 judgement, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information required by the Act in the manner so required and gives 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 March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, 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.

5. Emphasis of Matter :

We draw attention to :

- (a) Note no. 16.1.2 and 23 regarding non provision of disputed Income tax demands/claims by the Income Tax Authority amounting to ₹. 1,028.42 crors (P. Y. ₹. 810.35 crors) and disclosed by way of a note as contingent liability. We also draw attention to Accounting Policy No. 1.M. and also Note No. 6 regarding Deferred Tax Liability impact on the above said matter, Our Opinion is not qualified in respect of these matters,
- (b) Accounting Policy J of Significant Accounting Policies (Note No. 1), which describes that the financial statements of the unincorporated joint ventures are prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory accounting standards and the Companies Act, 1956 have been made in these accounts to the extent of information available with the Company. Our Opinion is not qualified in respect of this matter.
- (c) Note 32 (i) of the financial statements, regarding the dispute between GSPC and Geo Global Resource (India) Inc. ("GGR") with respect to the obligations of both the parties under the Carried Interest Agreement. The parties are in the process of resolving the dispute. Pending such resolution, the amount of ₹. 1,613.32 Crores (31st March 2013 : ₹. 1350.16 Crores), which is due from GGR is shown under note no. 16 "Long term Loans & Advances - Joint Venture balance "and no impact of adjustment, if any, of possible outcome of such resolution has been given in the Financial Statements. Our opinion is not qualified in respect of this matter.
- (d) Note no. 23 to the financial statements which describes the uncertainty related to the GSPC's share in alleged claim of Atwood Oceanics Pacific Ltd (" AOPL") for ₹ 7.33 corers plus interest of ₹ 6.21 Crores from January 11, 2013 to till date, for which based on legal opinion no provision has been made. Our opinion is not qualified in respect of this matter.
- (e) Note no. 23 to the financial statements which describes the uncertainty related to the GSPC's share in alleged claim of Gujarat State Energy Generation Limited ("GSEG") against NIKO Resources LTD. ("NIKO")and GSPC for ₹ 624.64 Crores on account of liquidated damages for short supply of natural gas under the GSA, for which based on legal opinion no provision has been made. Our opinion is not qualified in respect of this matter.

6. Other Matter

- (a) We have placed reliance on technical / commercial evaluation by the management in respect of categorization of wells as exploratory, development and producing, allocation of costs incurred on them, treatment of capitalization, depletion of producing properties on the basis of the proved probable hydrocarbon reserves and liability for abandonment costs.
- (b) (i) The account include fixed assets aggregating to ₹. 958.86 crores, other assets aggregating to ₹. 79.67 crores, liabilities aggregating to ₹. 25.17 crores, income aggregating to ₹. 96.40 crores, and expenditure aggregating to ₹.45.33 crores relating to Company's share in fourteen producing joint ventures, which have been incorporated on the basis of accounts of fourteen joint ventures, audited by other auditors.
- (ii) The accounts include fixed assets aggregating to ₹. (25.28) crores, other assets aggregation to ₹. Nil, income aggregating to ₹. 55.03 crores and expenditure aggregating to ₹. 35.18 crore relating to Company's share in one producing joint venture, which has been incorporated on the basis of unaudited information approved by the management made available to us, in the absence of audited accounts.
- (iii) In respect of forty nine joint ventures which are under exploration and development phase, exploration / development expenditure aggregating to ₹.14416.10 crores, other assets aggregating to ₹. 35.47 crores and liabilities aggregating to ₹. 589.76 crores have been incorporated on the basis of accounts audited by other auditors.
- (iv) In respect of Three unincorporated joint ventures which are under exploration and development phase, exploration / development expenditure aggregating to ₹. 5.28 crores, other assets aggregating to ₹. 2.85 crores and liabilities aggregating to ₹. 3.91 crores have been incorporated on the basis of the unaudited information unaudited information approved by the management made available to us, in the absence of audited accounts.

7. 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 Section 227(4A) of the Companies Act, we give in the Annexure a statement on the matter 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, *except for the unaudited financial information relating to four unincorporated joint venture for the year ended March 31, 2014 referred to in paragraph 7(b) (ii) and 7(b) (iv) below and read with our comments in paragraph. 5 (b) above.*
 - (b) In our opinion, proper books of a 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - (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.

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTS
(Firm Reg. No. : 113602W)

Place : Ahmedabad
Date : 19th September 2014

CA NIPUN SINGHVI
Partner
Membership No. - 136393

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 3 of our report of even date)

In terms of information and explanations, given to us and on the basis of such checks of books and records as we considered appropriate in the normal course of audit and to the best of our knowledge and belief, we state as under :

- (i)
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) According to the information and explanations given to us, the fixed assets which are underground/submerged/under joint venture, pertaining to producing properties having substantial value have been physically verified by the management at regular intervals and for other assets there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) In our opinion and on the basis of information and explanations given to us the Company has not disposed off a substantial part of its fixed assets during the year and hence the going concern status of the Company is not affected.
- (ii)
 - (a) In our opinion and according to the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, except for the financial information relating to unincorporated joint venture for year ended March 31st, 2014 reference to in paragraph 7 (b) read with our comments in paragraph 5 (b) above. The inventories has been physically verified by the management during the year. In our opinion, the 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 is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) On the basis of our examination of the records of the company, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification of stocks as compared to book records were not material having regard to the size of operations of the Company and have been properly dealt with in the books of accounts.
- (iii)
 - (a) In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loan secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. And hence, clause (iii) (b to d, f & g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- (v) Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that there are no transactions that need to be entered into register maintained under section 301 of the Companies Act, 1956. Therefore, the provision of clause (v) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public during the year and hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public an not applicable to the company.
- (vii) The Company has appointed KPMG as its Internal Auditor for the year under audit. The Internal Audit for the year is therefore carried out by KPMG. On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, internal audit system, which in conjunction with the existing internal controls and checks, is commensurate with the size and nature of its Company's business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. In respect of statutory dues:

- The Company is generally regular in depositing, Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- In our opinion according to the information and explanations given to us, details of dues of Income Tax and Service Tax which have not been deposited on account of any dispute are given below :

Name of the status	Nature of dues	Amount under dispute not yet deposited (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Act 1961	Tax Including interest and Penalty as applicable.	1.62	1996-1997	High Court
		8.70	1997-1998	
		13.28	1998-1999	
		18.02	1999-2000	
Income Tax Act 1961	Income Tax Including Interest and Penalty as applicable.	32.39	2000-2001	Income Tax Appellate Tribunal
		79.10	2001-2002	
		163.11	2002-2003	
		160.66	2003-2004	
		229.80	2004-2005	
		183.08	2005-2006	
		0.63	2006-2007	
		1.75	2008-2009	
		198.07	2009-2010	
Income Tax Act 1961	Income Tax including interest and penalty, as applicable.	0.49	2004-2005	CIT (A)
		171.66	2006-2007	
		301.84	2007-2008	
		332.80	2008-2009	
		6.78	2009-2010	
		305.62	2010-2011	
Service Tax Finance Act 1994	Service Tax Including Interest and penalty, as applicable	0.13	2010-2011	CESTAT
		0.04	2010-2011	
		6.68	2011-2012	
		0.03	2009-2010	

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Service Tax Finance Act 1994	Service Tax Including Interest and penalty, as applicable	0.11 11.31	2010-2011 2008-09	Commissioner of Central Excise
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- (x) The company does not have any accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provision of this clause (xii) of paragraph 4 of Companies (Auditors Report) the Order are not applicable to the Company.
- (xiii) In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanation given to us, the company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- (xvii) According to information and explanation given to us and on an overall examination of the financial statements and other records of the company, we report that amount raised from banks though used for long term investments are not considered as short term loans as the said borrowings are rolled over and considered by the company available for long term period.
- (xviii) According to information and explanation given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies / firms covered in register under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, during the year, the company has issued Compulsory Convertible Debentures worth ₹ 550 Corers. The Company has created security or charge in respect of debentures issued during the year.
- (xx) During the year, the company has not raised any money by way of public issues and hence clause (xx) of paragraph 4 of Companies (Auditor's Report) Order, 2003 is not applicable.
- (xxi) In our opinion and according to the information and explanations given to us and based on management representation, no material fraud on or by the Company has been noticed or report during the year.

FOR P. SINGHVI & ASSOCIATES
CHARTERED ACCOUNTS
(Firm Reg. No. : 113602W)

CA NIPUN SINGHVI
Partner
Membership No. - 136393

Place : Ahmedabad
Date : 19th September, 2014

Balance Sheet as at 31st March, 2014

₹. in Crores

	Note No.	As at 31 st March, 2014	As at 31 st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	248.62	235.78
Reserve & Surplus	3	<u>6,862.30</u>	<u>5,836.65</u>
		7,110.92	6,072.43
Share Application Money Pending Allotment	4	60.00	400.00
Non-Current Liabilities			
Long Term Borrowings	5	11,433.38	10,678.92
Net Deferred Tax Liabilities	6	163.59	117.07
Trade Payables		-	-
Other Long Term Liabilities	7	12.68	13.21
Long Term Provisions	8	<u>52.09</u>	<u>52.09</u>
		11,661.74	10,861.29
Current Liabilities			
Short Term borrowings	9	3,704.06	2,748.82
Trade payables	10	537.73	646.95
Other Current Liabilities	11	1,514.24	1,105.33
Short Term provisions	12	<u>285.63</u>	<u>192.75</u>
		6,041.66	4,693.85
TOTAL		<u><u>24,874.32</u></u>	<u><u>22,027.57</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	823.34	796.13
Intangible Assets	13	6.28	7.10
Capital Work in Progress	14	7,191.28	5,161.56
Intangible Assets under development	14	12,405.65	12,082.50
Non-Current Investments	15	921.76	506.70
Long Term Loans & Advances	16	1,821.01	1,514.45
Other Non-Current Assets	17	<u>132.21</u>	<u>150.99</u>
		23,301.53	20,219.43
Current Assets			
Inventories	18	5.53	6.52
Trade Receivables	19	608.45	733.86
Cash & Bank	20	262.24	631.05
Short Term loan and Advances	21	687.17	428.09
Other Current Assets	22	<u>9.40</u>	<u>8.62</u>
		1,572.79	1,808.14
TOTAL		<u><u>24,874.32</u></u>	<u><u>22,027.57</u></u>

The accompanying notes are an integral part of these Financial Statements
As per Report of our even date

For P. Singhvi & Associates

For and on behalf of the Board of Directors

Chartered Accountants
(Firm Reg. No. 113602W)
(CA Nipun Singhvi)
Partner
Membership No.136393

Dr. Varesh Sinha, IAS
Chairman
Sandeep Dave
Company Secretary

Tapan Ray, IAS
Managing Director
Manish Verma
Chief Financial Officer

Date: 19th September, 2014
Place : Ahmedabad

Date: 19th September, 2014
Place : Gandhinagar

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Statement of Profit & Loss for the period ended 31st March, 2014

₹. in Crores

	Note No.	2013-14	2012-13
INCOME			
Revenue from Operations (Gross)	25	11,927.20	10,245.91
Less: Excise Duty		-	-
Revenue from Operations (Net)		11,927.20	10,245.91
Other Income	26	110.62	53.64
Total Revenue		<u>12,037.82</u>	<u>10,299.55</u>
EXPENSES			
Cost of Materials Consumed		-	-
Purchases of Stock in Trade	27	9,928.32	8,048.34
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	28	1.50	224.40
Employee Benefits Expense	29	15.61	12.77
Finance Cost	30	33.82	93.37
Depreciation, Amortisation, Depletion and Impairment	13	102.83	118.18
Other Expenses	31	248.04	503.15
Exploration cost written off		1,610.69	51.60
Total Expenses		<u>11,940.81</u>	<u>9,051.81</u>
Profit Before Tax and Adjustments		<u>97.01</u>	<u>1,247.74</u>
Prior period Adjustments		0.00	0.60
Profit Before Tax		<u>97.01</u>	<u>1,247.14</u>
Tax Expenses			
Current Tax		15.00	376.00
Deferred Tax		46.52	25.17
Short /(Excess) provision of Tax		-	(0.60)
Profit for the Period		<u>35.49</u>	<u>846.57</u>
Basic and Diluted Earning per equity share of face value of ₹. 1 each		0.15	3.69

The accompanying notes are an integral part of these Financial Statements
As per Report of our even date

For P. Singhvi & Associates

For and on behalf of the Board of Directors

Chartered Accountants
(Firm Reg. No. 113602W)
(CA Nipun Singhvi)
Partner
Membership No.136393

Dr. Varesh Sinha, IAS
Chairman

Sandeep Dave
Company Secretary

Tapan Ray, IAS
Managing Director

Manish Verma
Chief Financial Officer

Date: 19th September, 2014
Place : Ahmedabad

Date: 19th September, 2014
Place : Gandhinagar

Cash Flow Statement for the Year Ended 31st March, 2014

₹. in Crores

	2013-14	2012-13
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after Tax	35.49	846.57
Add : Income Tax	15.00	376.00
Deferred Tax	46.52	25.17
Less : Excess provision of Tax	-	(0.60)
Profit Before Tax	97.01	1,247.14
Add : Depreciation, Amortisation, Depletion & Impairment being non-cash item		
Depreciation	102.84	118.18
Interest & Finance Charges being financing cash outflow	33.82	93.37
Loss on Sale of Assets	0.07	0.03
Commodity Hedging Loss/(gain)	(16.10)	(3.66)
Misc. Exp. Written Off (net)	25.94	3.93
Exploration Cost Written off	1,610.69	51.60
Diminution in the value of Investment	0.01	10.50
Provision for Doubtful Advances	1,854.28	1,522.09
Less : Interest / Dividend Income	(25.82)	(26.16)
Profit on sale of Assets	(0.22)	(0.07)
Operating Profit before working capital changes	1,828.24	1,495.86
Add / Less : Working Capital Adjustments		
Increase / Dec in current Assets (-)	(409.18)	(579.07)
Increase / Dec in current Liabilities (+)	217.39	(303.69)
	1,636.45	613.10
Less : Direct Tax Paid	(46.49)	(348.03)
Less : Prior Period Adjustment		(0.60)
Less : Misc. Expenditure Incurred during the year	0.81	76.74
Net Cash Flow from Operating Activities (A)	1,590.77	341.21
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Ventures (Net)	(4,129.84)	(3,817.78)
Sale of Fixed Assets	1.08	0.95
Investments in Subsidiaries	(415.07)	(28.95)
Other Investments	-	(29.00)
Interest / Dividend Income	25.82	26.16
Net Cash Flow from Investing Activities (B)	(4,518.01)	(3,848.62)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Equity Share issue	1,040.00	500.00
Equity Share issue expenses	(0.90)	(0.50)
Proceed from Share Application Money	(340.00)	400.00
Proceeds /Repayment of Debentures	550.00	6,000.00
Proceeds /(Repayment) to Secured Loans (net)	529.55	(781.99)
Proceeds from Unsecured Loans (net)	955.24	(1,041.19)
Interest & Financing Charges Paid	(33.82)	(1,197.07)
Dividend Paid (including dividend tax)	(134.35)	(53.37)
Net Cash Flow from Financing Activities (C)	2,565.72	3,825.88
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(361.52)	318.47
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	0.04	0.04
Cheques on Hand	400.00	
Bank Balances	34.76	116.29
	434.80	116.33
Cash and Cash equivalents at the End of the Year		
Cash on hand	0.03	0.04
Cheques on Hand	60.00	400.00
Bank Balances	13.25	34.76
	73.28	434.80

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 issued by The Institute of Chartered Accountants of India
- Adjustments have not been made to 'Purchase of Fixed Asset' (Investing Activities), on account of increase/decrease in Capital Creditors. The Impact of the above is not readily ascertainable
- Brackets indicate cash outflow/deduction
- The Company has re-classified previous year figures to conform to this year's classification.

As per Report of our even date

For P. Singhvi & Associates

Chartered Accountants
(Firm Reg. No. 113602W)

(CA Nipun Singhvi)
Partner
Membership No.136393

Date: 19th September, 2014
Place : Ahmedabad

For and on behalf of the Board of Directors

Dr. Varesh Sinha, IAS
Chairman

Sandeep Dave
Company Secretary

Date: 19th September, 2014
Place : Gandhinagar

Tapan Ray, IAS
Managing Director

Manish Verma
Chief Financial Officer

Notes to financial statements for the year ended 31st March 2014.

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements :

The Financial Statements are prepared under the historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act 1956, the applicable Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006, Guidance Notes issued by The Institute of Chartered Accountants of India for Oil and Gas Producing Activities and the practices prevalent in the industry in India. All income and expenditures having material bearing on the financial statements are recognized on accrual basis.

Accounting Policies not specifically referred to otherwise are consistent with those used in the previous year. In applying the accounting policies consideration has been given to Prudence, Substance over Form and Materiality.

B. Use of Estimates :

The preparation of financial statements in conformity with Generally Accepted Accounting Policy requires the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, Revenues & Expenses and disclosure of Contingent Liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of the financial statements. Differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

C. Tangible & Intangibles & Depreciation & Depletion & Amortization.

C.1. Fixed Assets other than producing properties are stated at cost of acquisition or construction less accumulated depreciation and impairment loss if any, including attributable interest and financial costs till such assets are ready for its intended use.

C.2. The cost of leasehold assets is amortized over the period of the lease.

C.3. Depreciation is provided on written down value method at the rates and in the manner prescribed in Schedule -XIV to the Companies Act, 1956 except the following:

C.3.1. Mobile communication instruments purchased by the company have been expended off in the year of its purchase.

C.3.2. Costs incurred on intangible assets-software, resulting in future economic benefits are capitalized as intangible assets and amortized at 40% on written down value method beginning from the date of capitalization.

C.4. Depreciation on fixed assets used for exploration and drilling activities is initially capitalized as part of exploration or development costs.

C.5. No depreciation/depletion has been provided in the accounts of the Joint Ventures. However the depreciation/depletion has been provided for by the Company in its own books based on its participating interest.

The depletion on producing properties has been calculated and provided, using the unit of production method as described in the Revised Guidance Note on Accounting for Oil and Gas Producing Activities issued by ICAI, in proportion of oil and gas production achieved vis a vis the proved and probable reserves considering the estimated future expenditure (reviewed & revised) and other costs to be incurred on developing the reserves. Para 32 of the Revised Guidance Note on Accounting for Oil and Gas producing activities under Full Cost Method states that "Proved Oil and Gas" reserves for calculating depletion comprise developed and undeveloped oil and gas reserves estimated at the end of the period as increased by the production during the period.

As Guidance Note is for "Producing Activities", the company keeping in mind the prudent industry practice considers the assets for depletion only once the commercial production is commenced with the approval of the Management Committee as per the provisions of the Production Sharing Contract (PSC). Till that time, neither the reserves are taken for depletion nor are the assets with respect to the said PSC are capitalized.

D. Abandonment Costs

D.1. The full eventual estimated liabilities towards costs relating to dismantling, abandoning and restoring offshore well sites and allied facilities is recognized at the initial stage as cost of producing property and provision is made for abandonment cost, based on the latest technical assessment available with the Company.

D.2. Costs relating to dismantling, abandoning and restoring onshore well sites and allied facilities are accounted for in the year in which such costs are considered after estimating the salvage value.

E. Investments :

Investments are classified as Non-current investments. Non-current investments are stated at cost less provision for diminution other than temporary, in value, if any. Current investments are carried at cost or fair value whichever is lower.

F. Inventories

- F.1. Natural gas in pipelines and crude oil in flow lines is technically not feasible to be quantified due to operational constraints and hence not valued and not accounted.
- F.2. Inventory of crude oil in Joint Ventures are valued as per Crude Off take and Sale Agreement (COSA).
- F.3. Natural gas imported as LNG and stored in the storage tank of the LNG terminal are valued at cost or net realizable value whichever is lower.

G. Revenue Recognition :

- G.1. Company's share of Revenue from Joint Ventures is considered on the basis of Accounts submitted by Joint Ventures.
- G.2. Sale of crude oil and gas produced from exploratory wells in progress is adjusted against expenditure incurred on such wells.
- G.3. Income from sale of gas is recognized when practically all risks and rights connected with ownership have been transferred to the buyer. Sales of Gas are stated at net of state value added tax. Any retrospective revision in prices is accounted for in the year of such revision.
- G.4. Revenue from sales of wind power is recognized on monthly basis in accordance with the terms of power purchase agreement.
- G.5. Revenue in respect of interest on delayed realizations from customers, if any, is recognized when there is reasonable certainty regarding the ultimate collection. All other interest incomes are recognised on accrual basis.
- G.6. Revenue in respect of Take or Pay (short lifted quantity of gas) is recognized when there is reasonable certainty regarding ultimate collection.
- G.7. Profit Petroleum paid to MoP&NG is subject to the approval of Director General of Hydrocarbon (DGH) and difference, if any, is accounted for in the period of settlement of such differences.
- G.8. Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

H. Prior Period and Extraordinary Items

Prior period and extraordinary items and changes in accounting policies, having a material impact on the financial affairs of the company are disclosed, wherever required.

I. Allocation of General Administrative Expenses

In case of Joint ventures, in which Company is operator, the allocation of Corporate General Administrative Expenses and Employee cost to various operated blocks, are on the basis of time devoted by each employee for various blocks.

J. Accounting for Oil and Gas Joint Ventures

The company has adopted Full Cost Method with effect from 1-4-2005 for accounting for its oil and gas activity and all costs incurred in prospecting, acquisition, exploration and development of blocks are accumulated considering the country as a cost center. However as a matter of policy, the company is writing off the balance of entire cost of the block which is permanently abandoned, in the year of abandonment. All Oil and Gas Joint Ventures are in the nature of Jointly Controlled Assets. Accordingly the financial statements of the Company reflect its share of assets, liabilities, income and expenditure of the Joint Venture operations which are accounted on the basis of available information on line by line basis with similar items in the Company's accounts to the extent of the Participating Interest of the Company and also as per the various joint venture agreements except in cases of abandonment, impairment, depletion and depreciation which are accounted as per the accounting policies of the Company. The financial statements of the unincorporated joint ventures are prepared by the respective Operators in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 1956 have been made in the financial statements of the Company only to the extent of information available with the Company. Such information include information relating to foreign exchange differences, information relating to micro, small and medium enterprises, particulars of expenditure in foreign currency, particulars of earnings in foreign currency, particulars of CIF value of imports, transactions with related parties, details of commitments and contingencies and information relating to consumption of stores and spares.

K. Borrowing Costs

Borrowing Costs, whether specific or general utilized for acquisition, construction or production of qualifying

assets are capitalized as part of cost of such assets till the activities necessary for its intended use or sale are complete. General borrowing costs are capitalized at the weighted average of such borrowings outstanding during the period. Borrowings costs also include exchange differences arising from foreign currency borrowings. All other borrowing costs are charged to statement of profit and loss of the period in which incurred.

- L. Charges on Bank guarantee at the time of submission of bids or prior to the award of contract and for Annual Work Programme is charged to statement of profit and loss as and when incurred.

M. Income Tax and Deferred Tax

Tax Expense comprises of Current Tax and Deferred Tax. Provision for Current Tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment years after consideration of the applicable provisions of the Income Tax Act, 1961 including benefits, allowances and deductions admissible under the said Act.

Deferred tax is recognized subject to consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and Laws that have been enacted or subsequently enacted up to balance sheet date. Deferred tax assets are reviewed at each balance sheet date to assets realization.

The Deferred Tax Asset is recognized and carried forward only to the extent that there is a virtual certainty of its realization supported by convincing evidence.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and write down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

N. Employees Benefits

- N.1. All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

N.2. Provident Fund:

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the GSPC Employee's Provident Fund Trust equal to a specified percentage of the covered employee's salary. The company also contributes to a government administered pension fund on behalf of its employees. The interest rate payable by the trust to the beneficiaries every year is being notified by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

N.3. Superannuation Fund

Certain employees of the company are also participants in a defined contribution plan and have accordingly participated in the Group Superannuation Scheme of Life Insurance Corporation of India.

N.4. Gratuity

The company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by third party actuarial valuation as on the balance-sheet date, based upon which, the Company contributes all the ascertained liabilities to in-Group Gratuity scheme of Life Insurance Corporation of India.

N.5. Leave Encashment

The Company has participated in Leave Encashment Scheme of Life Insurance Corporation of India; the contribution is paid as per actuarial valuation at the end of the financial year.

Gratuity and leave encashment are determined using the Projected Unit Credit Method with actuarial valuations being carried out by third party actuaries at each balance sheet date.

O. Foreign Currency Transactions

- O.1. All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

O.2. Monetary items denominated in foreign currency at the year end are restated at the rate of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognized in the Statement of Profit and Loss during the year except in case of long term borrowings relating to the acquisition of depreciable capital assets which is adjusted to the carrying cost of such assets.

O.3. In case of non-integrated overseas unincorporated Joint Ventures, the summarized revenue and expenses reflected in Statement of Profit and Loss are translated into Indian Rupees at an average exchange rate. The assets and liabilities are translated into Indian Rupees at the closing exchange rate prevailing on balance sheet date. The resultant excess/shortfall, arising from reporting of interest in Joint Venture as per AS-27, has been disclosed as foreign currency translation reserve.

P. Derivative Transaction :

P.1. The company uses derivative instruments to hedge its exposure to movements in foreign exchange rate and interest rate. The objective of these derivative instruments is to reduce the risk or cost to the company and is not intended for trading or speculation. Swap and option contracts entered into by the company for hedging the exposure to variability in cash flows attributable to foreign exchange and interest rate fluctuation associated with a recognized asset or liability are accounted based on the principles of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies".

P.2. The company uses commodity hedging contracts to cover all potential risk on account of natural gas price fluctuation relating to import of gas. Such commodity hedging contracts is governed by the Company's Natural Gas Price Risk Management Program, approved by the management. Company does not use commodity hedging contracts for speculative purposes.

As per the Institute of Chartered Accountants of India (ICAI) announcement, Accounting for derivative contracts, derivative contracts other than those covered under AS 11, as specified in the Companies (Accounting Standard) Rules, 2006; the effect of change in rates, are Marked to Market on portfolio basis and the net loss after considering the offsetting effects on the underlying hedge item, is charged to Statement of Profit & Loss. Net gains are ignored.

Q. Impairment :

As provided in the Revised Guidance Note on Accounting for Oil & Gas Producing Activities, for the purpose of AS 28 on Impairment of Assets, each cost center used

for depreciation / depletion purpose is treated as a Cash Generating Unit. An asset is considered as impaired in accordance with AS-28 when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and the value in use.). In assessing the value in use, the estimated future cash flow expected from the continuing use of the asset and its ultimate disposal are discounted to their present value using a predetermined discount rate. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

R. Earnings per share :

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity share holders of the company by the weighted average number of equity shares issued during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity share holders (after adjustment for diluted earnings) by weighted average no. of equity shares outstanding during the year.

S. Misc./Deferred Revenue Expenditure

S.1. The expenditures incurred on account of raising of equity capital through the process of private placement has been written off equally over a period of five years.

S.2. The expenditures incurred for raising of Debt Capital through issuance of Non Convertible Debenture has been written off equally over a period of time based on the maturity of the NCDs, other than NCDs issued for an original maturity period of 60 years, wherein period considered is up to first call option as per terms of issue.

T. Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed in the notes to the financial statements. Contingent liability is disclosed for (I) possible

obligations which will be confirmed only by future events not wholly within the control of the company or (ii) present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither disclosed nor recognized.

U. Cash flow statements

The Cash Flow statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flow by Operating, Investing and Financial activities of the company.

Cash and cash equivalents presented in the cash flow statements consist of cash on hand, drafts/cheques on hand and demand deposit with banks.

Notes forming part of Financial Statements

2. SHARE CAPITAL :

₹. in crs		
Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Authorised Share Capital : 300,00,00,000 Equity shares of ₹. 1 each (P. Y. 300,00,00,000 Equity shares of ₹. 1 each)	300.00	300.00
TOTAL	300.00	300.00
Issued, Subscribed and Paid up share Capital : 2,486,214,881 Equity shares of ₹. 1 each (P.Y. 2,357,819,820 Equity shares of ₹.1 each)	248.62	235.78
TOTAL	248.62	235.78

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

EQUITY SHARE	2013-14 No. of Shares	₹. in Crores	2012-13 No. of Shares	₹. in Crores
At the beginning of the period	2,357,819,820	235.78	2,296,091,425	229.61
Add : Shares Issued during the year	128,395,061	12.84	61,728,395	6.17
Outstanding at the end of the period	<u>2,486,214,881</u>	<u>248.62</u>	<u>2,357,819,820</u>	<u>235.78</u>

During the Financial Year 2013-14, the Company has issued Compulsory Convertible Debentures amounting to ₹.550 crores. For details of shares reserved for issue on conversion of convertible debentures, refer note 5.6.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the five years immediately preceding the reporting date :

Particulars	2013-14 No. of Shares	₹. in Crores	2012-13 No. of Shares	₹. in Crores
Equity shares allotted as fully paid bonus shares by capitalization of securities premium (during 2008-09)	1,056,110,700	105.61	1,056,110,700	105.61
	<u>1,056,110,700</u>	<u>105.61</u>	<u>1,056,110,700</u>	<u>105.61</u>

Details of share holders holding more than 5% share in the company.

Name of Shareholders	2013-14 No. of Shares held	% of Holding	2012-13 No. of Shares held	% of Holding
Equity shares of ₹ 1 each fully paid				
Government of Gujarat	2,147,962,140	86.39 %	2,068,949,795	87.75 %
Gujarat State Investment Limited	192,592,441	7.75 %	75,308,595	3.19 %

As per records of the company, including its registers of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of share.

Terms /Rights attached to equity shares.

The company has only one class of equity shares having a face value of ₹ 1 per share. Each holder of equity shares 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 the shareholders in the ensuing Annual General Meeting.

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During the year ended 31 March 2014 the amount of per share dividend recognized as distributions to equity shareholders is ₹. NIL (P.Y ₹. 0.50).

In the events of liquidation of the company, the holders of equity shares will be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportions to the number of equity share held by the shareholders.

3. RESERVES & SURPLUS :

Particulars	₹. in crs	
	As at 31 st March, 2014	As at 31 st March, 2013
Capital Reserve		
Balance as per last Balance Sheet	1.28	13.14
Addition/utilisation during the year	-	(11.86)
	1.28	1.28
Securities Premium Reserve		
Balance as per last Balance Sheet	1,970.81	1,477.48
Addition during the year	1,026.26	493.83
	2,997.07	1,971.31
Utilisation during the year	-	0.50
	2,997.07	1,970.81
Debenture Redemption Reserve		
Balance as per last Balance Sheet	48.32	-
Addition /utilisation during the year	149.71	48.32
	198.03	48.32
General Reserve		
Balance as per last Balance Sheet	3,245.14	2,745.14
Transfer from Statement of Profit & Loss	-	500.00
	3,245.14	3,245.14
Foreign Exchange Translation Reserve		
Balance as per last Balance Sheet	58.25	18.40
Addition /utilisation during the year	(36.10)	39.85
	22.15	58.25
Surplus in the Statement of Profit & loss		
Balance as per last Balance Sheet	512.85	348.95
Add: Profit for the Year	35.49	846.57
	548.34	1,195.52
Less: Appropriations		
Transferred to Debenture Redemption Reserve	149.71	48.32
Proposed Dividend on Equity Shares	-	114.83
Tax on Dividend	-	19.52
Transferred to General Reserve	-	500.00
Total Appropriations	149.71	682.67
Net Surplus in the Statement of Profit & Loss	398.63	512.85
	6,862.30	5,836.65

4. SHARE APPLICATION MONEY PENDING ALLOTMENT:

Company had Opening Share Application Money of ₹. 400 Crores & during the year company had received ₹. 700 crores as share application money out of which company issued 128,395,061 shares (face value of ₹. 1 each having security premium of ₹. 80 per share) amounting to ₹. 1040 crores. The balance amount of ₹. 60 crores have been shown as share application money. Of the ₹.1040 crores issued as share capital to Government of Gujarat & Gujarat State Investments Limited the company needs to refund ₹. 4/- to Gujarat State Investments Limited which is shown under other current liabilities (Refer Note no 11). For the amount outstanding as share application money amounting to ₹. 60.00 crores, the company has sufficient authorised share capital to issue 7,407,408 shares of face value of ₹. 1 each at security premium of ₹. 80 per share. The New equity Shares shall rank Pari - Passu with existing shareholders, except for payment of dividend which shall be paid on pro-rata basis. These shares have been issued to Governor Of Gujarat on 2nd April, 2014.

5. LONG TERM BORROWINGS:

₹. in crs

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Non-current	Current	Non-current	Current
Secured Loans :				
Term Loan From Banks				
Rupee Loan	2,775.00	225.00	3,000.00	-
Foreign Currency Loan	1,670.88	573.00	1,678.92	472.91
Compulsory Convertible Debentures	550.00	-	-	-
(A)	<u>4,995.88</u>	<u>798.00</u>	<u>4,678.92</u>	<u>472.91</u>
Unsecured Loans :				
Non Convertible Debentures	6,000.00	-	6,000.00	-
Term Loan From Others				
GSFS	437.50	62.50	-	-
(B)	<u>6,437.50</u>	<u>62.50</u>	<u>6,000.00</u>	<u>-</u>
TOTAL (A+B)	<u>11,433.38</u>	<u>860.50</u>	<u>10,678.92</u>	<u>472.91</u>

- 5.1 Foreign currency loans (ECB-1) amounting to USD 325 million (Current outstanding USD 121.88 million) are from consortium of four member banks lead by State Bank of India. Presently the loan is secured by way of first ranking parri passu charge on all the present and future receivables of the Company, including Bank Guarantees provided by gas sales customers of the company. However on commencement of production from KG-OSN-2001/3, the lenders will have a primary charge over the receivables from KG-OSN-2001/3 only. In addition to above security, the lenders also have a charge on Company's Participating Interest in KG-OSN-2001/3.
- 5.2 Consortium of fourteen member banks lead by Bank of Baroda has provided Rupee Term loan to the tune of ₹. 3,000 Crores (current outstanding ₹. 3,000 Crores). The loan is secured by way of first ranking parri passu charge / assignment of the borrower's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the borrower's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.3 Consortium of Three member banks lead by Bank of Baroda (ECB-2), London branch has provided new Foreign Currency Loan of USD 200 Million (Current outstanding of USD 200 Million). The loan is secured by way of first ranking parri passu charge / assignment of the borrower's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the borrower's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.4 Consortium of Five member banks lead by Bank of Baroda (ECB-3), London branch has provided new Foreign Currency Loan of USD 250 Million and USD 75 Million from Export Import Bank of India (Current outstanding of USD 75 Million). The loan is secured by way of first ranking parri passu charge / assignment of the borrower's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the borrower's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.

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5.5 In the F.Y. 12-13, the Company has raised funds to the tune of ₹. 6,000 crores through issuance of unsecured, Non-Convertible Debentures (NCD) on private placement basis listed with National Stock Exchange. The details of the same are as follows:

Sr. No.	Type of NCD	Amount (₹. in Crores)	Interest Rate (in %) on p.a. basis	Issued in
1.	8 Yrs	1,000	9.39	Sep-12
2.	10 Yrs	1,000	9.45	
3.	60 Yrs*	1,000	10.45	
4.	15 Yrs	2,000	9.03	Mar-13
5.	60 Yrs**	1,000	9.80	

* The company has the call option for these NCDs after 10 years, from date of allotment, till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

** The company has the call option for these NCDs after 12 years, from date of allotment, till maturity and in case such option is not exercised then the interest rate will step up by 2 % till the NCDs are repaid.

5.6 In the F.Y. 2013-14, the Company has raised funds to the tune of ₹. 550 Crs through issuance of Secured Compulsory Convertible Debentures (CCD) on private placement basis. The details of the same are as follows:

Sr. No.	Name of Investor	Amount (₹. in Crs.)
1	IDBI Bank	150.00
2	IFCI	100.00
3	State Bank of India	300.00

Compulsory Convertible Debentures of face value of ₹. 81 each are secured by a first mortgage and charge over certain immovable property of the company. There is a lock in period of one year for CCD investor from the date of allotment. The debentures will be converted into equity shares at the end of the five years.

5.7 Loan Repayment Schedule

Sr. No.	Particulars	Total Outstanding ₹. in crs	Rate of Interest p. a	Repayable in 12 months	Repayable in 2 to 4 year	Repayable in 5 to 7 year	Repayable in 8 to 10 year	Repayable in 11 to 15 year	Repayable in 16 to 60 year
A	Rupee Term Loan	3,000.00	Base Rate + 50 bps	225.00	1,125.00	1,650.00			
B	External Commercial Borrowing -ECB-1	591.13	6 m Libor + 300 bps	472.91	118.22	-	-		
C	External Commercial Borrowing - ECB-2	1,202.00	6 m Libor + 340 bps	100.13	600.76	501.11			
D	External Commercial Borrowing - ECB-3	450.75	6 m Libor + 374 bps		140.86	169.03	140.86		
E	Non Convertible Debentures (refer note no.5.5)	6,000.00	9.39% 9.45% 10.45% 9.03% 9.80%			1,000.00	1,000.00	2,000.00	2,000.00
F	GSFS Loan	500.00	9.5%	62.50	437.50				
		11,743.88		860.50	2,422.38	3,320.14	1140.86	2,000.00	2,000.00

5.8 Derivative Contracts:

- The company enters into Currency option and interest rate swap contracts to hedge its exposure in foreign exchange rate and interest in connection with Foreign Currency Loans.
- Nominal amounts of derivative contracts entered into by the company and outstanding as on 31st March, 2014 amounts to USD 121.88 Millions (Previous year USD 219.375 Millions). Category wise break up is given as below:

Currency	Particulars	As at 31 st March, 2014			As at 31 st March, 2013		
		No of Contracts	₹. in crores	USD in Million	No of Contracts	₹. in crores	USD in Million
US Dollar	Interest Rate swaps and Currency options (Call)	7	591.12	121.88	7	1,064.05	219.375

Foreign Currency loans that are not hedged by derivative instruments as on 31st March 2014 is USD 275 Millions (P. Y USD 200 Million) ₹. 1,652.75 crores (P.Y. ₹. 1,087.79 crores)

6. DEFERRED TAX LIABILITIES :

As required by Accounting Standard (AS 22) "Taxes on Income" issued by The Institute of Chartered Accountants of India, and in view of the company's policy (Refer accounting policy no.1 (I)) the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating to ₹. 46.53 Crores (P.Y. ₹. 25.17 crores) in the Statement of Profit and Loss, the details of which are as under :

₹ in crores			
Particulars	As on 31-March-2013	For the year 2013-14	As on 31-March-2014
Deferred Tax Liability			
(a) On excess of WDV as per Books over WDV as per I.T.	104.14	45.43	149.57
(b) Others	31.18	(8.02)	23.16
Total (A)	135.32	37.41	172.73
Deferred Tax Asset			
(a) On excess of WDV as per I.T. over WDV as per Book Value.	17.38	(10.26)	7.12
(b) Retirement Benefits	0.87	1.15	2.02
(c) Others	0.00	0.00	0.00
Total (B)	18.25	(9.11)	9.14
Net Deferred Tax Liability (A-B)	117.07	46.52	163.59

7. OTHER LONG TERM LIABILITIES :

₹. in crores			
Particulars	As at 31 st March, 2014		As at 31 st March, 2013
Joint Ventures (Refer Note No 32 & 36)	0.16		0.56
Others*	12.52	12.68	12.65
TOTAL		12.68	13.21

* Includes deposits received from customers

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8. LONG TERM PROVISIONS :

₹. in crores

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Provision for Abandonment Cost	52.09	52.09
TOTAL	52.09	52.09

8.1 Disclosures required by Accounting Standard- 29 "Provisions, Contingent Liabilities and Contingent Assets".

Movement in Provisions

₹. in Crores

Sr. No.	Particulars of Disclosure	Provision for Contingencies 2013-14	Provision for Contingencies 2012-13
1	Opening Balance	52.09	52.09
2	Provision made during the year	-	-
3	Paid during the period	-	-
4	Closing Balance	52.09	52.09

The above provision relates to Site Restoration Fund Created for Asjol, North Balol , Palej and Hazira Blocks.

8.2 Nature of the Provision

The above amounts relates to provision for Abandonment Cost and Take or Pay provisions in relation to Gas Trading Activities

9. SHORT TERM BORROWINGS:

₹. in Crores

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Secured Loans		
From Banks (Loans Repayable on demand)	1,656.76	785.34
Unsecured Loans		
From Banks (Loans Repayable on demand)	2,047.30	
From Others :	-	1963.48
GSFS	-	-
TOTAL	3,704.06	2,748.82

10. TRADE PAYABLES :

₹. in Crores

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
- Micro, small and medium Enterprises		-
- Others	537.73	646.95
	537.73	646.95
TOTAL	537.73	646.95

10.1 The company has not received any Memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprise Development Act, 2006) claiming their status as micro, small and medium enterprise as on the Balance Sheet date. Consequently, the amount payable to micro, small and medium enterprises during the year ₹. Nil (Previous year ₹. Nil)

11. OTHER CURRENT LIABILITIES :

₹. in crores

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
Current Maturities of Long Term Borrowings				
From Bank				
Rupee Term Loan	225.00		-	
Foreign Currency Loans	573.00	798.00	472.91	472.91
From GSFS				
Interest accrued but not due on borrowings		62.50		
Share Application Money Due for refund (₹. 69/- (P. Y. 10/-)) (Refer note no. 4)		161.59		105.01
		0.00		0.00
Other Payables				
Subsidiaries	2.48		1.18	
Joint Ventures (Refer Note No 32 & 36)	386.16		426.67	
Payables for Fixed Assets	2.30		2.30	
Others*	101.21	492.15	97.26	527.41
TOTAL		1,514.24		1,105.33

* Includes statutory dues.

12. SHORT TERM PROVISIONS :

₹. in crores

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
Provision for employee benefits				
Provision for Gratuity	4.10		2.55	
Provision for Leave benefits	1.86	5.96	1.19	3.74
Other Provision				
Provision for Proposed Dividend	-		114.83	
Provision for Dividend Distribution Tax	-		19.52	
Provision for Profit Petroleum	56.43		45.12	
Provision for Commodity Hedging Loss	-		-	
Provision for other Expenses	223.24		9.54	
		279.67		189.01
TOTAL		285.63		192.75

12.1 For Hedging commodity related risks: As per the Institute of Chartered Accountants of India (ICAI) announcement, accounting for derivative contracts, derivative contracts other than those covered under AS 11, as specified in the Companies (Accounting Standard) Rules, 2006; the loss amounting to ₹. 7.11 crores, on account of Marked to Market, was charged to Statement of Profit & Loss during F.Y. 2011-12. On settlement of the transaction, resulting gain of ₹. 3.66 crores is credited to Statement of Profit & Loss in F.Y. 2012-13.

Further In accordance with principles of prudence and other applicable guidelines as per Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 the company has charged an amount of ₹. Nil (Previous year ₹. Nil) to the Statement of Profit & Loss in respect of derivative contracts other than those contracts which are effective hedges.

Note: 13 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION, DEPLETION, IMPAIRMENT AND AMORTISATION						NET BLOCK	
	As at 31 Mar-2013	Additions/ Adjustments	Deduction/ Adjustments	As at 31 Mar-2014	As at 31 Mar-2013	During the period*	Impairment during the year	Impairment reversed during the year	Deductions	As at 31 Mar - 2014	As at 31 Mar - 2013
Tangible Assets											
Land											
Freehold Land	123.24	-	-	123.24	-	-	-	-	-	-	123.24
Leasehold Land	11.11	-	-	11.11	1.16	0.37	-	-	-	1.53	9.58
Buildings	38.56	1.47	-	40.03	12.37	1.32	-	-	-	13.69	26.34
Plant & Machinery	430.46	0.94	-	431.40	171.72	39.69	-	-	-	211.41	219.99
Producing Properties (being Company's share in Joint Venture)	1,390.71	122.88	-	1,513.59	1,035.39	54.72	-	-	-	1,090.11	423.48
Furniture & Fixtures	13.74	0.16	-	13.90	8.54	1.15	-	-	-	9.69	4.21
Vehicles	10.35	2.65	2.18	10.82	4.72	1.63	-	-	1.35	5.00	5.82
Office Equipments	19.83	0.27	0.06	20.04	11.13	1.23	-	-	0.05	12.32	7.72
Computer Equipments	22.40	1.47	1.07	22.80	19.24	1.57	-	-	0.96	19.84	2.96
Total	2,060.40	129.84	3.31	2,186.93	1,264.27	101.68	-	-	2.36	1,363.59	823.34
Previous Year	2,029.00	33.40	2.00	2,060.40	1,148.23	117.12	-	-	1.08	1,264.27	796.13
The above includes Company's Share in Unincorporated Joint Venture Assets	1,427.28	128.64	0.07	1,555.85	1,055.56	57.73	-	-	0.06	1,113.23	442.62
Intangible Assets											
Intangibles-(Software)	29.99	2.88	-	32.87	22.89	3.70	-	-	-	26.59	6.28
Previous Year	29.99	2.88	-	32.87	22.89	3.70	-	-	-	26.59	6.28
Previous Year	27.22	2.77	-	29.99	19.62	3.27	-	-	-	22.89	7.10
Previous Year											7.60

*It includes depreciation of ₹ 2.55 crore (P.Y. ₹ 2.21 crore) which has been capitalised during the year as per policy.

14. CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDERDEVELOPMENT.

	₹. in crores	
	As at 31 st March, 2014	As at 31 st March, 2013
14.1 CAPITAL WORK IN PROGRESS		
Tangible		
Exploration & Development		
Exploration	339.16	279.09
Development	6,849.58	4,882.47
CWIP Building	7,188.74 2.54	5,161.56 -
TOTAL	7,191.28	5,161.56
14.2 INTANGIBLE ASSETS UNDER DEVELOPMENT.		
Exploration & Development		
Exploration	7,271.18	8,226.73
Development	463.36	381.50
	7,734.54	8,608.23
Borrowing Cost	4,670.82	3,473.98
	12,405.36	12,082.21
Software	0.29	0.29
TOTAL	12,405.65	12,082.50

Exploration and Development cost incurred by the joint ventures has been bifurcated into CWIP tangible and intangible assets under Development as per the requirement of Revised Guidance note on Accounting for Oil & Gas Producing Activities issued by ICAI.

Borrowing Costs and Test Production

- The borrowing costs amounting to ₹. 1,504.20 crores (P. Y ₹. 1,136.24 crores) and depreciation amounting to ₹. 2.55 crores (P. Y. ₹. 2.21 crores) has been capitalized in the current year to CWIP tangibles Exploration & Development.
- In the current year an amount of ₹. 3.99 crores (P.Y. ₹. 2.29 crores) being sales of test production from various exploratory wells have been credited to CWIP. These blocks are not considered as producing property in accordance with the accounting policy (Refer note no.1. C. 5 and no.1.G.2 of Significant accounting policies).

15. NON-CURRENT INVESTMENTS:

	₹. in crores	
Particulars	As at 31 st March, 2014	As at 31 st March, 2013
I. TRADE INVESTMENT (Valued at cost unless stated otherwise)		
INVESTMENT IN EQUITY INSTRUMENTS		
INVESTMENT IN SUBSIDIARY		
Quoted Equity Investments		
In 212,305,270 (P.Y. 212,305,270) Equity Shares of Gujarat State Petronet Ltd. of ₹.10 per share {M.V. ₹. 14,712,755,211/- (P.Y. ₹.14,224,453,090)}	213.31	213.31
Unquoted Equity Investments		
In 25,000(P.Y.25,000) shares of Guj Info Petro Ltd. at ₹.10 per share fully paid up	0.03	0.03
In 36,692,338 (P.Y.36,692,338) shares of GSPC Gas Co Ltd. of ₹.10 per share fully paid up (Previously known as Gujarat State Fuel Management Company Ltd.)	57.42	57.42
In 376,772,936 (P.Y. 36,890,436) shares of GSPC Pipavav Power Co. Ltd at ₹.10 per share fully paid up	376.77	36.89
In 97,390,000 (P.Y. 24,400,000) shares of GSPC JPDA Ltd at ₹.10 per share fully paid up	97.39	24.40
In 50,000 (P.Y. 50,000) shares of GSPC Marginal Fields Ltd at ₹.10 per share fully paid up	0.05	0.05
In 8,199,940 (P.Y. 5,999,940) shares of GSPC LNG Ltd at ₹.10 per share fully paid up	8.20	6.00
INVESTMENT IN ASSOCIATES		
Unquoted Equity Investments		
In 113,541,817 (P.Y.113,541,817) shares of Gujarat State Energy Generation Ltd of ₹. 10 per share fully paid up	119.83	119.83
In 11,500,000 (P.Y. 10,500,000) shares of Alcock Ashdown (Gujarat) Ltd at ₹.10 per share fully paid up	11.50	10.50
In 2,250,000(P.Y. 2,250,000) shares of Sabarmati Gas Company Ltd at ₹.10 per share fully paid up	8.96	8.96
	893.46	477.39
Less : Provision for Diminution in Value of Shares of Alcock Ashdown(Gujarat) Ltd. & GSPC Marginal Fields Ltd.	(11.55)	(10.50)
TOTAL TRADE INVESTMENT (A)	881.91	466.89
II. NON TRADE INVESTMENTS (Valued at cost unless stated otherwise)		
Quoted Equity Investments		
In 3,697,000(P.Y.3,697,000) Equity Shares of ₹.10 of Gujarat Industries Power Company Ltd. M.V.₹. 242,708,050 (P.Y. ₹. 273,947,700)}	10.00	10.00

₹. in crores

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Unquoted Equity Investments		
In 500,000 (P.Y. 500,000) equity shares of ₹.10/-per share of Gujarat Science At Action Ltd fully paid up	0.50	0.50
In 29,004,033 (P.Y. 29,004,033) shares of ONGC Petro Additions Ltd at ₹.10 per share fully paid up (₹. 290,040,330/- P.Y. ₹.290,040,330)	29.00	29.00
In 575,000 (P.Y. 575,000) shares of Krishna Godavari Gas Network Ltd. at ₹.10 per share fully paid up	0.57 <u>40.07</u>	0.57 <u>40.07</u>
Less: Provision for Diminution in the Value of Investments (KGGNL)	<u>(0.22)</u>	<u>(0.26)</u>
TOTAL NON TRADE INVESTMENT (B)	<u>39.85</u>	<u>39.81</u>
TOTAL	<u>921.76</u>	<u>506.70</u>
Total Quoted Investments	223.31	223.31
Total Unquoted Investments	710.22	294.15
Total Provision for Diminution in Value of investment	<u>(11.77)</u>	<u>(10.76)</u>
TOTAL	<u>921.76</u>	<u>506.70</u>
Market Value of Quoted Investments	<u>1,495.55</u>	<u>1,449.84</u>

- 15.1 The Company had given the following Guarantees/Security on behalf of Gujarat State Energy Generation Limited (GSEG):
- Security by way of pledging GSPC's Investment in Equity Shares {NIL shares (P.Y. 22,949,969 shares)} of Gujarat State Energy Generation Ltd equivalent to ₹. NIL (P.Y. ₹. 22.95 Crores) to various banks / FIs of GSEG.
 - The pledged securities had been released during the financial year 2012-13.
- 15.2 An investment of ₹. 0.57 crores was made by the company in the year 2006-07 in equity shares of Krishna Godavari Gas Network Ltd. (KGGNL), which was set-up to implement CGD network in the state of Andhra Pradesh. The Board of Directors of KGGNL in its meeting held on 27th June 2011 had decided to go for voluntary winding-up of KGGNL. Accordingly, as required by Accounting Standard 13 an estimated provision of 45% reduction in value of investment amounting to ₹. 0.26 crores was made in Statement of Profit & Loss in FY 2011-12, Company has received in FY 2014-15 ₹. 0.35 crores from Official Liquidator on Final liquidation of the company, so as per AS-13 Company has written back Provision for Diminution in Value of Investment of ₹. 0.04 crore during the year.
- 15.3 The company had made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of ₹. 10.50 crores and ₹.1.00 crores was outstanding as share application money pending for allotment at the beginning of the Financial year, the shares for the same had been issued in July 2013. As per audited financial statement of the company for FY 2011-12, accumulated losses of the company had exceeded its new worth. Hence, as per AS -13 "Accounting for Investment" considering the same as permanent diminution in the value of investment, full provision for Diminution in value of investment had been provided in the FY 2012-13 for ₹. 10.50 crores and against advances - share application money pending for allotment for ₹. 1 crore, now as the Shares have been allotted for the amount which was outstanding as share application money full provision for permanent diminution in the value of investment has been provided in the current year & has reversed Provision for Doubtful Advances i.e. share application money pending for allotment for ₹. 1 crore.
- 15.4 The company had made investment in shares of GSPC Marginal Fields Ltd. to the tune of ₹. 0.05 crores. As per audited financial statement of the company till 27th February 2014, accumulated losses of the company is equal to its new worth & the company has applied for Liquidation. Hence, as per AS -13 "Accounting for Investment" considering the same as permanent diminution in the value of investment, full provision for Diminution in value of investment has been provided in the FY 2013-14 for ₹. 0.05 crores.

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16. LONG TERM LOANS & ADVANCES :

₹. in crores

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Unsecured considered good unless otherwise stated		
<u>Sundry deposits</u>		
Sundry deposits	3.39	3.61
<u>Loans & Advances to related parties</u>		
Advances for Investments (Pending Allotment)		
I. Subsidiary Companies**		
I) GSPC (JPDA) Ltd	-	69.26
ii) GSPC Pipavav Power Company Ltd	-	5.38
iii) GSPC LNG Ltd.	3.23	5.43
	3.23	80.07
II. Associate Companies :		
i) i) Gujarat State Energy Generation Ltd	69.00	
ii) Alcock Ashdown (Gujarat) Ltd.	-	1.00
Less : Provision for Doubtful Advances (Refer Note No. 15.3)	-	(1.00)
	69.00	-
Advances Recoverable in cash or in kind or for value to be received		
Joint Venture (Refer Note No 32 & 36)	1,632.37	1,350.16
Others***	2.55	2.57
Advance Income Tax (Net of Provisions)	101.09	69.59
Advances to Employees*	9.38	8.45
TOTAL	1,821.01	1,514.45

* Out of Total advances to employees ₹. 9,21,51,301/- (P.Y. ₹. 8,00,87,836/-) is secured.

** Please refer Note No.36

*** Includes deposits from vendors

16.1 Advance Income Tax (Net of Provision)

16.1.1 Provision of Tax for the current year is ₹. 15.00 Crores (P.Y ₹. 376.00 crores). Provision for Wealth tax included in Rent, Rates & Taxes is of ₹. 0.06 Crores (P.Y. ₹. 0.06 crores).

16.1.2 The company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80IB (9) is admissible under the Income Tax Act, 1961. The company has been treating each well as a separate undertaking for the purpose of claiming deduction U/s 80IB(9). This view has not been accepted by the first assessing authorities. However, the Commissioner of Income Tax (Appeal) [C.I.T. (A)] has accepted the company's contention regarding claim U/s. 80IB (9). The second appellate authority, i.e. Income Tax Appellate Tribunal (ITAT) has also upheld the company's contention for A.Y. 2000-01 and allowed the claim U/s 80IB (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80IB (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80IB(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80IB (9) by treating each well as a separate undertaking. The company had challenged the above amendment by filing a writ petition before the Hon'ble High Court of Gujarat. The Hon'ble High Court has granted an interim relief to the company and has directed the Income tax authorities, not to give effect to the provisions of explanation I to section 80IB(9) of the Income tax Act, 1961 retrospectively i.e. for the period prior to Assessment Year 2010-11, till then.

Further to the above, in case of claim U/s 42, the ITAT has upheld the department's contention for claim U/s. 42 in respect of Hazira Field. In view of the ITAT order, CIT (A) has also upheld department's contention for Claim U/s. 42 in respect of Hazira Field for the first time in A.Y. 05-06. However, due to this, the company does not envisage any tax liability. Both company and department have preferred appeals before Hon'ble High Court of Gujarat against the order of ITAT on issues which are not decided in their favour. The company is confident of its position.

No provision is made for such disputed Income tax liabilities, which is estimated at ₹. 1,028.42 Crores (P.Y. ₹. 810.35 Crores). However the same is disclosed by way of a note as contingent liabilities vide note no.23.

16.1.3 The Company has availed deduction U/s.42 as well as claiming tax holiday U/s 80IB (9) of the Income Tax Act, 1961 for exploration / development costs. This has impact of temporary differences which in the management's view, considering the past performance and future estimates will be reversed during the "Tax Holiday Period" - and to that extent the deferred tax is not recognized and accordingly no provision for deferred tax liability in respect thereof is made.

16.1.4 Mat Credit for the current year amounting to ₹. 15.00 Crore is not recognized as asset as the same does not have a virtual certainty for its utilization.

17. OTHER NON CURRENT ASSETS :

Particulars	₹. in crores	
	As at 31 st March, 2014	As at 31 st March, 2013
Unsecured considered good unless otherwise stated		
Site Restoration Fund - Deposits with bank*	70.76	64.37
Unamortized Expenses	61.45	86.62
TOTAL	132.21	150.99

*Deposited u/s 33ABA of Income Tax Act, 1961 and could be withdrawn only for the purposes specified in the scheme.

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18. INVENTORIES:

Particulars	₹. in crores	
	As at 31 st March, 2014	As at 31 st March, 2013
As taken, valued & certified by the Management		
Finished Goods - Crude Oil (Valued at Rate specified in COSA) (Refer note no.3 2)	5.53	6.52
Stock in Trade - Liquified Gas (Valued at Cost)		-
TOTAL	5.53	6.52

19. TRADE RECEIVABLES :

Particulars	₹. in crores	
	As at 31 st March, 2014	As at 31 st March, 2013
Secured, considered good		
- More than Six Months	-	0.09
- Others	183.45	240.05
	183.45	240.14
Unsecured, considered good		
- More than Six Months	73.86	81.89
- Others	351.14	411.83
	425.00	493.72
TOTAL	608.45	733.86

20. CASH & BANK BALANCES :

Particulars	₹. in crores	
	As at 31 st March, 2014	As at 31 st March, 2013
Cash & Cash Equivalent		
Balance with Banks - Current accounts	13.25	34.76
Cheques on Hand	60.00	400.00
Cash on Hand	0.03	0.04
Other Bank Balance		
Fixed Deposits with Bank (More than 3 months but less than 12 months) (Refer note no.42)	188.96	196.25
TOTAL	262.24	631.05

21. SHORT TERM LOANS & ADVANCES :

₹. in crores		
Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Unsecured considered good unless otherwise stated		
<u>Sundry deposits</u>		
Sundry deposits	20.02	2.51
<u>Loans & Advances to related parties*</u>		
I. Subsidiary Companies	1.15	2.31
II. Associates	31.60	1.10
<u>Other Loans & Advances :</u>		
I) Advance to GERMI	-	0.01
ii) Krishna Godavari Gas Network Ltd (₹. Nil (P.Y. ₹. 31935/-)	0.04	0.00
iii) Others	0.04	0.01
Advances Recoverable in cash or in kind or for value to be received.		
Advance to Joint Venture (Refer Note No 32 & 36)	460.95	406.31
Others**	171.64	14.19
Advances to Employees	1.77	1.66
TOTAL	687.17	428.09

* Please refer note no.36.

** Includes prepaid expenses.

22. OTHER CURRENT ASSETS :

₹. in crores		
Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Interest Accrued but not due	0.73	-
Unamortised Expenses	8.67	8.62
TOTAL	9.40	8.62

23. CONTINGENCIES :
Contingent liabilities

- i) Claims against the company not acknowledged as debts which in the opinion of the Management are not tenable/under appeal at various stages :

₹. in crores		
Particulars	As at 31 st March, 2014	As at 31 st March, 2013
Income Tax (Ref. note no.16.1)	1,028.42	810.35
Joint Ventures	1,915.94	1,405.48

Above Joint venture contingent liability includes our share in following matters:

- a) Gujarat State Energy Generation Limited (hereinafter referred to as GSEG) is one of the customers of Hazira Field. The Hazira Field is operated by NIKO Resources Limited (hereinafter referred to as NIKO) where the Company has 66.67% Participating Interest while NIKO has 33.33% Participating Interest.

A Gas Sales Agreement dated February 16, 2000 (hereinafter referred to as GSA) was executed between GSEG (as Buyer) and NIKO & GSPC (as Sellers) where GSEG agreed to purchase and NIKO & GSPC agreed to sell certain quantity of natural gas produced from the Hazira Field. The said GSA is valid till April 30, 2016. The Daily Contracted Quantity in terms of the GSA is 8 Lakhs SCMD. The said GSA is a firm commitment GSA i.e. the Buyer is bound to off-take and the Sellers are bound to offer for supply a minimum of 80% of the daily contracted quantity under the GSA on Six Monthly basis.

The production of natural gas from Hazira Field started declining drastically on and from early 2006 which resulted into NIKO and GSPC being unable to supply the minimum guaranteed quantities under various gas sales agreements for Hazira Field including the GSA with GSEG. The said decline in production from Hazira Field was owing to the extraordinary geological conditions and ingress of water and sand into reservoirs as reported by NIKO. With a view to address the situation, GSPC started supplying gas to Hazira Customers including to GSEG from various other sources of gas available with GSPC.

However, on and from August 2010, the production from the field dropped so dramatically that it was no more possible to supply the minimum guaranteed quantities to GSEG. NIKO (on behalf of unincorporated joint venture of NIKO & GSPC) put GSEG to Notice that the short-supply of gas under the GSA is due to depletion of production from Hazira Field caused by natural geological reasons such as ingress of water and sand into the reservoir stating that the same is Force Majeure situation under the GSA. However, GSEG has not agreed to such claim of Force Majeure.

GSEG has invoked arbitration proceedings against NIKO & GSPC claiming that NIKO and GSPC are liable to pay liquidated damages to GSEG for short supply of natural gas under the GSA on and from August 2010 till the end of the GSA in April 2016. As alleged by GSEG, such claim of GSEG amounts to USD 129,917,884/-. NIKO and GSPC has disputed such claims and asserted that the short-supply of gas under the GSA was on account of Force Majeure Condition i.e. depletion of reservoir due to natural geological reasons such as ingress of water and sand into the reservoir and asserted that therefore the obligation of NIKO and GSPC to supply minimum guaranteed quantity to GSEG under the GSA was excused by such Force Majeure Condition. The Arbitration Proceedings is pending as of date and the matter is sub-judice.

- b) In September 2005, GSPC as an operator had entered in to contract with Atwood Oceanics Pacific Ltd ("AOPL") for Drilling, completing or abandoning the wells (s) identified by GSPC's drilling program. AOPL then issued legal notice dated February 13, 2012 demanding a sum of USD 25,037.81 allegedly being amounts deducted by GSPC from AOPL's Invoices and an amount of USD 1,291,436.69 allegedly being towards interest on delayed payment of AOPL's Invoices. Subsequently, AOPL has issued an arbitration notice dated March 6, 2012 in relation to the above claims. In accordance with the Statement of Claim filed by AOPL, AOPL has claimed an amount of USD 1523895.29 from GSPC plus interest at the rate of 1.5% per month till the date of payment by GSPC.

GSPC has defended the said claim of AOPL on various grounds including that the Contract Price was inclusive of Service Tax and also that the payment of invoices was correctly withheld by GSPC as disputed invoices in view of Service Tax Amounts claimed by AOPL but no challans evidencing the payment of such amounts by AOPL to Government of India.

The Parties have submitted final arguments before the Hon'ble Sole Arbitrator. However, the matter is pending in view of pendency of AOPL's rejoinder to GSPC's final arguments.

The matter is sub-judice and the outcome is presently indeterminable. However, this being a dispute pertaining to KG-OSN-2001/3 Block, the liability, if any, on GSPC will be limited to GSPC's participating interest in the Block.

24. CAPITAL COMMITMENTS :

- a. Estimated amount of Contracts remaining to be executed on capital accounts and not provided for :
 - i. In respect of Joint Ventures ₹. 1,851.82 crores (P.Y. ₹. 129.64 crores)
 - ii. In respect of others ₹. NIL (P.Y. ₹. NIL crores)
- b. Minimum Work Programme Committed under various Production Sharing Contracts in India and Outside India.
 - 1.) In India ₹. 471.28 crores (P.Y. ₹. 439.28 crores)
 - 2.) Outside India ₹. 71.46crores (P.Y. ₹. 279.67 crores)

25. REVENUE FROM OPERATIONS:

₹. in crores

Particulars	2013-14	2012-13
Sales of Products		
Natural Gas Trading	11,708.92	9,979.23
Sale of Gas-Joint Ventures (Refer Note No 32)	32.46	52.17
Sale of Oil-Joint Ventures (Refer Note No 32)	144.87	159.73
Sale of Electricity - WIND MILL	39.94	44.58
	<u>11,926.19</u>	<u>10,235.71</u>
Other Operating revenues		
Take or Pay Income	1.01	10.20
TOTAL	<u>11,927.20</u>	<u>10,245.91</u>

26. OTHER INCOME :

₹. in crores

Particulars	2013-14	2012-13
Interest Income :		
Interest on Deposits	17.98	14.69
Other Interest Gross*	12.55	2.80
	<u>30.53</u>	<u>17.49</u>
Income From Long term investments :		
Dividend From Subsidiary Companies	24.90	24.90
Dividend From Other Companies	0.92	1.26
	<u>25.82</u>	<u>26.16</u>
Other Non Operating Income		
Usage Charges	2.60	2.96
Other Income-Joint Ventures	6.19	5.84
Net Profit on Sale of Fixed Assets	0.15	0.03
Miscellaneous Income	45.33	1.16
	<u>54.27</u>	<u>9.99</u>
Net Foreign Exchange-Gain	-	-
TOTAL	<u>110.62</u>	<u>53.64</u>

*Other interest Gross includes interest amounting to Nil (P.Y. ₹. 0.11 crores) from subsidiary company and ₹. 7.02 crores (P.Y. Nil) from associate company.

27. PURCHASE OF STOCK IN TRADE :

₹. in crores		
Particulars	2013-2014	2012-2013
Purchase of Gas	9,386.66	6,018.97
Import Purchase of Gas	541.66	2,029.37
TOTAL	<u>9,928.32</u>	<u>8,048.34</u>

28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK -IN-TRADE.

₹. in crores		
Particulars	2013-2014	2012-2013
FINISHED GOODS (Refer Note No 32)		
Closing stock of Oil	(5.53)	(6.52)
Opening stock of Oil	<u>6.52</u>	<u>7.07</u>
	0.99	0.55
Increase/ decrease in stock of Oil	<u>0.51</u>	<u>0.87</u>
	1.50	1.42
STOCK IN TRADE		
Opening stock of Liquified GAS	-	222.98
Closing stock of Liquified GAS	<u>-</u>	<u>-</u>
	-	222.98
TOTAL	<u>1.50</u>	<u>224.40</u>

29. EMPLOYEE BENEFIT EXPENSES :

₹. in crores		
Particulars	2013-2014	2012-2013
Salaries, wages & allowances	13.61	10.38
Contribution to Provident Fund and Other Funds	1.79	2.21
Staff welfare Expenses	0.21	0.18
TOTAL	<u>15.61</u>	<u>12.77</u>

Details of Allocation of Expenditure: Expenditure incurred during the year on Payments to and Provision for employees

₹. in crores

Particulars	2013-2014	2012-2013
Salaries, wages & allowances	48.65	36.21
Contribution to Provident Fund and Other Funds	6.41	7.71
Staff welfare Expenses	0.75	0.63
TOTAL	55.81	44.55
Allocated to Operated E & P Blocks	40.20	31.78
Net Expenditure for Corporate	15.61	12.77

Employee Benefits :

A. Defined Contribution Plans

- i. Company's contribution to Provident Fund is ₹. 0.71 Crores (P. Y. ₹. 0.62 Crores)
- ii. Company's contribution to Super Annuation fund ₹. 0.29 Crores (P. Y. ₹. 0.16 crores)

B. Defined Benefit Plans

The following table sets out the funded status of the Gratuity and Leave Encashment Plan and the amounts recognized in company's financial statements as at 31st March, 2014 as required by Accounting Standard (AS) 15 (Revised 2005)

₹. in crores

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
I Change in obligation during the year ended 31st March, 2014				
1 Liability at the beginning of the year	6.33	2.67	5.51	4.18
2 Interest cost	0.50	0.22	0.43	0.35
3 Current service cost	1.37	0.87	0.44	0.37
4 Past service cost	0.60	0.00	0.20	0.00
5 Benefit Paid	(0.47)	(0.13)	(0.50)	(0.21)
6 Actuarial (gain) / Losses	(0.54)	2.70	(0.03)	0.82
7 Liability at the end of the year	7.79	6.33	6.05	5.51
II Change in assets during the year ended 31st March, 2014				
1 Plan assets at the beginning of the year	3.78	3.11	4.33	4.05
2 Expected return of plan assets	0.24	0.30	0.35	0.37
3 Contributions	0.00	0.51	0.01	0.12
4 Benefit paid	(0.34)	(0.13)	(0.51)	(0.21)
6 Actuarial gain / (Loss)	0.01	(0.01)	0.01	0.00
7 Plan assets at the end of the year	3.69	3.78	4.19	4.33
8 Total Actuarial Gain/(Loss) To Be Recognized	0.55	(2.71)	0.04	(0.82)
III Actual Return on plan assets				
1 Expected return of plan assets	0.24	0.30	0.35	0.37
2 Actuarial gain / (loss)	0.01	(0.01)	0.01	0.00
3 Actual return on plan assets	0.25	0.29	0.36	0.37

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Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
IV Net asset / (liability) recognized in the Balance Sheet as at 31 st March, 2014				
1 Liability at the end of the year	7.79	6.33	6.05	5.51
2 Plan assets at the end of the year	3.69	3.78	4.19	4.33
3 Amount recognized in the Balance Sheet Accrued (Pre paid)	4.10	2.55	1.86	1.18
V Expenses recognized in the statement of profit & loss account for the year ended 31 st March, 2014				
1 Current service cost	1.37	0.87	0.44	0.37
2 Interest cost	0.50	0.22	0.43	0.35
3 Expected return on plan assets	(0.24)	(0.30)	(0.35)	(0.37)
4 Actuarial (gain) / Losses	(0.55)	2.71	(0.04)	0.82
5 Past service cost	0.60	0.00	0.20	0.00
6 Total expenses	1.68	3.50	0.68	1.17
VI Balance Sheet reconciliation				
1 Opening net liability	2.55	(0.44)	1.18	0.13
2 Expenses as above	1.68	3.50	0.68	1.17
3 Employer contribution	(0.13)	(0.51)	0.00	(0.12)
4 Amount recognized in the Balance Sheet	4.10	2.55	1.86	1.18
VII Actuarial assumptions: (Indian Assured Live Mortality (2006-08) Ult.)				
1 Discount rate	9.10%	8.20%	9.10%	8.20%
2 Rate of return on plan assets	6.75%	9.25%	8.75%	9.25%
3 Salary Escalation	7.00%	7.00%	7.00%	7.00%

VIII Amount for the current & previous four periods are as follows:

₹. in crs

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Gratuity (Funded)					
Defined Benefit obligation	7.79	6.33	2.67	2.99	2.01
Plan asset	3.69	3.78	3.11	2.02	1.88
Surplus/(deficit)	(4.10)	(2.55)	0.44	(0.97)	(0.13)
Experience adjustment on plan liability	0.21	2.45	(0.91)	-	-
Experience adjustment on plan assets	0.01	0.01	(0.00)	-	-
Leave Encashment (Funded)					
Defined Benefit obligation	6.05	5.51	4.18	3.82	2.70
Plan asset	4.19	4.33	4.05	2.77	2.60
Surplus/(deficit)	(1.86)	(1.18)	(0.13)	(1.05)	(0.10)
Experience adjustment on plan liability	0.69	0.60	(0.04)	-	-
Experience adjustment on plan assets	0.01	0.00	(0.01)	-	-

IX Investment details:

The funds are managed by LIC and LIC has not provided break up of planned assets by investment type for the year 2013-14.

X Expected Employers contribution for the next financial year:

For the gratuity & leave encashment which are funded, company is expecting to contribute the amount which can mitigate future liability. The estimate of future salary increase, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor, such as supply and demand in the employment market. The above information is certified by the actuary.

Gratuity and Leave Encashment is administered through duly constituted and approved independent trusts, also through Group gratuity / leave encashment scheme with Life Insurance Corporation of India.

30. FINANCE COST

	₹. in crores	
	2013-14	2012-13
Interest on buyers' credit	11.79	45.41
Interest - Wind Mill	-	17.19
Interest on Current Income Tax (u/s 234B & 234C of Income Tax Act, 1961) (₹.20,294(P.Y.₹. 2,55,24,047))	0.00	2.55
Other Cost*	22.03	28.22
TO TAL	33.82	93.37

* Includes Bank Guarantee & L C Charges

31. OTHER EXPENSES

	₹. in crores	
	2013-14	2012-13
Expenses related to Gas Trading		
Gas transmission charges	46.16	93.71
Import Expenses	60.11	254.43
Commodity Hedging and Mark to Market losses/(gain) (Refer note no.12.1)	(16.10)	(3.66)
Annuity & Meter Validation Charges	1.30	0.95
Other Expenses	-	0.25
Take or Pay	-	-
TOTAL (A)	91.47	345.68
Expenses related to E&P Activities (Refer Note No 32)		
Production Expenditure	48.62	34.43
Duties & Taxes (includes Profit Petroleum ₹. 30,82,08,433/- (P. Y. ₹. 46,39,92,161/-)	43.24	60.38
Other G & A Expenses	10.71	18.88
Foreign Exchange Loss	-	-
Bidding expenditure	-	-
TOTAL (B)	102.57	113.69

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	₹. in crores	
	2013-14	2012-13
Expenses related to Wind Mills		
Insurance expenses-Wind Project	0.69	0.71
Rebate on Wind Energy Sales	-	0.41
Operation (A) Maintenance Expeances	4.79	4.31
TOTAL (C)	<u>5.48</u>	<u>5.43</u>
Administrative Expenses		
Electricity Expenses	0.50	0.70
Rent, Rates & Taxes (Refer note no. 16. 1.1)	0.17	0.34
<u>Repairs & Maintenance :</u>		
Building Repairs	-	0.20
Others	0.86	1.94
Insurance expenses	0.38	0.28
Business Development & Promotion	1.65	1.97
Advertisement & publicity	0.29	0.24
Administration & establishment	2.79	2.66
Travelling Expenses	0.68	1.21
Stationery & Printing	0.92	0.73
Professional & Technical Expenses	11.94	10.11
Donations	-	-
Telephone, Trunk calls & Postage	0.27	0.14
Vehicle running Expenses	0.09	0.11
Bandwidth Expenses	0.04	0.08
Payment to Auditors		
As Auditor	0.12	0.11
Other Services	0.17	0.48
For reimbursement of expenses	0.03	0.02
Net Loss on Sale/discarding of Fixed Assets	-	-
Net Foregin Exchange Loss	0.89	1.22
Other Expenses	0.77	0.38
TOTAL (D)	<u>22.57</u>	<u>22.92</u>
Misc. Expenditure W/off during the year (E)	25.94	3.93
Provision for Diminution in the value of Investment (F)	0.01	10.50
Provision for Doubtful Advances (G)	-	1.00
TOTAL (A+B+C+D+E+F+G)	<u>248.04</u>	<u>503.15</u>

31.1 Details of Allocation of Expenditure : Expenditure incurred during the year on Payments to and Provision for employees and Administrative and Other expenses

₹. in crores

Administrative Expenses	2013-14	2012-13
Electricity Expenses	1.66	1.74
Rent, Rate & Taxes	1.13	1.23
Repairs & Maintenance :		
Building Repairs	-	0.20
Others	1.95	3.67
Insurance expenses	1.24	1.10
Business Development & Promotion	1.65	1.97
Advertisement & Publicity	0.29	0.24
Administration & establishment	7.64	13.10
Traveling Expenses	1.75	1.64
Stationery & Printing	3.03	2.33
Professional & Technical Expenses	16.21	8.11
Telephone, Trunk calls & Postage	0.39	0.26
Vehicle running Expenses	0.32	0.35
Bandwidth Expenses	0.12	0.14
Payment to Auditors :		
As Auditor	0.12	0.11
Company Law matter	0.17	-
Other Services	-	0.48
For reimbursement of expenses	0.03	0.02
Net Loss on Sale/discarding of Fixed Assets	-	-
Net Foreign Exchange Loss	0.89	1.22
Other expenses	1.46	1.37
TOTAL (D)	40.07	39.28
Allocated to Operated E&P Blocks	17.50	16.36
Net Expenditure for Corporate	22.57	22.92

32. JOINT VENTURE OPERATIONS

The Company has entered into Production Sharing Contracts (PSCs) / Agreements jointly with various Joint Venture partners as stated below as one part and Ministry of Petroleum & Natural Gas (Government of India) as other part, for exploration of oil and gas in the following fields. . The company has also entered into Production Sharing Agreements (PSAs)/Work Permits for its overseas blocks along with its joint venture partners. Pursuant to the PSCs, unincorporated Joint Ventures (JVs) have been formed to undertake necessary economic activities for production of Oil and Gas by entering into a Joint Operating Agreement with them. The details are stated below.

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
a	Non-Operated Jvs			
1	Hazira	66.67% (66.67%)	Niko Resources Ltd (Operator)	33.33%
2	Bhandut	60% (60%)	Oilex NL Holdings (India) Ltd	40%
3	Cambay	55% (55%)	Oilex NL (Operator)	30%
			Oilex NL Holdings (India) Ltd	15%
4	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd	40%
5	Asjol	50% (50%)	Hindustan Oil and Exploration Company Limited (Operator)	50%
6	Palej	50% (50%)	Exploration	
			Hindustan Oil and Exploration Company Limited (Operator)	50%
		35% (35%)	Development	
			Hindustan Oil and Exploration Company Limited (Operator)	35%
			Oil and Natural Gas Corporation Limited	30%
7	North Balol	45% (45%)	Hindustan Oil and Exploration Company Limited (Operator)	25%
			Heramec Ltd	30%
8	Dholasan	70% (70%)	Heramec Ltd (Operator)	30%
9	North Kathana	70% (70%)	Heramec Ltd (Operator)	30%
10	Kanawara	70% (70%)	Heramec Ltd (Operator)	30%
11	Allora	70% (70%)	Heramec Ltd (Operator)	30%
12	MB-OSN-2000/1 (Mumbai) (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
			Oil and Natural Gas Corporation Limited (Operator)	50%
13	MB-DWN-2000/2 (Mumbai) (Refer Note d)	10% (10%)	Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Ltd.	10%
14	CB-ONN-2002/2 (Mehsana) (Refer Note d)	60% (60%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			Geo Global Resources (Barbados) Inc.	10%

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
15	CY-ONN- 2002/1 (Cavery) (Refer Note C)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			GAIL (India) Ltd	50%
16	BS(3)-CBM-2003/II (Refer Note d)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Jubilant Oil & Gas Pvt. Limited (Operator)	10%
17	AA-ONN-2003/1(Assam)	20% (20%)	Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%
18	EPP-27 (Australia) (Refer Note f)	33.33% (33.33%)	Exploration	
			Oilex (Operator)	33.33%
			Videocon Industries Ltd.	33.33%
		20% (20%)	Development	
			Oilex Ltd. (Operator)	20%
			Videocon	20%
19	(JPDA 06/103) (Australia/East Timor) (Refer Note g)	20% (20%)20%	Great Artesian Oil & Gas Limited	40%
			Oilex (JPDA 06/103) Ltd (Operator)	10%
			Global Energy	20%
			Bharat Petro Resources JPDA Ltd	20%
			Japan Energy Corporation	15%
			Pan Pacific Petroleum NL	15%
20	WA-388Block (Australia) (Refer Note e)	8.4% (8.4%)	Apache Energy Ltd (Operator)	40%
			Oilex	8.4%
			BPCL	8.4%
			HPCL	8.4%
			Sasol Petroleum	18%
			Videocon Industries Ltd	8.4%
21	CY-DWN-2004/1 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd.	10%
			Hindustan Petroleum Corporation Limited	10%
22	CY-DWN-2004/2 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd.	10%
			Hindustan Petroleum Corporation Limited	10%
23	CY-DWN-2004/3	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd.	10%
			Hindustan Petroleum Corporation Limited	10%
24	CY-DWN-2004/4 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%

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SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
25	CY-PR-DWN-2004/1	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
26	CY-PR-DWN-2004/2 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
27	KG-DWN-2004/1 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
28	KG-DWN-2004/2 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
29	KG-DWN-2004/3 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
30	KG-DWN-2004/5 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
			Oil India Limited	10%
31	KG-DWN-2004/6 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
32	MB-OSN-2004/2 (Refer Note d)	20% (20%)	Petrogas E&P LLC (Operator)	20%
			GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
33	CB-ONN-2004/1	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Heramec Ltd.	10%

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
34	CB-ONN-2004/2	45% (45%)	Oil and Natural Gas Corporation Limited (Operator)	55%
35	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Ensearch Petroleum Pvt. Ltd.	25%
36	CB-ONN-2004/4 (Refer Note a)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
37	RJ-ONN-2004/1 (Refer Note a)	22.225% (22.225%)	GAIL (India) Ltd	22.23%
			Hindustan Petroleum Corporation Limited	22.22%
			BPCL	11.11%
			Hallworthy Shipping Ltd. SA	11.11%
			Nitin Fire Protection Industries Ltd.	11.11%
38	KG-DWN-2005/1	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Indian Oil Corporation Limited	20%
39	KK-DWN-2005/2	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
40	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
41	MB-OSN-2005/5	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
42	MB-OSN-2005/6	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
43	KG-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			HPCL - Mittal Energy Ltd.	20%
44	CB-ONN-2005/4	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
45	CB-ONN-2005/10	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
46	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd.	40%
			Bengal Energy Inc.	30%
47	CB-ONN-2009/4	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%
48	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Indian Oil Corporation Limited	20%
			Adani Welspun Exploration Ltd.	20%
49	AN-DWN-2009/5 (Refer Note C)	0%(10%)	Oil and Natural Gas Corporation Limited (Operator)	100%
50	AN-DWN-2009/13 Refer Note C)	0%(10%)	Oil and Natural Gas Corporation Limited (Operator)	80%
			GAIL (India) Ltd.	10%
			NTPC Ltd	10%

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SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
b.	GSPC- Operated		Exploration	
		80% (80%)	Geo Global Resources (Barbados) Inc.	20%
51a	Tarapur	56% (56%)	Development : Geo Global Resources (Barbados) Inc.	14%
			Oil and Natural Gas Corporation Limited.	30%
51b.	Tarapur - Extension phase (Refer Note h)	80% (80%)	Geo Global Resources (Barbados) Inc.	20%
52	Unawa	70% (70%)	Heramec Ltd.	30%
53a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd.	50%
53b	CB-ONN-2000/1 (Extension phase)	50% (50%)	GAIL (India) Ltd.	50%
54	KG-OSN-2001/3 (Refer Note i)	80% (80%)	Jubilant Enpro Private Limited	10%
			Geo Global Resources (Barbados) Inc.	10%
55	CB-ONN-2002/3 (Sanand)	55% (55%)	Jubilant Enpro Private Limited	20%
			Hindustan Petroleum Corporation Limited	15%
			Geo Global Resources (Barbados) Inc.	10%
56	CB-ONN-2003/2 (Ankleshwar) (Refer Note l)	50% (50%)	GAIL (India) Ltd.	20%
			Jubilant Enpro Private Limited	20%
			Geo Global Resources (Barbados) Inc.	10%
57	South Diyar (Egypt)	80% (80%)	Alkor Petro Ltd.	20%
58	North Hap'y (Egypt) (Refer Note b)	80% (80%)	Alkor Petro Ltd.	20%
			Petrogas E&P LLC	20%
59	MB-OSN-2004/1 (Refer Note d)	20% (20%)59	GAIL (India) Ltd.	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
60	KG-ONN-2004/2	40% (40%)	GAIL (India) Ltd.	40%
			Petrogas E&P LLC	20%
61	Block No 19 (Yemen) (Refer Note k)	45% (45%)	Western Drilling Contractors Pvt. Ltd.	30%
			Alkor Petroo Ltd.	25%
62	Block No 28 (Yemen) (Refer Note k)	45% (45%)	Western Drilling Contractors Pvt. Ltd.	30%
			Alkor Petroo Ltd.	25%
63	Block No 57 (Yemen) (Refer Note k)	45% (45%)	Western Drilling Contractors Pvt. Ltd.	30%
			Alkor Petro Ltd.	25%
64	RJ-ONN-2005/3	60% (60%)	Oil and Natural Gas Corporation Limited (Operator)	40%

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
65	South Quseir (Egypt) (Refer Note j)	50% (50)	Hindustan Petroleum Corporation Limited	25%
			Oil India Ltd.	25%
66	South Sinai (Egypt) (Refer Note j)	50% (50%)	Hindustan Petroleum Corporation Limited	25%
			Oil India Ltd.	25%
67	South Gulf of Suez (Egypt)	60% (60%)	Adani Welspun Exploration Ltd.	40%
68	South East Tungal (Indonesia)	50.50% (50.50%)	Essar Oil Ltd.	49.50%

*PI - Participating Interest

** Figures in brackets indicate previous year figures. There is no change in previous years' figures unless otherwise stated.

- During the year the company along with its Joint Venture partners have recommended block KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, KG-DWN-2004/6, CY-DWN-2004/1, CY-DWN-2004/2, CY-DWN-2004/4, CY-PR-DWN-2004/2, CB-ONN-2004/4 & RJ-ONN-2004/1 to be surrendered to DGH. Accordingly a total exploration cost of ₹. 328.04 crores have been written off during the year.
- During the year the company along with its Joint Venture partners has decided to withdraw from the North Hap'y (Egypt) blocks and accordingly a total exploration cost of ₹. 1,253.37 crores have been written off during the year.
- During the year the company has decided to surrender and assign its 10% PI in two ONGC operated blocks namely AN-DWN-2009/5 and AN-DWN-2009/13 block to ONGC w.e.f. 1st April, 2013. Accordingly a total exploration cost incurred by the company till 31st March, 2013 of ₹. 3.33 crores have been written off during the year.
- The company along with its Joint Venture partners have recommended Block MB-OSN-2000/1, MB-DWN-2000/2 (Mumbai), CY-ONN-2002/1 (Cauvery), CB-ONN-2002/2, MB-OSN-2004/1, MB-OSN-2004/2 and BS (3)-CBM-2003/II to be surrendered to DGH.
- In November 2010 a farm-out agreement was signed, for WA-388-P block, between the existing participants and Apache Energy Limited (Apache). Apache became a joint venture participant with 40% participating interest thus reducing GSPC's share from 14% to 8.4%. As per the Farm-out agreement Apache has agreed to pay the well cost to the extent of AU\$ 50 million or 110% of the approved cost by the joint venture for Drilling. It has also agreed to pay AU\$ 10 million or 110% of the approved cost by the joint venture for testing. In the previous year the Joint Venture partners, including the company, with respect to WA-388 Block (Australia) has agreed to surrender the block on completion of the Minimum Work Commitment.
- In June 2010 Oilex being the operator of the block requested an extension to its Good Standing Agreement ("GSA") with the Australian Government on behalf of the Joint Venture partners for exploration permit EPP27 which the Joint Venture previously relinquished with the Australian Government's approval. The company's monetary share of the GSA is AUD 15,75,918 (₹. 8.37crs). In July 2010, the Australian Government agreed to extend the GSA until the conclusion of the 2011 Australian Offshore Petroleum Exploration Release. The consortium is in the negotiation with the Australian authority for the extension of time. However, in the mean time the company has made the provision for the above liability in FY 2011-12.
- JPDA-06-103 block is being operated through a Special Purpose Vehicle (SPV) i.e. GSPC JPDA Ltd a 100% subsidiary of the company as per the terms of the PSC.
- Company has applied for the extension of exploration phase in Tarapur block and a separate Ring Fence PSC is to be signed under the review of MoPNG on grant of further extension.

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- I. In August 2002, the Company entered into Carried Interest Agreement (CIA) with GeoGlobal Resources (India) Inc (GGR), under which the Company granted GGR a 10.0% carried interest in the KG-OSN-2001/3 block. The CIA provides that the Company is responsible for GGR's share of costs incurred during the exploration phase prior to the date of initial commercial production, and that the Company shall recover such costs from GGR's share of gas and oil upon the commencement of production. Accordingly ₹. 1,613.32 Crores (P.Y. ₹. 1,350.16 Crores) is due from GGR and is shown in Note 16 - 'Long Term Loans and Advances'. The Company has issued Notice of Termination/Forfeiture of Participating Interest to GeoGlobal Resources (India) Inc (GGR). Vide letter dated August 18, 2010. As per the provisions of Joint Operating Agreement and Production Sharing Contract for the Block KG-OSN-2001/3, the Termination/Forfeiture of Participating Interest requires an amendment to the PSC. Any amendment to the PSC becomes effective only after the same has been approved by the Management Committee/Government of India. Accordingly, GSPC has submitted the proposal to DGH/Government of India in relation to amendment of PSC pursuant to termination of GGR's participating interest. The issue of amendment to the PSC and the response of DGH/GoI is still awaited. In view of above, forfeiture/termination of GGR's share of Participating Interest in favour of GSPC will be effective after the Management Committee approves the necessary amendments to Production Sharing Contract. Consequent upon DGH/MoPNG's approval declaring Geo Global Resources (India) Inc. (GGR) as defaulter in Production Sharing Contract for KG-OSN-2001/3, the participating interest of GGR will be transferred to the company. Subsequently it would not be possible for the company to recapitalise the amount of interest in future. Therefore, interest amounting to ₹.144.91 crores is capitalised on the contribution made by the company amounting to ₹. 1,613.32 crores as on 31st March, 2014.
- j. The company has decided not to execute the Production Sharing Agreement (PSA) for South Quseir and South Sinai in Egypt.
- k. As per the Production Sharing Agreement (PSA) for Block No.19, 28 and 57 Yemen General Corporation for Oil and Gas would have 13.5% share in the block in the development & production stage. Accordingly the company's PI would be reduced to 38.925% in the development and production stage. During the financial year 2012-13 the company along with it JV partners have recommended to surrender the three blocks by invoking the termination provision of the PSAs on account of continuation of force majeure events for more than six months.
- l. During the year DGH has approved the FDP of GSPC operated CB-ONN-2003/2 (Ankleshwar) blocks and the block has started the commercial production from the same.
- m. Of the above, 15 fields/blocks are in production, namely Hazira, Bhandut, Cambay, Sabarmati, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dholasan, North Kathana, Kanawara, Allora, CB-ONN-2000/1 (Ahmedabad), Tarapur and CB-ONN-2003/2 (Ankleshwar) block. Net quantity of Company's interest (on gross basis) in proved developed reserves is as follows:

Particulars	Proved Developed Reserves (Oil) (Million MT)*	Proved Developed Reserves (Gas) (Million Cubic Meter)*
Beginning of the Period	1.39	366.48
	(1.44)	(388.67)
Additions	-	-
	-	(76.12)
Deletions	-	-
	-	-
Production	0.04	58.35
	(0.05)	(98.31)
Closing Balance for the year ended on 31.03.2014	1.35	308.13
	(1.39)	(366.48)

*Figures in brackets relate to previous year

The Company's share of reserve as on 31st March, 2010 has been considered on the basis of the "Reserve" certification provided by M/s. Gaffney, Cline & Associates (except for Cambay Block for which the management estimates are considered) and only includes the blocks which are in production.

- l. The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture operations which are accounted on a line to line basis with similar items in the Company's accounts to the extent of participating interest of the company as per the various joint venture agreements, in compliance of AS-27. The income and expenditure from Joint Ventures are disclosed separately in the Statement of Profit and Loss. The summary of the Company's share in Assets & Liabilities of Joint Ventures are as follow:

₹. in crores

	Particulars	As on 31-03-2014	As on 31-03-2013
A.	Fixed Assets		
	Gross Block	1,556.03	1,427.28
	Depreciation/Depletion Fund	1,113.30	1,055.56
	Net Block	442.63	371.72
	CWIP*	14,923.28	13,769.79
B.	Current Assets	118.01	180.66
C.	Current Liabilities and Provisions	618.84	499.11
D.	Contingent Liabilities	1,915.94	1,405.48

*Includes stores & spares

- m. The Statement of Profit and Loss of the Company includes its share in Profit or Loss pertaining to the respective Joint Ventures. The summary of Statement of Profit and Loss for the year ended 31st March 2014 and 31st March 2013 is given as under

₹. in crores

	2013-14		2012-13	
	Aggregate of all Jvs	GSPC's Share	Aggregate of all Jvs	GSPC's Share
INCOME				
Sale of Crude Oil	273.75	144.87	298.72	159.73
Sale of Gas	74.04	39.54	105.70	56.41
Increase/(Decrease) in Stock	(1.89)	(1.50)*	(2.27)	1.42*
Other Income	9.37	6.19	8.19	5.84
Total	355.27	189.10	410.34	220.56
EXPENDITURE				
Production Expenses	78.82	48.62	57.20	34.43
Duties & Taxes	85.97	43.24	115.13	60.38
Administrative exps.	18.81	10.71	30.93	18.88
Total Expenditure before Depreciation	183.60	102.57	203.26	113.69
PROFIT BEFORE DEPRECIATION	171.67	86.53	207.08	106.87

*It includes increase/ (decrease) in stock of crude oil of Hazira Field amounting to ₹. (0.51) crore (P.Y. ₹. (0.87) crores). The same is not considered in closing stock of crude oil, in line with Joint Venture's accounting policy where the company's share in net current assets is adjusted in the capital contribution adjustment account.

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33. The Company has neither accepted nor renewed any fixed deposits from the public since June, 2001 as per Companies Acceptance of Fixed Deposit Rules (1975) u/s 58A of the Companies Act, 1956.

34. SEGMENT INFORMATION:

In compliance of Accounting Standard 17 on "Segment Reporting" issued by Institute of Chartered Accountants of India, the company has adopted following Business Segments as its reportable segment.

- a) E & P
- b) Gas Trading
- c) Wind power

₹. in crores

		2013-14					2012-13				
		E & P	Gas Trading	Wind Power	Unallocated	Total	E & P	Gas Trading	Wind Power	Unallocated	Total
1	Revenue										
	External Sales	177.33	11,708.92	39.94	-	11,926.19	216.14	9,979.23	44.58	-	10,239.95
	Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
	Total Revenue	177.33	11,708.92	39.94	-	11,926.19	216.14	9,979.23	44.58	-	10,239.95
2	Results										
	Segment Results										
	Profit(+) / Loss (-)	(1,595.16)	1,677.34	(5.35)		76.83	(16.28)	1,312.58	(25.00)	-	1,271.30
	Unallocated Exp.	-	-	-	(91.44)	(91.44)	-	-	-	(87.41)	(87.41)
	Operating Profit	(1,595.16)	1,677.34	(5.35)	(91.44)	(14.61)	(16.28)	1,312.58	(25.00)	(87.41)	1,183.89
	Interest/Dividend	-	22.65	-	33.70	56.35	-	16.75	-	26.90	43.65
	Other Income	6.19	45.21	-	3.88	55.28	5.84	10.20	-	4.15	20.19
	Provision for Taxation	-	-	-	(61.52)	(61.52)	-	-	-	(401.17)	(401.17)
	Prior Period adjustments	-	-	-	(0.00)	(0.00)	-	-	-	(0.60)	(0.60)
	Profit/Loss from Ordinary Activities	(1,588.97)	1,745.20	(5.35)	(115.38)	35.49	(10.44)	1,339.53	(25.00)	(458.12)	845.97
	Excess / Short Prov of IT	-	-	-	-	-	-	-	-	0.60	0.60
	Net Profit/(Loss)	(1,588.97)	1,745.20	(5.35)	(115.38)	35.49	(10.44)	1,339.53	(25.00)	(457.53)	846.57
3.	Other Information										
	Segment Assets	22,232.58	787.15	229.05	-	10,845.95	19,477.25	914.49	268.57		20,625.91
	Unallocated Assets	-	-	-	14,028.37	14,028.37	-	-	-	1,401.67	1,401.67
	Total Assets	22,232.58	787.15	229.05	14,028.37	24,874.33	19,477.25	914.49	268.57	1,401.67	22,027.57
	Segment Liabilities	16,256.73	722.99	4.32	-	16,984.03	13,863.83	1,010.61	5.43		14,879.87
	Unallocated Liabilities	-	-	-	719.38	719.38	-	-	-	675.27	675.27
	Total Liabilities	16,256.73	722.99	4.32	719.38	17,703.42	13,863.83	1,010.61	5.43	675.27	15,555.14
	Capital Expenditure	2,748.97	-	-	-	2,748.97	4,881.13	-	-		4,891.13
	Depreciation Non Cash	57.73	-	39.81	7.84	105.38	65.71	-	46.96	7.72	120.39
	Expenses with than										
	Depreciation	1,610.69	(16.10)	-	25.95	1,620.54	51.60	(3.66)	-	15.43	63.37

35. In the year 1998-99, the Hazira joint venture started the construction of 36" pipeline with a view to evacuate the natural gas production expected from the new Land Based Drilling Platform to major industrial customers lying on the 14 km stretch from Hazira to Mora. The joint venture pursued the Management Committee for approval of the laying of the pipeline and shifting of the delivery point (since no delivery point was defined for natural gas in Hazira PSC), to which DGH/ Government of India ('GoI') did not agree for several reasons including but not limited to the reserves, size of the pipeline etc.
- In the year 1999-2000, the Company sold this pipeline to its subsidiary company, Gujarat State Petronet Limited (GSPL) for a consideration of Rs.49.50 Crores on as is where is basis. However the joint venture partner M/s. Niko Resources initiated arbitration proceedings against the company and GoI for seeking cost recovery of the said 36" pipeline and settlement of the dispute under PSC.
- Arbitral Tribunal has passed its award dated 23rd December, 2009. As per the Arbitration Award, the pipelines forms part of the development plan of the joint venture and 'cost recovery' status is applicable to it as per PSC. It is further directed in the Award that the investment multiple ratio and the accounting of profit petroleum be revised with retrospective effect.

The impact of the arbitration award has been given in the audited joint venture accounts for the year ended 31-March-2010 as under :

Particular	Corresponding effect on	₹. in crores
Pipeline Revenue	Sundry debtors	137.97
Profit Petroleum to MOP & NG (reversal)	Advances recoverable in cash or kind or value to be received	93.44
Plant & machinery (incurred by joint venture)	Producing properties in progress	25.71
Plant & machinery (additionally incurred by GSPCL)	Other liabilities	70.35
Pipeline expenses (direct & indirect operating expenses)	Other liabilities	65.74

The above mentioned impact of the award is based on the computation performed by the operator M/s Niko Resources. Moreover as per the Arbitration Award, GoI is liable to pay interest at the rate of 9% p.a on the amount of profit petroleum refundable to joint venture from 31/3/2003 till date of payment. The above figures with respect to 36" pipeline for the year 2010-11, 2011-12, 2012-13 and 2013-14 have not been updated.

Subsequently, the arbitration award has been challenged by the Government of India under Section 34 of the Arbitration and Conciliation Act, 1994 before the Delhi High Court. The High Court of Delhi has set aside the Arbitration Award vide its Order and Judgment dated July 2, 2012 resulting into cost-recovery in respect of the pipeline being disallowed. However, NIKO has preferred a further appeal u/s 37 of the Arbitration and Conciliation Act, 1994 before the division bench of the Delhi High Court. NIKO had also prayed for stay on the Judgment of Single Judge of Delhi High Court however no such stay has been granted. Accordingly, the issue of cost recovery for the pipeline is still sub-judice. Further, the Arbitral Award is still not final in terms of Section 36 of the Arbitration and Conciliation Act, 1994 and in view of the same, the Company has not considered the Arbitration Award and directions under the same as aforesaid while consolidating the Joint Venture accounts on a line by line basis:

36. RELATED PARTY TRANSACTIONS

As per the Accounting Standard-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows.

- 36.1.1 Subsidiary Company - Gujarat State Petronet Limited, GSPC Pipavav Power Company Ltd, GSPC LNG Ltd., Guj Info Petro Limited, GSPC Gas Company Ltd, GSPC (JPDA) Ltd, GSPC Marginal Fields Ltd, GSPL India Gasnet Limited, GSPL India Transco Limited, GSPC Distribution Networks Ltd, Gujarat Gas Company Limited, Gujarat Gas Trading Company limited, Gujarat Gas Financial Services Ltd.
- 36.1.2 Associate Companies - Gujarat State Energy Generation Limited, Sabarmati Gas Ltd, Alcock Ashdown (Gujarat) Limited.
- 36.1.3 Joint Ventures & Venturers - As per Note No.32 of Notes forming part of Financial Statements.
- 36.1.4 Key Managerial Personnel:
Shri Tapan Ray, IAS- Managing Director

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Transactions during the year with related parties :

₹. in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Income:										
Sale of LNG	5,643.50	3,650.28	455.12	436.68	1403.33	1375.92		-	7,501.95	5,462.88
Gujarat State Petronet Ltd	3.09	12.37						-	3.09	12.37
GSPC Gas Company Ltd	4,175.89	3,630.92						-	4,175.89	3,630.92
GSPC Pipavav Power Company Ltd.	37.25	6.99							37.25	6.99
Gujarat Gas Company Limited	1,427.27	NA							1,427.27	NA
Sabarmati Gas Ltd			447.96	279.92				-	447.96	279.92
Gujarat State Energy Generation Ltd			7.16	156.76				-	7.16	156.76
Joint Venturer - Essar Oil Ltd					846.99	1,363.74			846.99	1,363.74
Joint Venturer - IOCL					553.74	-			553.74	-
Joint Venturer - NTPCL					0.05	12.18			0.05	12.18
Joint Venturer - HPCL					2.55	-			2.55	-
Rent received	0.42	0.90	0.18	0.09	1.87	1.93		-	2.47	2.92
Gujarat State Petronet Ltd.	0.24	0.79						-	0.24	0.79
GSPC Pipavav Power Company Ltd.	0.18	0.09						-	0.18	0.09
GSPC Gas Ltd	0.01	0.01							0.01	0.01
Guj Info Petro Ltd	0.09	-							0.09	
GSPC LNG Ltd	-	0.01						-	-	0.01
Gujarat State Energy Generation Ltd			0.18	0.09				-	0.18	0.09
Joint Venturer - KG-OSN-2001/3					1.32	1.19		-	1.32	1.19
Joint Venturer - CB-ON/2 Tarapur					0.11	0.14		-	0.11	0.14
Other Joint Ventures					0.44	0.60		-	0.44	0.60
Dividend Income	24.90	24.90	-	0.34					24.90	25.24
Gujarat State Petronet Ltd.	21.23	21.23							21.23	21.23
GSPC Gas Company Ltd	3.67	3.67							3.67	3.67
Sabarmati Gas Ltd.			-	0.34					-	0.34
Interest Income	7.13	0.11							7.13	0.11
GSPC (JPDA) Ltd.	0.11	0.11							0.11	0.11
Gujarat State Energy Generation Ltd	7.02	-							7.02	-
Management Fees					0.18	0.16			0.18	0.16
Others (Joint Ventures)					0.18	0.16			0.18	0.16

₹. in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Expenses:										
Purchase of Gas					4,852.26	4,069.45			4,852.26	4,069.45
Joint Venture - Tarapur					5.33	1.06			5.33	1.06
Joint Venture - North Balol					9.09	8.10			9.09	8.10
Joint Venturer - Gail India Ltd					1,585.86	1,682.06			1,585.86	1,682.06
Joint Venturer - ONGCL					54.37	57.36			54.37	57.36
Joint Venturer - IOCL					3,197.61	2,320.87			3,197.61	2,320.87
Gas transportation charges	45.40	93.71							45.40	93.71
Gujarat State Petronet Ltd.	45.40	93.71							45.40	93.71
Annuity & Meter validation charges					1.30	0.95			1.30	0.95
Joint Venturer - Gail India Ltd					1.30	0.95			1.30	0.95
Bandwidth Charges	0.07	0.11							0.07	0.11
Guj Info Petro Ltd.	0.07	0.11							0.07	0.11
Outsourcing Service Charges	1.09	0.73							1.09	0.73
Guj Info Petro Ltd.	1.09	0.73							1.09	0.73
Remuneration to Managing Director							0.18	0.16	0.18	0.16
Shri Tapan Ray, IAS							0.18	0.16	0.18	0.16
Current Assets & Liabilities:										
Debtors	323.85	244.13	101.88	102.98	4.13	161.17		-	512.44	508.28
Gujarat State Petronet Ltd.	1.78	0.87						-	1.78	0.87
GSPC Gas Company Ltd.	321.79	238.70						-	321.79	238.70
GSPC Pipavav Power Company Ltd.	0.28	4.56							0.28	4.56
Gujarat Gas Company Limited	82.58	NA							82.58	NA
Gujarat State Energy Generation Ltd.			85.56	84.79				-	85.56	84.79
Sabarmati Gas Ltd			16.32	18.19				-	16.32	18.19
Joint Venturer - Essar Oil Ltd					0.14	35.44			0.14	35.44
Joint Venturer - IOCL					3.78	125.73			3.78	125.73
Joint Venturer - HPCL					0.21	-			0.21	-
Advance/Receivables	0.47	1.49	1.10	1.10	2,002.09	1,626.04		-	2,003.66	1628.63
GSPC Pipavav Power Company Ltd.	-	0.30						-	-	0.30
GSPC (JPDA) Ltd.	0.40	0.48						-	0.40	0.48

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₹. in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Guj Info Petro Ltd.	0.02	0.32						-	0.02	0.32
GSPC Gas Company Ltd.	0.05	0.39						-	0.05	0.39
GSPC Marginal Fields Ltd (NIL P.Y. ₹.38,964))	0.00	0.00							0.00	0.00
Gujarat State Energy Generation Ltd.			1.10	1.10				-	1.10	1.10
Others (Joint Ventures)					2,002.09	1,626.04		-	2,002.09	1,626.04
Payable	2.50	1.17	0.01	0.00	341.32	503.43		-	343.83	504.60
Gujarat State Petronet Ltd.	2.32	0.82						-	2.32	0.82
GSPC Gas Company Ltd.	0.09	0.12						-	0.09	0.12
Guj Info Petro Ltd.	0.06	0.18						-	0.06	0.18
GSPC Pipavav Power Company Ltd.	0.03	0.05							0.03	0.05
Gujarat State Energy Generation Ltd. (PY ₹. 36354)			0.01	0.00					0.01	0.00
Joint Venture - Tarapur					0.37	1.22			0.37	1.22
Joint Venture - North Balol					0.86	0.49			0.86	0.49
Joint Venturer - Gail India Ltd					5.00	99.59			5.00	99.59
Joint Venturer - ONGCL					2.92	2.49			2.92	2.49
Joint Venturer - IOCL					126.18	140.31			126.18	140.31
Others (Joint Ventures)					205.99	259.33		-	205.99	259.33
Investment in Share Capital (Allotment)	753.17	338.10	140.29	139.29				-	893.46	477.39
Gujarat State Petronet Ltd.	213.31	213.31						-	213.31	213.31
GSPC Pipavav Power Company Ltd.	376.77	36.89						-	376.77	36.89
GSPC LNG Ltd	8.20	6.00						-	8.20	6.00
GSPC (JPDA) Ltd.	97.39	24.40						-	97.39	24.40
Guj Info Petro Ltd.	0.03	0.03						-	0.03	0.03
GSPC Gas Company Ltd.	57.42	57.42						-	57.42	57.42
GSPC Marginal Field Ltd (excluding provision for Diminution in value)	0.05	0.05							0.05	0.05
Gujarat State Energy Generation Ltd.			119.83	119.83				-	119.83	119.83
Sabarmati Gas Ltd.			8.96	8.96				-	8.96	8.96
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)			11.50	10.50					11.50	10.50
Inter Corporate Loan			30.50	-					30.50	-
Gujarat State Energy Generation Ltd.			30.50						30.50	-
Advance for Investment (Pending Allotment)	3.23	80.07	69.00	1.00					72.23	81.07
GSPC (JPDA) Ltd.	-	69.26							-	69.26

₹. in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
GSPC LNG Ltd	3.23	5.43							3.23	5.43
GSPC Pipavav Power Company Ltd.	-	5.38							-	5.38
Gujarat State Energy Generation Ltd.			69.00	-					69.00	-
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)			-	1.00					-	1.00

37. Value of Imports on CIF Basis in respect of

₹. in crores

Particulars	2013-14	2012-13
(I) Capital Goods	-	-
iii Incurred by Joint ventures (our share)	85.91	1.11
Total	85.91	1.11

38. EXPENDITURE IN FOREIGN CURRENCY :

₹. in crores

Particulars	2013-14	2012-13
I) Seminar & conference exp.	0.00	0.00
ii) Consultancy & Technical Fees	2.30	8.76
iii) Subscription	0.64	0.71
iv) Payments to Oil & Gas Joint Ventures	11.74	58.02
v) Interest on Loan / bank charges	142.41	229.41
vi) Incurred by Joint ventures (our share)	457.90	326.02
Total	614.99	622.92

INCOME IN FOREIGN CURRENCY :

₹. in crores

Particulars	2013-14	2012-13
I) Commodity Hedging Gain	16.10	-
Total	16.10	-

39. Value of Traded Goods Purchase

₹. in crores

Particulars	2013-14		2012-13	
	Rs. in Cr	% of Purchase	Rs. in Cr	% of Purchase
I) Imported*	541.66	5.45%	2,029.37	25.20%
ii) Indigenous	9,393.74	94.55%	6,023.21	74.80%
Total	9,935.40	100.00%	8,052.58	100.00%

* Excluding import duty

40. The information given below represents gas trading activities and the Company's share in the joint ventures. Figures in bracket relates to previous year.

a. Sales Turnover

Description	Unit	Quantity	Value ₹. In Crores
Crude Oil	Barrels	2,58,130	144.87
		(3,02,031)	(159.73)
Gas	Lakh M3	516	39.54
		(911)	(56.41)
Gas Trading**	MMSCM	3210.31	11,708.92
		(3482.89)	(9,979.23)

b. Opening and Closing Stock of Goods Produced & Traded

Description	Unit	Quantity	Value ₹. In Crores
Opening Stock			
Crude Oil	Barrels	14,200	6.52
		(18,793)	(7.07)
Gas Trading**	MMSCM	-	-
		(82.19)	(222.98)
Closing Stock			
Crude Oil	Barrels	10,605	5.53
		(14,200)	(6.52)
Gas Trading**	MMSCM	-	-
		(-)	(-)

C. Purchases (Trading)

Description	Unit	Quantity	Value ₹. In Crores
Gas Trading**	MMSCM	3173.29	9,935.40
		(3354.69)	(8,052.58)

*Figures in brackets relate to previous year.

** 1. Difference in reconciliation of opening stock, purchase, sales and closing stock is on account of measurement tolerance.

2. Opening Stock of 82.19 Million M3 is equivalent of 3.10 Million MMBTU's as mentioned in Annual Accounts of 2012-13.

41. EARNING PER SHARE (EPS) :

The basic/diluted earning per equity share is calculated as stated below

Particulars	2013-14	2012-13
Net Profit After Tax (₹. In Crores)	35.49	846.57
Basic EPS:		
Weighted average numbers of equity shares	2,40,72,83,713	2,296,598,782
Basic Earnings Per Share (₹.)	0.15	3.69
Diluted EPS:		
Weighted average numbers of equity shares	2,47,51,84,948	2,296,598,782
Diluted Earning per Share (₹.)	0.14	3.69
Nominal Value per share (₹.)	1	1

42. The Company had filed a complaint dated 06.04.2011 before PNGRB against GAIL, IOCL and BPCL. PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal.

All the parties have preferred appeals against the PNGRB Orders before Appellate Tribunal for Electricity (APTEL) and APTEL has passed an interim order on 23.01.2012 and directed GAIL, IOCL and BPCL to give direct connectivity at Dahej Terminal subject to GSPC giving undertaking in respect of the following:

- GSPC shall open a separate bank account and deposit an amount of ₹.140 Crs. Accordingly, GSPC has opened and deposited equivalent amount in a separate bank account.
- From the date of change of delivery point, GSPC shall open a separate bank account and deposit the Interconnectivity Charges. Accordingly company had deposited ₹. 77.02 crore in a separate bank account.

The Company has submitted the Undertaking to APTEL in respect of the same on 18.02.2012 and deposited amounts as aforesaid.

The APTEL has passed common judgment dated 18.12.2013 ("the APTEL Judgment") in the appeals filed by GAIL, IOCL and BPCL and set aside the PNGRB Order.

The Company has filed an appeal before the Hon'ble Supreme Court against the APTEL Judgment and the Hon'ble Supreme Court has vide its order dated 28.02.2014 directed the Company, as an interim arrangement, to pay the interconnectivity charges at the rate of ₹. 12 / MMBTU from the account separately maintained for the said purpose in accordance with APTEL's Order dated 23.01.2012 as narrated in (i) above. The appeal is pending before the Hon'ble Supreme Court.

43. In case of balances of Joint Venture parties, for cash call and other transactions and also in case of balances of other parties i.e. Trade Receivables, Trade Payables, Loans and Advances and other liabilities the company is in the process of reconciling it with the parties. Adjustments if any will be accounted on reconciliation/settlement of the same.

44. The Company has re-classified previous year figures to conform to this year's classification.

As per our separate report of even date.

For P. Singhvi & Associates

Chartered Accountants
(Firm Reg. No. 113602W)

(CA Nipun Singhvi)
Partner
Membership No.136393

Place : Ahmedabad
Date : 19th September, 2014

For and on behalf of the
Board of Directors

Dr. Varesn Sinha, IAS
Chairman

Sandeep Dave
Company Secretary

Tapan Ray, IAS
Managing Director

Manish Verma
Chief Financial Officer

Place : Gandhinagar
Date : 19th September, 2014

Statement Pursuant Section 212 of the Companies Act, 1956 relating to Company's interest in the subsidiary companies

Sr. No.	Name of Subsidiary Company	Gujarat States Petronet Limited	GSPC Pipavav Power Company Limited	GSPC (JPDA) Limited	GSPC LNG Limited	GSPC Gas Company Limited	Guj. Info Petro Limited	GSPL Indira Transco Limited	GSPL Indira Gasne Limited	GSPC Distribution Networks Limited	Gujarat Gas Company Limited	Gujarat Gas Trading Company Limited	Gujarat Gas Financial Services Limited
1.	The financial year of the subsidiary company ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014
2	Date from which it became subsidiary company	23.12.1998	22.02.2006	13.10.2006	27.02.2007	05.03.2008	05.03.2008	13.10.2011	13.10.2011	21.02.2012	12.06.2013	12.06.2013	12.06.2013
3	Shares of the subsidiary company held by the Company on above date:					*	**	*	*	**	***	****	****
	A. Number of shares held by GSPC alongwith its nominees in the subsidiary at the end of the financial year of the subsidiary company (Face Value Rs. 10/-Each)	212,305,270	376,772,936	97,390,060	8,200,000	45,987,228	38,646	22,560,836	26,880,617	849,455,459	36,698,193	2,575,312	399,889
	B. Extent of interest in Holding Company at the end of financial year 2013-14 in the subsidiary company.	37.73%	100%	100%	9%	54.35%	77.20%	19.62%	19.62%	38.83%	28.61%	28.61%	19.99%
4	The net aggregate amount of subsidiary company's Profit/(Loss) so far as it concerns the members of the Holding Company.												
	a) Not dealt with in the Holding Company's Accounts												
	I) For the financial year ended on 31.03.2014	154.52	(306.54)	(0.19)	Nil	-56.23	6.70	0.32	0.31	(27.72)	52.50	0.18	0.64
	II) For the previous financial years of the subsidiary company since it became the Holding Company's subsidiary.	743.31	(9.16)	(1.09)	(0.00)	195.12	16.62	0.18	0.13	-1.50	286.23	3.90	6.03
	b) Dealt with in the Holding Company's Accounts												
	I) For the financial year ended as on 31.03.2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	II) For the previous financial years of the subsidiary company since it became the Holding Company's subsidiary.	21.23	0.00	0.00	0.00	3.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Notes:

- * Includes shares held by subsidiary company Gujarat State Petronet Limited.
- ** Includes shares held by subsidiary company GSPC Gas Company Limited.
- *** Includes shares held by subsidiary company GSPC Distribution Network Limited.
- **** Includes shares held by subsidiary company Gujarat Gas Company Limited .

Dr. Varesh Sinha, IAS
Chairman

Tapan Ray, IAS
Managing Director

Sandeep Dave
Company Secretary

Manish Verma
Executive Director - (F & A)

Date : 19th September, 2014
Place : Gandhinagar.

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GUJARAT STATE PETRONET LIMITED



Board of Directors

Shri M M Srivastava, IAS (Retd.)	Chairman
Dr. Hasmukh Adhia, IAS	
Shri D J Pandian, IAS	
Dr. R Vaidyanathan	
Prof. Yogesh Singh (<i>w.e.f. 20th May, 2013</i>)	
Shri Yogesh B Sinha (<i>w.e.f. 27th May, 2013</i>)	
Shri Tapan Ray, IAS	Managing Director
Shri N K Mitra (<i>upto 7th May, 2013</i>)	

Company Secretary

Ms. Reena Desai

Statutory Auditors

RMA & Associates,
Chartered Accountants
Ahmedabad

Subsidiary Companies

GSPL India Gasnet Limited
GSPL India Transco Limited

Registered Office

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

Bankers

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

Internal Auditors

KPMG

Cost Auditors

R K Patel & Co.,
Cost Accountants
Vadodara

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.
Hyderabad

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

“RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the



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

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

"RESOLVED THAT pursuant to provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Clause 49 of the Listing Agreement, Smt. Vilasini Ramachandran, IAS (Retd.) [DIN: 02224693], being qualified and eligible for appointment as Woman Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of the Director, be and is hereby appointed as Woman Independent Director of the Company to hold office for a period of five (5) consecutive years from the date of this Annual General Meeting i.e. upto 24th September, 2019, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation."

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

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

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

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

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

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

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

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

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

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

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

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

“RESOLVED THAT in supersession of the Resolution passed under Section 293 (1) (a) of the erstwhile Companies Act, 1956 and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force], and the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the creation by the Board of Directors of the Company (herein after referred to as “Board” which term shall include any Committee of the Board constituted / to be constituted to exercise its powers, including the powers conferred by this Resolution) from time to time of such mortgages, charges, liens, hypothecation, assignment, transfer and/or other securities in addition to the mortgages, charges, liens, hypothecation and / or other securities created by the Company on such terms and conditions as the Board in its sole discretion may deem fit, on the Company's assets and properties, both present and future, whether movable or immovable, including whole or substantially the whole of the Company's undertaking (s) in favour of banks / financial institutions/debentures trustees / other lenders as may agreed to by the Board for the purpose of securing the repayment of any loans / financial assistance/other borrowings of the Company.

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

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date : 25th August, 2014
Place: Gandhinagar

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



GUJARAT STATE PETRONET LIMITED

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

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

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members desirous of getting any information related to accounts or operations of the Company are requested to send in their queries so as to reach the Company's Registered Office atleast 7 days in advance before the date of Meeting to enable the management to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 20th September, 2014 to Thursday, 25th September, 2014 (both days inclusive) for the purpose of payment of the Dividend. The Dividend, if declared at the ensuing Annual General Meeting shall be paid, on Tuesday, 30th September, 2014 to those Members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 19th September, 2014 as per the list to be furnished by the depositories in respect of the Shares held in electronic form; and (b) as Members in the Register of Members of the Company as on 20th September, 2014, after giving effect to all valid Share Transfers in physical form received on or before 19th September, 2014.
6. All transfer deeds, requests for change of address, bank particulars/mandates/ECS mandates, PAN should be lodged with Company's Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Plot No 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, in case of Shares held in physical form on or before 19th September, 2014. The above details in respect of the Shares held in electronic form should be sent to the respective Depository Participants by the Members well in time.
7. Members are requested to furnish the Registrar / Depository Participants, the name and address of the branch of the bank, MICR code of the branch, type of account and account number to enable the Company to distribute Dividend through National Electronic Clearing Services (NECS). In the absence of NECS facility with the Member's bank, the bank account details will be printed on the Dividend Warrants, if available.
8. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic mode are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited.
9. As stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, profile of Directors seeking re-appointment / appointment is provided under Section "Board of Directors" of the Corporate Governance Report, which forms an integral part of this Annual Report.
10. Electronic copy of the Annual Report is being sent to all the Members whose E-mail IDs are registered with the Company/ Depository Participants unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
11. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the Shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
12. Members also note that the Annual Report for Financial Year 2013 - 14 will also be available on the Company's website www.gspcgroup.com for download.

13. Voting through Electronic Means:

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

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

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

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

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

For Members holding Shares in physical form:-

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

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

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

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



GUJARAT STATE PETRONET LIMITED

xii. After selecting the Resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the Resolution.

xiii. Once you 'CONFIRM' your vote on the Resolution, you will not be allowed to modify your vote.

xiv. Corporate/Institutional Members (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc.) are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through e-mail to scrutinizergspl@gmail.com with a copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event No."

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

a. initial Password is provided separately:

EVEN (E - Voting Event Number) User ID/Password/PIN

b. Please follow all steps from Sl. No. (i) to Sl. No. (xiii) above, to cast vote.

II. You can also update your mobile number and e-mail ID in the user profile details of the Folio which may be used for sending future communication(s).

III. The e-voting period commences on Thursday, 18th September, 2014 (9.00 A.M.) and ends on Saturday, 20th September, 2014 (6.00 P.M.). During this period Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut - off date i.e. Friday, 22nd August, 2014, may cast their votes electronically. The e-voting module shall be disabled by M/s. Karvy Computershare Private Limited thereafter. Once the vote on a Resolution is cast by the Shareholders, the Shareholder shall not be allowed to change it subsequently.

IV. The voting rights of the Shareholders shall be in proportion to their share of the paid up Equity Share Capital of the Company as on the cut - off date of Friday, 22nd August, 2014.

V. The Company has appointed M/s. K K Patel & Associates, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

VI. The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in FAVOUR or AGAINST, if any, forthwith to the Chairman of the Company.

VII. The results shall be declared on or after the AGM of the Company. The Results alongwith the Scrutinizer's Report shall be placed on the Company's website www.gspcgroup.com and on the website of M/s Karvy Computershare Private Limited within two (2) working days of passing of the Resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date : 25th August, 2014
Place: Gandhinagar

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

ANNEXURE TO THE NOTICE

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

Item No. 5

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

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

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

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

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

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

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

Item No. 6

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

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

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

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

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

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

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

Item No. 7

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



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

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

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

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

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

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

Item No. 8

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

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

Dr. Bakul Dholakia has given a declaration to the Board that he meets criteria of Independence as provided under Section 149 (6) of the Act.

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

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

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

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

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

Item No. 9

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

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

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

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

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

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

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

Item No. 10

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

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

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

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

Item No. 11

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

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

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



GUJARAT STATE PETRONET LIMITED

Pursuant to provisions of Section 197 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Listing Agreement of the Company, the Board of Directors of the Company has recommended remuneration for the period from 28th August, 2014 to 27th August, 2015, or till further orders by Govt. of Gujarat, whichever is earlier to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman pursuant to Govt. of Gujarat Resolution dated 10th May, 2013 and letter dated 20th August, 2014 for approval of the Members at the ensuing Annual General Meeting and the total approx annual remuneration would be ₹ 12.50 Lacs.

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

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

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

Item No. 12

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

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

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

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

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

Item No. 13

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

Section 180 (1)(a) of the Companies Act, 2013 which has replaced Section 293 (1) (a) of the Companies Act, 1956 provides that the Board of Directors shall not create charge/security on all or any of the movable or immovable properties of the Company, except

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with the consent of the Company accorded by way of a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014.

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

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

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

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date : 25th August, 2014
Place: Gandhinagar

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



GUJARAT STATE PETRONET LIMITED

DIRECTORS' REPORT

To,
The Members
Gujarat State Petronet Limited

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

FINANCIAL HIGHLIGHTS

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

PERFORMANCE HIGHLIGHTS

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

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

CAPITAL

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

DIVIDEND

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

GAS TRANSMISSION SERVICES

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

GAS GRID PROJECT

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

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

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

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

Projects Commissioned

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

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

Projects Under Execution

Your Directors are pleased to inform that the Company

continues to develop Pipeline infrastructure in the State of Gujarat. Currently, approx 405 Kms of Pipeline is under construction.

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

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

WIND POWER PROJECT

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

FUTURE PLANS

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

OPERATION & MAINTENANCE ACTIVITIES

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

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

SUBSIDIARY COMPANIES

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

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

GIGL & GITL - Project Status:

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

Accounts of subsidiary companies:

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

However, in accordance with the General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents for the Financial Year ended 31st March, 2014 of the subsidiary companies are not being attached with the Balance Sheet of the Company. The financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The audited annual accounts and related information of the subsidiary companies, where applicable, will be made available to any Member upon request. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

CONSOLIDATED FINANCIAL STATEMENTS

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

HEALTH, SAFETY AND ENVIRONMENT

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



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

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

To further enhance the benchmark of Safety Management Systems, your Company was audited by British Safety Council for Five Star safety audit for the third time and under new specifications for the first time. GSPL has retained the FiveStar grading by British Safety Council (BSC) after an extensive evaluation by BSC auditor. Your Company has also bagged International Safety award for 2014 by British Safety Council for its HSE performance of GSPL Gas Grid. Your Company has successfully bagged International Safety Awards from British Safety Council for 04 Years continuously, based upon previous years' HSE Performance of Gas Grid.

FIXED DEPOSITS

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

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS

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

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

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

STATUTORY AND C&AG AUDIT

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

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

AUDIT COMMITTEE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards read with requirements set out under revised Schedule VI to the Companies Act, 1956, have been followed along with proper explanation relating to material departures.

- (ii) accounting policies are selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of profit of the Company for that period.
- (iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities is taken.
- (iv) the annual accounts are prepared on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE

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

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

GSPL EMPLOYEES STOCK OPTION PLAN ("ESOP")

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

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

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

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

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

PARTICULARS OF EMPLOYEES

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

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings & Outgo

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

ACKNOWLEDGEMENTS

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

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

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

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

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

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date : 25th August, 2014
Place: Gandhinagar



Annexure - I

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

A. INDUSTRY OVERVIEW

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

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

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

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

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

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

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

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

ROLE OF LNG & LNG INFRASTRUCTURE

Energy security has assumed strategic importance across the world. As countries try to reduce their dependence on oil, natural gas has emerged as a cleaner and commercially viable option. LNG has played a crucial role in the globalization of natural gas by providing an affordable means of transporting it over long distance.

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

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

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

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

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

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

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

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

B. REGULATORY FRAMEWORK

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

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

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

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

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

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

C. OPPORTUNITIES AND CHALLENGES

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

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

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

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

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

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

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

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

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

By promoting / developing critical gas infrastructure, your Company continues to play a pivotal role of infrastructure provider acting as an energy channel between sources and gas consumers. PNGRB has approved expansion of Mallvaram - Bhilwara Pipeline for connectivity with Dahod terminal of GSPL high pressure Gujarat gas grid paving way for GSPL for transporting gas to Central India.

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

D. OPERATIONS AND FUTURE OUTLOOK

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

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

GIGL & GITL - Project Status:

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

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

E. PERFORMANCE PROFILE

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



GUJARAT STATE PETRONET LIMITED

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

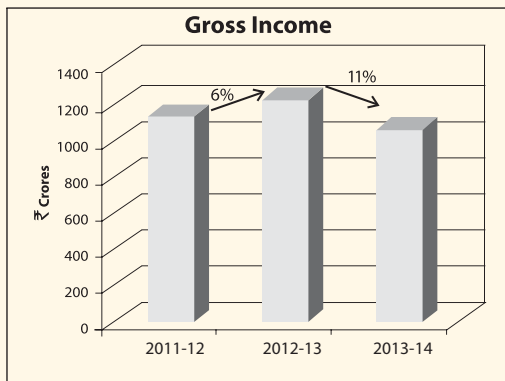
The Company has managed with a lean manpower strength on account of its well thought out strategy of developing major pipeline projects on EPC (Engineering, Procurement and Construction) Model.

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

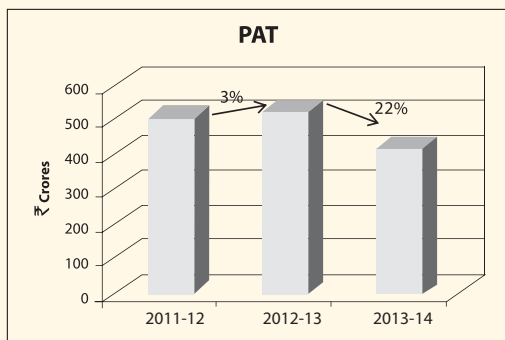
Such decrease in transportation volumes is attributed to decline in gas production from RIL's D6 fields and high LNG prices.

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

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



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



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

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

Cost Auditors

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

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

Wind Power Project

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

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

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

F. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

The Company has a proper and adequate system of internal controls commensurate with its size of operations and nature of business. The Company's internal control systems are further supplemented by extensive programs of audits, i.e. internal audit, proprietary audit by the Comptroller & Auditor

General of India (C&AG) and statutory audit by Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG). The internal control system is designed to ensure that all financials and other records are reliable for preparing Financial Statements and other data and for maintaining accountability of assets and compliance with statutory requirements.

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

G. HUMAN RESOURCES

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

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

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

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

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

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

Forward Looking Statements:

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



Annexure - II Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

A. Composition of the Board :-

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

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

Sr. No.	Name of the Director	Position /Category++	* Number of Directorship as on 31 st March, 2014 including GSPL	** Number of Membership/ Chairmanship in Board Committee as on 31 st March, 2014 including GSPL	
				Membership+	Chairmanship
1	Shri M M Srivastava, IAS (Retd.)	Non Executive Chairman (GSPC1 Nominee)	2	0	0
2	Shri D J Pandian, IAS	Non Executive Director (GSPC1 Nominee)	15	2	1
3	Dr. Has Mukh Adhia, IAS	Non Executive Director (GSPC1 Nominee)	11	8	1
4	Dr. R Vaidyanathan	Independent Director	5	1	2
5	Prof. Yogesh Singh	Independent Director	1	1	0
6	Shri Yogesh B Sinha	Independent Director	2	2	1
7	Shri Tapan Ray, IAS	Managing Director (GSPC1 Nominee)	15	3	2

1. Gujarat State Petroleum Corporation Limited.
+ Membership excludes Chairmanship.

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

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

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

16th ANNUAL REPORT 2013-2014

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

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

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

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

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

C. Attendance of each Director at the Board Meetings during the year 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 27 th September, 2013
1	Shri M M Srivastava, IAS(Retd.)	7	7	Yes
2	Dr. Hasmukh Adhia, IAS	7	4	Yes
3	Shri D J Pandian, IAS	7	6	Yes
4	Shri N K Mitra (up to 7 th May, 2013)	NA	NA	NA
5	Dr. R Vaidyanathan	7	6	Yes
6	Prof. Yogesh Singh (w.e.f. 20 th May, 2013)	7	6	Yes
7	Shri Yogesh B Sinha (w.e.f. 27 th May, 2013)	7	3	Yes
8	Shri Tapan Ray, IAS	7	7	Yes

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



GUJARAT STATE PETRONET LIMITED

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

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

I) Shri D J Pandian, IAS

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

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

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

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

ii) Dr. R Vaidyanathan

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

Dr. R Vaidyanathan holds Directorship in following other companies:

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

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

iii) Prof. Yogesh Singh

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

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

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

iv) Shri Yogesh B Sinha

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

Shri Yogesh B Sinha holds Directorship in following other company:

1. Gujarat State Petroleum Corporation Limited

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

v) Dr. Bakul Dholakia

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

Dr. Bakul Dholakia holds Directorship in following other companies:

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

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

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

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

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

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

3. AUDIT COMMITTEE

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

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

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

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



GUJARAT STATE PETRONET LIMITED

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

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

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

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

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

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

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

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

4. REMUNERATION/SITTING FEES TO DIRECTORS

i) Remuneration to Directors:

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

iii) Sitting Fees to Directors:

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

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

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

Stock Options granted to Directors:-

ESOP - 2005:

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

ESOP - 2010:

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

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

Terms of appointment of Managing Director:-

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

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

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

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

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

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

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

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

Company Secretary acts as Compliance Officer of the Company.



6. GENERAL BODY MEETINGS

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

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

B. Postal Ballot:

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

7. DISCLOSURES

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

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

8. MEANS OF COMMUNICATION

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

9. CODE OF CONDUCT

Code of Conduct for Directors and Senior Management:-

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

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

Code of Conduct for Prevention of Insider Trading :-

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

10. GENERAL SHAREHOLDERS INFORMATION

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

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

B. Financial Year and Calendar :-

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

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

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

C. Book Closure Date:-

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

D. Dividend Payment:-

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

Unclaimed Dividends/Shares

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

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

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

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



GUJARAT STATE PETRONET LIMITED

Due Dates for Transfer of Unclaimed Dividend to IEPF:

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

E. Listing on Stock Exchanges and Scrip Codes:-

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

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

Note:

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

F. Stock Market Data:-

Market Price Data in BSE and NSE is as follows:

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

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

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

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

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

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

H. Distribution of Shareholding:-

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

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

I. Dematerialization of Shares and its liquidity:-

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

J. Plant Locations:-

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

K. Address for correspondence with the Company:-

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

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



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

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

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

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

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date: 25th August, 2014

Place: Gandhinagar

CEO & CFO CERTIFICATION

We hereby certify that:-

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

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

Manish Seth
GM (Finance)

Date: 22nd May, 2014
Place: Gandhinagar

Tapan Ray, IAS
Managing Director



GUJARAT STATE PETRONET LIMITED

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

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

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

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

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

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

For MANOJ HURKAT & ASSOCIATES
Company Secretaries

Manoj R Hurkat
Proprietor

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

Date: 25th August, 2014
Place: Ahmedabad

Annexure - III

DISCLOSURE REGARDING GSPL EMPLOYEES STOCK OPTION PLAN-2005

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



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

Note: 1

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

Note: 2

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

Note: 3

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

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Note: 4

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

	Description	2013-2014		2012-2013	
		ESOP - 2005 Part - I	ESOP - 2005 Part - II	ESOP - 2005 Part - I	ESOP - 2005 Part - II
A	Options lapsed/cancelled at the beginning of the respective Financial Year	95000	451535	95000	434719
B	Less: Reversal effect for Options lapsed in earlier years	Nil	Nil	Nil	Nil
C	Less: Grant of Options during the respective Financial Year out of A above	Nil	Nil	Nil	Nil
D	Add: Options lapsed during the year	Nil	8401.5	Nil	16816
E	Total Options lapsed/cancelled as on 31 st March of the respective Financial Year (A-B-C+D)	95000	459936.5	95000	451535

Note: 5

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

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

Note: 6

Vesting Schedule

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

Note: 7

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



Annexure - IV

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

	Description	2013 - 2014		2012 - 2013	
		Type A	Type B	Type A	Type B
A.	Total Options granted during the year by the Compensation Committee on 27 th October, 2010	Nil	Nil	Nil	Nil
B	Exercise Price per Option (in ₹) (Note1)	75	75	75	75
C	Total Option vested during the year	289940	6032	288516	5161
	Cumulative Option vested up to the respective Financial Year	787969	11193	498029	5161
D	Total Options exercised during the respective Financial Year	Nil	Nil	Nil	Nil
	Cumulative Option exercised up to the respective Financial Year	12151	Nil	12151	Nil
E	Total number of Shares arising as a result of exercise of Options during the respective Financial Year	Nil	Nil	Nil	Nil
	Cumulative number of Shares arising as a result of exercise of Options up to the respective Financial Year	12151	Nil	12151	Nil
F	Total Option lapsed/cancelled during the year (Note 2)	94066	17645	147155	9699
	Cumulative Option lapsed/cancelled up to the respective Financial Year (Note 3)	308271	43224	214205	25579
G	Money realized by exercise of Options during the respective Financial Year	Nil	Nil	Nil	Nil
H	Total number of Options in force as on 31 st March of the respective Financial Year	1718323	46956	1812389	64601
I	Variation in terms of Options	Nil	Nil	Nil	Nil
J	Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of Option (in ₹)	7.45	7.45	9.56	9.56
K	Person-wise details of Options granted to:				
	1. Key managerial employees (please see note 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)

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Note: 1

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

Note: 2

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

Note: 3

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

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

Note: 4

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

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

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

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

Note: 5

Vesting Schedule

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



GUJARAT STATE PETRONET LIMITED

Note: 6

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

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

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

Fair Value:

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

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

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

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

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

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

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

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

Annexure - V

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

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

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the Financial Statements of Gujarat State Petronet Limited for the year ended 31st March, 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619 (4) of the Companies Act, 1956.

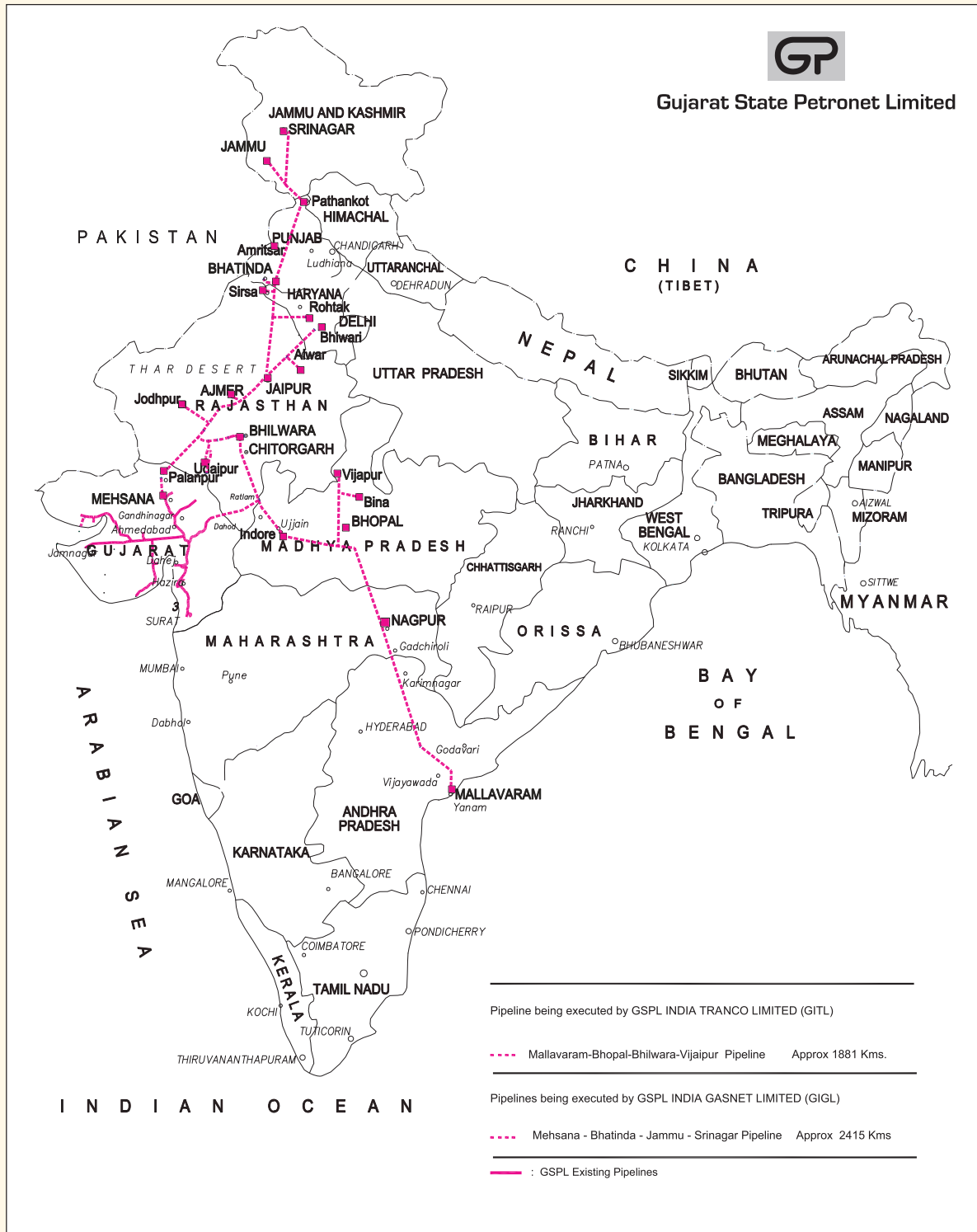
For and on behalf of the
Comptroller & Auditor General of India

Place: Ahmedabad
Date: 24th July, 2014

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

Annexure - VII

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





INDEPENDENT AUDITOR'S REPORT

To,
The Members
Gujarat State Petronet Limited
Gandhinagar

Report on the Financial Statements

We have audited the accompanying financial statements of GUJARAT STATE PETRONET LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Report on other Legal and Regulatory Requirements

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

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

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

Place: Ahmedabad
Date : 22nd May, 2014

Deepak Gupta
PartnerMembership No. 081535



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

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

1. In respect of Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) The Company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
2. In respect of Inventories :
 - (a) As explained to us, inventories were physically verified during the year by the management and the firm of Chartered Accountant at the end of the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventory. Discrepancies noticed on physical verification between physical stock records were not material and have been adequately dealt within the books of accounts.
3. The 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 and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
5. There are no transactions that need to be entered into register in pursuance of section 301 of the Act. Therefore requirement of sub-clause (b) of clause (v) of the order is not applicable to the company.
6. The Company has not accepted any deposit from the public pursuant to sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and rules framed there under. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
7. Internal Audit of the Company is entrusted to KPMG. The system is commensurate with the size and nature of activities of the company.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government of India for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, carried out a detailed examination of the records to ascertain whether they are accurate or complete.
9. In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities during the year. According to the information

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and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31st, 2014 for a period of more than six months from the date of becoming payable.

- (b) The details of Service Tax and Income Tax not deposited on account of dispute are as per note no.25 of Notes to Accounts.
10. The company has been registered for a period for more than 5 years and it has no accumulated loss at the end of the financial year and it has not incurred cash losses in the current financial year and also in the immediately preceding financial year. Therefore the requirement of clause (x) of the paragraph 4 of the Order is not applicable to the company.
 11. According to the information and explanations given to us and based on the documents and records produced to us, the company has not defaulted in payment of dues to the Financial Institution or Banks.
 12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The company is not a chit fund / Nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments as such provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 15. As per the information and explanation given to us, the company has given corporate guarantee executed jointly & severally along with GSPC Gas Company Limited "an associate" amounting to ₹ 50000.00 Lakhs in favour of IDBI Trustship Services Limited "Debenture Trustee of GSPC Distribution Network Limited".
 16. According to the information and explanations and certificate in this regard given to us, term loan were applied by the company for the purpose for which they were obtained.
 17. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short term basis have been used for long term investment.
 18. During the year, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 19. On the basis of the records and documents examined by us, the Company has not issued any debentures and therefore requirement of clause (xix) of the order is not applicable of the company.
 20. During the period under audit, Company has not raised any money by way of public issue and therefore the requirement of clause (xx) of paragraph 4 of the order is not applicable to the company.
 21. According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.

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

Place: Ahmedabad
Date : 22nd May, 2014

Deepak Gupta
Partner
Membership No. 081535



GUJARAT STATE PETRONET LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2014

(₹. in Lacs)			
Particulars	Note No.	As at 31 st March 2014	As at 31 st March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	56,273.87	56,270.88
Reserves and Surplus	4	273,209.17	237,786.90
		<u>329,483.04</u>	<u>294,057.78</u>
Non-Current Liabilities			
Long-Term Borrowings	5	103,650.63	133,886.99
Deferred Tax Liabilities (Net)	6	42,024.66	38,668.95
Other Long-Term Liabilities	7	2,395.67	1,785.21
Long-Term Provisions	8	416.87	416.51
		<u>148,487.83</u>	<u>174,757.66</u>
Current Liabilities			
Trade Payables	9	1,515.20	1,096.33
Other Current Liabilities	10	54,061.83	48,737.55
Short-Term Provisions	8	6,730.48	6,693.89
		<u>62,307.51</u>	<u>56,527.77</u>
TOTAL		<u>540,278.38</u>	<u>525,343.21</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	302,172.15	312,373.95
Intangible Assets	11	13,761.88	12,776.26
Capital Work-In-Progress	11	65,610.45	52,602.09
Non-Current Investments	12	58,497.07	17,402.08
Long-Term Loans and Advances	13	13,548.93	7,269.14
Other Non-Current Assets	14	73.16	894.90
		<u>453,663.64</u>	<u>403,318.42</u>
Current Assets			
Inventories	15	6,941.29	7,715.11
Trade Receivables	16	24,901.31	25,410.01
Cash and Bank Balances	17	49,921.85	85,305.60
Short Term Loans and Advances	13	3,392.34	2,035.82
Other Current Assets	14	1,457.95	1,558.25
		<u>86,614.74</u>	<u>122,024.79</u>
TOTAL		<u>540,278.38</u>	<u>525,343.21</u>
Significant Accounting Policies	2.1		
The accompanying Notes are integral part of the Financial Statements.			
As per our Report of even date attached			

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

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014

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

(₹. in Lacs)			
Particulars	Note No.	For the Year ended 31 st March, 2014	For the Year ended 31 st March, 2013
INCOME :			
Revenue from Operations	18	105,069.23	117,320.05
Other Income	19	5,518.51	6,604.46
Total Revenue (A)		110,587.74	123,924.51
EXPENSES :			
Employee Benefit Expenses	20	2,871.17	2,471.01
Other Expenses	21	9,310.19	7,651.73
Total Expenses (B)		12,181.36	10,122.74
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) (A)-(B)		98,406.38	113,801.77
Depreciation and Amortisation Expenses	22	18,387.02	18,610.84
Finance Costs	23	14,184.77	12,625.60
Profit/(Loss) Before Adjustment		65,834.59	82,565.33
Prior Period Adjustments		5.09	(5.20)
Profit/(Loss) Before Tax		65,829.50	82,570.53
Tax Expenses			
Current tax		20,531.30	22,463.72
(Excess)/Short Provision of Tax - Earlier Years		27.72	62.75
Deferred Tax		3,355.70	6,231.80
Profit After Tax carried to Balance Sheet		41,914.78	53,812.26
Earning Per Equity Share (EPS) (Face Value of Share ₹ 10)			
Basic (₹)		7.45	9.56
Diluted (₹)		7.45	9.56

Significant Accounting Policies 2.1

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

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

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014



GUJARAT STATE PETRONET LIMITED

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

(₹. in Lacs)

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

Notes to Cash Flow Statement

1 Cash and Cash Equivalent includes-

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

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

As per our Report of even date attached

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

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman
Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director
Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014

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

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

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

2.1 Significant Accounting Policies

(a) Fixed Assets and Capital Work in Progress

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

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

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

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

(b) Intangible Assets

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

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

(c) Depreciation and Amortisation

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

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

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

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



(d) Investment

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

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

(e) Inventory

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

(f) Employee Benefits

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

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

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

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

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

(g) Borrowing Cost

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

(h) Foreign Currency Transactions

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

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

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

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

(I) Revenue Recognition

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

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

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

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

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

(j) Taxation

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

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

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

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

(k) Impairment of Assets

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

(l) Earnings Per Share

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

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

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

(m) Provisions, Contingent Liabilities and Contingent Assets

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



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

Contingent Assets are neither recognized nor disclosed in Financial Statements.

(n) Measurement of EBITDA

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

(o) Cash and Cash Equivalent

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

(p) Cash Flow Statement

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

(q) Prior Period Adjustments

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

(r) Proposed Dividend

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

(s) Events Occurring after Balance Sheet Date

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

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3 SHARE CAPITAL :

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

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

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

Terms/Rights attached to Equity Shares

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

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

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

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

	As At 31 st March, 2014		As At 31 st March, 2013	
Particulars	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



GUJARAT STATE PETRONET LIMITED

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

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

Detail of Shares reserved for issue under ESOP

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

4 RESERVES & SURPLUS :

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

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5 LONG TERM BORROWINGS :

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

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

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



GUJARAT STATE PETRONET LIMITED

Maturity Profile and Rate of Interest of Term Loans

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

6 DEFERRED TAX LIABILITIES (Net) :

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

7 OTHER LONG TERM LIABILITIES :

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

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8 PROVISIONS :

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

9 TRADE PAYABLES :

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

10 OTHER CURRENT LIABILITIES :

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



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11 FIXED ASSETS

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Op. Balance As on 1 st April 2013	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As on 31 st March 2014	Op. Balance As on 1 st April 2013	Additions During the Year	Deduction During the Year	Cl. Balance As on 31 st March 2014	As on 1 st April 2014	As on 1 st April 2013
TANGIBLE ASSETS										
Land- Free Hold	8,205.16	307.08	-	8,512.24	-	-	-	-	8,512.24	8,205.16
Land- Lease Hold	2,547.30	-	-	2,547.30	181.14	45.60	-	226.74	2,320.56	2,366.16
Building	15,746.40	3,151.68	-	18,898.09	5,481.22	1,101.44	-	6,582.67	12,315.42	10,265.18
Plant & Machinery	410,577.23	3,981.31	3.24	414,555.30	124,405.36	16,240.96	1.06	140,645.26	273,910.04	286,171.87
Communication Equipments	9,355.23	219.81	10.23	9,564.81	4,808.47	649.20	2.70	5,454.97	4,109.84	4,546.76
Computers	607.65	82.75	26.07	664.34	426.79	80.73	14.38	493.14	171.19	180.86
Furniture & Fittings	489.64	280.62	-	770.26	260.51	82.83	-	343.34	426.93	229.13
Office Equipments	188.00	76.80	62.81	201.99	102.04	18.56	49.48	71.13	130.87	85.96
Vehicles	585.15	85.37	75.04	595.49	262.27	84.18	18.04	328.41	267.08	322.89
Books	13.12	0.32	-	13.44	13.12	0.32	-	13.44	-	-
Ship / Boat	-	9.82	-	9.82	-	1.84	-	1.84	7.98	-
Total (A)	448,314.88	8,195.58	177.39	456,333.08	135,940.92	18,305.67	85.66	154,160.93	302,172.15	312,373.95
INTANGIBLE ASSETS										
Computer Software	1,090.14	2.64	-	1,092.78	880.93	81.35	-	962.27	130.51	209.21
Right of Use / Right of Way	12,567.05	1,064.33	-	13,631.37	-	-	-	-	13,631.37	12,567.05
Total (B)	13,657.18	1,066.97	-	14,724.15	880.93	81.35	-	962.27	13,761.88	12,776.26
CAPITAL WORK IN PROGRESS										
Total (C)	-	-	-	-	-	-	-	-	65,610.45	52,602.09
TOTAL (A+B+C)	461,972.06	9,262.55	177.39	471,057.23	136,821.85	18,387.02	85.66	155,123.20	381,544.48	377,752.30
Previous Year	432,245.93	29,752.70	26.57	461,972.06	118,223.38	18,610.85	12.37	136,821.85	377,752.30	355,844.04

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12 NON-CURRENT INVESTMENTS :

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



GUJARAT STATE PETRONET LIMITED

13 LOANS AND ADVANCES :

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

14 OTHER ASSETS :

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

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15 INVENTORIES (Valued at Moving Average Cost)

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

16 TRADE RECEIVABLES :

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

17 CASH AND BANK BALANCES :

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



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18 REVENUE FROM OPERATIONS

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

19 OTHER INCOME

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

20 EMPLOYEE BENEFIT EXPENSES

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

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21 OTHER EXPENSES

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

22 DEPRECIATION AND AMORTISATION EXPENSES

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

23 FINANCE COSTS

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



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

25 CONTINGENT LIABILITIES AS ON 31ST MARCH, 2014:

a) Claims against Company not acknowledged as debt:

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

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

b) Guarantees:

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

c) Other:

Imbalance and overrun charges as per the 'Modalities of maintaining & operation of Escrow Account under the PNGRB (Access Code for Common or Contract Carrier Natural Gas Pipeline) Regulations, 2008' issued by PNGRB on 7th March, 2011, collected for the period prior to 1st April, 2011 amounting to ₹ 226.02 Lacs (net of taxes) has been deposited in Escrow Account under protest.

However, the same is not recognised as liability as these guidelines are applicable w.e.f. 1st April, 2011.

26 CAPITAL & OTHER COMMITMENT

Capital Commitment:

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

Other Commitment:

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

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

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

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

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29 PAYMENT TO AUDITORS :

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

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

31 EXPENDITURE / INCOME IN FOREIGN CURRENCY

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

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

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

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

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

33 EARNINGS PER SHARE (EPS) :

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



GUJARAT STATE PETRONET LIMITED

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

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

35 SEGMENT REPORTING

a. Business Segments

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

b. Segment Revenue and Expense

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

c. Segment Assets and Liabilities

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

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

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SEGMENTAL INFORMATION

Primary Segment (Business Segment)

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

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

36 RELATED PARTY DISCLOSURES

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

A. Holding Company :

Gujarat State Petroleum Corporation Limited

B. Subsidiary :

GSPL India Gasnet Limited
GSPL India Transco Limited

C. Associates :

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

D. Fellow Subsidiary :

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

E. Key Managerial Personnel :

Shri Tapan Ray, IAS, MD



GUJARAT STATE PETRONET LIMITED

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

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

*Including Associate of Holding Company

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

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

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

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

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



GUJARAT STATE PETRONET LIMITED

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

38 EMPLOYEE STOCK OPTION PLANS

ESOP 2005 Scheme :

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

ESOP 2010 Scheme :

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

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

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

39 The Company has maintained a separate escrow account as per PNGRB guidelines for modalities of maintaining and operation of escrow account for charges towards system indiscipline in terms of positive or negative imbalance or overruns. In this regard, since Financial Year 2011-12, amount recovered from customers is deposited in the said bank account and the amount invoiced (net of taxes) is recognized as liability.

40 As at the Balance Sheet date, Company has reviewed the carrying amounts of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.

41 Amount due for credit to Investor Education and Protection Fund is NIL (Previous year NIL).

42 The figures appearing in Financial Statements are rounded off to the nearest ₹ in Lacs.

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

Deepak Gupta
Partner
Membership No.081535

Place : Ahmedabad
Date : 22nd May, 2014

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 22nd May, 2014



GUJARAT STATE PETRONET LIMITED

8th

**ANNUAL REPORT
2013-2014**



GSPC
Pipavav Power Company Ltd.



GSPC PIPAVAV POWER COMPANY

BOARD OF DIRECTORS

Shri D. J. Pandian, IAS	:	Chairman
Shri Tapan Ray, IAS	:	Director
Dr. P K Das (Retd.), IAS	:	Director
Shri L. Chuaungo, IAS	:	Director
Shri S. B. Khalia	:	Managing Director (w.e.f. 24 th October, 2013)

COMPANY SECRETARY

Kuldeep Jain

STATUTORY AUDITORS

C. R. Shredalal & Co.
Chartered Accountants, Ahmedabad

INTERNAL AUDITORS

M/s. Ajay Patni & Co.
Chartered Accountants, Ahmedabad

BANKERS

Corporation Bank, Gandhinagar
Allahabad Bank, Ahmedabad
State Bank of Bikaner & Jaipur, Ahmedabad
Dena Bank, Gandhinagar
Bank of Maharashtra, Gandhinagar
IDBI Bank, Ahmedabad
Karur Vysya Bank, Ahmedabad
Axis Bank, Gandhinagar
Oriental Bank of Commerce, Gandhinagar
Vijaya Bank, Gandhinagar

REGISTERED OFFICE

3rd Floor, GSPC Bhavan,
Behind Udyog Bhavan, Sector-11,
Gandhinagar-382011.

PROJECT SITES

Village Kovaya,
Near Pipavav Port, Taluka Rajula,
Dist. Amreli, Gujarat,

Plot no.86, Gujarat Solar Park,
Village Charanka, Taluka Santalpur
Dist. Patan, Gujarat

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 8th Annual Report of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2014.

1. FINANCIAL RESULTS

₹. in Lakhs

	2013-14	2012-13
Revenues		
Revenue from Operations	1303.36	1,273.70
Other Income	70.72	1.41
Gross Revenue	1377.08	1,275.11
Expenses		
Employees Benefit Expense	225.76	55.56
Finance Cost	18976.40	289.13
Other Expenses	1529.37	84.32
Foreign Exchange	1858.85	-
Fluctuation Loss		
Depreciation and Amortization Expense	9496.90	980.14
Total Expenses before exceptional items and tax	32087.25	1409.15
Loss Before Exceptional Items and Tax	-30710.17	-134.04
Exceptional Items	-	144.14
Profit (Loss) Before Tax (Revenues - Expenses)	-30710.17	-278.18
Tax Expense		
Current Tax	3.19	-
Deferred Tax	-59.30	566.89
Profit (Loss) for the year	-30654.06	-845.07
Carried Forward to Balance Sheet		
Reserve & Surplus	-31570.22	-916.16

2. CAPITAL :

2.1 During the year the Authorised Equity Share Capital of the Company has been increased to ₹.700,00,00,000/- (Rupees Seven Hundred Crores Only) divided into 70,00,00,000 Equity Shares of ₹. 10/- (Rupees Ten) each from earlier ₹. 200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 Equity Shares of ₹.10/- (Rupees Ten) each.

2.2 Similarly, paid up share capital of the Company has

also been increased to ₹.376,77,29,360/- (Rupees Three Hundred Seventy Six Crores Seventy Seven Lacs Twenty Nine Thousand Three Hundred Sixty only) from earlier ₹.36,89,04,360/- (Rupees Thirty Six Crores Eighty Nine Lacs Four Thousand Three Hundred Sixty only) as during the year Company has allotted 33,98,825,500 Equity Shares of 10/- each fully paid up to its holding company M/s. Gujarat State Petroleum Corporation Limited and paid up capital of the Company as on 31st March 2008 stands to ₹. 376,77,29,360/- divided into 37,67,72,936 equity shares of ₹. 10/- each fully paid up.

3. STATUS OF 702 (351X2) MW GAS BASED POWER PROJECT AT VILLAGE KOVAYA, TAL. RAJULA, DISTRICT AMRELI:

- 3.1 With successful demonstration of combined cycle full load operation on 05.02.2014 wrt the Unit-1 (351X1) of the Project, now both the Units (351X2) of the Project have been commissioned and announcement of successful commercial operation of the Unit-1 of the Project was communicated to GUVNL accordingly.
- 3.2 GPPC has been pushing to BHEL from all possible fronts including CEA, MoHI&PE and MoP, Government of India for early completion of balance activities wrt the Project.
- 3.3 The work of laying Sea Water Intake as well as outfall lines has been completed by M/s. Coastal Marine Construction and Engineering Ltd., Mumbai-contractor for the construction of Sea Water Intake and Effluent Disposal System.
- 3.4 GSPL has laid down the fuel gas pipeline upto GPPC's Gas Receiving Station and has been successfully charged. The commissioning gas requirements for Unit-1 and Unit-2 was provided by GSPC and supplied through GSPL's gas pipeline.
- 3.5 The transmission lines have already been laid down by GETCO to evacuate full (702 MW) power from GPPC's Project.
- 3.6 O&M contractor-M/s. Pipavav O & M Services Private Limited has mobilized its manpower at Project site and was actively involved in the commissioning activities of Unit-1.
- 3.7 Though the Project has been commissioned, presently it has been kept in idle condition as domestic gas is not available and issue of reimbursement of Fixed Cost by GUVNL to GPPC is still not resolved.

4. STATUS OF 5MW SOLAR PHOTOVOLTAIC POWER PROJECT AT GUJARAT SOLAR PARK:

Since its commissioning in last quarter of year 2011-12, GPPC's solar plant is performing well as compared to the most of the solar plants in Gujarat Solar Park.

During the year 2013-14, GPPC exported total 87, 09,048 units of power to the State Grid. The said generation of power is in excess of more than 10% in comparison with the generation guaranteed by the EPC/O&M contractor. and also well above average generation of the other plants in solar park.

5. FIXED DEPOSIT :

During the year under review, the Company did not invite any fixed deposits vide Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

6. DIRECTORS :

During the year, Shri S B Khyalia, MD, MGVL has been appointed as Managing Director of GPPC.

Further, Shri Tapan Ray, IAS, retires by rotation, in terms of Articles of Association of the Company and being eligible offers himself for re-appointment.

7. STATUTORY AUDITORS :

Your Company falls under preview of Section 617/ 619 (B) of the Companies Act, 1956 and hence Statutory Auditors of the Company is appointed by Comptroller & Auditor General of India (CAG). Accordingly, M/s. Anoop Agarwal & Co., Chartered Accountants, Ahmedabad has been appointed as Statutory Auditors of the Company for the Financial Year 2013-14 by CAG.

8. COST AUDITORS :

In terms of the provisions of Section 209 (1) (d) of the Companies Act, 1956, your Company is required to maintain cost accounting records. As per Cost Audit Rules, 2011 and Section 233 (B) (1) of the Companies Act, 1956, the Board has appointed M/s. N. D. Birla & Co., Cost Accountants, Ahmedabad as Cost Auditor of the Company for FY 2013-14 as recommended by the Audit Committee of the Company.

9. INTERNAL CONTROL SYSTEMS :

The Company has put in place internal control systems and processes commensurate with its size and scale of operations. M/s. Ajay Patni & Co., Ahmedabad, Chartered Accountants, has been appointed as Internal Auditors of the Company for the Financial Year 2013-14 to carry out the work of Internal Audit.

It ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. The report of internal auditors is placed before the Audit Committee Meeting.

10. COMPTROLLER & AUDITOR GENERAL OF INDIA (CAG) AUDIT:

As your Company is a government company, Section 619 (5) of Companies Act, 1956 mandates that once Audited Annual Accounts are approved by the Board, the accounts must be sent to CAG for comments thereon.

Post receipts of the comments of CAG (Nil comments) on Audited Annual Accounts of the year ended 31st March 2013, the same were adopted by the Board and was presented to the members in last Annual General Meeting (AGM).

The comments to be made by CAG on Annual Audited Accounts for the FY 2013-14 and response thereon by the Board must be annexed with Directors' Report and should be placed before the members of the Company in AGM for their approval alongwith Statutory Auditor's Report. Accordingly, to such an extent the Director's Report of the Company under consideration for FY 2013-14 shall stand modified.

11. AUDIT COMMITTEE :

As per the provisions of 292A of Companies Act, 1956, the Company has constituted an Audit Committee and is consisting of Dr. PK Das, IAS (Retd.), Shri Tapan Ray, IAS and Shri L. Chuaungo, IAS.

The Committee in its meeting held on 25th August, 2014 has approved the Annual Accounts for the year ended on 31st March 2014 alongwith statutory auditor's report thereon and recommended the same for the approval of the Board.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

GSPC PIPAVAV POWER COMPANY LIMITED

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956, in relation to the financial statements for the year ended 31st March 2014, the Board of Directors confirms that:

- 11.1 In the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 11.2 Accounting Policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of the financial year;
- 11.3 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; and
- 11.4 The annual accounts for the financial year ended 31st March, 2014 are prepared on a going concern basis.

13. PARTICULARS OF EMPLOYEES :

During the period under review, none of the employees were drawing remuneration, which require disclosure under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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

(a) Conservation of Energy :

Your Company is established for development of Power Project. During the period under review, there is no consumption of energy requiring disclosure. Further, the Company has initiated the efforts to avail the Carbon Credits.

(b) Technology Absorption :

During the period under review your Company has not imported any technology.

(c) Foreign Exchange Earnings & Outgo :

Sr. No.	Particulars	2013-14 (₹.)	2012-13 (₹.)
1.	Foreign Exchange Earned	Nil	Nil
2.	Foreign Exchange used (actual basis)	Nil	Nil

15. INSURANCE :

The Company's property and assets have been adequately insured. The Company has also obtained sufficient Director's Liability Insurance coverage in respect of any legal action that might be initiated against Company's Directors. Besides, all insurance in respect to EPC contract related to the Project are covered under comprehensive mega policy taken by BHEL. In addition the company has also taken Industrial All Risk Policy (IAR) for both Unit of the project along with the Terrorism cover for the entire Project.

16. ACKNOWLEDGEMENTS :

Your Directors acknowledge the valuable contribution, support and assistance received from the Promoter Company namely GSPC. The Board also places on record their appreciation of the contribution made by the employees at all levels.

Last but not least the Board also gratefully thanks to the Government of Gujarat, Lenders and other stakeholders for their valuable and continuing support extended to the Company and looks forward to the continuance of the same in years to come.

For and on behalf of Board of Directors,

D J Pandian, IAS
Chairman

Place : Gandhinagar

Date : 25th August, 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPC PIPAVAV POWER COMPANY LIMITED FOR THE YEAR ENDED ON 31 MARCH, 2014

The preparation of financial statements of GSPC Pipavav Power Company Limited for the year ended 31 March 2014 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 and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinions 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 Auditor Report dated 25 August 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of GSPC Pipavav Power Company Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under Section 619(4) of the Companies Act, 1956.

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

Place: Ahmedabad
Date: 14-11-2014

(Y.N.Thakare)
Accountant General
(E & RAS), Gujarat

INDEPENDENT AUDITOR'S REPORT

To,
the Members of
GSPC PIPAVAV POWER COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GSPC Pipavav Power Company Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss 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") (as amended in 2004) 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;

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- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
- d. in our opinion, the Balance Sheet, Statement of Profit and 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. GSR 829(E) dated 21-10-2003, issued by the 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.

For. Anoop Agarwal & CO.
CHARTERED ACCOUNTANTS,
(Registration No.109943W)

Place : AHMEDABAD
Date : 25th August, 2014

CA. Chirag Patel
(Partner)
Membership No.115637

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in Paragraph 1 under the heading of “report on other legal and regulatory requirements” of our report of even date]

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion is reasonable having regard to the size of the company and the nature of assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and on the basis of information and explanations given to us the Company has not disposed off substantial part of its fixed assets during the year and hence the going concern status of the Company is not affected.
2. The Company does not hold any physical inventories during the year. Accordingly, clause (ii) of paragraph 4 of the Order is not applicable to the Company.
3. In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loan secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. And hence, clause (iii) (b to d, f & g) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable.
4. The Company does not hold any physical inventories during the year. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regards to the purchase of fixed assets and for the sale of power. Further, on the basis of our examination of the books of account and records of the Company and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.
5. Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that there are no transactions that need to be entered into register maintained under section 301 of the Companies Act, 1956. Therefore, the provision of clause (v) of paragraph 4 of Companies (Auditor's Report) Order, 2003 are not applicable to the company.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Central Government has prescribed for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of power generation activity of the Company and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax/Value Added Tax, Gratuity, Professional Tax, Income-tax, Wealth-tax, Custom Duty, Excise duty, Service Tax, Cess and any other applicable dues, during the year with the appropriate authorities. According to the information and explanation given to us no undisputed amounts payable in respect of statutory dues outstanding as at 31 March 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of Provident Fund, Sales tax/Value Added Tax, Professional tax, Wealth-tax, Custom duty, Excise duty, Service tax, Cess and any other dues except

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mentioned below to the extent applicable, which have not been deposited on account of disputes. The following are the particulars of income-tax dues not deposited by the Company on account of disputes as at 31 March 2014:

Nature of the Statute	Nature of the Dues	Amount (₹. In Lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	1.26	F.Y. 2010-11, A. Y. 2011-12	CIT-(A)

10. The Company's accumulated loss at the end of the financial year is not more than fifty per cent of net worth of the company. The Company has not incurred cash loss during the year and cash losses were not incurred in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, Company has not given any guarantee for loan taken by others from banks and Financial Institutions during the year.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained
17. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we are of the opinion that the amount raised from GSFS Ltd ₹. 24600.00 Lakhs are short-term in nature and used as bridge finance, however generally it is rolled over, are used for long-term investments by the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. The Company has not issued any debentures during the year.
20. During the year, the Company has not raised money by public issue.
21. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have not come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For. Anoop Agarwal & CO.
CHARTERED ACCOUNTANTS,
(Registration No.109943W)

CA. Chirag Patel
(Partner)
Membership No.115637

Place : AHMEDABAD
Date : 25th August, 2014

GSPC PIPAVAV POWER COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

		₹. in Lakhs	
Particulars	Note	As at 31 st March 2014	As at 31 st March 2013
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	37,677.29	3,689.04
Reserves and Surplus	4	-31,570.22	-916.16
		6,107.07	2772.88
Share Application Money pending allotment	5	-	538.25
Non-Current Liabilities			
Long Term Borrowings	6	1,65,087.03	1,49,106.66
Deferred Tax Liabilities	7	508.87	568.17
Other Long Term Liabilities	8	6.88	4.12
		1,65,602.78	1,49,678.95
Current Liabilities			
Short Term Borrowings	9	24,600.00	44,600.00
Trade Payables	10	176.76	2.67
Other Current Liabilities	11	63,370.05	54,687.42
Short Term Provisions	12	3.54	47.05
		88,150.35	99,337.14
Total		2,59,860.20	2,52,327.22
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	13	2,54,868.53	5,813.47
Capital Work in Progress	13	2,247.57	2,27,864.72
Long Term Loans and Advances	14	1,569.49	17,013.65
		2,58,685.59	2,50,691.84
Current Assets			
Trade Receivables	15	317.69	138.60
Cash and Bank Balances	16	737.29	1,362.04
Short Term Loans and Advances	14	16.55	13.21
Other Current Assets	17	103.09	121.53
		1,174.61	1,635.38
Total		2,59,860.20	2,52,327.22

Significant Accounting Policies and Notes to Accounts (Note 1-46)

The above referred Notes are integral part of the Balance Sheet.

As per our report of the even date attached

For, Anoop Agarwal & CO.
Chartered Accountants
FRN No 001739C

CA. Chirag Patel
Partner

Membership No.: 115637
Place: Ahmedabad
Date : 25th August, 2014

For and on behalf of the Board of Directors

D J Pandian, IAS
Chairman

Subhas Dave
ED (F&A)

S.B. Khyalia
Managing Director

Kuldeep Jain
Company Secretary

Place : Gandhinagar
Date : 25th August, 2014

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		₹. in Lakhs	
Particulars	Note	As at 31 st March 2014	As at 31 st March 2013
Revenues			
Revenue from Operations	18	1,306.36	1,273.70
Other Income	19	70.72	1.41
		1,377.08	1,275.11
Expenses			
Employees Benefit Expense	20	225.76	55.56
Finance Cost	21	18,976.40	289.13
Other Expenses	22	1,529.37	84.32
Foreign Exchange Fluctuation Loss		1,858.82	-
Depreciation and Amortization Expense	23	9,496.90	980.14
		32,087.25	1409.15
Profit (Loss) Before Exceptional Items and Tax		-30,710.17	-134.04
Exceptional Items	24	-	144.14
Profit (Loss) Before Tax (Revenues – Expenses)		-30,710.17	-278.18
Tax Expense			
Current Tax		3.19	-
Deferred Tax	7	-59.30	566.89
Profit Loss for the year		<u>-30,654.06</u>	<u>-845.07</u>
Earnings Per Share			
Basic and Diluted	42	-38.623	-2.291

Significant Accounting Policies and Notes to Accounts (Note 1-46)

The above referred Notes are integral part of the Balance Sheet.

As per our report of the even date attached

For, Anoop Agarwal & CO.
Chartered Accountants
FRN No 001739C

CA. Chirag Patel
Partner

Membership No.: 115637
Place: Ahmedabad
Date : 25th August, 2014

For and on behalf of the Board of Directors

D J Pandian, IAS
Chairman

Subhas Dave
ED (F&A)

S.B. Khyalia
Managing Director

Kuldeep Jain
Company Secretary

Place : Gandhinagar
Date : 25th August, 2014

GSPC PIPAVAV POWER COMPANY LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2014

₹. in Lakhs

Particulars	Note	As at 31 st March 2014	As at Note 31 st March 2013
Cash Flow from Operating Activities			
Net Profit/(Loss) as per Statement of Profit and Loss		-30,654.06	-845.07
Adjustment for :			
Depreciation	23	9,469.90	980.14
Finance Cost	21	18,976.40	289.13
Loss on Transfer of fixed Assets		0.15	0.00
Deferred Tax	7	-59.30	566.89
Interest Income		-64.69	-1.41
Operating profit before working capital changes		-2,304.60	989.69
(Increase)/Decrease in Trade Receivables		-179.08	-46.41
(Increase)/Decrease in Other Bank Balances		-	82.37
(Increase)/Decrease in Trade Payables		174.09	2.67
(Increase)/Decrease in Provisions		-43.51	35.22
(Increase)/Decrease in Other Current Assets		18.43	1.82
Increase/(Decrease) in Other Liabilities		2.76	-
Increase/(Decrease) in Statutory Dues		197.87	-
Net Cash Flow from Operating Activities (A)		-2,134.04	1,065.36
Cash Flow from Investing Activities			
Investment in Fixed Assets	25	-2,58,552.13	-27.52
Transfer from Capital Work in Progress		2,47,175.34	-
Proceeds from Sale of Fixed Assets		0.01	0.06
Investment in Capital Work in Progress	26	7,562.89	-10,059.07
Payment of Duties and Taxes	27	-6.52	-6.81
Interest & Other Income	28	64.69	18.44
Net Cash Flow from Investing Activities (B)		-3,755.72	-10,074.90
Cash Flow from Financing Activities			
Proceeds towards Equity Contribution		33,450.00	-
Proceeds from Long Term Borrowings (Net)		19,105.16	22,335.83
Proceeds from Short Term Borrowings (Net)		-20,000.00	8,000.00
Interest Paid	29	-27,290.15	-20,478.55
Net Cash Flow from Financing Activities (C)		5,265.01	9,857.28
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		-624.75	847.75
Cash & Cash equivalents at beginning of period		1,362.04	514.29
Cash & Cash Equivalents at end of period	16	737.29	1,362.04

As per our report of the even date attached

For, Anoop Agarwal & CO.
Chartered Accountants
FRN No 001739C

CA. Chirag Patel
Partner

Membership No.: 115637
Place: Ahmedabad
Date : 25th August, 2014

For and on behalf of the Board of Directors

D J Pandian, IAS
Chairman

Subhas Dave
ED (F&A)

S.B. Khyalia
Managing Director

Kuldeep Jain
Company Secretary

Place : Gandhinagar
Date : 25th August, 2014

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

1. GENERAL INFORMATION

GSPC Pipavav Power Company Limited (GPPC), a subsidiary of Gujarat State Petroleum Corporation Ltd (GSPC) is primarily set up for power generation. The Company has set up 5MW solar project at Charnaka Village, Patan, Gujarat during F.Y. 2011-12. The Company has already commissioned both Unit of 351 MW each during FY 13-14 at Kovaya village, Amreli, Gujarat.

2. SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Financial Statements conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises statutory provisions – Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act 1956.

Accounting Policies not specifically referred to otherwise are consistent with those used in the previous year. In applying the accounting policies consideration has been given to Prudence, Substance over Form and Materiality.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that effect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialized.

C. INFLATION

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of the money.

D. FIXED ASSETS

- a) Fixed assets are stated at cost of acquisition / construction less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- b) Capital Work-in-progress comprises of (i) Expenditure incurred on assets which are yet to be commissioned (ii) Borrowing Costs that are attributable to the acquisition or construction of assets which are under construction and yet to be capitalized. (iii) Expenses incurred relating to project prior to commencement of commercial production are classified as Project Development Expenditure. (net of income earned during project development stage).

E. IMPAIRMENT OF ASSETS

At each Balance Sheet date, the Company assesses whether there is any indication that any of the assets, may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to Project Development Expenditure Account. If, at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or has decreased, the recoverable amount is reassessed and the assets are reflected at the recoverable amount subject to a maximum of depreciated historical cost.

F. Depreciation and Amortization

- a) Depreciation on fixed assets is provided on written down value method/ straight line method as mentioned in note no. 12.4 at the rate and in the manner prescribed in Schedule XIV to the Companies act, 1956.
- b) Leasehold land is amortized on pro rata throughout the lease period of the asset.
- c) Individual assets costing less than ₹. 5,000/- are depreciated in full in the year of purchase.
- d) Mobile instruments purchased by the company are fully written off as expenses in the year of its purchase.

G. Borrowing Costs

Interest and other costs in connections with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets are capitalized up to the date when such assets are ready for intended use. A Qualifying asset is one that necessarily takes substantial time to get ready for intended use. All other borrowing costs are charged to revenue.

H. Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization. Amortization is done on straight-line basis. Intangible assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured. Intangible assets are recorded at their acquisition price and are amortized over their estimated useful lives on a straight line basis, commencing from the date assets are available for use. The useful life of the intangible assets is reviewed by the management at each balance sheet date.

I. Revenue Recognition

- a) Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.
- b) Revenue from sale of solar power is recognized on monthly basis in accordance with the terms of power purchase agreement.
- c) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- d) Dividend amount is recognized when the right to receive is established.

J. Employee benefits

a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and recognized in the period in which the employee renders the related service.

b) Post-employment Benefits.

- i) Defined contribution plans: The Company's superannuation scheme, employees provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid / payable under the schemes is recognized during the period in which the employee renders the related service.
- ii) Defined benefits Plans : The employee's gratuity fund scheme and cash rewards at the time of retirement are the Company's defined benefit plans. The present value of the obligation under each defined benefit plan is determined based on actuarial valuation at each balance sheet date using the Projected Unit Credit Method, which recognizes the each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Project Development Expenditure Account.

c) Long term employee benefits

The obligation for long term employee benefits such as leave encashment is recognized in the same manner as in the case of defined benefit plans as mentioned in b(ii) above.

When the benefits of a plan are improved, the portion of increased benefit relating to past service by employees is recognized immediately in Project Development Expenditure Account.

K. Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Monetary foreign current assets and liabilities remaining unsettled at the balance sheet date are translated at the rate of exchange prevailing on that date. Gains/Losses arising on account of such translation and subsequent realization/settlement of foreign exchange transactions are recognized in the Project Development Expenditure Account. Non monetary items are carried at cost.

L. Taxes on income

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty and confirmed visibility of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is confirmed to be realized.

M. Provisions, contingent liabilities and contingent assets

- (i) Provisions : Provisions are recognized when the company has a present obligation, as a result of past events, for which it is probable that an outflow will be required to settle the obligation and reliable estimate can be made for the amount of the obligation.
- (ii) Contingent liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is also termed as Contingent liability. Contingent liability, if any, are not recognized but disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

N. Cash Flow Statements

The Cash flow statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flow by operating, investing and financial activities of the Company.

Cash and cash equivalents presented in the cash flow statements consist of cash on hand, balance with banks in current accounts and demand deposit with banks.

O. Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as issue of bonus shares, other than the conversion of potential equity shares that have changed the

number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

P. Leased Assets

Operating lease rentals are expensed with reference to lease terms and other consideration. However rentals referred to above pertaining to the period up to the date of commissioning of assets are capitalized.

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3. SHARE CAPITAL

Particulars	31 st March 2014		31 st March 2013	
	Number in Lakhs	₹. in Lakhs	Number in Lakhs	₹. in Lakhs
Authorized (70,00,00,000 Equity Shares of ₹.10 each) (Previous Year 20,00,00,000 Equity Shares of ₹. 10 each)	7,000.00	70,000.00	2,000.00	20,000.00
Issued (37,67,72,936 Equity Shares of ₹. 10 each) (Previous Year 3,68,90,436 Equity Shares of ₹. 10 each)	3,767.73	37,677.29	368.90	3689.04
Subscribed & Fully Paid-up (37,67,72,936 Equity Shares of ₹. 10 each) (Previous Year 3,68,90,436 Equity Shares of ₹. 10 each)	3,767.73	37,677.29	368.90	3689.04
Total	<u>3,767.73</u>	<u>37,677.29</u>	<u>368.90</u>	<u>3689.04</u>

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period
Equity Shares

Particulars	31 st March 2014		31 st March 2013	
	Number in Lakhs	₹. in Lakhs	Number in Lakhs	₹. in Lakhs
Shares outstanding at the beginning of the year	368.90	3,689.04	368.90	3689.04
Shares issued during the year	3,398.83	33,988.25	-	-
Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	<u>3,767.73</u>	<u>37,677.29</u>	<u>368.90</u>	<u>3689.04</u>

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 shares is entitled to one vote 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.

Particulars	31 st March 2014		31 st March 2013	
	Number in Lakhs	₹. in Lakhs	Number in Lakhs	₹. in Lakhs
Gujarat State Petroleum Corporation Limited, The Holding Company	3,767.73	37,677.29	368.90	3689.04
Total	<u>3,767.73</u>	<u>37,677.29</u>	<u>368.90</u>	<u>3689.04</u>

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Details of shareholders holding more than 5% shares in current and previous year

Name of Shareholder	31 st March 2014		31 st March 2013	
	No. of Shares held (in Lakhs)	% of Holding	No. of Shares held (in Lakhs)	% of Holding
Gujarat State Petroleum Corporation Ltd	3,767.73	100.00	368.90	100.00

During the period of five years immediately preceding the reporting date, there has neither been an issue of bonus shares nor have shares been issued for consideration other than cash nor have shares being bought back.

4. RESERVES AND SURPLUS :

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Surplus in the statement of Profit & Loss a/c		
Opening Balance	(916.16)	(71.08)
(+) Net Profit/(Net Loss) for the current year	(30,654.06)	(845.07)
Total	<u>(31,570.22)</u>	<u>(916.16)</u>

5. SHARE APPLICATION MONEY PENDING ALLOTMENT:

As on 31st March, 2014, the company does not any share application money pending allotment. During FY 2013-14 the company has allotted Equity share of ₹10 each towards share application money of ₹. 538.25 Lakhs outstanding as on 31st March, 2013.

6. LONG-TERM BORROWINGS :

₹. in Lakhs

Name of Shareholder	31 st March 2014		31 st March 2013	
	Non-current	Current	Non-current	Current
Term Loans from Banks	1,65,087.03	16,310.26	1,49,106.66	13,185.47
Total	<u>1,65,087.03</u>	<u>16,310.26</u>	<u>1,49,106.66</u>	<u>13,185.47</u>
The amount includes				
Secured Borrowings	1,65,087.03	16,310.26	1,49,106.66	13,185.47
Unsecured Borrowings	-	-	-	-
In case of default as on date				
of Balance Sheet in repayment of				
loans and interest				
1. Period of Default	-	-	-	-
2. Amount	-	-	-	-
Total	<u>1,65,087.03</u>	<u>16,310.26</u>	<u>1,49,106.66</u>	<u>13,185.47</u>

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Maturity Profile and Rate of Interest on Term Loans

₹. in Lakhs

Sr. No.	Rate of interest	No. of Installments	Outstanding as at 31 st March 2014	Maturity Profile			
				2014-15	2015-20	2020-25	2025-30
1	BR + 1.00%	48	75,996.28	6,666.67	33,333.33	33,333.33	2,662.95
2	BR + 1.15%	48	18,737.44	1,666.67	8,333.33	8,333.33	404.11
3	BR + 1.25%	48	9,366.87	833.33	4,166.67	4,166.67	200.20
4	BR + 1.50%	48	46,875.00	4,166.67	20,833.33	20,833.33	1,041.67
5	BR + 1.60%	48	9,372.11	833.33	4,166.67	4,166.67	205.44
6	BR + 1.75%	48	18,746.02	1,666.67	8,333.33	8,333.33	412.69
7	BR + 1.00% *	39	2,303.57	476.92	1,826.65	-	-
			<u>1,81,397.29</u>	<u>16,310.26</u>	<u>80,993.31</u>	<u>79,166.66</u>	<u>4,927.07</u>

BR = Base Rate (All the installments are payable quarterly)

Installments amount is derived on sanctioned amount of term loan.

The Term loan from banks are secured by pari-passu charge by way of mortgage of the company's immovable properties both present and future; and hypothecation of entire movable properties both present and future situated at Dist. Amreli, Pipavav for 702 MW power project is subject to fulfillment of the condition as mentioned in notes to accounts no. 31 relating to Pipavav land.

* The Term loan from Vijaya bank for 5 MW solar project is secured by pari-passu charge by way of mortgage of the company's immovable properties both present and future; and hypothecation of entire movable properties both present and future situated at Dist. Patan, Charanka for 5 MW Solar Power Project and receivables.

The company had entered into a multiple loan agreement with various banks for financing pipavav project. In October 2011 the Company had initiated the process for restructuring of the said loans as the repayment of the loan was to commence from March 2012. As per the restructured sanctions from the banks the repayment of the said loans have commenced from June 2013. The Full Speed No Load (FSNL) of Unit 2 was commenced in March 2013 and subsequently COD of the combined cycle unit has been achieved in April 2013. Also the COD of Unit-1 has been achieved on 5th February 2014.

7. DEFERRED TAX LIABILITIES :

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Deferred Tax Liability (opening balance)	568.17	1.28
Add: Deferred Tax Liability (Reversal)	-59.30	566.89
Deferred Tax Liability (closing balance)	508.87	568.17
Total	<u>-59.30</u>	<u>568.17</u>

As per AS-22, Deferred Tax Assets (DTA) has not been created since the company does not foresee virtual certainty and confirmed visibility that sufficient future taxable income will be available against which Deferred Tax Asset can be realised.

8. OTHER LONG-TERM LIABILITIES :

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Creditors for Capital Expenditure	-	-
Others	6.88	4.12
Total	<u>6.88</u>	<u>4.12</u>

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9. SHORT-TERM BORROWINGS :

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Unsecured Loan from Gujarat State Financial Services (GSFS)	24,600.00	44,600.00
Total	<u>24,600.00</u>	<u>44,600.00</u>

10. TRADE PAYABLES :

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Trade Payables (Refer note no. 44)	176.76	2.67
Total	<u>176.76</u>	<u>2.67</u>

11. OTHER CURRENT LIABILITIES

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Current Maturities of Long Term Debt (Note 6)	16,310.26	13,185.47
Interest accrued but not due on borrowings	185.68	793.80
Creditors for Capital Expenditure	46,607.26	40,298.63
Statutory Dues	265.66	67.79
Earnest Money Deposit	1.20	4.20
Other Payables	-	337.53
Total	<u>63,370.05</u>	<u>54,687.42</u>

12. PROVISIONS

₹. in Lakhs

Particulars	31 st March 2014		31 st March 2013	
	Long-term	Short-term	Long-term	Short-term
Provision for Expenses		3.54		47.05
Total	-	<u>3.54</u>	-	<u>47.05</u>

13. FIXED ASSETS :

₹. in Lakhs

Particulars	Gross Block as at 1 st April 2013	Additions during the period	Adjustments during the period	Deductions/ Disposal during the period	Gross Block as at 31 st March 2014	Accumulated Depreciation as at 1 st April 2013	Depreciation /Amortization charge for the year	On disposals	Accumulated Depreciation as at 31 st March 2014	Net Block as at 31 st March 2014	Net Block as at 31 st March 2013
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13.1 TANGIBLE ASSETS :

Own Assets:-											
Buildings Others- Pipavav Project	277.63	1,775.76	0.00	0.00	2,053.41	14.61	27.85	0.00	42.45	2,010.96	263.03
Building Others - Solar Project	97.68	0.00	0.00	0.00	97.68	10.44	8.72	0.00	19.16	78.51	87.24
Factory Building- Pipavav Proj.	0.00	5,725.99	0.00	0.00	5,725.99	0.00	114.03	0.00	114.03	5,611.96	0.00
Plant & Equipment 702 M.W. Pipavav Project	0.00	2,51,026.16	0.00	0.00	2,51,026.16	0.00	8,536.43	0.00	8,536.43	2,42,489.73	0.00
Plant & Equipment -5 M.W. SolarPower Project	6011.85	0.00	0.00	0.00	6,011.85	980.36	771.33	0.00	1,751.69	4,260.16	5,031.48
Furniture and Fixtures	27.54	22.17	0.00	0.00	49.71	12.03	3.50	0.00	15.53	34.18	15.51
Vehicles	80.07	0.00	0.00	0.00	80.07	28.67	17.84	0.00	41.98	38.09	51.40
Office equipment	28.33	0.00	0.00	0.00	28.33	11.04	2.80	0.00	13.45	14.88	17.29
Computers	38.04	2.02	0.00	1.13	38.93	27.34	5.02	0.97	31.06	7.87	10.70
Sub Total	6,561.14	2,58,552.13	0.00	1.13	2,65,112.14	1084.50	9,482.25	0.97	10,565.79	2,54,546.35	6,485.54

13.2 LEASED ASSETS :

Leasehold Land - Solar Project	351.87	0.00	0.00	0.00	351.87	15.04	14.64	0.00	29.68	322.19	336.83
Total	6,913.01	2,58,552.13	0.00	1.13	2,65,464.01	1099.54	9,496.90	0.97	10,595.47	2,54,868.53	5,813.47
Previous Year	6,887.63	0.00	0.00	2.14	6,913.01	63.28	967.23	1.80	1,099.54	5,813.47	6,824.35

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13.3 CAPITAL WORK IN PROGRESS

₹. in Lakhs

Particulars	Gross Block as at 1 st April 2013	Additions during the period	Adjustments during the period	Deductions/ Disposal during the period	Gross Block as at 31 st March 2014	Accumulated Depreciation as at 1 st April 2013	Depreciation /Amortization charge for the year	Adjustment during the year	On disposals	Accumulated Depreciation as at 31 st March 2014	Net Block as at 31 st March 2014	Net Block as at 31 st March 2013
Land	746.97	0.00	1,500.60	0.00	2,247.57	0.00	0.00	0.00	0.00	0.00	2,247.57	746.97
EPC Cost- 700 MW CAPP	1,67,211.10	6,953.96	0.00	0.00	1,74,165.06	0.00	0.00	-174,165.06	0.00	0.00	0.00	1,67,211.10
Non-EPC Cost												
Civil Construction	1,490.37	351.39	0.00	0.00	1,841.76	0.00	0.00	-1,841.76	0.00	0.00	0.00	1,490.37
Technical & Engineering Cost	2,102.10	680.12	0.00	0.00	2,782.22	0.00	0.00	-2,782.22	0.00	0.00	0.00	2,102.10
Other Non EPC Cost	1,040.09	729.69	0.00	0.00	1,769.78	0.00	0.00	-1,769.78	0.00	0.00	0.00	1,040.09
Startup fuel cost	829.23	3,266.25	0.00	0.00	4,095.48	0.00	0.00	-4,095.48	0.00	0.00	0.00	829.23
Project Development Expenditure	4,471.94	337.98	0.00	0.00	4,809.93	0.00	0.00	-4,809.93	0.00	0.00	0.00	4,471.94
Interest and Finance Cost												
Interest During Construction	49,017.52	7,705.63	0.00	0.00	56,723.15	0.00	0.00	-56,723.15	0.00	0.00	0.00	49,017.52
Finance Cost	955.40	32.57	0.00	0.00	987.97	0.00	0.00	-987.97	0.00	0.00	0.00	955.40
Total	2,27,864.72	21,558.18	1,500.60	0.00	2,49,422.91	0.00	0.00	-247,175.64	0.00	0.00	2,247.57	2,27,864.72
Previous Year	1,97,097.74	30,766.99	0.00	0.00	1,97,097.74	0.00	0.00	0.00	0.00	0.00	2,27,864.72	1,97,097.74

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13.4 RATE / METHOD OF DEPRECIATION APPLIED

Type of Asset	Method	Rate / Period
Leasehold Land - Solar Project	Straight Line Method	25 years
Buildings Others Pipavav Project	Straight Line Method	1.63%
Factory Buildings Pipavav Project	Straight Line Method	3.34%
Plant & Machinery -702 MW Pipavav Project	Straight Line Method	5.28%
Building Others - Solar Project	Written Down Value	10.00%
Plant & Machinery 5 MW Solar Power Project	Written Down Value	15.33%
Furniture and Fixtures	Written Down Value	18.10%
Vehicles	Written Down Value	25.89%
Office equipment	Written Down Value	13.91%
Computers	Written Down Value	40.00%

Capitalization of 702.86 MW (2 x 351.43MW) Combined Cycle Power Project

- (a) During the year on 12th April 2013, the company has capitalized substantial portion of 351.43 MW power plant (Unit-2) that were ready for commercial production based on trial run as per terms of Power Purchase Agreement (PPA) with GUVNL. Later on 5th February 2014, the company has capitalized 351.43 MW power plant (Unit-1) that were ready for commercial operation as per terms of PPA.
- (b) Further the work under EPC contract is not over and the company has not issued Provisional Acceptance Certificate (PAC) to BHEL. Considering uncertainty in recoverability and crystallization of exact amount of liquidated damages on account of delay in execution of contract under the EPC contract with BHEL (including liquidated damages arising that may arise on Performance Acceptance Certificate), the management has decided to consider accounting of liquidated damages under EPC contract after PAC and Performance Guarantee test by BHEL.
- (c) Borrowing cost ₹ 56,723.15 Lakhs is capitalized for 702MW power plant.

14. LOANS AND ADVANCES

₹. in Lakhs

Particulars	31 st March 2014		31 st March 2013	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, Considered Good)				
Capital Advances	1,003.16	-	16,372.62	-
Advance Towards other projects	119.53	-	195.88	-
Security Deposits	350.37	-	366.22	-
Other Loans and Advances				
Advance Tax and TDS (Net of provision)	23.31	-	14.66	-
Balance with Statutory Authorities	-	-	-	2.13
Loan to Employees	73.12	16.55	64.26	11.08
Total	1,569.49	16.55	17,013.65	13.21

15. TRADE RECEIVABLES

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Unsecured, Considered Good		
Trade Receivables -Others*	317.69	138.60
Total	317.69	138.60

*Outstanding for a period less than 6 months from the date they are due for payment

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16. CASH AND BANK BALANCES

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Cash and Bank Balances		
Balances with banks	736.35	1,361.14
Cash on hand	0.94	0.89
Total	<u>737.29</u>	<u>1,362.04</u>

17. OTHER ASSETS

₹. in Lakhs

Particulars	31 st March 2014		31 st March 2013	
	Non Current	Current	Non Current	Current
(Unsecured, Considered Good)				
Interest accrued but not due on deposits	-	24.56	-	30.43
Prepaid Expenses	-	58.69	-	56.74
Advance for Employee Benefits	-	19.84	-	18.91
Others	-	-	-	15.45
Total	<u>-</u>	<u>103.09</u>	<u>-</u>	<u>121.53</u>

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Notes for Profit and Loss Account for FY 2013-14

18. REVENUE FROM OPERATION

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Sale of Electricity Total	1,306.36	1,273.70
Generation of Electricity Total	In KWH 87,09,048 <u>87,09,048</u>	In KWH 8,491,342 <u>84,91,342</u>

19. OTHER INCOME

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Interest Income	64.69	1.41
Sale of Wooden Scrap	6.03	-
Total	<u>70.72</u>	<u>1.41</u>

20. EMPLOYEE BENEFIT EXPENSE

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Salaries, wages and bonus	178.86	49.81
Provident fund contribution	34.42	5.75
Staff welfare	12.47	-
Total	<u>225.76</u>	<u>55.56</u>

21. FINANCE COSTS

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Interest on Term Loan (Solar Project)	286.98	289.13
Interest on Term Loan (Pipavav Project)	16,584.20	-
Interest on Share Application Money	2,093.86	-
Other Finance Cost	11.35	-
Total	<u>18,976.40</u>	<u>289.13</u>

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22. OTHER EXPENSES

₹. in Lakhs

Particulars	31 st March 2013	31 st March 2012
Rebate on sale realization	-	11.20
Payment to Auditors	3.09	0.06
Telephone and Postage Expenses	11.15	0.26
Operation & Maintenance Expense	150.26	41.33
Rent	20.62	1.15
Travelling Expenses	1.98	0.32
Legal & Professional Fees	103.13	1.30
Vehicle Running & Maintenance	32.01	2.44
Stationery Printing & Other Office expense	40.38	1.76
Security Expense	43.13	17.29
Insurance Expense	259.63	7.21
Land Maintenance	5.90	-
Registration Fee	64.45	-
Expenditure written off	793.65	-
Total	1,529.37	84.32

23. DEPRECIATION AND AMORTIZATION EXPENSE

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Depreciation of tangible assets	9,482.25	1,024.07
Less: Transferred to Project Development Expenditure (Note no.47)	-	57.93
Depreciation on tangible assets	9,482.25	966.14
Amortization of Leasehold Land	14.64	14.00
Total	9,496.90	980.14

24. EXCEPTIONAL ITEMS

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Leasehold Land Development charges	-	144.14
Total	-	144.14

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25. INVESTMENT IN FIXED ASSETS

₹. in Lakhs		
Particulars	For the Year ended on 31 st March 2014	For the Year ended on 31 st March 2013
Purchase of Fixed Assets		
Leasehold Land - Solar Project	-	12.02
5 MW Solar Power Project	-	7.49
Building Others - Pipavav Project	1,775.78	-
702 MW CCPP Project Assets	2,51,026.16	
Computer Equipments	2.02	6.02
Furniture & Fixtures	22.17	0.59
Factory Building 702MW CCPP	5,725.99	-
Vehicles	-	1.40
Total	<u>2,58,552.13</u>	<u>27.52</u>

26. INVESTMENT IN CAPITAL WORK IN PROGRESS

₹. in Lakhs		
Particulars	For the Year ended on 31 st March 2014	For the Year ended on 31 st March 2013
Total Addition as per balance sheet	21,558.18	30,766.99
Less:		
Depreciation	-	57.93
Loss on transfer of fixed assets	-	0.27
Interest During construction	7,705.62	20,727.77
	<u>13,852.56</u>	<u>9,981.02</u>
Add:		
Tender Fees Received	-	2.60
Interest Income	-	38.76
Changes in Current assets and liabilities		
Changes in Advance Recoverable in Cash or in Kind or for Value to be Received	-15,445.81	307.83
Changes in Sundry Deposits	-15.86	-2.58
Changes in Advances to Employees	14.32	48.60
Change in CWIP receivable and payables	-6,308.63	-3,100.85
Changes in Creditors / Expenses Payable	337.53	-
Changes in Other Liabilities	3.00	3.06
Changes in provisions for expenses	-	-4.01
Changes in Statutory Dues	-	-0.75
Changes in Other Assets	-	14.89
Total	<u>(7,562.89)</u>	<u>(10,059.07)</u>

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27. PAYMENT OF DUTIES AND TAXES

		₹. in Lakhs
Particulars	For the Year ended on 31 st March 2014	For the Year ended on 31 st March 2013
Advance Income Tax	-	-
TDS & Service tax applicable	6.52	6.81
Total	<u>6.52</u>	<u>6.81</u>

28. INTEREST AND OTHER INCOME

		₹. in Lakhs
Particulars	For the Year ended on 31 st March 2014	For the Year ended on 31 st March 2013
Other Interest	64.69	40.17
Interest on Fixed Deposits	-	-
Tender Fees Received	-	2.60
Less : Non cash items	-	-24.33
Total	<u>64.69</u>	<u>18.44</u>

29. INTEREST PAID

		₹. in Lakhs
Particulars	For the Year ended on 31 st March 2014	For the Year ended on 31 st March 2013
Changes in CWIP-IDC (Interest During Construction)		
Borrowing Cost for 702MW CCPP	7,705.63	20,727.77
Interest Paid for 5 MW Solar project	286.98	289.13
Interest Paid for 702MW Pipavav Project	16,584.20	-
Interest Paid on Share Application Money	2,093.86	-
Other Finance Cost paid	11.35	-
Less :		
Increase/(Decrease)of Interest Accrued But Not Due on Loans	-608.12	538.35
Total	<u>27,290.15</u>	<u>20,478.55</u>

NOTES TO ACCOUNTS

30 The Figures of the Previous year have been regrouped / rearranged wherever considered necessary.

31 PIPAVAV PROJECT LAND :

- i) The whole of land for the Pipavav Project has been provided by Gujarat Power Corporation Limited (GPCL).
- ii) GPPC has given the consent to pay GPCL ₹. 2,183.76 Lakhs towards the cost of the project land, consultancy fees and other preoperative expenses along with Signature bonus (equivalent to 0.5% of the Project cost amounting to ₹. 1,177.00 Lakhs) by way of issuing 218.38 Lakhs fully paid shares of ₹. 10 each at par to GPCL and this will tantamount as equity contribution by GPCL in GPPC i.e. issuance of shares for consideration other than cash.
- iii) The process of transfer of project land in GPPC's name has been taken up in Government of Gujarat.

32 CHANGE IN THE SCOPE OF EPC .

Consequent of CRZ clearance vide MOEF, GOI letter dated 1st April, 2009 and as decided by the Board, sea water intake and outfall system is taken out of the Scope of BHEL. Consequent to the above, there will be a reduction in the value of EPC contract awarded to BHEL which is yet to be quantified.

The Company has finalized the Scope of Work and entered in to agreement with Coastal Marine Construction & Engineering Limited vide agreement dated 9th June 2011 at a contract price of ₹. 15,778.05 Lakhs.

33 OTHER PROJECTS.

- 1) As per the direction of the Government of Gujarat the Company has initiated the feasibility study of Conversion of Coal based Power Plant in to Gas based Power Plant. For this project the Company has incurred (Net) ₹. 79.46 Lakhs upto 31st March, 2014. (P.Y. ₹. 155.81 Lakhs).
- 2) The Company had generated income of ₹ 1,306.36 Lakhs during F.Y. 2013-14 (P.Y. ₹ 1,273.70 Lakhs) from 5 MW Solar Power Project which was commissioned in F.Y 11-12.

34 During the period ended on 31-03-2014, the Company has paid ₹ 574.72 Lakhs (P.Y. ₹ 5,075.89 Lakhs) to Bharat Heavy Electricals Ltd towards EPC contract. The above sum includes ₹ NIL (P.Y. ₹ 1,620.48 Lakhs) towards liability in foreign currency amounting to USD NIL (P.Y. USD 18.48 Lakhs) and EURO NIL (P.Y. EURO 14.23 Lakhs) under the contract. As per the contract the foreign currency component is to be paid in Indian Rupees only and the exchange fluctuations difference is to be borne by the company. Any change in foreign exchange fluctuations, positive or negative, on account of unhedged forex position of the company is capitalized to Capital Work in Progress and reflected in the Project Development expenditure account.

35. Foreign currency exposure not hedged by a derivative or otherwise:

Particulars	Currencies	Amount in Lakhs	
		31 st March 2014	31 st March 2013
Creditors for Capital Expenditure and retention monies	USD	207.01	199.87
	EURO	66.06	62.99
Unexecuted amount of contracts remaining to be executed	USD	4.31	19.46
	EURO	0.75	2.01

GSPC PIPAVAV POWER COMPANY LIMITED

36. DIRECTOR'S REMUNERATION

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
Remuneration to Director	1.49	-
Total	<u>1.49</u>	<u>-</u>

37. CONTINGENT LIABILITY & COMMITMENTS :

A. Commitments

Estimated amount of contracts remaining to be executed on capital accounts not provided for Net of Advance is ₹. 16,728.53 Lakhs (Previous Year ₹. 18,827.09 Lakhs), USD 4.31 Lakhs (Previous Year USD 19.46 Lakhs) and EURO 0.75 Lakhs (Previous Year EURO 2.01 Lakhs).

B. Contingent Liability

- 1) Income tax demand of ₹. 1.26 Lakhs for the F.Y. 2010-11 (A.Y. 2011-12). Appeal is pending before CIT (A).
- 2) The Power Purchase Agreement with Gujarat Urja Vikas Nigam Ltd (GUVNL) has a clause for payment of Liquidated Damages for delay in implementation of project which may be payable by the Company, if claimed. However the amount of liquidated damages can only be quantified after the commissioning of both units. However simultaneously the EPC Contract with M/s Bharat heavy Electricals Ltd also has a clause for charging Liquidated Damages for delay in implementation which may be receivable by the company.

38. BORROWING COST :

As per AS-16 "Borrowing Cost" issued by Institute of Chartered Accountants of India, the company has incurred borrowing cost amounting to ₹ 259.13 Lakhs (Previous Year ₹ 207.64 Lakhs Lakhs) and the appropriate borrowing costs are respective assets account from Capital Work in Progress.

39. PAYMENT TO AUDITORS:

₹. in Lakhs

Particulars	31 st March 2014	31 st March 2013
As Auditor	3.37	1.97
In other capacity		
Management Services	-	-
Out of Pocket Expenses	-	-
Total	<u>3.37</u>	<u>1.97</u>

40 In the opinion of management, any of the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

41 The company has sent letters to major parties for balances confirmation to trade receivables, trade payables, creditors, loans and advances and deposits. These balances as stated in the balance sheet, are subject to adjustments of differences, if any, on receipt of such confirmations from the parties.

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42. EARNING PER SHARE :

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 st March 2014	31 st March 2013
Net Profit/ (loss) after Tax as per Statement of Profit & Loss attributable to Equity Share holders (₹. in Lakhs)	-30,654.06	(845.07)
Face value per Equity share (₹.)	10.00	10.00
Weighted Average Number of Equity Shares in Calculating Basic & Diluted EPS (No in Lakhs)	793.67	368.90
Earning per Share (₹.)	<u>-38.623</u>	<u>-2.291</u>

43 : There are no micro enterprises and small enterprises/ small scale industries undertaking to whom the company owned any sum as at 31st March 2014, hence there is no balance outstanding as at 31st March 2014, owned to such undertaking.

44 RELATED PARTY TRANSACTION

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

- I Holding Company: Gujarat State Petroleum Corporation Limited. However as per AS-18, no disclosure is required inter alia with this related party as it is a state controlled enterprise.
- II Associate Company: Gujarat State Petronet Limited, GSPC LNG Limited, Gujarat State Energy Generation Ltd, GSPC JPDA Limited, Guj Info Petro Limited, GSEG Ltd, GPSC Gas Company Limited, GSPC Marginal Fields Limited and Sabarmati Gas Company Limited. However as per AS-18, no disclosure is required inter alia with these related parties as they are state controlled enterprise.

45 EMPLOYEE BENEFITS :

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized are charged off for the year are as under:

Particulars	₹. in Lakhs 31st March 2014
Employer's Contribution to Provident Fund	16.82
Employer's Contribution to Superannuation Fund	11.35

Defined Benefit Plan

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

GSPC PIPAVAV POWER COMPANY LIMITED

₹. in Lakhs

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined Benefit obligation as at beginning of the year	20.76	13.66	31.86	20.11
Current Service Cost	5.09	4.62	3.90	3.72
Interest Cost	1.70	1.16	2.61	1.71
Actuarial (gain)/loss	0.25	1.32	4.15	6.32
Benefits paid	-	-	-	-
Defined Benefit obligation as at end of the year	<u>27.80</u>	<u>20.76</u>	<u>42.51</u>	<u>31.86</u>
Reconciliation of opening and closing balances of fair value of plan assets				
Fair Value of plan assets as at beginning of the year	29.13	20.60	42.40	28.19
Expected return on plan assets	2.93	2.15	3.95	3.06
Actuarial gain/(loss)	-0.38	-0.23	-0.24	-0.41
Employer's contribution	6.90	6.61	5.46	11.56
Benefits Paid	-	-	-	-
Fair Value of plan assets as at end of the year	<u>38.58</u>	<u>29.13</u>	<u>51.57</u>	<u>42.40</u>
Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at end of the year	38.58	29.13	51.57	28.19
Present value of obligation as at end of the year	<u>27.80</u>	<u>27.87</u>	<u>42.51</u>	<u>31.86</u>
Amount recognized in Balance Sheet	<u>10.87</u>	<u>1.27</u>	<u>9.06</u>	<u>10.54</u>
Expenses recognized during the year				
Current Service Cost	5.09	4.62	3.90	3.72
Interest Cost	1.70	1.16	2.61	1.71
Expected return on plan assets	-2.93	-2.15	-3.95	-3.06
Net Actuarial (gain)/loss	0.63	1.55	4.39	6.73
Net Cost	<u>4.49</u>	<u>5.18</u>	<u>6.95</u>	<u>9.10</u>
Actuarial assumptions				
Mortality Table (L.I.C.)	2013-14 Ultimate	2012-13 Ultimate	2013-14 Ultimate	2012-13 Ultimate
Discount Rate (per annum)	9.10%	8.20%	9.10%	8.20%
Expected Rate of Return on plan assets(per annum)	9.00%	9.00%	9.00%	9.00%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%

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

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46. PROJECT DEVELOPMENT EXPENDITURE

₹. in Lakhs		
Particulars	As at 31 st March 2014	As at 31 st March 2013
Opening Balance	4,471.94	3,064.89
Payments to and provisions for Employees (including personnel on deputation)		
Salaries Wages and Bonus	93.56	220.91
Contribution of Provident Fund, Gratuity Fund, Superannuation Fund, Leave Encashment, etc.	6.88	36.36
Employee welfare and other amenities	11.84	23.54
Sub Total (I)	<u>112.28</u>	<u>280.81</u>
Insurance	-	68.07
Rent	5.18	22.51
Travelling Expenses	1.58	2.56
Foreign Travel	-	0.00
Legal & Professional Fees	141.55	45.05
Payment to Auditors	0.28	1.91
Sitting Fees	0.25	0.71
Vehicle Running Expenses	23.07	40.85
Telephone & Postage Expenses	6.86	17.32
Stationery, Printing & Other Office Expenses	9.70	31.80
Electricity Expenses	-	4.39
Bank Charges	0.03	0.30
Advertisement Expenses	-	17.81
Security Expenses	40.01	88.13
Guest House Expenses	16.85	42.61
Business Promotion Expenses	0.15	1.02
Depreciation	-	57.92
Forex Fluctuation	-	724.31
Loss on transfer of fixed assets	0.07	0.27
Total Expenses (a)	<u>357.88</u>	<u>1,448.41</u>
Less:		
Interest on Fixed Deposit	19.90	34.38
Tender Fees Received	-	2.60
Other Interest	-	4.38
Total Income (b)	<u>19.90</u>	<u>41.36</u>
Net Expenses	337.98	1,407.05
Add/ (Less): Other Adjustments	- 4,809.92	
Provision for Tax	-	-
- Income Tax	-	-
Total	-	-
Closing Balance	<u>-</u>	<u>4,471.94</u>

For and on behalf of the Board of Directors

For, Anoop Agarwal & CO.
Chartered Accountants
FRN No 001739C

CA. Chirag Patel
Partner

Membership No.: 115637
Place: Ahmedabad
Date : 25th August, 2014

D J Pandian, IAS
Chairman

Subhas Dave
ED (F&A)

S.B. Khyalia
Managing Director

Kuldeep Jain
Company Secretary

Place : Gandhinagar
Date : 25th August, 2014

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**ANNUAL REPORT
2013-2014**

 **GSPC (JPDA) Limited**



GSPC JPDA LIMITED

BOARD OF DIRECTORS

Shri Manish Verma (w.e.f. 26th June 2012 onwards)

Shri N. K. Mitra (w.e.f. 31st March 2013 onwards)

Shri Samir Biswal (w.e.f. 24th Sep 2013 onwards)

Shri M. Y. Farooqui, Director (Till 26th Aug 2013)

Shri Ujjal Ghosh (from 27th Aug 2013 till 25th Sep 2013)

STATUTORY AUDITORS

Lahoti & Lahoti,
Chartered Accountants, Ahmedabad.

BANKERS

IDBI Bank Ltd.
BNP Paribas

CORPORATE & REGISTERED OFFICE

GSPC Bhavan, B/h Udyog Bhavan,
Sector - 11, Gandhinagar - 382010.

DIRECTORS REPORT

The Members

GSPC (JPDA) Limited

Your Directors have pleasure in presenting the 8th Annual Report together with the Audited Statement of Accounts for the period ended 31st March, 2014.

BUSINESS ACTIVITIES & PERFORMANCE HIGHLIGHTS

The Company is incorporated with the sole objective of undertaking of petroleum activities in block awarded to the company in Joint Petroleum Development Area by Timor Sea Designated Authority. Till date no commercial activity has been started.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year.

DIRECTORS

Pursuant to the provisions of section 152 of the Companies Act, 2013 Shri N. K. Mitra shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re- appointment. Since last Director Report Shri Samir Biswal has been appointed as Whole Time Director of the Company w.e.f. 1st September, 2014.

STATUTORY & CAG AUDIT

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG have appointed M/s Lahoti & Lahoti, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the period ended on 31st March 2014.

AUDIT COMMITTEE

The Company has constituted Audit Committee in compliance with the provisions of Section 292A of the

Audit Committee of Directors	
Shri Manish Verma	Chairman
Shri N. K. Mitra	Member
Shri Samir Biswal	Member

Audit Committee has approved and recommended the Annual Accounts for the year ended on 31st March, 2014 for approval of the Board at its meeting held on 1st September, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- Accounting policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of loss of the company for that period.
- 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.
- The annual accounts are prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

During the period under review, none of the employees were drawing remuneration, which require disclosure under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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

Conservation of Energy : NIL

Technology Absorption:
Your Company has not imported any technology.

Foreign Exchange Earnings & Outgo for the Year:

Foreign Exchange earnings	-	NIL
Foreign Exchange Outgo	-	2,56,52,190

ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their sincere thanks to Gujarat State Petroleum Corporation Ltd. Promoter of the Company for their valuable support and cooperation. Your Directors are thankful to Government of Gujarat, Timor Sea Designated Authority and Joint Venture Partners for their support. Your Directors are pleased to place on record their sincere appreciation to the employees for their enthusiastic efforts, dedicated performance and commitment.

For and on behalf of Board of Directors

Samir Biswal
Director

Manish Verma
Director

Date : 1st September, 2014
Place : Gandhinagar

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPC (JPDA) LIMITED FOR THE YEAR ENDED 31 MARCH 2014

The preparation of financial statements of GSPC (JPDA) Limited, for the year ended on 31 March 2014 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 and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 01 September 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of GSPC(JPDA) Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) of the Companies Act, 1956.

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

Place: Ahmedabad
Date: 10-11-2014

(Y.N.Thakare)
Accountant General

INDEPENDENT AUDITORS' REPORT

To the Members of
GSPC (JPDA) Ltd

Report on the Financial Statement

We have audited the accompanying financial statements of GSPC (JPDA) Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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 aforesaid financial statement 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:

Matter of Emphasis :

We draw attention without qualifying the report to note no 1 (e) regarding Accounting Policy for Oil and Gas joint ventures, Note no. 25 regarding Capital Commitment and Note no. 26 regarding write off of unsuccessful exploration cost at the time of surrender of block presently parked under CWIP amounting of ₹. 129.22 Crore as shown in financial statement.

In our opinion the accounts read with the observation in the paragraph above, give true and fair view.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss Account, of the loss 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 & Regulatory Requirement

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.

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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 and 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 and 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 GSR 829 (E) dated 21st October 2003 issued by Department of Company affairs, Ministry of finance , provision of section 274 (1) (g) of the Companies Act 1956 are not applicable to the company

For, LAHOTI & LAHOTI
Chartered Accountants
FRN: 112076W

Place: Ahmedabad
Date: 1st September, 2014

CA. B R LAHOTI
Partner
Membership No. 09123

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Paragraph 3 of the Auditors' Report of even date to the members of GSPC (JPDA) Limited, on the Financial Statements for the period ended on 31st March, 2014.

- (I) (a) The Company has not acquired any fixed assets hence no Fixed Assets register is maintained. However, company is undertaking activities related to exploration & production of Oil & Gas and other energy resources and expenditure on it is considered as Capital Work in Progress and expenditure on such capital work is recorded in the fixed assets register maintained by the company as per the data received from Oilex (JPDA 06-103) Ltd. (Operator).
- (b) As the Company has not acquired any Fixed assets, no reconciliation called for between the physical and book records.
- (c) Disposal of Fixed Assets - As Company has no fixed assets this clause is not applicable.
- (ii) As the Company has no inventory, hence clause no. (a) (b) (c) are not applicable.
- (iii) Based on the audit procedures applied by us and according to the information and explanations given to us the company has not granted or taken any loans secured or unsecured to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business for purchase of inventories and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) According to the information made available to us, there is no transaction that need to be entered in the Register maintained u/s 301 of the Companies Act, 1956 hence the provisions of this clause are not applicable to the company.
- (vi) According to the information given to us, the company has not accepted any deposit from the public during the period under Audit and therefore, Section 58A and 58AA of The Companies Act, 1956 and rules framed thereunder do not apply to the company.
- (vii) The company does not have a formal internal audit system and as informed to us that the company's internal procedures together with the internal checks are adequate to commensurate with size and nature of its business.
- (viii) As informed to us by the management that the maintenance of cost records has not been prescribed by the Central Government u/s 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information given to us, the Company is generally regular in depositing undisputed statutory dues.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of any statutory dues is in arrears as on 31st March, 2014 for a period exceeding six months.
- (c) According to the information given to us, there are no any statutory dues which are not deposited on account of any dispute.
- (x) The company has accumulated losses at the end of the financial year is ₹. 1,29,11,703/- , and it has incurred cash losses during the current financial year is ₹.19,83,714.
- (xi) On the basis of verification of records and according to the information and explanations given to us and based on the records made available to us, the company has not raised any loans from Financial Institutions or Bank or on Debentures. Hence our comments are not offered on this matter.
- (xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund or a Nidhi/ Mutual Benefit Fund/ Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.

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- (xiv) (a) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (b) The Company does not hold any shares, securities, debentures and other investments.
- (xv) As per the information and explanation given to us, the company has not given guarantee for loan taken by others from banks or financial institutions.
- (xvi) According to the information and explanation given to us, the company has not taken or raised any term loan during the year.
- (xvii) According to the information and explanation given to us, based on an overall examination of the Balance Sheet of the company related information made available to us and as represented to us by the management, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xviii) 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.
- (xix) According to information made available to us, the company has not issued any debentures during the period under audit and hence provisions of this clause of the order are not applicable to the company.
- (xx) The company has not made any public issue of any securities during the year and therefore the question of disclosing the end- use of money raised by any public issue does not arise.
- (xxi) During the course of our examination of the books and records of the company carried out in accordance with the Generally Accepted Auditing Practices in India and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For, LAHOTI & LAHOTI
Chartered Accountants
FRN: 112076W

Place: Ahmedabad
Date: 1st September, 2014

CA. B R LAHOTI
Partner
Membership No. 09123

BALANCE SHEET AS AT 31ST MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	As at 31 st March 2014	As at 31 st March 2013
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	973,900,600	244,000,600
	(b) Reserves and surplus	326,807,973	213,677,221
	(c) Money received against share warrants	-	-
2	Share Application Money Pending Allotment	-	663,100,000
3	Non-current liabilities		
	(a) Long-term borrowings	-	-
	(b) Deferred tax liabilities (net)	-	-
	(c) Other long-term liabilities	-	-
	(d) Long-term provisions	-	-
4	Current liabilities		
	(a) Short-term borrowings	-	-
	(b) Trade payables	1,732,438	19,500,877
	(c) Other current liabilities	15,982,262	21,359,211
	(d) Short-term provisions	148,205	280,302
	TOTAL	1,318,571,478	1,161,918,211
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets	-	-
	(ii) Intangible assets	-	-
	(iii) Capital work-in-progress	1,292,162,046	1,158,172,112
	(iv) Intangible assets under development	-	-
	(b) Non-current investments	-	-
	(c) Deferred tax assets (net)	-	-
	(d) Long-term loans and advances	195,632	195,632
	(e) Other non-current assets	-	-
2	Current assets		
	(a) Current investments	-	-
	(b) Inventories	-	-
	(c) Trade receivables	-	-
	(d) Cash and cash equivalents	26,213,800	3,550,467
	(e) Short-term loans and advances	-	-
	(f) Other current assets	-	-
	TOTAL	1,318,571,478	1,161,918,211
See accompanying notes forming part of the financial statements			
"As per our report of even date"			

For, GSPC (JPDA) Limited.

For LAHOTI & LAHOTI
Chartered Accountants
F.R.No. 112076W

Samir Biswal
Director

Manish Verma
Director

CA. B R LAHOTI
Partner
M.No. 09123

Rajesh Sivadasan
AGM (F & A)

Place : Ahmedabad
Date: 1st September, 2014

Place : Gandhinagar
Date: 1st September, 2014

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	As at 31 st March 2014	As at 31 st March 2013
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)			-
Less: Excise duty			-
Revenue from operations (net)			-
2 Other income	13	0	1,581,196
3 Total revenue (1+2)		0	1,581,196
4 Expenses			
(a) Cost of materials consumed			-
(b) Purchases of stock-in-trade			-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade			-
(d) Employee benefits expense			-
(e) Finance costs			-
(f) Depreciation and amortisation expense			-
(g) Operating & other expenses	14	1,983,714	1,761,310
Total expenses		1,983,714	1,761,310
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(1,983,714)	(180,114)
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		(1,983,714)	(180,114)
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 ± 8)		(1,983,714)	(180,114)
10 Tax expense:			
(a) Current tax expense for current year			-
(b) (Less): MAT credit (where applicable)			-
(c) Current tax expense relating to prior years			-
(d) Net current tax expense			-
(e) Deferred tax		-	-
11 Profit / (Loss) from continuing operations (9 ± 10)		(1,983,714)	(180,114)
B DISCONTINUING OPERATIONS			
12.i Profit / (Loss) from discontinuing operations (before tax)			-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations			-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
13 Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)		-	-
C TOTAL OPERATIONS			
14 Profit / (Loss) for the year (11 ± 13)		(1,983,714)	(180,114)
15.I Earnings per share (of 10/- each) :			
(a) Basic			
(i) Continuing operations		-0.03	-0.11
(ii) Total operations		-0.03	-0.11
(b) Diluted		NA	NA
(i) Continuing operations			
(ii) Total operations			

"As per our report of even date"

For, GSPC (JPDA) Limited.

For LAHOTI & LAHOTI
Chartered Accountants
F.R.No. 112076W

Samir Biswal
Director

Manish Verma
Director

CA. B R LAHOTI
Partner
M.No. 09123

Rajesh Sivadasan
AGM (F & A)

Place : Ahmedabad
Date: 1st September, 2014

Place : Gandhinagar
Date: 1st September, 2014

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2014

Amount in ₹.		
Particulars	As at 31 st March 2014	As at 31 st March 2013
Cash Flow from Operating Activities		
Profit/ (Loss) after Tax	(1,983,714)	(180,114)
Adjustments to reconcile profit / (loss) before tax to cash provided by operating activities		
Add : Income Tax	-	-
Deferred Tax / Fringe Benefit Tax	-	-
Add : Depreciation and Amortisations being non-cash item		
Depreciation	-	-
Interest & Finance Charges	-	-
Misc. Exp. Written Off	-	-
Less : Interest / Dividend Income	-	-
Profit on sale of Assets	-	-
Operating Profit / (Loss) before Working Capital changes	(1,983,714)	(180,114)
Add / Less : Working Capital Adjustments		
(Increase) / Decrease in other current Assets (-)	-	8,576,543
(Increase) / Decrease in loans & advances (-)	-	2,246,131
Increase / (Decrease) in current Liabilities (+)	(23,277,485)	(43,095,893)
Cash Generated from Operations	(25,261,199)	(32,453,333)
Inventories		
Add : Prior Period Adjustment / Exceptional Items		
- Pre - Operative Exps.		
Net Cash Flow from Operating Activities (A)	(25,261,199)	(32,453,333)
Cash Flow from Investing Activities		
Purchase of Assets / CWIP including Joint Ventures	(133,989,934)	(117,661,370)
Reserves and Surplus	115,114,466	102,960,025
Sale of Fixed Assets	-	-
Interest / Dividend Income	-	-
Net Cash Flow from Investing Activities (B)	(18,875,468)	(14,701,345)
Cash Flow from Financing Activities		
Proceeds from Share Capital	729,900,000	230,000,000
Proceeds from Advance towards Share Application Money	(663,100,000)	(230,000,000)
Proceeds from Loans	-	-
Repayment of Loans (Net)	-	-
Interest / Dividend Paid	-	-
Net Cash Flow from Financing Activities (C)	66,800,000	-
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	22,663,333	(47,154,678)
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	6,235	1,000
Bank Balances	3,544,232	50,704,145
	3,550,467	50,705,145
Cash and Cash equivalents at the End of the Year		
Cash on hand	10,235	6,235
Bank Balances (including share in joint venture)	26,203,565	3,544,232
	26,213,800	3,550,467

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 notified in the Companies (Accounting Standards) Rules, 2006

"As per our report of even date"

For LAHOTI & LAHOTI
Chartered Accountants
F.R.No. 112076W

CA. B R LAHOTI
Partner
M.No. 09123

Place : Ahmedabad
Date: 1st September, 2014

For, GSPC (JPDA) Limited.

Samir Biswal
Director

Rajesh Sivadasan
AGM (F & A)

Place : Gandhinagar
Date: 1st September, 2014

Manish Verma
Director

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

A. Basis of preparation of financial statements :

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provision of Companies Act, 1956 and in compliance with the Accounting Standard issued by the Institute of Chartered Accountants of India.

1. Significant Accounting Policies :

B. Use of Estimates :

The preparation of financial statements requires management to make certain judgments/estimates and assumptions that effect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

C. Foreign Currency Transactions :

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of payment i.e. remittance date. As the booking and remittance are on the same date, foreign exchange gain / loss does not arise.

Monetary items denominated in foreign currency are converted at exchange rates prevailing on the date of Balance Sheet. Any profit/loss arising out of such conversion is charged to Statement of Profit and Loss.

In case of non-integrated overseas unincorporated Joint Ventures the summarized revenue and expenses reflected in profit and loss account have been translated into Indian Rupees at an average exchange rate. The assets and liabilities have been translated into Indian Rupees at the closing exchange rate prevailing on Balance Sheet date. The resultant excess/shortfall, arising from reporting of interest in Joint Venture as per AS-27, has been disclosed as foreign currency translation reserve.

D. Provision :

A provision is recognized when the Company has a present or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are not determined based on best estimate required to settle the obligation at the balance sheet date. There are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

E. Accounting for Oil and Gas Joint Ventures :

The company has adopted Full cost method for accounting for its oil and gas activity and all costs incurred in prospecting, acquisition, exploration and development are accumulated considering the country as a cost center and accordingly charged to Capital Work in Progress Account disclosed under the head Fixed Asset in Balance Sheet. Oil and Gas Joint Venture is in the nature of Jointly Controlled Asset. However as a matter of policy, the company is writing off the balance of entire cost of the block which is permanently abandoned, in the year of abandonment. The company has entered into one overseas joint venture namely JPDA 06- 103 Block as per contractual agreements. Accordingly the financial statements of the Company reflect its share of assets and liabilities of the Joint Venture operations which are accounted on the basis of available information on line by line basis with similar items in the Company's accounts to the extent of the participating interest of the Company as per the joint venture agreement. However operating activity of the said Joint Venture is yet to be commenced, so no effect is required to be taken in Profit and Loss Account of the Company.

F. Contingent Assets and Contingent Liabilities :

Contingent Assets are neither recognized nor disclosed in the financial statements. Management of the Company do not anticipate any contingent liability which is required to be disclosed under the notes.

G. Cash & Cash Equivalents :

Cash & cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank and balance with joint ventures.

H. Revenue Recognition :

Company's share of Revenue as an when incurred from Joint Ventures is considered on the basis of Accounts submitted by Joint Ventures.

I. Earnings per Share :

The Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

NOTES FORMING PART OF FINANCIAL STATEMENTS

2 The Figures of the previous year have been regrouped / rearranged wherever necessary to conform to the current year's presentation

3 Share capital:

Amount in ₹.

Particulars	As at 31 st March 2014	As at 31 st March 2013
Authorised Equity Share Capital :	<u>1,00,00,000</u>	<u>1,00,00,000</u>
NOTE: In Financial Year 2010-11 authorised capital was 1,00,00,000 equity shares of 10 each and in Financial Year 2011-12 it is increased to 10,00,00,000 equity shares of 10 each.		
Issued Subscribed and Fully Paid up Share Capital 9,73,90,060 Equity Shares of ₹.10 each	973,900,600	244,000,600
TOTAL	<u>973,900,600</u>	<u>244,000,600</u>

Reconciliation of number of shares:

Particulars	As at 31 st March 2014	As at 31 st March 2013
Equity Shares:		
Number of Shares at the beginning of the year	24,400,060	1,400,060
Addition/ (Deduction)	72,990,000	23,000,000
Number of Shares at the end of the year	97,390,060	24,400,060

Shares held by Holding/ Ultimate Holding Company and/or their Subsidiaries/Associates:

Particulars	As at 31 st March 2014		As at 31 st March 2013	
GSPC Limited - Holding Company	Percentage (%)	No. of shares	Percentage (%)	No. of shares
	100	97,390,060	100	24,400,060

Terms and Conditions:

The Company has only one class of equity shares having face value of ₹. 10 per share.

In the events of liquidation of the company, the holders of equity shares will be entitled to remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportions to the number of equity share held by the shareholders.

There is no stipulation as regards to allotment of amount outstanding to the credit of Share Application Money.

4 Reserves and Surplus :

Amount in ₹.

Particulars	As at 31 st March 2014	As at 31 st March 2013
Capital Reserve :		
Opening Balance	57,575,818	57,575,818
Addition / (Deduction)	-	-
Closing Balance	57,575,818	57,575,818
Foreign Exchange Translation Reserve :		
Opening Balance	167,029,392	64,069,367
Addition / (Deduction)	115,114,466	102,960,026
Closing Balance	282,143,858	167,029,392
Profit and Loss :		
Opening Balance	(10,927,989)	(10,747,875)
Addition / (Deduction)	(1,983,714)	(180,114)
Closing Balance	(12,911,703)	(10,927,989)
BALANCE CARRIED TO BALANCE SHEET	<u>326,807,973</u>	<u>213,677,221</u>

5 Short Term Borrowing :

Demand Loans and Advances from Related Parties:

Amount in ₹.

Particulars	Classification	Rate of Interest	As at 31 st March 2014	As at 31 st March 2013
	Unsecured	NIL	-	-
TOTAL			<u>-</u>	<u>-</u>

6 Trade Payable :

(in respect of Joint Ventures)

Amount in ₹.

Particulars	As at 31 st March 2014	As at 31 st March 2013
Opening Balance	19,500,877	54,563,649
Addition / (Deduction)	(17,768,439)	(35,062,772)
Closing Balance	1,732,438	19,500,877
TOTAL	<u>1,732,438</u>	<u>19,500,877</u>

7 Other Current Liabilities:

Amount in ₹.

Particulars	As at 31 st March 2014	As at 31 st March 2013
Advance towards Share Application Money	-	-
Unpaid Duties and taxes	19,117	136,337
Other Payables	15,963,146	21,222,875
TOTAL	<u>15,982,263</u>	<u>21,359,212</u>

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8 Short Term Provisions :

Amount in ₹.		
Particulars	As at 31 st March 2014	As at 31 st March 2013
Provision for Expenses	148,205	280,302
TOTAL	148,205	280,302.00

9 Capital Work in Progress :

Amount in ₹.		
Particulars	As at 31 st March 2014	As at 31 st March 2013
Capital Work in Progress (in respect of Joint Ventures) :		
Opening Balance	1,158,172,112	1,040,510,742
Addition / (Deduction)	133,989,934	117,661,370
Closing Balance	1,292,162,046	1,158,172,112
TOTAL**	1,292,162,046	1,158,172,112

**includes Rs. 11,05,644 paid towards interest on share application money

10 Long Term Loans and Advances:

			Amount in ₹.
Particulars	Classification	As at 31 st March 2014	As at 31 st March 2013
Capital Advance			
Recievables from BNP Paribas	Unsecured (considered good)	-	-
Loans and Advances to Related Parties			
Recievable from GSPC (GST)	Unsecured (considered good)	195,632	195,632
TOTAL		<u>195,632</u>	<u>195,632</u>

11 Cash & Cash Equivalents :

Amount in ₹.		
Particulars	As at 31 st March 2014	As at 31 st March 2013
Cash on Hand	10,235	6,235
With Scheduled banks :		
In Current Accounts	9,298,763	1,202,574
Bank Balance's (in respect of Joint Ventures)	16,904,802	2,341,658
TOTAL	26,213,800	3,550,467

12 Other Current Assets :

Amount in ₹.

Particulars	As at 31 st March 2014	As at 31 st March 2013
Other Current Assets JPDA (in respect of Joint Ventures)	-	-
Advance recoverable in cash or in kind or for value to be recovered.	-	-
TOTAL	-	-

13 Other Income:

Amount in ₹.

Particulars	As at 31 st March 2014	As at 31 st March 2013
Foreign Exchange (gain)/ loss*	-	(1,581,196)
TOTAL	-	(1,581,196)

*foreign exchnage gain loss on account of BNP & GST receivable

14 Operating & other Expenses :

Amount in ₹.

Particulars	As at 31 st March 2014	As at 31 st March 2013
Auditor's remuneration	146,692	84,270
Bank Charges	12,125	12,242
Directors' Sitting fees	22,000	12,000
Interest on late payment of TDS	10,027	35
Stationery & Printing Exps.	-	2,765
Misc Exp. (w/f)	-	9,000
Legal and professional fees	1,792,870	1,640,999
TOTAL	1,983,714	1,761,310

15. Details of Joint Ventures :

The company had entered in to overseas joint venture with below Joint Venture partners as per Production Sharing Contracts (PSC's) for petroleum activities in JPDA 06/103 block. As per the Production Sharing Contract Dated 15th November 2006. The details are stated as below:

Joint Venture	Company's Participating Interest	Other Consortium Partner's	Participating Interest (PI)
JPDA 06/103 Block	25%	Oilex (JPDA 06/103) Ltd (Operator)	25%
(The Project is under Exploration)		Videocon JPDA 06-103 Limited	25%
		Bharat Petro Resources JPDA Ltd	25%

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Currently as per the farm out agreement dated 25th September 2009 JPDA 06-103 Joint venture has following partners with P.I. as follows.

Joint Venture	Company's Participating Interest	Other Consortium Partner's	Participating Interest (PI)
JPDA 06/103 Block	20% (25%)	Oilex (JPDA 06/103) Ltd (Operator)	10% (25%)
(The Project is under Exploration)		Videocon JPDA 06-103 Limited	20% (25%)
		Bharat Petro Resources JPDA Ltd	20% (25%)
		Japan Energy Corporation	15% (-)
		Pan Pacific Petroleum NL	15% (-)

**Figures in bracket indicate previous year figures*

16. Company's Share in Joint Venture's:

The Company's Share of assets, liabilities, income and expenses in the joint venture namely JPDA 06-103 Block has been incorporated in the financial statement as per Participating Interest and the figures are as given below:

Particulars	Amount in ₹.	
	As at 31 st March 2014	As at 31 st March 2013
Sources of Funds		
Current Liabilities - Joint Venture	1,732,438	19,500,877
Total	1,732,438	19,500,877
Application of Funds		
Capital Work in Progress - Exploration	1,289,973,334	1,157,089,044
Bank Balances	16,904,802	2,341,658
G.S.T. Receivable	-	-
Other Current Assets	-	-
Total	<u>1,306,878,136</u>	<u>1,159,430,702</u>

Company's share in respect of such joint venture has been incorporated in the accounts based on the audited financial statements (done by KPMG in Australia) provided by the operators situated in Australia for the period ended 31st December, 2013. However, after 31st December, 2013 and up to Closing of the year i.e. 31st December, 2013, the provisional figures as per the unaudited financial data send by the operator and as certified by the management are incorporated.

17. Impairment of Assets :

There has been no impairment of any of the cash generating fixed assets in terms of Accounting Standard (AS 28) issued by the Institute of Chartered Accountants of India.

18. Foreign Exchange Translation Reserve :

Foreign Exchange Translation Reserve has been calculated as per Accounting Standard 11 & AS -27 issued by the ICAI.

Particulars	Amount in ₹.
Foreign Exchange Trans. Reserve (Profit) up to F.Y.2012-13	16,70,29,392
Add: Foreign Exch. Trans. Reserve (Profit) for F.Y.2013-14	11,51,14,466
Closing Balance (Net)	28,21,43,858

(Exchange rate difference pertaining to Company's Share in Joint Venture Assets and Liabilities Located in Australia)

19. GST Credit Receivable in foreign currency as on 31st March 2013 from Australian Government is NIL. However the earlier GST receivable which was adjusted towards CWIP Exploration is reversed as the same is received and adjusted towards pending cash calls.

20. Related Party Disclosures

Disclosure with regard to related party in accordance with Accounting Standard - 18 "Related Party Disclosures" is as under:

a) Holding Company

Gujarat State Petroleum Corporation Ltd. being the holding company (100%), has acquired 9,73,90,000 fully paid up equity shares of Rs. 10 each.

b) Joint Venture

1. JPDA 06 /103 Block - Timor Area.

c) Key Managerial Personal :

1. Shri Tapan Ray, Director (Till 30th March 2013)
2. Shri Subhash Dave, Director (Till 25th June 2012)
3. Shri M. Y. Farooqui, Director (Till 26th Aug 2013)
4. Shri Manish Verma (from 26th June 2012 onwards)
5. Shri N. K. Mitra (from 31st March 2013 onwards)
6. Shri Ujjal Ghosh (from 27th Aug 2013 till 25th Sep 2013)
7. Shri Samir Biswal (from 24th Sep 2013 onwards)

d) Transactions with Related Parties:

Amount in ₹.

Name	Relationship with Company	Nature of Transaction	Opening Balance	Addition/ Receipt	Deduction/ Payment	Closing Balance
GSPC Limited	Holding Company	Other Payables	3,42,15,283	12,11,902	3,14,69,840	39,57,345
JPDA	Joint Venture	Remittance made	(1,28,36,436)	1,30,51,47,361	1,28,03,22,788	1,19,88,137
-	Directors	Sitting fees	-	-	22,000	-

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21. Segment Information :

In the context of Accounting Standard – 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the management considers its operations to constitute one primary segment only namely “ Petroleum Activities in relation to JPDA 06-103.

22. Managerial Remuneration : NIL

23. Statutory Auditor's Remuneration:

Amount in ₹.

Particulars	Current Year	Previous Year
Audit Fees	1,25,000*	75,000*
Other Matters	-	-
Total	1,25,000*	75,000*

*excluding service tax

24. Expenditure in foreign currency :

Amount in ₹.

Particulars	Current Year	Previous Year
Professional Consultancy Fees	3,73,692	15,18,116
Cash Call paid to Operator	2,52,78,498	2,69,29,591
Other Misc expense :	Nil	Nil
Total	2,56,52,190	2,84,47,707

25. Capital Commitments:

The Joint Venture (JPDA 06-103) is committed to drill three wells in the block along with the acquisition of 1060 sq kms 2D and 1020 sq kms of 3D seismic data. Of the committed work programme the Joint Venture (JPDA 06-103) has acquired 2140 sq kms of 3D seismic data (as 2D data was compensated with additional 100 sq kms of 3D data). The joint venture (JPDA 06-103) has also drilled 2 exploratory well which were found to be dry. The company has till date invested RS. 129.22 Cr (shown in CWIP) for the completed work programme. However, drilling 1 more exploratory well is still pending and joint venture (JPDA 06-103) would undertake the balance work programme at the estimated cost of US\$ 16,975,000 (GSPC Share US\$ 3,395,000).

26. Company has a participating interest of 20% in JPDA 06-103 block and as per the Minimum Work Programme (MWP) the consortium in block JPDA-06-103 has a commitment to drill 3(+1) number of wells as per the Production Sharing Contract (PSC) in the Initial (Mandatory) Period from 15-11-2006 to 14-11-2013. Of the committed wells the consortium has already drilled 2 wells. However the JV has approached the Autoridade Nacional do Petroleo (ANP) seeking the exemption of drilling of the balance well's under the mandatory work programme. As per the PSC the JV is liable to drill all the wells under the mandatory work programme till such exemption is provided by ANP.

As per the accounting Policy as stated at Note No.1 (E) above, the company shall write off the cost in the year in which the block is surrendered. Hence the expenditure incurred so far will be written off in the year in which the said Block is surrendered

27. During the current financial year there has been addition in the share capital from Rs.₹. 24,40,00,600 to ₹. 97,39,00,600. However ₹. 66,31,00,000 has been transfer from share application money and rest is addition in the share capital during the current financial year.
28. The company has not received any intimation from its vendor regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, required under the act are not made.

"As per our report of even date"

For, GSPC (JPDA) Limited.

For LAHOTI & LAHOTI
Chartered Accountants
F.R.No. 112076W

Samir Biswal
Director

Manish Verma
Director

CA. B R LAHOTI
Partner
M.No. 09123

Rajesh Sivadasan
AGM (F & A)

Place : Ahmedabad
Date: 1st September, 2014

Place : Gandhinagar
Date: 1st September, 2014

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GSPC LNG



GSPC LNG LIMITED

BOARD OF DIRECTORS

Shri D. J. Pandian, IAS, Executive Chairman
Shri L. Chuaungo, IAS, Director
Shri Tapan Ray, IAS, Director
Shri Subhash Dave, Director
Shri M. Y. Farooqui, Director
Shri Pranav Adani, Director
Dr. Malay Mahadevia, Director

COMPANY SECRETARY

Shri Nirav Shah

STATUTORY AUDITORS

Dharmendra & Khajanchi,
Chartered Accountants, Ahmedabad

INTERNAL AUDITORS

Ernst & Young LLP

BANKERS & FINANCIAL INSTITUTIONS

IDBI Bank
Allahabad Bank
Punjab & Sind Bank
Dena Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

B-103, 1st Floor, IT Tower - 2, Infocity,
Nr. Indroda Circle, Gandhinagar - 382 009.

PROJECT SITE

GSPC LNG Limited, South Port - Mundra,
Navinal Island, Mundra, Kutch, Gujarat - 370421.

DIRECTORS' REPORT

The Members,
GSPC LNG Limited

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2014.

BUSINESS ACTIVITIES & PERFORMANCE HIGHLIGHTS

The Company is incorporated with the objective of developing LNG Terminal in the State of Gujarat. Initial capacity of LNG terminal shall be 5 MMTPA which can be expanded to 10 MMTPA with ultimate expansion leading to 20 MMTPA terminal. The Company has initiated activities for setting up LNG terminal at Mundra.

Project Status

The Company carried out Front End Engineering Design (FEED) studies with the help of Tractebel, Belgium and it also carried out various pre-project studies including site investigation and sea related surveys and reports.

The Company has already placed major EPC Contracts for Tank Construction works and Regas Facility construction to renowned international contractors following an International Competitive Bidding route. Contracts in this regard have been executed and contractors have started time bound activity in this regard. Company has also built its technical team having prior relevant work experience and is also supported by Whessoe Projects of UK as Project Management Consultant.

The Company has obtained the Environment and CRZ clearance from Ministry of Environment and Forest (MoEF) for the Project.

The Company has also taken up exercise to select strategic equity investor for the Company. The Company has also started process for long term debt tie up and till such time Company is funding its activities with the support of initial funding from its existing promoters and short term borrowings.

Financial Highlights

Since, the Project of your Company is in implementation phase, the Company has not started to generate revenue from its business operations. However, during the Financial year 2013-14, the company has earned net of tax, interest income of Rs. 1.08 Crores.

Dividend

The Project of the Company is in initial phase and the operation of the Company is not started. Hence Company has

not started generating revenue. Considering the same, the Board of Directors of your Company have decided not to recommend any dividend for the Financial year 2013-14.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) The Director have selected such accounting policies accounting policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of loss of the company for the year under review.
- (iii) The Directors have taken 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.
- (iv) The annual accounts are prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

During the year under review, Details of the employees were drawing remuneration, which require disclosure under Section 217 (2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975 are set out in Annexure I enclosed herewith.

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

Conservation of Energy : NIL

Technology Absorption :

Your Company has not imported any technology during the year under review.

Foreign Exchange Earnings & Outgo :

Foreign Exchange earnings - NIL

Foreign Exchange Outgo - ₹. 56,66,61,560/-

Health, Safety and Environment

Your Company is taking utmost care for environment while executing the project. During the year under review all studies suggested by MoEF have been carried out by your Company and got the Environment and CRZ Clearance from MoEF.

AUDITORS

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG has appointed Dharmendra & Khajanchi, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the Financial Year 2013-14.

AUDIT COMMITTEE

During the year under review the company has constituted the Audit Committee comprising the following directors as its Members:

- 1) Shri Tapan Ray, IAS
- 2) Shri L. Chuaungo, IAS
- 3) Shri Malay Mahadevia

DIRECTORS

During the year under review, Shri Pranav Adani and Shri Malay Mahadevia were appointed as a Nominee Director representing Adani Enterprises Ltd. on the Board of your Company.

Shri L. Chuaungo, IAS and Shri M.Y. Farooqui would be retiring by rotation at the forthcoming Annual General Meeting of the Company, who are eligible to offer themselves for reappointment.

ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their sincere thanks to the Govt. of Gujarat and its promoters for their valuable support and cooperation. Your Directors are pleased to place on record their sincere appreciation to the employees for their enthusiastic efforts, dedicated performance and commitment.

For and on behalf of Board of Directors
D. J. Pandian, IAS
Chairman

Place : Gandhinagar
Date :25th June, 2014

ANNEXURE-I
PARTICULARS OF EMPLOYEES (FOR THE FINANCIAL YEAR 2013-14) PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT 1956

Name of the employee	Remuneration Received	Nature of employment whether permanent or contractual	Other terms & conditions	Nature of duties of the employee	Qualification & experience of employee	Date of commencement of employment	Age of the employee	The last employment held by such employee before joining the company
Mr. Anil Kumar Joshi	89 Lacks/- per Annum	Contractual	Three years contract	Sr. Vice President (Project)	ME (Electrical Engineering) 27 years of Experience in Project Management and Hydrocarbon Sector	1st September, 2012	51 years	Mundra Port & SEZ Ltd.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPC LNG LIMITED FOR THE YEAR ENDED ON 31 MARCH, 2014

The preparation of financial statements of GSPC LNG Limited for the year ended 31 March 2014 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 and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 Auditor Report dated 25th June 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under section 619 (3)(b) of the Companies Act, 1956 of the financial statements of GSPC LNG Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Reports under section 619(4) of the Companies Act, 1956.

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

Place: Ahmedabad
Date: 09/09/2014

(Y.N. THAKARE)
Accountant General
(E & RSA), Gujarat

THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
GSPC LNG LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of GSPC LNG LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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 March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the NIL profit / loss 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 & 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;

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- 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) In Pursuance to the notification No. GSR 829 (E) dated 21-10-2003 issued by the department of Company Affairs : Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 pertaining to qualification of Director's is not applicable to a Government Company;

For, M/s Dharmendra & Khajanchi,
Chartered Accountants
(Firm Registration No. : 102472W)

Dharmendra Solanki
Partner
(Membership No. : 042412)

Place : Ahmedabad
Date : 25th June, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the period in phase periodical manner, which in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on verification.
 - (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the period and the going concern status of Company is not affected.
2. The company has not started any commercial activity, there are no inventories and hence clause (ii) of paragraph 4 of CARO is not applicable.
3. According to the information and explanations given to us, no loans, secured or unsecured, granted or taken by the Company to and from companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956. Accordingly provisions of clause 4(iii) (b), (c), (d), (f) and (g) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there in an internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system.
5. According to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year that need to be entered in the register maintained under that Section. Accordingly, clause (v) (b) of paragraph 4 of the Order is not applicable to the company.
6. The Company has not accepted any deposits from the public to which the provisions of section 58A and 58AA or any other relevant provision of the Companies Act, 1956 and rules framed there under, apply.
7. The company has a system of internal audit, which in our opinion, is commensurate with the size of the Company and nature of its business.
8. The Central government has prescribed maintenance of Cost records under section 209(1) (d) of the companies Act, 1956 in respect of certain manufacturing activities of the company. Since the company has not yet commenced commercial production, maintenance of cost records is not applicable for the financial year 2013-14.
9.
 - (a) The company has generally been regular in depositing undisputed dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) As explained to us no undisputed amount payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues were in arrears as at 31st March 2014 for a period of more than six months from the date they become payable.
 - (c) According to the information and explanations given to us, there are no dues of Provident Fund, Sales Tax, Vat, Gratuity, Professional Tax, Income Tax, Custom Duty, Service Tax and any other dues to the extent applicable, which have not been deposited on account on account of dispute.
10. During the current period the company has neither accumulated losses nor incurred any cash losses.
11. There was no repayment obligation towards the repayment of loans to any bank or financial institutions during the financial year, comment regarding whether the company has defaulted in repayment of such dues to the banks or financial institutions is not applicable.

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12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit/nidhi/ mutual benefit fund / society and therefore clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments.
15. On the basis of the information and explanation given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
16. The company has not raised any new term loan during the year.
17. On the basis of our examination of the books of account and the information and explanations given to us, in our opinion, the funds raised on short- term basis have not been used for long-term investment and vice versa.
18. According to the information and explanation given to us, during the period the company has made preferential allotment of shares to parties and companies covered in the register under section 301 of the Companies Act, 1956. The shares are issued at face value of ₹.10/- each and the issue price is not prejudicial to the interest of the company.
19. The Company has not issued debentures during the period.
20. The Company has not raised any money by public issue during the period.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material fraud on or by the company has been noticed or reported during the course of our audit.

For, M/s Dharmendra & Khajanchi,
Chartered Accountants
(Firm Registration No. : 102472W)

Place : Ahmedabad
Date : 25th June, 2014

Dharmendra Solanki
Partner
(Membership No. : 042412)

BALANCE SHEET AS AT 31ST MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	914,000,000	120,000,000
(b) Reserves and surplus	4	(233,620)	(233,620)
(c) Money received against share warrants		-	-
		<u>913,766,380</u>	<u>119,766,380</u>
2 Share Application Money Pending Allotment	5	<u>507,300,600</u>	<u>404,300,600</u>
		<u>507,300,600</u>	<u>404,300,600</u>
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	6	-	-
(d) Long-term provisions	7	4,399,822	2,334,494
		<u>4,399,822</u>	<u>2,334,494</u>
4 Current liabilities			
(a) Short-term borrowings	8	99,992	202,999,989
(b) Trade payables	9	-	-
(c) Other current liabilities	10	322,960,231	10,592,682
(d) Short-term provisions	11	175,598	352,991
		<u>323,235,821</u>	<u>213,945,662</u>
TOTAL [(1)+(2)+(3)+(4)]		<u><u>1,748,702,623</u></u>	<u><u>740,347,136</u></u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	6,646,598	7,197,921
(ii) Intangible assets	12	179,310	222,754
(iii) Capital work-in-progress	13	856,853,317	626,983,720
(iv) Intangible assets under development		-	-
(b) Non-current investments	-	-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	14	587,715,408	52,474,945
(e) Other non-current assets	15	11,554,232	8,640,832
		<u>1,462,948,865</u>	<u>695,520,172</u>
2 Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	16	267,617,912	44,484,017
(e) Short-term loans and advances	17	598,115	235,920
(f) Other current assets	18	17,537,731	107,027
		<u>285,753,758</u>	<u>44,826,964</u>
TOTAL [(1)+(2)]		<u><u>1,748,702,623</u></u>	<u><u>740,347,136</u></u>
See significant accounting policies and accompanying notes forming part of the Financial Statements	1 to 31		

As per our report of even date attached

For, M/s Dharmendra & Khajanchi,
Chartered Accountants
Firm Registration No. : 102472W

Dharmendra L. Solanki
Partner
Membership No. : 042412

Place : Ahmedabad
Date : 25/06/2014

For and on behalf of Board of Directors,

Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 25/06/2014

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	For the period ended 31st March, 2014	For the period ended 31st March, 2013
1	Income		
Other income (Interest from Bank Fixed Deposits)		16,044,939	3,904,810
Total (A)		<u>16,044,939</u>	<u>3,904,810</u>
2	Expenditure		
Provision for Taxation			
- Income Tax		5,205,780	1,206,587
Short/(Excess) provision for Income Tax		-	(22)
Total (B)		<u>5,205,780</u>	<u>1,206,565</u>
Net Total (A-B)		<u>10,839,159</u>	<u>2,698,245</u>
Less : (Deficit)/Surplus Transferred to Pre-Operative Expenditure		10,839,159	2,698,245
3	Profit/(Loss) for the period	<u>-</u>	<u>-</u>
Earning per equity share:	23		
(1) Basic			
(2) Diluted			

As per our report of even date attached

For, M/s Dharmendra & Khajanchi,
Chartered Accountants
Firm Registration No. : 102472W

Dharmendra L. Solanki
Partner
Membership No. : 042412
Place : Ahmedabad
Date : 25/06/2014

For and on behalf of Board of Directors,

Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 25/06/2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Amount in ₹.	
	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Cash Flow from Operating Activities		
Profit/ (Loss) after Tax	-	-
Cash Generated from Operations	-	-
Less : Direct Tax Paid	-	-
Add : Prior Period Adjustment / Exceptional Items	-	-
Net Cash Flow from Operating Activities (A)	-	-
Cash Flow from Investing Activities		
(Increase) / Decrease Capital Work in Progress	(227,470,190)	(50,161,350)
Purchase of Fixed Assets	(1,136,311)	(7,737,722)
Sale of Fixed Assets	-	-
Depreciation	1,731,078	1,013,220
Increase / (Decrease) in Other Long Term Liabilities (+)	-	(1,098,200)
Increase / (Decrease) in Long Term Provisions (+)	2,065,328	361,344
Increase / (Decrease) in Long Term Loans and Advances (-)	(535,240,462)	-
Increase / (Decrease) in Other Non Current Assets (-)	(5,000,000)	-
Increase / (Decrease) in Short Term Loans and Advances (-)	(362,195)	(171,158)
Increase / (Decrease) in Other Current Assets (-)	(17,430,704)	(86,179)
Increase / (Decrease) in Other Current Liabilities (+)	312,367,549	7,920,853
Increase / (Decrease) in Short Term Provisions (+)	(177,393)	332,787
Net Cash Flow from Investing Activities (B)	(470,653,300)	(49,626,405)
Cash Flow from Financing Activities		
Proceeds from Share Application Money	695,000,000	30,000,000
Proceeds from Loans (short term borrowings)	75,000,000	999,989
Repayment of Loans	(75,899,997)	-
Interest Paid	(312,808)	(60,411)
Net Cash Flow from Financing Activities (C)	693,787,195	30,939,578
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	223,133,895	(18,686,827)
Cash and Cash equivalents at the Beginning of the Period		
Cash on hand	2,016	4,288
Bank Balances	3,439,930	2,771,413
Short Term Fixed Deposits	41,042,071	60,395,144
	44,484,017	63,170,845
Cash and Cash equivalents at the End of the Period		
Cash on hand	16,568	2,016
Cheque on Hand	-	-
Bank Balances	2,601,344	3,439,930
Short Term Fixed Deposits	265,000,000	41,042,071
	267,617,912	44,484,017

Notes :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 as prescribed in The Companies(Accounting Standard) Rules, 2006.
2. Brackets indicate cash outflow/deduction
3. The Increase / Decrease in Current Assets and Current Liabilities are considered as part of Investing activities as it includes amount payable to creditors for procurement of fixed assets / C.W.I.P.

For, M/s Dharmendra & Khajanchi,
Chartered Accountants
Firm Registration No. : 102472W

Dharmendra L. Solanki
Partner
Membership No. : 042412

Place : Ahmedabad
Date : 25/06/2014

For and on behalf of Board of Directors,

Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 25/06/2014

Significant accounting policies and accompanying notes forming part of the Financial Statements for the year ended on 31st March 2014

1. Corporate Information

The Company was Incorporated on 27th February, 2007 under the Companies Act, 1956 as a subsidiary of Gujarat State Petroleum Corporation Limited (GSPC), the holding Company. The Company is planning to develop a Liquefied Natural Gas receipt, storage and regasification project in the state of Gujarat.

2. Significant Accounting Policies

i. Basis of Accounting and Preparation of Financial Statements :

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provision of Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act 1956.

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized in the period in which they materialize.

ii. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

iii. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

iv. Fixed Assets

(a) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure incurred during construction period and up to the date of commissioning.

(b) Capital Work in Progress:

Capital work in progress includes direct expenditure, indirect expenditure and advances to supplier or services made for acquisition of capital assets.

(c) Project Development Expenditure/Pre-Operative Expenditure:

Expenses incurred relating to project prior to commencement of commercial production are classified as Project Development Expenditure/Pre-operative Expenditure and disclosed under Capital Work-in-Progress.

v. Depreciation :

Depreciation on fixed assets is provided on Written Down Value method in accordance with the rates and in manner specified in schedule XIV of the Companies Act 1956.

Assets costing upto ₹. 5000/- and mobile handset used by the staff, purchased by the company during the year are depreciated fully in the year of purchases.

Pro-rata depreciation is charged on additions/deletions for the period for which the asset is used by the Company.

vi. Provisions, Contingent Liabilities and Contingent Assets :

Provision is recognized when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of the obligation. Disclosure for Contingent Liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. No provision is recognized or disclosure for Contingent Liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

vii. Foreign Currency Transactions:

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transactions and as and when liability accepted by the Company. Gains and losses resulting from the settlement of such transactions and from the transaction of monetary assets and liabilities denominated in foreign currencies at the balance sheet date are recognized in the "Capital Work in Progress".

viii. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

ix. Employee Benefits

Employee benefits of short-term nature are recognized as pre-operative expenses as and when it accrues. Long term employee benefits and post employment benefits (e.g. gratuity), both funded and non funded are recognized as pre-operative expenses based on actuarial valuation.

- i. Company's Contribution towards provident fund are accounted for at pre-determined rates and deposited in to an EPFO.
- ii. Gratuity is accounted for on the basis of actuarial valuation.
- iii. Super annuation Fund is accounted for on the basis of internal valuation.
- iv. Leave Encashment Liability is accounted for on the basis of actuarial valuation.

x. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

xi. Pre-Operative Expenses

The Company is planning to develop a LNG Receiving, Storage and Regasification Terminal in the State of Gujarat. The advances and expenditure incurred during the construction period are classified as "Pre-operative Expenditure" and disclosed under Capital Work-in Progress and will be apportioned to the assets on the completion of the Project.

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3 Share Capital

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
AUTHORIZED CAPITAL 20,00,00,000 Equity Shares of ₹. 10/- each. (Previous year 10,00,00,000 Equity shares of ₹. 10/- each)	2,000,000,000 <u>2,000,000,000</u>	1,000,000,000 <u>1,000,000,000</u>
ISSUED , SUBSCRIBED & FULLY PAID UP CAPITAL 9,14,00,000 Equity Shares of ₹. 10/- each with voting rights (Previous year 1,20,00,000 Equity Shares of ₹. 10/- each with voting rights)	<u>914,000,000</u>	<u>120,000,000</u>
Total	<u>914,000,000</u>	<u>120,000,000</u>

3.1 Build up of Equity Share Capital

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Opening Share Capital	120,000,000	500,600
Issued During the year	<u>794,000,000</u>	<u>119,499,400</u>
Equity Shares at the end of Year	<u>914,000,000</u>	<u>120,000,000</u>

3.2 Distribution of Share holding pattern (with voting rights)

Amount in ₹.

Category	Category of Share Holder	As at 31st March, 2014		As at 31st March, 2013	
		Number of Share Holder	Total No. of Shares	Number of Share Holder	Total No. of Shares
A	Promoter/Holding Shareholding	3	81,399,940	2	8,999,940
B	Share holding of Nominee of GSPC	6	60	6	60
C	Non-Promoter's Holding	1	10,000,000	1	3,000,000
Total		<u>10</u>	<u>91,400,000</u>	<u>9</u>	<u>12,000,000</u>

3.3 Details of Shares held by Holding Company and each class of shareholders holding more than 5% of total shares.

Amount in ₹.

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Equity Shares	Percentage Shareholding	No. of Equity Shares	Percentage Shareholding
Government of Gujarat	37,500,000	41.03%	0	0.00%
Gujarat State Petroleum Corporation Limited (Including Nominee Shareholders)	8,200,000	8.97%	6,000,000	50.00%
Adani Enterprise Limited	35,700,000	39.06%	3,000,000	25.00%
Gujarat Industries Power Co. Limited	10,000,000	10.94%	3,000,000	25.00%

In the last five years the Company has not

- Allotted any shares as fully paid up, pursuant to contract(s) without being received in cash.
- Allotted any Bonus shares
- Bought back its shares.

3.4 Rights & Restrictions attached to Shares

Equity Shares

The company has one class of equity shares having a par value of ₹.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of Company after distribution of all preferential amounts, in proportion their shareholding. Company has only equity shares and all shares are having pari passu rights in all respect except for dividend which will be given on pro rata basis if shares are allotted during the year.

4. Reserves and Surplus

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Opening Balance)	(233,620)	(233,620)
Profit and Loss Account	-	-
Total	<u>(233,620)</u>	<u>(233,620)</u>

5. Share application money pending allotment

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Share Application Money Pending Allotment *	507,300,600	404,300,600
Total	<u>507,300,600</u>	<u>404,300,600</u>

*Note: The Company has issued shares of ₹. 2,20,00,000 during Financial Year 2013-14 out of share application money pending allotment as at 31st March, 2013. The Company has not been able to issue remaining shares against the share application money in order to comply with the equity structure as stipulated by the Government of Gujarat, the ultimate promoter of the Company.

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6. Non Current Liabilities : Other Long Term Liabilities

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
	-	-
Total	<u>-</u>	<u>-</u>

7. Non Current Liabilities : Long Term Provisions

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Gratuity	1,133,393	503,329
Provision for Leave Encashment	1,033,813	569,241
Provision for Superannuation	2,232,616	1,261,924
Total	<u>4,399,822</u>	<u>2,334,494</u>

8. Current Liabilities : Short term Borrowings

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured Loan from Dena Bank*	99,992	999,989
Other Loans and advances	-	202,000,000
Total	<u>99,992</u>	<u>202,999,989</u>

* Payable in one year from 06- Feb-2014. The Loan is borrowed at base rate. +0.25%.

9. Current Liabilities : Trade Payables

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Micro, Small and Medium Enterprises	-	-
Others	-	-
Total	<u>-</u>	<u>-</u>

- 9.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Particulars	Amount in ₹.	
	As at 31st March, 2014	As at 31st March, 2013
(i) Principal amount due and remaining unpaid	-	-
(ii) Interest due on above and remaining unpaid	-	-
(iii) Interest paid	-	-
(iv) Payment made beyond appointed day	-	-
(v) Interest due and payable for the period of delay	-	-
(vi) Interest accrued and remaining unpaid	-	-
(vii) Amount of further interest remaining due and payable in the succeeding year	-	-

The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) act, 2006. Disclosure relating to amount unpaid at the year end together with interest payable, if any, as required under the Act are not ascertainable.

10. Current Liabilities : Other Current Liabilities

Particulars	Amount in ₹.	
	As at 31st March, 2014	As at 31st March, 2013
TDS Payable	19,493,034	1,614,500
Other Statutory Liabilities	-	-
Other Payables (including payables for Capital Goods and Services)	303,467,197	8,978,182
Total	<u>322,960,231</u>	<u>10,592,682</u>

11. Current Liabilities : Short term provision

Particulars	Amount in ₹.	
	As at 31st March, 2014	As at 31st March, 2013
Provision for Gratuity	35,999	9,632
Provision for Leave Encashment	33,131	15,086
Provision for Expenses	106,468	328,273
Total	<u>175,598</u>	<u>352,991</u>

12 FIXED ASSETS

Amount in ₹

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1 st April-2013	Additions / Adjustments	Deduction	As at 31 st March-2014	As at 1 st April-2013	During the Year 2013-14	Deduction	As at 31 st March-2014	As at 31 st March-2013
Tangible Assets									
1. Office Equipments	855,840	12,500	-	868,340	133,442	101,318	-	234,760	722,398
2. Computer Equipments	1,173,615	720,770	-	1,894,385	562,047	437,780	-	999,827	611,568
3. Furniture & Fixtures	6,609,097	349,041	-	6,958,138	745,142	1,094,536	-	1,839,678	5,863,955
4. Vehicles	-	-	-	-	-	-	-	-	-
Total Tangible Assets	8,638,552	1,082,311	-	9,720,863	1,440,631	1,633,634	-	3,074,265	7,197,921
Previous Year (1-04-2012 to 31-03-2013)	900,830	7,737,722	-	8,638,552	575,913	864,718	-	1,440,631	324,917
Intangible Assets									
Intangible Assets (Includes Computer Software)	1,406,362	54,000	-	1,460,362	1,183,608	97,444	-	1,281,052	222,754
Total Intangible Assets	1,406,362	54,000	-	1,460,362	1,183,608	97,444	-	1,281,052	222,754
Previous Year (1-04-2012 to 31-03-2013)	1,406,362	-	-	1,406,362	1,035,106	148,502	-	1,183,608	371,256
Capital Work In Progress	626,983,720	229,869,597	-	856,853,317	-	-	-	856,853,317	626,983,720
Previous Year (1-04-2011 to 31-03-2012)	634,636,903	(2,253,183)	-	632,383,720	-	-	-	626,983,720	634,636,903

13. Non Current Assets: Capital Work in Progress

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
CAPITAL WORK IN PROGRESS		
Site Selection	8,161,036	8,161,036
Detailed Feasibility	19,070,412	16,983,812
Seismological Investigation	107,456,310	107,456,310
Soil Investigation	65,271,782	65,271,782
Clearances	12,334,182	10,192,634
Front End Engineering Design	254,815,063	254,815,063
Land Reclamation	16,171,930	16,171,930
Regasification Facility	3,309,671	2,192,569
Tank Facility	6,705,264	4,619,885
PROJECT DEVELOPMENT EXPENDITURE (Pre-Operative Expenditure)		
Opening Balance	141,118,698	105,941,438*
Transferred to CENVAT Credit (Service Tax) account	-	(1,858,624)
Advertisement Expenses	100,000	1,766,577
Salaries Wages and Bonus	30,615,278	12,374,938
Contribution to Provident Fund, Gratuity, Superannuation etc.	3,491,865	1,381,162
Employee Welfare and other Expenses	26,984	1,310
Insurance Expenses	664,825	149,964
Travelling & Conveyance Expenses-Others	9,884,292	2,691,170
Travelling & Conveyance Expenses-Directors	19,003	20,484
Legal & Professional Expenses	30,309,286	18,944,059
Roc Fees	5,550	3,500
Payment to Auditors	41,910	28,090
Recruitment & Training Expenses	753,284	600,234
Rent and Utilities	2,227,252	2,253,188
Sitting Fees	20,003	20,484
Membership Fee	59,375	320,000
Seminar & Conference	625,008	832,080
Telephone, Mobile, Internet & Postage Expenses	1,215,027	590,942
Stationery & Printing Expenses	964,802	334,161
Office Expenses	4,199,801	1,437,964
Other Expenses	72,190	27,441
(Gain)/Loss on Foreign Exchange Transactions	(320,584)	(2,743)
Interest on borrowings	312,808	60,411
Interest on others	205,339	1,314,300
Depreciation	1,731,078	1,013,220
Project Management Consultancy	157,787,102	-
Financial Advisory Services	1,470,347	-
Technical Consultancy Expenses	3,120,700	-
	249,602,525	44,304,312
Interest Income (Net of Income tax ₹.52,05,780; {Previous year ₹.12,06,565} applicable on Interest Income) (Transfer from Profit & Loss Statement)	(10,839,159)	(2,698,245)
Tender Fee received	-	(6,428,807)
Government Assistance towards Energy Security	(16,324,397)	-
TOTAL	856,853,317	626,983,720

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*Opening balance of Project development expenditure of last year has been reduced by ₹. 54,00,000 due to transfer of Roc fees on increase of Authorised share capital during F.Y.2011-12 to Miscellaneous expenditure (to the extent not written off) under the head Other Non-Current Assets.

14. Non Current Assets: Long term loans and advances

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
(Unsecured and considered good unless otherwise stated)		
Capital Advances	512,165,384	-
Security Deposits	20,000	-
Loan to Employees	175,001	-
Service tax credit receivable (inclu. EC and SHEC)	75,330,023	52,474,945
Advance Value Added Tax (VAT)	25,000	-
Total	587,715,408	52,474,945

15. Non Current Assets: Other Non Current Assets

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advances recoverable in cash or kind or value to be received	-	2,086,600
Rent Deposit	1,154,232	1,154,232
Miscellaneous Expenditure (to the extent not written off)	10,400,000	5,400,000
Total	11,554,232	8,640,832

16. Current Assets: Cash & Cash Equivalent

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash-in-Hand (A)	16,568	2,016
Balances with Bank		
In current accounts (B)	2,601,344	3,439,930
In deposit accounts (C)	265,000,000	41,042,071
Total [A + B + C]	267,617,912	44,484,017

17. Current Assets: Short Term Loans and Advances

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Advance Tax & TDS (Net of Income Tax Provision) (F.Y. 2013-14 - ₹. 49,770 and F.Y. 2012-13 - ₹. 2,942)	59,499	9,729
Loan to Employees	100,000	-
Prepaid Expense	438,616	226,191
Total	598,115	235,920

18. Current Assets: Other Current Assets

Amount in ₹.

Particulars	As at 31st March, 2014	As at 31st March, 2013
Interest Accrued but not Due	1,298,989	87,027
Other Receivables	16,238,742	20,000
Total	17,537,731	107,027

19. Related Party Disclosure

(Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India)

Holding Company

Gujarat State Petroleum Corporation Limited

Fellow Subsidiary

Gujarat State Petronet Limited

GSPC Gas Copany Limited

GSPC Pipavav Power Company Ltd

Guj Info Petro Limited

GSPC JPDA Limited

GSPC Marginal Fields Ltd.

GSPC India Gasnet Limited

GSPC India Transco Limited

GSPC Distribution Networks Ltd.

Investing party having significant influence

Adani Enterprises Limited

Gujarat Industries Power Company Limited

Key Managerial Personal

1. Shri D. J. Pandian, IAS, Executive Chairman

Related Party Transactions is as follows :

Amount in ₹.

Relationship	Holding Company		Fellow Subsidiary		Investing Party having significant influence		Key Marginal Personal	
Year	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Expenses Incurred on behalf of the Company (Fellow Subsidiary-Gujarat State Petronet Limited)	-	107,286	-	553,805	-	-	-	-
Expenses Incurred by the Company	-	-	-	-	-	-	-	-
Loan, Advance, Share Application Money Received								
-Gujarat Industries Power Company Limited	-	-	-	-	70,000,000	30,000,000	-	-
-Adani Enterprises Limited	-	-	-	-	327,000,000	10,000,000	-	-
Rent and utilities Paid	-	96,694	-	-	-	-	-	-

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Amount in ₹.								
Relationship	Holding Company		Fellow Subsidiary		Investing Party having significant influence		Key Marginal Personal	
Year	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Bandwidth Charges, AMC Charges and Outsourcing Exps. paid (Guj Info Petro Limited)	-	-	431,406	318,823	-	-	-	-
Assets purchased by Company	-	-	-	-	-	-	-	-
Assets sold by company	-	-	-	-	-	-	-	-
Sitting Fee	-	-	-	-	-	-	-	-
Travelling Expenses	-	-	-	-	-	-	5,000	6,000

Closing Balance of Related Parties are as follows:

Amount in ₹.		
Closing Balance as on		
Name of Party	As at 31st March, 2014	As at 31st March, 2013
Gujarat State Petroleum Corporation Limited	Nil	Nil
Gujarat State Petronet Limited	133,588	133,588
GSPC Gas Company Limited	-	-
Sabarmati Gas Limited	-	-
Guj Info Petro Limited	233,073	-

20. Payment to Auditors

Amount in ₹.		
Particulars	2013-14	2012-13
As Auditor (Audit fee)	50,562	28,090
For Taxation Matters	22,472	-
For Reimbursement of Expenses	5,000	-
Total	<u>78,034</u>	<u>28,090</u>

21. Value of imports calculated on C.I.F. basis by the company during the financial year in respect of-

Amount in ₹.		
Particulars	2013-14	2012-13
Raw materials	-	-
Components and spare parts (Advance payment to EPC Contractor for mandatory spares)	3,287,859	-
Capital Goods (Advance payment to EPC Contractor for supplies)	221,674,827	-
Total	<u>224,962,686</u>	<u>-</u>

22. Earnings/Expenditure In Foreign Currency
(a). Expenditures (Capital & Pre-operative Expenditure) :
Amount in ₹.

Particulars	2013-14	2012-13
Professional, Consultancy and Technical Services and also include Seminar, Conference and Training expenditure	149,537,782	12,550,934
Travelling Expenses	1,011,186	187,345
Advance Payment to EPC Contractor for Services	191,149,906	-
Total	341,698,874	12,738,279

(b). Earning:
Amount in ₹.

Particulars	2013-14	2012-13
Earning - Tender Fees	-	4,393,807

23. Earnings Per Share (EPS/DPS)
Amount in ₹.

Particulars	2013-14	2012-13
Net Profit / (Loss) After Tax	-	-
Number of equity shares	91,400,000	12,000,000
Basic/Diluted Earnings Per Share (EPS)	N.A.	N.A.
Nominal Value per share	10	10

24. Contingent Liabilities and Commitments :
Contingent Liabilities
(i) Claims against the company not acknowledged as debts

The company has received Demand cum Show Cause Notice u/s 73(1) of the Financial Act, 1994 from Directorate General of Central Excise Intelligence for short/non payment of Service tax including Education Cess (EC) & Secondary and Higher Education Cess (SHEC) amounting to ₹. 34,71,381/- alongwith Interest of ₹. 15,12,251/- and Penalty u/s 77 and 78 of the Finance Act, 1994. The company has paid the Service Tax alongwith EC & SHEC and Interest but not paid penalty u/s 77 and 78 of the Finance Act, 1994. The reply is filed before Additional/Joint Commissioner of Central Excise & Service Tax.

Commitments :

Estimated amount of contracts remaining to be executed on capital accounts (net of advance) and not provided for is ₹. 19,824,195,245(Previous year ₹. 933,143,949/-).

25. Project Land :

The project shall be built on approx. 28 hectares reclaimed land which is located in APSEZ at Mundra, Gujarat. The land is owned by Gujarat Maritime Board shall be given on lease to APSEZ and on sub-lease to the Company by APSEZ. The Company shall enter into necessary long term sub-concession and sub-lease agreement with APSEZ.

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26. Foreign currency exposure not hedged by a derivative instrument or otherwise.

Amount in ₹.

Particulars	Currencies	As at 31st March, 2014	As at 31st March, 2013
Payables for capital goods and services	USD	476,357	68,682
	EURO	12,014	-
	JPY	314,529,167	-
	CAD	4,242	-
Estimated amount of contracts remaining to be executed	USD	27,809,292	13,498,000
	EURO	43,738,370	54,763
	JPY	4,653,221,992	-

27. Deferred Tax Asset / Liability

As per AS-22 on "Accounting for Taxes on Income" issued by the ICAI, deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The company has not recognized deferred tax asset in view of the reasonable certainty that sufficient future taxable income will not be available.

28. The Company has adopted AS15 (revised 2005) 'Employee Benefit'. Defined Employee benefit schemes are as follows:

- (a). Provident Fund : Company pays fixed contribution of Provident Fund at pre-determined rates to an EPFO.
- (b). Superannuation : The Company is in process of formulating a Superannuation fund for the employees.
- (c). Gratuity and Leave Encashment are Defined Benefit Plans.

The disclosures required under AS15 (revised 2005) 'Employee Benefit' are as follows:

Employer's Contribution to Provident Fund : ₹. 17,05,777/- (Previous year ₹. 8,54,897/-)

Provision towards Contribution to Superannuation Fund : ₹. 9,70,692/- (Previous Year ₹. 2,66,077/-)

The liability towards Gratuity and Leave Encashment is determined based on actuarial valuation using the Projected Unit Credit Method which is as follows.

Amount in ₹.

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2013-14	2012-13	2013-14	2012-13
A	Reconciliation of opening and closing balances of Defined Benefit obligation				
	Defined Benefit Obligation at the beginning of the period	512,961	328,745	584,327	456,644
	Current Service Cost	355,614	213,770	274,502	87,976
	Interest Cost	42,063	28,765	47,915	35,966
	Actuarial(gain)/loss	(160,028)	(58,319)	160,200	94,949
	Benefits Paid/Prior Year Change	418,782	-	-	(91,208)
	Defined Benefit Obligation at period end	1,169,392	512,961	1,066,944	584,327
B	Reconciliation of opening and closing balances of fair value of plan assets				
	Fair value of plan assets at beginning of period	-	-	-	-
	Expected return on plan assets	-	-	-	-

Amount in ₹.

Sr. No.	Particulars	Gratuity		Leave Encashment	
		2013-14	2012-13	2013-14	2012-13
	Actuarial (gain)/loss	-	-	-	-
	Employer Contribution(provision)	-	-	-	-
	Benefit Paid	-	-	-	-
	Fair Value of plan assets at end of period	-	-	-	-
C	Reconciliation of fair value of assets and obligations				
	Fair value of plan assets as at Balance Sheet date.	-	-	-	-
	Present value of obligation as at Balance Sheet date.	1,169,392	512,961	1,066,944	584,327
	Amount recognized in Balance Sheet	1,169,392	512,961	1,066,944	584,327
D	Expenses recognized during the period				
	Current Service Cost	355,614	213,770	274,502	87,976
	Interest Cost	42,063	28,765	47,915	35,966
	Expected return on plan assets	-	-	-	-
	Prior Year Charge	418,782	-	-	-
	Net Actuarial (gain)/loss	(160,028)	(58,319)	160,200	94,949
	Net Cost	656,431	184,216	482,617	218,891
E	Actuarial assumptions				
	Mortality Rates(L.I.C.)	2006-08 Indian Assured Lives Morality	1994-96	2006-08 Indian Assured Lives Morality	1994-96
	Mortality Rates (L.I.C.)	ULT	(ultimate)	ULT	(ultimate)
	Discount rate(per annum)	9.10%	8.20%	9.10%	8.20%
	Expected rate of return on plan assets (per annum)	0.00%	0.00%	0.00%	0.00%
	Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%

29. Considering the nature of Company's business and operations, there are no separate reportable segments (business and / or geographical) in accordance with the requirement of Accounting Standard 17- "Segmental Reporting".
30. Corresponding figures of the previous year have been regrouped and reclassified wherever considered necessary to compare to this year's figures.
31. Figures are rounded off to the nearest rupee.

For, M/s Dharmendra & Khajanchi,
Chartered Accountants
Firm Registration No. : 102472W

Dharmendra L. Solanki
Partner
Membership No. : 042412

Place : Ahmedabad
Date : 25/06/2014

For and on behalf of Board of Directors,
Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 25/06/2014

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GSPC GAS COMPANY LIMITED

Board of Directors :

Shri D. J. Pandian, IAS Chairman
Shri Tapan Ray, IAS Director
Shri Atanu Chakraborty, IAS Director
MS. S. Aparna, IAS Director (upto 18.04.2013)
Shri L. Chuaungo, IAS Director (w.e.f. 18.04.2013)
Shri K. D. Chatterjee Director

Chief Executive Officer :

Shri P. P. G. Sarma

Company Secretary :

Shri Ahmed Khan

Statutory Auditors :

A. R. Sulakhe & Co.
Chartered Accountants
Pune.

Bankers :

Dena Bank
YES Bank Limited
IndusInd Bank
HDFC Bank Limited
Kotak Mahindra Bank Limited
Gujarat State Financial Services Limited
The Kalupur Commercial Co-Operative Bank Limited

HUDCO
Bank of Baroda
Oriental Bank of Commerce
UCO Bank
Corporation Bank
ICICI Bank Limited
Bank of Maharashtra

Registered office :

Block No.: 15, 3rd Floor,
Udhyog Bhavan, Sector-11,
Gandhinagar- 382 009.

Internal Auditors :

Ashok Chhajer & Associates.
Chartered Accountants
Ahmedabad.

Corporate office :

301-306, IT Tower-1
Infocity, Gandhinagar - 38 2009

CIN NO .: U23100GJ1999SGC035573

NOTICE

NOTICE is hereby given that 15th (Fifteenth) Annual General Meeting of GSPC Gas Company Limited (Formerly known as Gujarat State Fuel Management Company Limited) is scheduled to be held on Tuesday, 30th September, 2014 at 3.00 PM at the Conference Room, 3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar - 382011, INDIA to transact the following business (es):

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2014, Statement of Profit and Loss for the year ended on 31st March 2014, Cash Flow Statement for the year ended on 31st March 2014 along with schedules/notes forming part of the financial statements, Independent Auditor's Report, Report / Comments of Comptroller and Auditor General of India and the Director's Report along with addendum for management reply on Comments of Comptroller and Auditor General of India.
2. To reappoint Shri Atanu Chakraborty, IAS, as Director who retires by rotation, and being eligible, offers himself for reappointment.
3. To fix the remuneration of the Statutory Auditors of the Company for the financial year 2014-15 in terms of the provisions of Section 142 of Companies Act, 2013 earlier Section 224(8) (aa) of the Companies Act, 1956.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors of the Company be and is hereby authorized to appoint and fix the remuneration of Cost auditors from time to time and such remuneration shall be considered as ratified by the Shareholders until the remuneration of cost auditors crossed the limit of Rs. 2 lakhs per cost auditor for each cost audit period.

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to fix the remuneration of cost auditors from time to time not exceeding the limit of Rs. 2 lakhs per Cost Auditor and reimburse the out of pocket expenses as may be incurred by the cost auditor during the course of their audit and performance of their duties as cost auditors of the company.

Date : 06/09/2014
Place : Gandhinagar

By Order of the Board
Ahmed Khan
GM(S&L) & Company Secretary

Regd. Office :
GSPC GAS COMPANY LTD
Block No.15, 3rd Floor, Udyog Bhavan,
Sector 11, Gandhinagar - 382011.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENTS APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. All Bodies Corporate members intending to send their representatives to attend and participate in the meeting or any adjournment there of are requested to send a certified copy of the Board Resolution or resolution of its governing body authorizing their representatives to attend any vote on their behalf at the Meeting.
4. Any member desiring any information pertaining to the Accounts are requested to send their queries in writing to the Company not less than 48 hours before the commencement of the Meeting.
5. Members are requested to bring their Copy of the Annual Report of the Annual General Meeting.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

Item no 4 :

According to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors of the Company are authorized to appoint the cost auditors of the Company and approve the remuneration of cost auditors subject to ratification by shareholders. In order to give flexibility to the Board of Directors for fixing the remuneration of cost auditors from time to time, it is proposed to obtain approval of shareholders authorizing Board of Directors to approve remuneration of cost auditors, not exceeding the limit as approved by the shareholders.

Your directors place the resolution for your approval and confirm that none of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

Date : 06/09/2014
Place : Gandhinagar

By Order of the Board
Ahmed Khan
GM(S&L) & Company Secretary

Regd. Office :
GSPC GAS COMPANY LTD
Block No.15, 3rd Floor, Udyog Bhavan,
Sector 11, Gandhinagar - 382011.

DIRECTORS REPORT

To
The Members,

GSPC GAS COMPANY LIMITED.

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Accounts of your Company for the financial year ended on 31st March, 2014.

FINANCIAL HIGHLIGHTS:

(Amt. in Lacs)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Revenue from operations (Net)	4,65,873.85	4,21,167.63
Other income	885.56	856.25
Total Revenue	4,66,759.41	4,22,023.88
Expenses:		
Cost of materials consumed	50,811.10	51,752.49
Purchases of Stock-in-Trade	3,92,541.13	3,33,849.86
Changes in inventories of finished goods work- in-progress and Stock-in-Trade	(35.59)	(168.85)
Employee benefits expense	4,095.55	2,919.21
Finance costs	11,181.49	5,808.03
Depreciation and amortization expense	7,124.80	5,939.55
Other expenses	14,494.88	12,111.36
Total expenses	4,80,213.36	4,12,211.65
Profit before exceptional and extraordinary items and tax	(13,453.95)	9,812.22
Less : (a) Prior Period Items	14.11	5.69
(b) Exceptional items	-	13.87
Profit before extraordinary items and tax	(13,468.06)	9,792.66
Extraordinary Items	-	-
Profit Before Tax (PBT)	(13,468.06)	9,792.66
Tax expense:		
(1) Current tax	-	1,973.53
(2) Deferred tax	(3,128.73)	3,798.77
Profit for the period	(10,339.33)	4,020.36

The Financial Year 2013-2014 was full of significant operational & strategic developments of your Company's business, though it has posted financial loss during the year.

Performance of the Company is summarized as follows:

- Total Revenue/Income increased from ₹. 4,22,023.88 Lacs in previous year 2012-2013 to ₹. 4,66,759.41 Lacs in current year 2013-2014, recording an increase of 10.60%.

The revenue of the Company has increased partly due to slight increase in the selling price of Natural Gas (NG), though there was reduction in the volume sold as compared to previous year. The input cost, for the year, comprised approximately 94% of the total sales revenue as compared to 91% for previous year. Current FY 2013-2014 has not been very promising with respect to the availability of LNG /NG at an affordable price. Due to various constraints, one being the availability of cheaper alternate fuel like coal to some of the customers of the Company, your Company was not able to pass on rise in input cost of NG to its customers

- Profit/(Loss) Before Tax (PBT) decreased from ₹. 9,792.66 Lacs in previous year 2012-2013, to ₹. (13,468.06) Lacs in current year 2013-2014 a decrease of 237.53%. Profit/(Loss) After Tax (PAT) decreased from ₹. 4,020.36 in previous year 2012-2013 to ₹. (10,339.33) Lacs in current year 2013-2014, a decrease of 357.17%.

The decrease in PBT with respect to last year was primarily due to decrease in Gross Margin, increase in interest cost and depreciation for the current year. Gross Margin shrank due to high input cost and your Company's inability to pass on the cost to its customers. In current year, the Company had borrowed Rs 400 Crores exclusively for acquisition of M/s GGCL through its investment in Special Purpose Vehicle (i.e. GDNL) which led to increase in finance cost. During the current year, depreciation cost is also higher on account of higher capitalization and there was increase in the operational cost also as compared to previous year. All these factors, inter alia, led to decrease in PBT.

SHARE CAPITAL

During the year, the Share Capital of the Company has not undergone any change.

DIVIDEND:

In view of loss sustained during the year, your Directors have not recommended any dividend on equity shares for the year under review.

BUSINESS AND OPERATIONAL OVERVIEW:

The Management of the Company is committed for an inclusive CGD development in rural, coastal and tribal areas along with urban areas. At the beginning of the Financial Year 2013-2014, nearly 451 villages of Gujarat were covered by CNG /PNG Network of the Company which has now increased to 501 villages/locations at the end of Financial Year 2013-2014.

Similar to the last financial year, this year also has been active in terms of the operations of your Company. With the overwhelming support and dedication of the Company's employees, consultants, contractors your Company could achieve its targets.

CNG Segment:

The Management is pleased to inform that Company has established cumulatively 157 CNG Stations up to 31-03-2014.

The updated Zone wise CNG Stations presence is given hereunder:

Zones	Mother Station/Online Stations	Daughter Stations	Total
Saurashtra	32	27	59
Central	28	32	60
North	-	6	06
South	15	17	32
Total	75	82	157

During the year, your Company has added 14 CNG stations. Progressive growth in the Sale of CNG through these CNG Gas Stations in last Five Financial Years have been shown in tabular form as under:

Financial Year	No. of CNG Gas Station	Sales Volume (kg.)
2009-10	72	569,09,533
2010-11	110	875,33,136
2011-12	135	12,31,98,680
2012-13	152	14,02,96,160
2013-14	157	14,09,67,277

DOMESTIC SEGMENT:

In PNG segment also your Company achieved its goals by spreading its network presence in existing locations along with newer locations and connecting 50 new villages/locations in the Financial Year 2013-2014, as a result the domestic customer base at the end of this Financial Year 2013-2014 has reached to 4,92,381 in numbers. The enthusiasm and overwhelming response for the domestic

PNG customers continued to be high across Gujarat. The same can be witnessed in terms of figures as given here under:

DOMESTIC CUSTOMERS:

Domestic Customers No. of Domestic Connections-cumulative				
FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
1,27,830	2,40,976	3,28,348	4,20,023	4,92,381

INDUSTRIAL SEGMENT:

Demand for natural gas is increasing at a fast pace in Gujarat. Gujarat being an Industrial State its Business community spread across the state is demanding expansion of CGD Network in the areas where your Company has not reached. In Financial Year 2013-2014 the number of your Company's Industrial Customers have reached to 1880 from 1779 at the end of previous Financial Year 2012-2013.

As of 14th May, 2014, your Company has reached 501 villages/locations and connected 4,94,053 domestic customers. your Company is also supplying Gas to 1887 industrial customers and supplying CNG through 157 CNG stations across Gujarat.

CGD NETWORK:

During the year, a major focus was to reach higher numbers of villages and connect maximum domestic customers, which was achieved through expansion of City Gas Distribution Network in our various Geographical Areas. your Company has laid 119.37 kms of Steel Network and 1367.88 kms of PE network in the Financial Year 2013-14. As on 31st March 2014, your Company has commissioned total 575.88 kms of Steel Network and 8008.06 kms of PE network.

CHALLENGES:

Like any other business, your Company also faces constrains and challenges. Following are the key challenges and constrains dealt by the Company:-

- Infrastructure development for CNG station requires statutory permission from Railway, NHAI, Forest Departments, Irrigation Department, Pollution Control Board etc. (including Petroleum and Explosive Safety Organization (PESO)).
- Increased Land prices in City area has created difficulty in purchasing owned land plot or locate land at strategic places. Your Company is

developing new CNG stations on the Franchisee route.

- As per PNGRB Act 2006, your Company is in process to seek authorization from PNGRB prior to starting Operations in the new locations where your Company is not present. PNGRB is in the process of processing the Company's authorization applications for existing locations. Out of 10 GAs applied for Authorization from PNGRB, as on 15th May, 2014 your Company has been awarded Authorization for 5 GAs, namely, Rajkot, Nadiad, Navsari, Hazira & Surendranagar GA under regulation 18(1) Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008. Your Company is in discussion with PNGRB on reviewing Speaking order received for 2 GAs, namely, Halol & Khambhat. PNGRB is also evaluating data for Gandhinagar, Valsad Gas.
- Your company has submitted Expression of Interest for Amreli, Patan, Banaskantha, Ahmedabad and Vadodara GAs for development of CGD.

PNGRB BIDDING FOR NEW AREAS :

PNGRB had invited bids for its 3rd round of CGD bidding for seven (7) Geographical Areas in July 2010. In February 2011, your Company submitted its bids for four (4) Geographical Areas, namely, Bhavnagar District, Jamnagar District, Kutch (East) and Kutch (West). Your Company won the bid for Jamnagar GA in January 2014. Price bid for Kutch (East) and Kutch (West) is yet to be declared and final outcome is pending. However, bid for Bhavnagar GA is won by Gujarat Gas Company Limited.

PNGRB also invited bids for its 4th round of CGD bidding for 14 Geographical Areas in October, 2013. Your Company is planning to participate in this bid for multiple GA's.

SUBSIDIARY OF THE COMPANY GSPC DISTRIBUTION NETWORKS LIMITED ACQUIRED BG'S STAKE & MANAGEMENT CONTROL IN GUJARAT GAS COMPANY LIMITED :

Your Company (GSPC Gas) through its Special Purpose Vehicle GSPC Distribution Networks Limited (GDNL) acquired 83,518,750 (65.12 %) Equity Shares of Gujarat Gas Company Limited (GGCL) from BG Asia Pacific Pte. Ltd. on 12th June, 2013 by paying ₹. 2463.46/- Crores, being the Gross amount including the amount transferred into Citi bank Escrow Account. Company made net payment of ₹. 19,986,784,379/- to BG Asia Pacific Holdings Pte. Limited on 12/06/2013 and transferred ₹. 4,647,846,871/- into

Escrow Account with Citi bank. It had also acquired 11,000,330 (8.58%) equity shares of GGCL under the open offer in terms of SEBI (Substantial Acquisition of Shares & Takeover) Regulation 2011. Upon completion of Acquisition of Equity Shares of GGCL by GDNL the total shareholding of GDNL in GGCL has risen to 94,519,080 Equity Shares (73.70 %). Consequent to the said acquisition, the management of M/s GGCL was changed with effect from 12th June 2013 by reconstituting the Board of GGCL.

Government of Gujarat nominated the following persons as Directors on Board of M/s GGCL :

1. Dr. Varesh Sinha, IAS, Chief Secretary to Government of Gujarat.
2. Shri D.J Pandian, IAS, Principal Secretary, EPD Government of Gujarat.
3. Dr. Hasmukh Adhia, IAS, Principal Secretary to Government Finance department.
4. Shri Tapan Ray, IAS, Managing Director of GSPC.
5. Shri Sugata Sircar as Managing Director.

Further GGCL in its meeting held on 12th June, 2013 appointed the following persons, who were nominees of GDNL, as Directors on the Board of GGCL replacing the Directors of BG :

1. Dr Varesh Sinha, IAS, Chief Secretary to Government of Gujarat (as Chairman)
2. Shri D.J Pandian, IAS, Principal Secretary EPD Government of Gujarat (as Director)
3. Dr. Hasmukh Adhia, IAS, Principal Secretary to Govt. Finance department (as Director)
4. Shri Tapan Ray, IAS, Managing Director of GSPC (as Director)
5. Shri Sugata Sircar (as Managing Director)

Pursuant to the provisions of Share Purchase Agreement signed with BG Asia Pacific Pvt. Ltd., Shri Sugata Sircar (Managing Director) of GGCL resigned with effect from 12th December, 2013 & Shri P.P.G Sarma CEO of the Company was appointed as "In Charge" Chief Executive Officer (CEO) of GGCL with effect from 12th December, 2013.

MERGER /AMALGAMATION OF COMPANY :

Company in its 62nd Board Meeting held on dated 24 February 2014, had in-principally approved consolidation by way of amalgamation of GSPC Gas Company Limited ("GSPC Gas"), GSPC Distribution Networks Limited ("GDNL"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL") and Gujarat Gas Trading Company Limited ("GTCL"). Further Company in its 63rd meeting held on 21st April, 2014

gave final approval to the amalgamation of Gujarat Gas Company Limited ('GGCL'), Gujarat Gas Financial Services Limited ('GFSL'), Gujarat Gas Trading Company Limited ('GTCL'), GSPC Gas Company Limited ('GSPC Gas') into GSPC Distribution Networks Limited ('GDNL') through a High Court approved Composite Scheme of Amalgamation and Arrangement. Your Company has initiated the process of Amalgamation as per the relevant provisions of Companies Act 1956/ Companies Act 2013.

ALLOCATION OF APM GAS :

Dhangadhra Prakruti Mandal had filed Writ Petition (PIL) 47 of 2011 in the High Court of Gujarat, Ahmedabad against Union of India and others (your Company was one of respondent in the said PIL) as Union of India was discriminating between the CGD Companies promoted by the Central PSUs and also among Gujarat based CGD's. Under the said PIL High Court of Gujarat vide its order dated 25/07/2012 in Writ Petition (PIL) 47 of 2011, directed the Union of India to allot natural gas for domestic and vehicular usage at the same rate as it is supplied to Delhi and Mumbai and to enforce the right of equality and also directed not only to discriminate between CGDs promoted by the Central PSUs and other CGDs but also among Gujarat based CGDs in the matter of allocation of natural gas. The said Order was also confirmed by the Hon'ble Supreme Court and in other allied matters. In compliance with the said order the Government of India issued revised guidelines dated 03.02.2014 and increased the allocation of domestic gas to GAIL, for supplying to CGD entities for CNG (transport) and PNG (domestic) sector to 8.32 MMSCMD i.e. full requirement of all CGD entities, with immediate effect. Accordingly, your Company has been currently allocated 0.9 MMSCMD domestic gas from the Government of India for its CNG and Domestic customers.

FIXED DEPOSITS :

During the year under review, the Company has not accepted any deposits from Public pursuant to the provisions of Section 58A of the Companies Act-1956.

DIRECTORS :

In accordance with the Companies Act, 2013 and pursuant to the Articles of Association of the Company, one of your Director viz. Atanu Chakraborty, IAS, retires by rotation at this ensuing Annual General Meeting. He, however, being eligible offers himself for re-appointment. Your directors recommend his re-appointment.

AUDIT COMMITTEE :

During the Financial year the Audit Committee met 2 times on 20th May, 2013 and 27th November, 2013, and

also in FY 2014-15 met on 21st April, 2014 & 21st May, 2014. Audit Committee in its meeting held on 21st May, 2014 approved and recommended the Annual Accounts for the year ended on 31st March, 2014.

During the year, the terms of the reference of the Audit Committee have under gone change in line with the provisions of section 177 of Companies Act, 2013, same has been noted by Audit Committee in its meeting held on 21st May 2014 Presently, the Audit Committee comprises of Shri Tapan Ray, IAS, Shri Atanu Chakraborty, IAS and Shri K. D. Chatterjee.

AUDITORS:

Your company being a Government company, the Statutory Auditor is appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2012-2013. Accordingly, the Comptroller and Auditor General of India (C&AG) appointed M/s. A. R. Sulakhe & Associates, Chartered Accountants, Pune as an Auditor to carry out statutory audit of the Company for the financial year 2013-14.

STATUTORY AUDITOR'S REPORT:

In respect of the observations contained in the report of Statutory Auditors as annexed (Refer point no. (2), (a) of Report on Other Legal and Regulatory Requirements in Auditor's Report of annexure to the auditors' report), which have no financial impact and applicable disclosures have been made in the 'notes forming part of the financial statements' are self explanatory and therefore, do not call for any further comments.

COST ACCOUNTING RECORDS:

The company has maintained cost records as required by Cost Accounting Records (Petroleum Industry) Rules, 2002.

COST AUDITORS :

The Cost Accounting Reports (Petroleum Industries) Rules, 2002 is applicable to the company and is require to get its Cost Account records audited by Cost Accountant with effect from the financial year 2011-2012. Accordingly, the Company has appointed M/s. N. D. Birla & Co., Cost Accountants as a Cost Auditors for conducting cost audit for the Financial Year 2013-2014.

INTERNAL CONTROL SYSTEM :

The Company has well established and efficient internal control system and procedure commensurate with its size. Further your Company has implemented SAP system for integration of various business processes across the organization.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under sec 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, your Directors hereby confirm the following:-

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2014 being the end of the financial year 2013-2014 and of the "Loss" of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the directors had prepared the annual accounts on a going concern basis.

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

Pursuant to the compliance of the provisions of Sec.217(1)(e) a statement containing the information as per Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is appended herewith as Annexure - A.

PARTICULARS OF EMPLOYEES :

Particulars of the employees of the Company drawing remuneration, which require disclosure under Section 217 (2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of Employees) Rules, 1975 are set out in Annexure - B attached herewith.

PERSONNEL AND HUMAN RESOURCES :

The Board acknowledges and appreciates the valuable contribution made by all the Employees, Contractors, Consultants of the Company and look forward mutual rewarding association in future too.

HEALTH, SAFETY AND ENVIRONMENT (HSE) :

In order to ensure adequate health, safety and environment standards, a committee has been formed which implements, monitors HSE Policy, environment audit, prime standards of environmental, health and safety norms and compliance with applicable environmental and pollution laws at all locations of the Company. HSE Committee meets once a quarter to review all the issues relating to the H.S.E. Shri PPG Sarma, CEO of the Company heads this committee and monitors the performance. Your Company organizes safety and awareness campaigns at village schools for ensuring that the village children understand the safety tips and retain them. Company also organizes safety awareness campaign at village gathering areas / panchayats for spreading safety awareness among villagers / households about safe handling of Natural Gas and avoiding of accidents.

SOCIAL RESPONSIBILITY :

Your company has been continuously working towards the environment clean up through reduction in vehicular and industrial pollution by providing eco-friendly fuel to the consumers.

Your Company is the only City Gas Distribution Company with a specific focus on providing PNG connection to the rural areas including Tribal and Coastal belt of Gujarat State.

Your Company is currently providing Piped Natural Gas (PNG) to more than 5 Lakhs households in 550 cities/towns/villages across the State. Out of the total CNG Stations of Company, there are 84 CNG Daughter Stations, most of which are situated in rural areas of Gujarat, where pipeline networks is not available.

By doing this, your Company is undertaking its Corporate Social Responsibility benefiting the village people in following ways :

1. Villagers are exposed to clean, economic and efficient fuel reducing the air pollution level and improving the lifestyle.
2. Employment opportunities for youth in villages, who are driving CNG Auto Rickshaw.

ACKNOWLEDGEMENT :

The Directors appreciate the continued support received from the valued customers and look forward continuous mutually supportive relationship.

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 city gas distribution network.

The Directors also wish to place on record the sincere thanks to various regulatory authorities for the continuous support extended to the Company.

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their sincere appreciation of the valuable services rendered by employees at all levels without whose valuable contributions the excellent performance and growth of the company would not have been possible.

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

FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS

D.J. Pandian, IAS
Chairman

Registered Office:
Block No.15, 3rd Floor,
Udyog Bhavan, Sector: 11,
Gandhinagar: 382011

Date : 21-05-2014
Place : Gandhinagar.

ANNEXURE `A' *

**PARTICULARS REGARDING CONSERVATION OF ENERGY,
TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

I) CONSERVATION OF ENERGY:

Where ever possible, Company is using Energy efficient electrical devises.
(* Details required under prescribed Form A is not applicable for the Company's business.)

II) TECHNOLOGY ABSORPTION:

Company is exploring various possibilities to incorporate possible technology as applicable to the industry.

III) FOREIGN EXCHANGE EARNING AND OUTGO:

A) Earnings in Foreign Currency: Nil (Previous year: Nil)

B) Expenditure in Foreign Currency :

1.Value of Imports on CIF basis in respect of:

Particulars	Year ended 31st March, 2014 (₹.)	Year ended 31st March, 2013 (₹.)
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

2. Expenditure in Foreign Currency:

Particulars	Year ended 31st March, 2014 (₹.)	Year ended 31st March, 2013 (₹.)
Travelling Expenses	-	-
Sponsorship Expenses (Training)	-	-
Know -how, Royalty, Professional Consultancy Fees etc.	-	-

ANNEXURE `B'

**Information as per section 217 (2A) of the Companies Act-1956
and Companies (Particulars of Employees) Rules, 1975**

Sr. No.	Name	Age (Yrs)	Designation	Gross Remuneration	Qualification	Date of Joining	Previous Employment
1.	Shri PPG Sarma	51	Chief Executive Officer	₹. 72.27/- Lakhs (annually)	B.E. (Mechanical)	24th April 2006	BG (India) Ltd.

Addendum to the Director's Report

MANAGEMENT REPLY ON THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPC GAS COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

Comment - 1

Non Provision of debit note received from GSPC for interest on delay payment.
Current Liabilities: Short term provisions – Note 10- Rs. 7.67 crores

The above does not include an amount of ₹. 11.61 crores representing the value of debit notes raised by GSPC in April 2014 on account of delay payment during 2013-14. This has resulted in understatement of provision and loss for the year by ₹. 11.61 crores.

Management reply on Comment 1:

The Company had received debit notes for interest on account of delay in payment during the year 2013-14 after the end of the financial year. The Company received some debit notes on 3rd June, 2014 and could not take the cognizance while closing the books in May, 2014.

The company has fully reconciled the accounts balances outstanding as on 31.03.2014 with GSPC before close of the accounts in May, 2014 and found that there were no entries related to interest on delayed payment recorded by GSPC but not recorded by GSPC GAS.

The company has requested GSPC vide letter dated 23rd June, 2014 to waive the interest, considering the fact that the company has incurred huge loss during the year 2013-14 and also considering the fact that the company is a subsidiary company of GSPC.

Further, Company has also verified the debit notes and found that interest has been charged in excess in many cases due to mistake in calculating the no. of days' delay. The fact of date of revision of invoice and consequent revised due date and public holiday / bank holiday within credit period appears to have not been considered.

As informed to us, GSPC is reviewing and verifying our request and the Company is awaiting their response. The company hope that considering the peculiar circumstances that prevailed in the year 2013-14, GSPC will consider company's request to waive the interest as a special case. In case, if the interest for late payment is not waived, then the company will account for the same in the current year after hearing from GSPC.

Comment - 2

Loan Syndication expense charged to P&L A/c as current year expense and not as prior period item. - Profit & Loss, Prior Period Items: (Note 28): ₹. 14.11 Lakh

The above does not include an amount of ₹.1.53 crore representing the balance of syndication expenses, which has been charged to finance cost (note 26). As this amount is in relation to the loan agreements expired in December 2011, the same should have been shown under prior period expenditure as per AS 5 (which stipulates any amount arising out of omissions and errors). Not doing so resulted in over statement of current year expenditure and over statement of loss for the year, besides violation of AS 5.

Management reply on Comment 2 :

As per Para 16 of AS-5, the term 'prior period items refer only to income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. As per Para 21 of AS-5 - the revision of the estimate as a result of new information, more experience or subsequent developments, by its nature, does not bring the adjustment within the definitions of an extraordinary item or a prior period item.

Company received the letters dated 28.02.2014 from State Bank of Bikaner and Jaipur, State Bank of Travancore and United Bank of India, stating that since the project capex has already completed no disbursement could be available. Company has also received letter dated 11/09/2013 from Union Bank of India regarding no due certificate and allowing us to proceed for satisfaction of charge.

Since the company has been informed of non availability of un-availed term loan totaling to ₹. 410 crores from these banks in the current year, it has charged the proportionate loan syndication expenses of ₹. 1.53 Crores to profit and loss accounts (reflected in Note no. 26 - finance cost) which were outstanding as CWIP in Balance-sheet.

Thus, wherever company received confirmation during the year as to unavailability / availability of undrawn portion of term loan, company has written off / carried forward the loan syndication expenses, respectively.

The development in the current year has resulted into our charging the loan syndication expenses in the statement of profit and loss for the year and there were no errors or omissions in the preparation of financial statements in one or more prior periods and therefore, cannot be treated as prior period item. This view has also been conformed by our statutory auditors as well.

Comment - 3

Non Provision in P&L in respect of advance against expenses - Assets, Long term loans and Advances - Noncurrent assets, (Note 13) ₹. 20.95 Crore - Advance against expenses: ₹. 15.10 Lakh The above represents amount given to M/s Gujarat Corporate Cooperative Society vide letter dated 12 November 2008 towards Company's contribution. This amount depicted as unsecured considered good is factually incorrect as there was been no progress in the work. Hence, provision for doubtful debt should have been made. This has resulted in overstatement of advance against expenses and understatement of loss by ₹. 15.10 Lakh.

Management reply on Comment 3:

The Company has paid ₹. 15,10,000/- to Gujarat Corporate Co-op. Society Ltd. towards contribution and registration charges. The Society has been created for the purpose of providing office / physical infrastructure to various corporates and since Company also wanted to have some right / facility, has contributed ₹.15,10,000/-.

The Gujarat Corporate Co-op. Society Ltd. has earned income of ₹. 18.10 Lakhs during the year ended on 31st March, 2014 and has network of ₹. 2.35 crores and NIL loans as on 31st March, 2014. The society is regular in filing its Income Tax Returns as well.

The Company is of the view that it will get some facility from the Society at appropriate time or if the project is not turned up, then the contribution given by the company will be refunded and accordingly company has not made any provision against advance and shown the same under the heading "Advance against expenses - non-current assets" in Balance-sheet.

Comment - 4

Disclosure of accounting policy in respect of replaced meter / regulator - Significant Accounting Policies Note 1) - Depreciation and Amortization (Note 1 d.)

The above accounting policies does not disclose the accounting policy in respect of meter/ regulators that is capitalized for initial connection to consumers and expense out the cost of meter/ regulator consumed for replacement as consumption of stores and spares. This policy adopted for meter/ regulator is not in conformity with paragraph 12.2 of the Accounting Standard -10. During the year the Company had accounted ₹.1.12 crores as expense of meter/ regulator consumed for replacement.

Management reply on Comment 4 :

The company has been consistently following practice of capitalizing the cost of meter / regulator consumed for initial connection to customers as fixed assets - plant & machinery and expense it out as consumption of store and spares when consumed for replacement.

The replaced meter / regulator, after replacement is transferred to store. Then store department, for inventory record purpose upload the said inventory items with "0" value.

However, company will suitably disclose the said facts in financial statement that will be prepared henceforth.

Comment - 5

Disclosure of evidence supporting deferred tax assets on account of carry forward of loss under tax laws. - Note No. 5 Deferred Tax Liabilities (Net) - Deferred tax assets of Rs. 66.66 Crores

A reference is invited to the note no. 5 — Deferred Tax Liability (Net) wherein deferred tax assets of ₹.66.66 crores has been recognized on account of carry-forward of loss. As per para 32 of Accounting Standard (AS) 22 - Accounting for

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Taxes on Income, the nature of the evidence supporting the recognition of deferred tax assets should be disclosed, if an enterprise has unabsorbed depreciation or carry forward of losses under tax laws.

However, the company has not disclosed nature of the evidence supporting the recognition of deferred tax assets of Rs. 66.66 crores on account of carry-forward of loss under tax laws.

This has resulted into the violation of disclosure requirements of Accounting Standards -22.

Management reply on Comment 5:

The company has already given the disclosure regarding recognition of deferred tax assets in note 1 (m) of Significant Accounting Policies.

According to the said policy, deferred tax assets has been recognized to the extent of the virtual certainty supported by convincing evidence that sufficient future taxable income will be available, against which such deferred tax assets are recognized.

From the February 2014, Company started receiving 100% of cheaper gas to cater to its demand for CNG and Domestic PNG. Further the gas price also started reducing from March, 2014 and exchange rate also started improving. Company earned profit during March and April 2014 and estimated profit in the month of May-14 as well.

In the current financial year 2014-15, Company has paid first installment of advance tax of ₹.17 Crores (15% of estimated tax liabilities), signifying substantial profits during the year. Company estimated reasonable certainty of future taxable income and correctly created deferred tax assets on carried forward loss of the year 2013-14.

The development in the later part of the financial year itself and subsequently made it clear that the company would earn reasonable profits during the year 2014-15.

Considering the above, the statutory auditors have not insisted evidence disclosure in the disclosure vide Note No. 5 as obligatory.

Comment - 6

AUDITOR'S REPORT -Annexure to the Auditors' Report (Clause IX)

As per clause IX of CARO 2003, the statutory auditor is required to report on the statutory dues of Income Tax, Value added tax, Custom Duty, Wealth Tax, Service tax and excise duty which have not been deposited on account of any dispute pending as on last day of the financial year.

A reference is invited to Para IX (b) of annexure to Auditors' Report, the facts in respect of following items of Income Tax and Service tax and excise duty which have not been deposited on account of dispute pending as at 31.03.2014 have not been disclosed.

Sr. No.	Statute	Nature of Dues	Amount (Rs. in Lacs)	Remarks
1	Excise and Service Tax Commissioner of Central Excise	Service tax Credit CENVAT issues	₹. 231.33 Lakh	Pendings as on 31.03.2014
2	Income Tax Act, 1961	Income Tax Assessment order F.Y. 2006-07	₹. 74.28 Lakh	The said matter has been remanded ITAT vide order dated 11.04.2014. However, liability is pending as on 31.03.2014.
3	Income Tax Act, 1961	Income Tax Assessment order F.Y. 2007-08	₹. 845.82 Lakh	
4.	Income Tax Act, 1961	Income Tax Assessment order F.Y. 2008-09	₹.1031.82 Lakh	

The liability of disputed cases in matters of Income Tax and Service tax and excise duty, which is pending as on 31.03.2014, should have been reported by the Statutory Auditor. The Auditors report is deficient to that extent.

Statutory Auditor's reply on Comment 6 :

1. *With reference to Service tax CENVAT credit issue. (Sr. No.1)*

Company has received the show cause notice on 25.11.2013 from the department of excise and service tax requiring the company to show cause as to why the CENVAT credit taken on outward transportation be not reversed. In response to the said show cause notice, company has replied the matter. Further it was represented by the company management that there is no further notice or demand from the Department.

Show cause notice generally contains the requirement / queries of assessing officer and as such issuance of show cause notice by concerned department should not be construed as demand payable by the company. In view of the above the same was not considered as a disputed liability and not included in our audit report

2. *With reference to Income Tax liability of disputed cases for financial year 2006 - 07, 2007 - 08 and 2008 - 09. (Sr. No. 2,3,4)*

All these cases were heard and set aside / remanded back to AO for fresh verification by ITAT vide order dated April 11, 2014. In these cases all demand have become NIL on setting aside the orders. It is not necessary that order giving effect of the ITAT order is required to be passed for demand becoming NIL. Also it is necessary for the auditor to note and take into account all the events happened upto the date of adoption of accounts / signing of the accounts. In view of the above there is no deficiency in the Audit Report.

In view of the above the same was not considered as a disputed liability and not included in our audit report.

For and on behalf of Board of Directors

Date : 04-09-2014
Place : Gandhinagar.

D.J. Pandian, IAS
Chairman

REPORT OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
THE GSPC GAS COMPANY LIMITED, GANDHINAGAR FOR THE YEAR ENDED 31
MARCH, 2014**

The preparation of financial statements of GSPC Gas Company Limited for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 are responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 619(2) of the Companies Act, 1956 are 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 started to have been done by them vide their Audit Report dated 21 May 2014.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of GSPC Gas Company Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report :

I. Comment on Profitability

1. Balance Sheet

Current Liabilities :

Short - term provisions - Note10- ₹.7.67 Crore

The above does not include an amount of ₹. 11.61 Crore representing the value of debit notes raised by GSPC in April 2014 on account of delay payment during 2013-14. This has resulted in understatement of provision and loss for the year by ₹. 11.61 crore.

2. Profit & Loss

Prior period items : (Note 28) : ₹.14.11 Lakh

The above does not include an amount of ₹.1.53 crore representing the balance of syndication expenses, which has been charged to finance cost (note 26). As this amount is in relation to the loan agreements expired in December 2011, the same should have been shown under prior period expenditure as per AS 5 (which stipulates any amount arising out of omissions and errors). Not doing so resulted in over statement of current year expenditure and over statement of loss for the year, besides violation of AS 5.

3. Balance Sheet

Assets, Long term loans and advances

Non Current Assets (Note 13) ₹. 20.95 crore

Advance against expenses : ₹.15.10 Lakh

The above represents amount given to M/s Gujarat Corporate Cooperative Society vide letter dated 12 November 2008 towards Company's contribution. This amount depicted as unsecured considered good is factually incorrect as there was been no progress in the work. Hence, provision for doubtful debt should have been made. This has resulted in overstatement of advance against expenses and understatement of loss by ₹. 15.10 Lakh.

II. Comments on Disclosure

4. Significant Accounting Policies (Note 1)

Depreciation and Amortization (Note Id)

The above accounting policies does not disclose the accounting policy in respect of meter/ regulators that is capitalised for initial connection to consumers and expense out the cost of meter/ regulator consumed for replacement as consumption of stores and spares. This policy adopted for meter/ regulator is not in conformity with paragraph 12.2 of the Accounting Standard -10. During the year the Company had accounted ₹.1.12 crore as expense of meter/ regulator consumed for replacement.

5. Note No. 5 Deferred Tax Liabilities (Net)
Deferred tax assets of Rs. 66.66 Crore

A reference is invited to the note no. 5 — Deferred Tax Liability (Net) wherein deferred tax assets of ₹. 66.66 crore has been recognized on account of carry-forward of loss. As per para 32 of Accounting Standard (AS) 22 - Accounting for Taxes on Income, the nature of the evidence supporting the recognition of deferred tax assets should be disclosed, if an enterprise has unabsorbed depreciation or carry forward of losses under tax laws.

However, the company has not disclosed nature of the evidence supporting the recognition of deferred tax assets of ₹. 66.66 crore on account of carry-forward of loss under tax laws.

This has resulted into the violation of disclosure requirements of Accounting Standards -22.

III. Comment on Auditors' Report

6. AUDITOR'S REPORT
Annexure to the Auditors' Report (Clause IX)

As per clause IX of CARO 2003, the statutory auditor is required to report on the statutory dues of Income Tax, Value added tax, Custom Duty, Wealth Tax, Service tax and excise duty which have not been deposited on account of any dispute

A reference is invited to Para IX (b) of annexure to Auditors' Report, the facts in respect of following items of Income Tax and Service tax and excise duty which have not been deposited on account of dispute pending as at 31.03.2014 have not been disclosed.

Sr. No.	Statute	Nature of Dues	Amount (₹. in Lacs)	Remarks
1	Excise and Service Tax Commissioner of Central Excise	Service tax Credit CENVAT issues	₹. 231.33 Lakh	Pendings as on 31.03.2014
2	Income Tax Act, 1961	Income Tax Assessment order F.Y. 2006-07	₹. 74.28 Lakh	The said matter has been remanded ITAT vide order dated 11.04.2014. However, liability is pending as on 31.03.2014.
3	Income Tax Act, 1961	Income Tax Assessment order F.Y. 2007-08	₹. 845.82 Lakh	
4.	Income Tax Act, 1961	Income Tax Assessment order F.Y. 2008-09	₹. 1031.82 Lakh	

The liability of disputed cases in matters of Income Tax and Service tax and excise duty, which is pending as on 31.03.2014, should have been reported by the Statutory Auditor. The Auditors report is deficient to that extent.

Place : Ahmedabad
Date : 25-08-2014

For and on behalf of Comptroller
& Auditor General of India

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

Independent Auditors' Report

To
The Members of
GSPC GAS COMPANY LIMITED.
Block No. 15, 3rd Floor,
Udyog Bhavan, Sector 11,
Gandhinagar - 382011

Report on the Financial Statements

We have audited the accompanying financial statements of GSPC GAS COMPANY LIMITED. (the Company), which comprises the Balance Sheet as at March 31st, 2014 and the Statement of Profit and Loss account and the 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 of 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 the 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.

Emphasis of the Matter

The Company had sought confirmation from the vendors to know whether they fall in the category of Micro, Small and Medium Enterprises. In absence of confirmation from the vendors, company has not been able to show the outstanding from Micro, Small and Medium Enterprises separately.

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 March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) (Amendment) order 2003 (CARO) issued by the Central Government of India in terms of sub-section (4A) section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

2) As required by section 227(3) of the Act, we report that :-

- a) *Except for balance confirmations as specified in note no. 8.1, 16.3*, 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 and Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e) Since the Company is a Government company, as per Notification No. GSR 829(E) dated October 21, 2003 of Ministry of finance Department of Company Affairs), Provisions of clause (9) of sub section (1) of section 274 of the Companies Act, 1956 are not applicable to the Company.
- 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 A. R. SULAKHE & CO.,
CHARTED ACCOUNTANT
FRN : 110540W

PLACE : GANDHINAGAR
DATE : 21 MAY 2014

ANAND SULAKHE
PARTNER
M. No. 33451

Annexure to the Auditors' Report

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India on the basis of such checks as we considered appropriate and to the best of our information and according to the explanations given to us, we further state that:

- I. (a) The Company is maintain cost center-wise records of its fixed assets, showing particulars including quantitative details.
- (b) We have been provided letters specifying that all major fixed assets have been verified at the end of the year and no material discrepancies were noticed on the said verification.
- (c) In our opinion, the company has not disposed off a substantial part of fixed assets during the year and therefore paragraph 4 (i) (c) of the Company's auditors report order, 2004 is not applicable.
- ii. (a) The inventory have been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and as per information and explanation given to us, the procedures followed for physical verification of inventory by the management was found reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company is maintaining proper records of inventory and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iii. The Company has neither granted nor taken any loans to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Consequently requirements of clauses (iii) a to (iii) g of paragraph 4 of the order are not applicable to the Company.
- iv. We have neither come across nor have we been informed of any major weakness in the internal control system. In our opinion existing internal control commensurate with the size and nature of its business.
- v. As per the information and explanations given to us, there were no contracts/agreements that needed to be entered in the register in pursuance of section 301 of the Companies Act, 1956.
- vi. In our opinion and according to the information and explanation given to us, the company has not accepted deposits from public to which the provisions of section 58 A and 58 AA of the companies act 1956 and the rules framed there under are applicable. And therefore paragraph 4 (vi) of the order is not applicable.
- vii. The Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the company pursuant to the rules 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 accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix. (a) (1) The Company is generally regular in depositing undisputed dues including Provident Fund, Investor education and protection fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty, cess and any other statutory dues with appropriate authorities.
- (2) According to the information and explanations given to us and records of the Company examined by us, no undisputed amounts payable in respect of value added tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty, Sales Tax, Service Tax were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax, Value added tax, Custom Duty, Wealth Tax, Service tax and excise duty which have not been deposited on account of any dispute pending except as follows :-

Sr No.	Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (net off amount deposited with Court) (₹ In lacs)
1	Custom, Excise and Service Tax	Excise exemption related to SSI units	Custom, Excise and Service Tax Appellate Tribunal.	F.Y. 2003-2004	23.66
2	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Commissioner of Income Tax (Appeals) Gandhinagar	F.Y. 2009-2010	1221.95
3	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Commissioner of Income Tax (Appeals) Gandhinagar	F.Y. 2010-2011	6080.20

- x. The Company has incurred cash losses of Rs. 6343.26 lacs (Previous Year Nil) during the year under audit. The Company does not have accumulated losses at the end of the financial year.
- xi. The Company has not defaulted in repayment of dues to any financial institution or bank during the Period under audit.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore paragraph 4 (xii) of the order is not applicable.
- xiii. The provisions of any special statute applicable to chit fun and nidhi or mutual benefit fund / society are not applicable to the company and therefore paragraph 4 (xiii) of the order is not applicable.
- xiv. The company is not dealing or trading in shares, securities, debentures and other investments and therefore paragraph 4 (xiv) of the order is not applicable.
- xv. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we are of the opinion that funds raised on short Term basis have prima facie, not been used for long term Investment.
- xviii. During the year, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act 1956 and therefore clause 4(xviii) of the Companies' (Auditors Report) order 2003 is not applicable.

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- xix. According to the records of the Company, no debentures have been issued by the company during the year and hence clause (xix) of the Companies (Auditor's Report) order 2003 is not applicable.
- xx. According to the information and explanation given to us, the Company has not raised any money by public issue, during the period covered by our audit.
- xxi. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For A. R. SULAKHE & CO.,
CHARTED ACCOUNTANT
F N R : 110540W

PLACE : GANDHINAGAR
DATE : 21 MAY 2014

ANAND SULAKHE
PARTNER
M. No. 33451

BALANCE SHEET AS AT 31ST MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	846,196,300	846,196,300
(b) Reserves and surplus	3	4,747,084,885	5,781,671,197
Non-current liabilities			
(a) Long-term borrowings	4	10,924,334,838	3,652,914,750
(b) Deferred tax liabilities (Net)	5	1,060,104,638	1,372,978,094
(c) Other Long term liabilities	-	-	-
(d) Long-term provisions	6	41,919,201	29,357,925
Current liabilities			
(a) Short-term borrowings	7	36,933,030	108,299,127
(b) Trade payables	8	3,581,309,062	2,595,544,474
(c) Other current liabilities	9	5,356,663,860	9,163,405,848
(d) Short-term provisions	10	76,718,818	514,323,859
TOTAL		26,671,264,632	24,064,691,574
ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		14,835,292,249	12,573,145,725
(ii) Intangible assets		1,078,282,099	987,296,520
(iii) Capital work-in-progress		1,994,250,304	3,517,430,181
(iv) Intangible assets under development		2,024,268	2,024,268
Total Fixed Assets (Net Block)		17,909,848,920	17,079,896,694
(b) Non-current investments	12	4,001,565,000	1,580,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	13	209,499,251	3,729,996,213
(e) Other non-current assets	14	90,000	90,000
Current assets			
(a) Current investments		-	-
(b) Inventories	15	73,070,593	66,158,758
(c) Trade receivables	16	4,090,173,848	2,402,732,075
(d) Cash and cash equivalents	17	45,084,787	45,230,764
(e) Short-term loans and advances	18	182,609,493	579,454,625
(f) Other current assets	19	159,322,740	159,552,445
TOTAL		26,671,264,632	24,064,691,574
Significant Accounting Policies - Note 1 and Notes 2 to 46 are accompanying and form integral part of the Financial Statements.			

As per our report attached.

For, A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

Anand Sulakhe
Partner
M. No. : 33451

Place: Gandhinagar
Date: 21st May, 2014

P. P. G. Sarma
Chief Executive Officer

For and on behalf of Board of Directors
Atanu Chakraborty, IAS Tapan Ray, IAS
Director Director

Rahul Devi
GM (F&A)

Ahmed Khan
Company Secretary

Place: Gandhinagar
Date: 21st May, 2014

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Revenue from operations (Gross)	20	47,458,971,819	42,862,073,474
Less: Excise Duty		871,587,247	745,310,365
Revenue from operations (Net)		46,587,384,571	42,116,763,109
Other income	21	88,556,422	85,624,781
Total Revenue		46,675,940,993	42,202,387,890
Expenses:			
Cost of materials consumed	22	5,081,110,310	5,175,248,549
Purchases of Stock-in-Trade	23	39,254,112,714	33,384,986,494
Changes in inventories of finished goods and Stock-in-Trade	24	(3,558,510)	(16,884,778)
Employee benefits expense	25	409,555,489	291,921,013
Finance costs	26	1,118,148,881	580,803,480
Depreciation and amortization expense	11	712,479,627	593,954,624
Other expenses	27	1,449,487,524	1,211,136,026
Total expenses		42,021,336,035	41,221,165,408
Profit before exceptional and extraordinary items and tax		(1,345,395,042)	981,222,482
(a) Prior period items (Net)	28	1,411,039	568,941
(b) Exceptional items	29	-	1,387,382
Profit/(Loss) before extraordinary items and tax		(1,346,806,081)	979,266,159
Extraordinary items		-	-
Profit/(Loss) Before Tax (PBT)		(1,346,806,081)	979,266,159
Tax expense:			
(a) Current tax	30	-	197,353,461
(b) Deferred tax	5	(312,873,456)	379,877,065
Profit (Loss) for the period from continuing operations		(1,033,932,625)	402,035,633
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit (Loss) after Tax		(1,033,932,625)	402,035,633
Earnings per equity share:			
(a) Basic	31	(12.22)	6.54
(b) Diluted	31	(12.22)	6.54
Significant Accounting Policies - Note 1 and Notes 2 to 46 are accompanying and form integral part of the Financial Statements.			

"As per our report of even date"

For, A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

Anand Sulakhe
Partner
M. No. : 33451

Place: Gandhinagar
Date: 21st May, 2014

P. P. G. Sarma
Chief Executive Officer

For and on behalf of Board of Directors
Atanu Chakraborty, IAS Tapan Ray, IAS
Director Director

Rahul Devi
GM (F&A)

Ahmed Khan
Company Secretary

Place: Gandhinagar
Date: 21st May, 2014

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

Particulars	Amount in ₹.	
	For the year ended 31st March 2014	For the year ended 31st March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	(1,346,806,081)	979,266,159
Adjustments for:		
Depreciation	712,479,627	593,954,624
Loss on sale of Fixed Assets	244,141	8,182,609
Loss on Disposal Assets	4,542,330	-
Profit on sale of Fixed Assets	(13,461)	(36,396,200)
Loss of Material (Capital Inventory)	-	1,387,382
Prior period adjustment account on depreciation	(541,171)	(99,011)
Provision for Wealth Tax	29,690	21,170
Provision Diminution in Investment	15,000	-
Misc Expenditure written off	-	-
Doubtful Debts (Trade Receivables)	6,025,368	1,017,023
Doubtful Advances	299,751	-
Interest Expense	1,087,562,904	579,901,377
Dividend Income	(750)	(750)
Interest Income	(11,454,270)	(14,884,054)
Operating Profit before Working Capital Changes	452,383,075	2,112,350,329
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(169,346,714)	(342,203,539)
(Increase)/Decrease in Security Deposits	60,231,212	(55,687,376)
(Increase)/Decrease in Staff Loan and Advance	68,055	(55,749)
(Increase)/Decrease in Advance against Exp.	386,477,776	(392,200,680)
(Increase)/Decrease in Pre-paid Exp.	(5,899,088)	(5,500,996)
(Increase)/Decrease in Current Rece & PLA A/c.	22,387,195	199,303
(Increase)/Decrease in Balance with Govt. Authorities	(143,800)	132,794
(Increase)/Decrease in Claim Recoverable A/c.	3,014,518	40,061,774
(Increase)/Decrease in Other Current Assets	(3,286,550)	(92,755,037)
(Increase)/Decrease in Inventories	(6,911,835)	(35,138,170)
Changes in Trade and Other Receivables	(1,237,529,659)	(884,147,676)
Increase/(Decrease) in Trade Payables	985,764,591	926,251,619
Increase/(Decrease) in Duties and Taxes	(7,064,040)	17,597,839
Increase/(Decrease) in Advance from Customers	70,667,569	42,425,094
Increase/(Decrease) in Deposit from Suppliers	15,947,596	5,087,149
Increase/(Decrease) in Deposits from Customers	577,781,649	535,999,262
Increase/(Decrease) in Employee Benefit Provisions	13,022,903	15,437,054
Increase/(Decrease) in Provision for Revenue Expenses	(11,008,493)	18,356,450
Changes in Trade and Other Payables	1,645,111,777	1,559,617,791
Cash Generated from Operations	859,965,193	2,787,820,444
Extra Ordinary Items and Other Adjustments	-	-
Taxes Refund	-	-
Taxes Paid	(85,103,731)	(221,431,284)
Net Cash from Operating Activities	<u>774,861,462</u>	<u>2,566,389,160</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.	(1,892,034,520)	(3,184,655,992)
Investment in shares	(4,000,000,000)	(500,000)
Advances for Investment in Shares	3,480,000,000	(3,480,000,000)
Proceeds from Margin Money Deposit	-	100,000
Interest Received	11,956,007	10,422,799
Sale / Transfer of Fixed Assets	33,090	245,900,825
Dividend Income	750	750
Net Cash used in Investing Activities	<u>(2,400,044,673)</u>	<u>(6,408,731,618)</u>

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

Amount in ₹.		
Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Share Application Money	-	(156)
Proceeds from Long-term borrowings	10,990,800,000	859,000,000
Proceeds from Short-term borrowings	336,933,315	6,508,299,127
Repayment of Long-term borrowings	(7,996,233,742)	(697,306,935)
Repayment of Short-term borrowings	(408,299,412)	(2,116,683,180)
Interest Paid	(1,199,162,192)	(743,871,760)
Dividend Paid (including tax thereon)	(99,000,736)	(68,814,209)
Net Cash from Financing Activities	<u>1,625,037,233</u>	<u>3,740,622,887</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(145,978)</u>	<u>(101,719,571)</u>
Cash and Cash Equivalents at the beginning of the year	45,230,764	146,948,210
Cash and Cash Equivalents at the end of the year	45,084,786	45,228,639
Closing Cash and Cash Equivalents comprise:		
Cash in hand	8,152,011	16,548,981
Balances with Scheduled Banks	36,932,776	28,679,659
Balances in Current Account	-	-
Balances with other Banks	-	-
Balances in Fixed Deposits	-	-

Notes to Cash Flow Statement:

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- (ii) Purchase of fixed assets are stated inclusive of movements of capital work in progress, assets under development and capital advances.
- (iii) Previous year figures have been regrouped and reclassified wherever considered necessary to conform to the current year's figures.
- (iv) Figures in bracket indicate cash-outflow.

"As per our report attached"

For, A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

Anand Sulakhe
Partner
M. No. : 33451

Place: Gandhinagar
Date: 21st May, 2014

For and on behalf of Board of Directors

Atanu Chakraborty, IAS Tapan Ray, IAS
Director Director

P. P. G. Sarma
Chief Executive Officer

Rahul Devi
GM (F&A)

Ahmed Khan
Company Secretary

Place: Gandhinagar
Date: 21st May, 2014

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

NOTE No. 1 SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

GSPC GAS COMPANY LIMITED is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the City Gas Distribution (CGD) business to provide Natural Gas (PNG) to retail, various Industrial, Commercial and Domestic Residential segments' customers. It is also engaged in the business of distribution of CNG Gas to Transport segments' customers through CNG Filling Stations at major cities / towns of the Gujarat state.

1.2 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956. The company has consistently applied the accounting principles and policies; and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

c. Fixed Assets and Capital Work in Progress

(i) Fixed Assets (Tangible)

Fixed assets are stated at their original cost of acquisition / construction less accumulated depreciation and impairment, if any. The cost comprises of the purchase price and any attributable cost for bringing the asset to its working condition for its intended use like freight, duties, taxes and other incidental expenses, net of CENVAT recoverable.

The Company capitalizes to project assets all the cost directly attributable to completing the project. These costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets. The PNG projects' assets are capitalized at the end of the month in which the asset is put to use / commissioned and CNG projects' assets are capitalized at the date of its commissioning and consequently the borrowing cost attributable to PNG / CNG Projects' assets is added to the capital cost up to their respective date of capitalization.

The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

(ii) Intangible Assets

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, cost of developing software for internal use and corporate club membership. The Company capitalizes software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" where it is reasonably estimated that the software has an enduring useful life.

(iii) Capital Work In Progress

Capital Work-in-progress includes expenditure incurred on assets, which are yet to be commissioned and capital inventory, which comprises stock of capital items/construction materials at respective city gas network.

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.

d. Depreciation and Amortization

Depreciation on fixed assets is provided as per Straight Line Method (SLM) at the rates specified and in the manner prescribed under Schedule XIV to the Companies Act, 1956 except as under:

- i. Depreciation on Plant and Machinery - pipelines (Steel and MDPE) is provided at 3.17 % on Straight-Line Method (SLM) considering useful life of thirty years. The company has changed the depreciation rate on natural gas pipelines from 5.28% per annum on SLM basis as per schedule XIV to 3.17% per annum on SLM basis w.e.f. 1st April, 2011 in terms of approval of Ministry of Corporate Affairs (MCA) vide its letter no. 45/5/2011-CL-III dated 1st September, 2011.
- ii. Cost of mobile phones, which are expensed off in the year of purchase.

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 ₹. 5000/- are depreciated fully in the year of purchase / capitalization.

Cost of leasehold land is amortized equally over the period of lease.

Intangible assets are amortized over their individual estimated useful lives on a Straight Line basis, commencing from the year in which the same are available to the company for its intended use. The useful lives as estimated by the management for the intangible assets are as follows:

Right of Way (ROW) Permissions	30 Years
Software and other Intangibles	5 Years

The persuasive evidence exists to the affect that useful life of an intangible asset - Right of Way (ROW) Permission exceeds ten years as against the rebuttable presumption that the useful life of an intangible asset will not exceed ten years. The company amortizes the intangible asset over the best estimate of its useful life. The useful lives of ROW Permission are inextricably linked with the pipeline Networks being laid, which corresponds with the useful life of 30 years of Plant and machinery - Pipelines for which the Right of Way (ROW) Permission has been obtained. The Useful life of 30 years of the Right of Way (ROW) Permissions is dependent on the useful life of Plant and machinery - Pipelines i.e. Pipeline network of the company.

No Depreciation is being charged on Right of Use (RoU) of Land being perpetual in nature.

e. Impairment of Assets

In accordance with Accounting Standard 28 on "Impairment of Assets" when at the balance sheet date, Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized in the Profit and loss statement for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f. Revenue Recognition

Sale of Natural Gas is recognized on supply of gas to customers by metered/assessed measurements and when no significant uncertainty exists regarding the measurability or collectability of the sale consideration. Sales are billed bi-monthly for domestic customers, monthly for commercial and non-commercial customers and fortnightly for industrial customers. Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets.

Initial Connection Charges and deposit from customers:

- (i) The amounts collected towards initial connection charges from industrial customers and Commercial-non commercial customers are in the nature of installation fees and for providing, the infrastructure to facilitate the supply of gas and are recognized as revenue only when such infrastructure is laid by the Company and accepted by the customers and supply of gas commences to the customer(s).
- (ii) The amounts collected towards "registration and connection charges" from certain domestic customers are in the nature of "non-refundable charges" to avail the gas connection. Accordingly, the same are recognized as revenue as and when the Company commences the supply of gas to the customers and such amount charged to

customers. Until then, the amounts so collected are shown as “Advances received from customers” in the balance sheet. The company has provided the installments facility to the domestic customers towards “connection charges” are in the nature of non-refundable charges, the total amount of such installments are recognized revenue as and when the company commences the supply of gas to the customers.

- (iii) The “registration and connection amounts” collected from certain domestic customers are in the nature of “refundable” to avail the gas connection. Accordingly, the same are recognized as a liability under head “Deposit from Customers” in the balance sheet as and when the Company commences the supply of gas to the customers. Until then, the amounts so collected are shown as advances received from customers in the balance sheet. The company has provided the installments facility to the domestic customers towards “connection amount” are in the nature of refundable, the same are recognized as a liability under head “Deposit from Customers” in the balance sheet as and when the recovered. The difference between the amounts charged from customers for gas connections and amounts of registration and connection” in the nature of refundable, is disclosed as revenue as and when the company commences the supply of gas to the customers.
- (iv) The amounts collected towards extra charges, modification charges and alteration charges from domestic customers are in the nature of non-refundable charges to avail the extra facility for gas connection. Accordingly, the same are recognized as revenue as and when the company complete such installations and the customers accept such installations. Until then, the amounts so collected are shown as “Advances received from customers” in the balance sheet.
- (v) The amounts collected towards “Security Deposit” from industrial customers, Commercial-non commercial customers and domestic customers are in the nature of refundable to secure the gas usage bills. Accordingly, the same are recognized as liability under head “Deposit from Customers” in the balance sheet as and when the recovered.

Revenue in respect of interest/ late payment charges on delayed realizations from customers, if any, is recognized on grounds of prudence, as and when recovered and on the basis of certainty of collection, is accounted for on availability of documentary evidence that the customer has accepted the liability.

Liquidated damages income, if any is recognized at the time of recording the purchase of materials in books of accounts and the matter is considered settled by the Management.

Interest expense and income are recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised, when the right to receive the dividend is established by the reporting date.

Other operating income and Misc. income are accounted on accrual basis as and when the right to receive arises.

Expenditure charged to profit and loss statement is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

g. Borrowing Costs

Interest and other costs in connection with the borrowing of funds to the extent they relate to the acquisition / construction of qualifying fixed assets as defined in Accounting Standard 16 on “Borrowing Costs” are capitalized as part of the cost of such assets up to the date of commissioning. The Expenses incurred in connection with the arrangement of borrowings are capitalized over the period of the borrowing and every year; such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the profit and loss statement.

h. Investments

Investments are classified as long or current term in accordance with Accounting Standard 13 on “Accounting for Investments”. Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term Investments are stated at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Provision, if any, is made to recognize any diminution in value of investments, other than that of a temporary nature.

Current Investments are stated at lower of cost and fair value. Any reduction in carrying amount and any reversals of such reductions are charged or credited to the profit and loss statement.

i. Inventories

Stock of CNG in cascades and natural Gas in pipelines is valued at the lower of weighted average cost or net realizable value.

The Stock of PNG has been calculated on the basis of the cumulative length of Steel Pipelines and PE Pipelines of various diameters laid down as at the end of the Financial year.

The Stock of CNG has been calculated on the basis of the cumulative number of cascades on number of LCVs and HCVs operated as at the end of financial year.

Stores, spares and consumables are valued at cost on moving weighted average basis.

Inventories of Project materials (Capital Inventory) are valued at cost on moving weighted average basis.

j. 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 period-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 profit and loss statement in line with the provisions of Accounting Standard -11 on "The Effects of Changes in Foreign Exchange Rates".

k. Employee Benefits

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

Gratuity and Leave Encashment:

The liability in respect of gratuity benefits and leave encashment 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 charged to the profit and loss statement for the period.

Provident Fund:

Retirement benefits in the form of provident fund and family pension fund, which are defined contribution schemes, are accrued in accordance with statutes and deposited with the Regional Provident Fund Commissioner (RPFC) and charged to the profit and loss statement for the period, in which the contributions to the respective funds accrue.

Short-term employee benefits are recognized as an expense in the profit and loss statement for the year in which related services are rendered.

l. Preliminary Expenditure

Preliminary expenditure is expensed out in the year in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets".

m. Taxes on Income

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and 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 period. i.e., the period 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 and 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 period.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957.

n. Leases

The Company's significant license arrangements are in respect of operating license for office premises and project offices. The leave and license arrangements range between 11 months to six years, and are renewable by mutual consent on agreed terms and conditions. The aggregate rentals payable are charged as rent expenses in the profit and loss statement for the relevant period.

o. Earnings per Share

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic earnings per share (BEPS) is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date

The number of shares used in computing diluted earnings per share (DEPS) comprises the weighted average number of Equity Shares considered for deriving basic earnings per share (BEPS), and the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares.

p. Cash Flow Statement

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the Cash Flow Statement consist of cash on hand, current account balances with Banks and demand deposits with banks.

q. Prior Period Adjustments

In respect of the transactions pertaining to the one or more prior periods, the expenditure / (income) relating to prior period as a result of errors or omission in the preparation of financial statements, is shown under the head "Prior Period Adjustments Account" in the profit and loss statements as per the provisions of Accounting Standard 5 on "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 of directors, including tax thereon is provided in the books of account pending approval at the Annual General Meeting.

s. Insurance Claims

The company accounts for insurance claims when there is certainty that the claims are realizable and acknowledge by insurance company and amount recognized in books of accounts is as under :

In case of loss of asset /goods by transferring, either the carrying cost of the relevant asset / goods or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance". In case insurance claim is,

less than carrying cost the difference is charged to Profit and Loss statement.

As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Profit and Loss statement.

t. Provisions, Contingent Liabilities and Contingent Assets

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

Provision for contractual obligation has been disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", if any, are not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty but are disclosed in the Notes to Financial Statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

u. 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 reports of the board of directors.

Note 2 SHARE CAPITAL

2.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL

Share Capital	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount (In ₹)	No. of Shares	Amount (In ₹)
Authorised Equity Shares of ₹ 10 each	200,000,000	2,000,000,000	200,000,000	2,000,000,000
Issued, Subscribed and Paid up Share capital Equity Shares of ₹ 10 each fully paid up"	84,619,630	846,196,300	84,619,630	846,196,300
Total	84,619,630	846,196,300	84,619,630	846,196,300

2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	As at 31st March 2014 Equity Shares of ₹ 10 each fully paid		As at 31st March 2013 Equity Shares of ₹ 10 each fully paid	
	No. of Shares	Amount (In ₹)	No. of Shares	Amount (In ₹)
Shares outstanding at the beginning of the period	84,619,630	846,196,300	59,209,024	592,090,240
"Shares issued during the year (Refer note No: 2.2.1)"	-	-	25,410,606	254,106,060
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the period	84,619,630	846,196,300	84,619,630	846,196,300

- 2.2.1 Board of Directors in its 58th Board meeting held on 27/02/2013 has decided to issue and allot 2,54,10,606 Equity shares of the Company to various share applicants. Pursuant to the same, the Board has decided that the share applicants from whom application money had been received on or before 05/04/2010 may be allotted equity shares at the price of ₹ 50/- per share (₹ 40/- premium and ₹ 10 face value) and the share applicants from whom application money had been received after 06/04/2010 has been allotted equity shares at the price of ₹ 181.41/- (Rs.171.41/- premium and ₹ 10 face value.)

Accordingly Company has on 27/02/2013 i.e in financial year 2012-2013 issued and allotted 2,54,10,606 equity shares to the various share applicants as per following details.

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Name of allottee	No. of shares (Fully Paid up)	Share capital @ ₹ 10 per share
Gujarat State Fertilizers and Chemicals Limited	5,000,000	50,000,000
Gujarat Industrial Development Corporation	5,000,000	50,000,000
Gujarat Alkalies & Chemicals Limited	4,000,000	40,000,000
Government of Gujarat	8,440,187	84,401,870
Gujarat State Petronet Limited	2,970,419	29,704,190
Total	25,410,606	254,106,060

2.3 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 shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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."

2.4 PROPOSED DIVIDEND

(Disclosure pursuant to Note no. 6(U) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	As at 31st March 2014 Equity Shares of ₹ 10 each fully paid		As at 31st March 2013 Equity Shares of ₹ 10 each fully paid	
	No. of Shares	Amount (In ₹)	No. of Shares	Amount (In ₹)
Dividend proposed to be distributed to equity shareholders	-	-	84,619,630	84,619,630
Amount of dividend per share distributed to equity shareholders		-		1

2.5 SHARE HOLDING BY PRESCRIBED ENTITIES

(Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956)

Out of Equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries and associates are as under :

Share Holder (Nature of Relationship)	As at 31st March 2014		As at 31st March 2013	
	No. of Equity Shares of ₹. 10 each fully paid	Amount (in ₹.)	No. of Equity Shares of ₹ 10 each fully paid	Amount (in ₹.)
(I) Gujarat State Petroleum Corporation Limited (Holding Company)	36,692,358	366,923,580	36,692,358	366,923,580
(ii) Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	24,637,085	246,370,850	24,637,085	246,370,850
(iii) Gujarat State Energy Generation Limited (Associate Company of Holding Company)	250,000	2,500,000	250,000	2,500,000

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

(Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956)

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat State Petroleum Corporation Limited , (Holding Company)	36,692,358	43.36%	36,692,358	43.36%
Gujarat State Petronet Limited, (Subsidiary Company of Holding Company)	24,637,085	29.12%	24,637,085	29.12%
Government of Gujarat	8,440,187	9.97%	8,440,187	9.97%
Gujarat State Fertilizers & Chemicals Limited	5,100,000	6.03%	5,100,000	6.03%
Gujarat Industrial Development Corporation	5,000,000	5.91%	5,000,000	5.91%

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2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES (Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	Year (Aggregate No. of Shares)				
	2013-14	2012-13	2011-12	2010-11	2009-10
(i) Equity Shares of Rs. 10 each fully paid pursuant to contract(s) without payment being received in cash. (Refer sub note 2.7.1)	-	970,419	-	-	-
(ii) Equity Shares Fully paid up by way of bonus shares	-	-	-	-	-
(iii) Equity Shares bought back	-	-	-	-	-

2.7.1 The Company has acquired assets of ₹ 17,60,43,751/- consisting of Steel Pipelines situated in the State of Gujarat from Gujarat State Petronet Limited (GSPL) with effect from 01.10.2010 by executing the Sale Deed dated 29th October, 2010. In pursuance of the sale deed, consideration for purchase of such assets is paid by allotment of fully paid up Equity Shares of the aggregate value of ₹ 17,60,43,751/-.

The Board of Directors in its 58th Meeting held on 27/02/2013 decided to allot equity shares against the above acquisition of assets at the price of ₹ 181.41 (₹ 171.41/- Premium and ₹ 10/- face value).

Financial year	Name of allottee	No. of shares (Fully Paid up Equity share)	Fully Paid up Share capital @ ₹10 per share	Premium Amount @ ₹ 171.41 per Share	Total Consideration (Amt. in ₹)
2012-13	Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	970,419	9,704,190	166,339,521	176,043,711

Amount Refunded Rs.40/- vide cheque No. 10426 from Kotak Bank dated 31.03.2013.

Note 3 RESERVES AND SURPLUS

Amount in ₹

Reserves and Surplus	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2013
Securities Premium Account				
Opening Balance	1,846,708,405		340,570,870	
Add : Securities premium received during the year (Refer note no. 3.1)	-		1,506,137,535	
Less : Premium utilised				
For Redemption of Debentures	-		-	
For Issuing Bonus Shares	-		-	
Closing Balance		1,846,708,405		1,846,708,405
General Reserve				
Opening Balance	36,788,420		36,788,420	
Add: Transfer from Statement of Profit and Loss	-		-	
Less: Written Back during the year	-		-	
Closing Balance		36,788,420		36,788,420
Surplus in Statement of Profit and Loss				
Opening balance	3,594,485,788		3,594,485,788	
Add: Profit for the year as per Statement of Profit and Loss	(1,033,932,625)		402,035,633	
Sub Total	2,864,241,747		3,996,521,421	
Less : Appropriations:				
Proposed Dividend	-		84,619,630	
Corporate Tax on Proposed	-		13,727,419	
Short-(Excess) Provision of earlier year	653,687		-	
Transfer to General Reserves	-		-	
Closing Balance		2,863,588,060		3,898,174,372
Total		4,747,084,885		5,781,671,197

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- 3.1 "Board of Directors in its 58th Board meeting held on 27/02/2013, has decided to issue and allot 2,54,10,606 Equity shares of the company to various share applicants.

With reference to the same, the Board has decided that the share applicants from whom application money had been received on or before 05/04/2010 be allotted equity shares at the price of ₹ 50/- per share (₹ 40/- premium and ₹ 10 face value) and the share applicants from whom application money had been received after 06/04/2010 be allotted equity share at the price of ₹ 181.41/- (₹ 171.41/- premium and ₹ 10 face value.). Accordingly company has issued 2,16,84,000 equity shares at price of Rs. 50/- per share (Premium ₹ 40/- per share amounting to Rs. 86,73,60,000) and 37,26,606 equity shares at price of ₹ 181.41/- per share (Premium ₹ 171.41/- per share amounting to ₹ 63,87,77,534/-)."

- A. Details of Shares allotted to the share applicants from whom application money received on or before 05th April 2010:

Name of allottee	No of shares (Fully Paid up Equity share)	Fully Paid up Share Capital @ ₹ 10 per share	" Premium Amount @ ₹ 40 per share "	" Total Consideration (Amt. in ₹)"
Gujarat State Fertilizers and Chemicals Limited	5,000,000	50,000,000	200,000,000	250,000,000
Gujarat Industrial Development Corporation	5,000,000	50,000,000	200,000,000	250,000,000
Gujarat Alkalies & Chemicals Limited	4,000,000	40,000,000	160,000,000	200,000,000
Government of Gujarat	5,684,000	56,840,000	227,360,000	284,200,000
Gujarat State Petronet Limited (GSPL)	2,000,000	20,000,000	80,000,000	100,000,000
(A)	21,684,000	216,840,000	867,360,000	1,084,200,000

- B. Details of shares allotted to share applicants from whom application money received on or after 06th April 2010:

Name of allottee	No of shares (Fully Paid up Equity share)	Fully Paid up Share Capital @ ₹ 10 per share	" Premium Amount @ ₹ 171.41 per share "	" Total Consideration (Amt. in ₹)"
Gujarat State Fertilizer and Chemicals Limited	5,000,000	50,000,000	200,000,000	250,000,000
Government of Gujarat	2,756,187	27,561,870	472,438,013	499,999,884
Gujarat State Petronet Limited (GSPL)	970,419	9,704,190	166,339,520	176,043,711
(B)	3,726,606	37,266,060	638,777,535	676,043,594
TOTAL (A+B)	25,410,606	254,106,060	1,506,137,535	1,760,243,594

*The company has refunded ₹ 156/- (₹ 40/- to GSPL and ₹ 116/- to Government of Gujarat) on 31.03.2013

Note 4 LONG TERM BORROWINGS

Amount in ₹

Long Term Borrowings	As at 31st March 2014	As at 31st March 2013
LONG TERM LOAN		
Secured		
(a) Term loans		
from banks (Refer detailed Note 4.1)	9,257,701,510	2,619,581,418
from Other Parties (Refer detailed Note 4.1)	833,300,000	-
Unsecured		
(a) Term loans		
From other parties	-	-
"In case of continuing default as on the balance sheet date in repayment of loans and interest :"		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
Total - [A]	<u>10,091,001,510</u>	<u>2,619,581,418</u>
MEDIUM TERM LOAN		
Unsecured		
(a) Term loans		
from banks (Refer detailed Note 4.2)	-	-
Unsecured		
(a) Term loans		
from other parties (Refer detailed Note 4.2)	833,333,328	1,033,333,332
"In case of continuing default as on the balance sheet date in repayment of loans and interest :"		
1. Period of default	-	-
2. Amount of Loan	-	-
3. Amount of Interest	-	-
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.		
Total - [B]	<u>833,333,328</u>	<u>1,033,333,332</u>
Total - [A + B]	<u>10,924,334,838</u>	<u>3,652,914,750</u>

4.1 LONG TERM BORROWINGS

SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2014 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments payable after 31.03.2014	Number of Installments payable within one year from 31.03.2014	Rate of interest as on 31.03.2014 in %	Amount of Installments not due within one year from 31.03.2014 in ₹	Amount of Installments due within one year from 31.03.2014 in ₹	Amount of Installments due within one year from 31.03.2013 in ₹	
State Bank of India	-	134,735,950	Monthly installment along with interest from December 2010	Nov-13	N.A.	-	N.A.	-	-	134,735,950	
Dena Bank TL -III	547,665,859	647,687,368	Quarterly Installment from December 2012	Sep-19	22	4	11.00%	447,665,859	100,000,000	100,000,000	
IDBI Bank	-	60,199,471	Monthly installment along with interest from December 2010 or from the date of loan	Dec-13	N.A.	-	N.A.	-	-	60,199,471	
The Kalupur Commercial Co-op.	58,606,200	100,275,613	Monthly installment along with interest from December 2010 or from the date of loan	Aug-15	17	12	10.90%	16,939,536	41,666,667	41,666,664	
The Kalupur Commercial Co-op.	262,038,561	299,548,285	Quarterly Installment from September 2013	Jun-19	21	4	10.90%	212,038,561	50,000,000	37,500,000	
Oriental Bank of Commerce TL - I	160,482,302	235,519,826	Monthly instalment along with interest from December 2010 or after moratorium period of one year from the date of loan	May-16	26	12	11.00%	85,482,302	75,000,000	75,000,000	
Oriental Bank of Commerce TL - II	73,961,089	98,964,385	Monthly instalment along with interest from started from December 2010 or after moratorium period of one year from the date of loan	Mar-17	36	12	11.00%	48,961,081	25,000,008	25,000,008	
Oriental Bank of Commerce TL - III	211,071,596	278,217,037	Monthly instalment along with interest from December 2010 or after moratorium period of one year from the date of loan	May-17	38	12	11.00%	143,935,460	67,136,136	67,136,136	
Bank of Maharashtra	525,981,773	574,002,794	Quarterly Installment from December 2012	Sep-19	22	4	11.00%	465,981,773	60,000,000	48,000,000	
Corporation Bank	878,821,585	201,385,624	Quarterly Installment from December 2012	Sep-19	22	4	11.00%	778,821,585	100,000,000	80,000,000	

4.1 LONG TERM BORROWINGS

SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2014 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments payable After 31.03.2014	Number of Installments payable within one year from 31.03.2014	Rate of interest as on 31.03.2014 in %	Amount of Installments not due within one year from 31.03.2014 in ₹	Amount of Installments due within one year from 31.03.2014 in ₹	Amount of Installments due within one year from 31.03.2013 in ₹	
UCO Bank	658,306,744	718,283,295	Quarterly Installment from December 2012	Sep-19	22	4	11.00%	583,306,744	75,000,000	60,000,000	
Bank of Baroda	599,583,727	99,766,232	Quarterly Installment from December 2012	Sep-19	22	4	11.00%	474,583,727	125,000,000	99,766,233	
Deana Bank TL -IV	5,999,984,882	-	Quarterly Installment from June 2015	Mar-23	32	-	11.00%	5,999,984,882	-	-	
Total (A)	9,976,504,318	3,448,585,882						9,257,701,510	718,802,808	829,004,464	
Term Loans from Financial Institutions											
HUDCO	833,300,000	-	Quarterly Installment from August 2016	May-23	28	-	11.10%	833,300,000	-	-	
Total (B)	833,300,000	-						833,300,000	-	-	
Total (A+B)	10,809,804,318	3,448,585,882						10,091,001,510	718,802,808	829,004,464	
The above amount includes :											
Secured Borrowings											
Unsecured Borrowings											
Total Secured and Unsecured Borrowings											
** Less : Amount disclosed under the head "other Current Liabilities" (Note No. 9)											
Net Amount								10,091,001,510	2,619,581,418	-	

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2014	As at 31st March 2013
Secured Loan	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company Second pari - passu charge on Present & Future Current Assets of the Company	First pari - passu charge on Present & Future Fixed Assets (Movable & Immovable) of the Company Second pari - passu charge on Present & Future Current Assets of the Company
Gaurantee by Directors or others	None of the loan has been guaranteed by the directors or others	None of the loan has been guaranteed by the directors or others
Loan from related party	None of the loan has been taken from the related party(ies)	None of the loan has been taken from the related party(ies)

4.2 MEDIUM TERM LOAN BORROWINGS

UN - SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2014 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments Payable after 31.03.2014	Number of Installments payable within one year from 31.03.2014	Rate of interest as on 31.03.2014 in %	Amount of Installments not due within one year from 31.03.2014 in ₹	Amount of Installments not due within one year from 31.03.2013 in ₹	Amount of Installments not due within one year from 31.03.2014 in ₹	Amount of Installments not due within one year from 31.03.2013 in ₹
Medium Term Loans from Financial Institutions											
Gujarat State Financial Services Ltd I	-	-	In Six Equal Half Yearly Installments along with interest	Mar-13	N.A.	N.A.	N.A.	-	-	-	-
Gujarat State Financial Services Ltd II	-	150,000,000	In Six Equal Half Yearly Installments along with interest	Oct-13	N.A.	N.A.	N.A.	-	-	-	150,000,000
Gujarat State Financial Services Ltd III	333,333,335	1,000,000,001	In Six Equal Half Yearly Installments along with interest	Jul-14	1	1	9.50%	-	333,333,335	333,333,335	666,666,666
Gujarat State Financial Services Ltd IV	499,999,997	833,333,332	In Six Equal Half Yearly Installments along with interest	Aug-15	3	2	9.50%	166,666,661	499,999,997	333,333,336	333,333,335
Gujarat State Financial Services Ltd V	1,333,333,333	300,000,000	In Six Equal Half Yearly Installments along with interest	Mar-16	4	2	9.50%	666,666,667	200,000,000	666,666,666	100,000,000
Total (A)	2,166,666,665	2,283,333,333						833,333,328	1,033,333,332	1,333,333,337	1,250,000,001
Medium Term Loans from Banks											
Dena Bank ***	-	4,249,985,509	Bullet Payment from first Disbursement not exceeding 18 Months from the date of first disbursement	Sep-13	N.A.	N.A.	N.A.			-	4,249,985,509
Total (B)	-	4,249,985,509						-	-	-	4,249,985,509
Total (A+B)	2,166,666,665	6,533,318,842						833,333,328	1,033,333,332	1,333,333,337	5,499,985,510
** Less : Amount disclosed under the head "Other Current Liabilities" (Note No. 10)											
Net Amount								833,333,328	1,033,333,332	-	-

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2014	As at 31st March 2013
Unsecured Loan	Demand Promissory Note and Post dated cheques for repayment of principal and interest	passu charge on Present & Future Fixed Assets of the Company and Second Pari-passu charge on Present & Future Current Assets of the company
Gaurantee by Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

*** The said Loan has been converted into Long Term Loan in F.Y 2013-14.

Note 5 DEFERRED TAX LIABILITY (NET)

Major components of deferred tax liability and assets are as follows:

Component	Amount in ₹			
	As at 31st March 2014 Deferred Tax Asset	As at 31st March 2014 Deferred Tax Liability	As at 31st March 2013 Deferred Tax Asset	As at 31st March 2013 Deferred Tax Liability
Depreciation	-	1,744,344,049	-	1,384,711,523
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	17,661,561	-	11,733,429	-
On Account of Carry-forward of loss	666,577,848	-	-	-
TOTAL	684,239,409	1,744,344,049	11,733,429	1,384,711,523
Net Amount Recognised in the Balance sheet		<u>1,060,104,638</u>		<u>1,372,978,094</u>
Increasing/(Decreasing) during the year and recognised in Profit and Loss Statement		<u>(312,873,456)</u>		<u>379,877,065</u>

Note 6 LONG TERM PROVISIONS

Long Term Provisions	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013
Provision for employee benefits		
Provision for employee benefits-Gratuity	-	-
Gratuity (unfunded) (Refer note 6.1)	-	1,244,817
Leave Encashment (unfunded) (Refer note 6.1)	41,919,201	28,113,108
Total	41,919,201	29,357,925

6.1 The Company has implemented Accounting Standard - 15 (AS-15) (Revised 2005) on "Employee Benefits", issued by the Institute of Chartered Accountants of India.

(a) Provident Fund - Defined Contribution Plan

"All employees are entitled to provident fund benefits and amount charged to Statement of Profit and Loss during the year is ₹ 2,16,49,101 /- (Previous year ₹ 1,46,87,069/-)."

(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)

Provision has been made for the year ended 31.03.2014 for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

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Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended 31st March 2014	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2013
A. Discount rate	9.10%	9.10%	8.10%	8.10%
Rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
Salary Escalation	8.5%	8.5%	7%	7%
Amount in ₹				
B. Change in Defined Benefit Obligations				
Liability at the beginning of the year	1,871,200	29,593,577	1,441,142	14,586,581
Interest Cost	122,816	2,148,730	122,497	1,124,422
Current Service Cost	6,759,788	6,650,715	211,358	6,419,779
Prior year Charge	13,320,857	-	-	-
Benefits Paid	(709,913)	(6,132,096)	-	(2,716,165)
Actuarial (Gain) / Loss on obligations	2,593,488	10,876,129	96,203	10,178,960
Liability at the end of the year - Total	23,958,236	43,137,055	1,871,200	29,593,577
C. Change in Fair Value of plan Assets				
Opening fair Value of plan assets	-	-	-	-
Expected return on plan assets	325,299	-	-	-
Actuarial (Gain) / Loss	(23,904)	-	-	-
Contributions by employer	22,306,216	-	-	-
Benefits Paid	-	-	-	-
Closing fair Value of plan assets	22,607,611	-	-	-
D. Expenses Recognised in the Profit and Loss Statement				
Current Service Cost	6,759,788	6,650,715	211,358	6,419,779
Interest Cost	122,816	2,148,730	122,497	1,124,422
Expected return on plan assets	(325,299)	-	-	-
Prior year Charge	13,320,857	-	-	-
Actuarial (Gain) / Loss	2,617,392	10,876,129	96,203	10,178,960
Exps. charged to Statement of Profit & Loss	22,495,554	19,675,574	430,058	17,723,161
E. Balance Sheet Reconciliation				
Opening Net Liability	1,871,200	29,593,577	1,441,142	14,586,581
Expenses Charged to Profit and Loss Statement	22,495,554	19,675,574	430,058	17,723,161
Contributions by employer	-	(22,306,216)	-	-
Benefits Paid	(709,913)	(6,132,096)	-	(2,716,165)
Closing Liability	1,350,625	43,137,055	1,871,200	29,593,577
F. Current/Non-Current Liability :				
Current	1,350,625	1,217,854	626,383	1,480,469
Non-Current	-	41,919,201	1,244,817	28,113,108

The estimates of future salary increase considered in the actuarial valuation takes into account inflation, promotion and other relevant factors such as supply and demand in the employment market. Future separation and mortality rates are obtained from relevant data of Life Insurance Corporation of India.

Note 7. SHORT TERM BORROWINGS

Amount in ₹

Short Term Borrowings	As at 31st March 2014	As at 31st March 2013
Unsecured		
(a) Loans repayable on demand from banks (Refer detailed Note 7.1)	36,933,030	108,299,127
In case of continuing default as on the balance sheet date in repayment of loans and interest		
1. Period of default	-	-
2. Amount	-	-
3. Amount of Interest	-	-
<i>The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.</i>		
Total	<u>36,933,030</u>	<u>108,299,127</u>

7.1 SHORT TERM LOAN BORROWINGS

UN - SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2014 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Maturity of Loan	Total Number of Installments Payable after 31.03.2014	Number of Installments payable within one year from 31.03.2014	Rate of interest as on 31.03.2014 in %	Amount of Installments not due within one year from 31.03.2013 in ₹	Amount of Installments due within one year from 31.03.2014 in ₹	Amount of Installments due within one year from 31.03.2013 in ₹	
Short Term Loans from Banks											
Kotak Mahindra	36,933,030	108,299,127	Repayable on Demand	N.A.	1	1	11.00%	-	-	36,933,030	108,299,127
Total	36,933,030	108,299,127						-	-	36,933,030	108,299,127

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2014	As at 31st March 2013
Unsecured Loan	Demand Promissory Note and Post dated cheques for repayment of principal and interest	Demand Promissory Note and Post dated cheques for repayment of principal and interest
Gaurantee by Directors or others	None of the loan has been guaranteed by the directors or others.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

Note 8 TRADE PAYABLES

Amount in ₹

Trade Payables	As at 31st March 2014	As at 31st March 2013
Sundry Creditors - Gas Purchase / Transmission	3,482,531,366	2,436,024,800
Sundry Creditors - Others (Refer Note 9.1 for details of dues to micro and small enterprises)	98,777,696	159,519,674
Total	3,581,309,062	2,595,544,474

8.1 The balances of Trade payables for the amount due to them are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.

Note 9 OTHER CURRENT LIABILITIES

Amount in ₹

Other Current Liabilities	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2013
Other Current Liabilities :				
"Current maturities of long-term debt (Term Loans)"				
From Banks (Secured)	718,802,808		829,004,464	
From Banks (Unsecured)	-		4,249,985,509	
From Other Parties (Unsecured) (Refer Note No. 4.1 and 4.2)	<u>1,333,333,337</u>	2,052,136,145	<u>1,250,000,001</u>	6,328,989,974
Interest accrued but not due on borrowing		26,272,978		36,205,266
Other Payables :				
Sundry Creditors for Capital Goods and Services (Refer Note 9.1 for details of dues to micro, small and medium enterprises)		665,561,829		842,871,646
PF Payable		3,610,759		3,908,063
Duties and Taxes		124,148,108		130,893,674
Advances Received from Customers		297,994,110		227,326,542
Security Deposit received from Suppliers		37,924,547		21,976,948
Security Deposits received from Customers		2,149,015,384		1,571,233,735
Total		5,356,663,860		9,163,405,848

9.1 Information in respect of Micro, Small and Medium Enterprises Development Act, 2006:

"The Company had sought confirmation from the vendors to know whether they fall in the category of Micro, Small and Medium Enterprises. In absence of confirmation from the vendors, company has not been able to show the outstanding from Micro, Small and Medium Enterprises separately.

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Note 10 SHORT TERM PROVISIONS

(Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956)

Short Term Provisions	Amount in ₹			
	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013	As at 31st March 2013
Provision for Income Tax				
Total Income Tax Payable	-		197,438,400	
Less: MAT Credit Utilization	-		-	
Less: Advance Tax Paid and TDS	-		123,683,609	
Net Provision for Income Tax		-		73,754,791
Provision for Interest on Income Tax		-		6,520,625
Provision for Wealth Tax		29,690		211,70
Provision for Proposed Dividend	-		84,619,630	
Provision for Dividend Distribution Tax	-	-	13,727,419	98,347,049
Provision for Expenditures				
For Revenue Expenditures	16,873,154		27,881,647	
For Capital Expenditures	57,247,495	74,120,649	305,691,725	333,573,372
Provision for employee benefits				
Gratuity (unfunded)	1,350,625		626,383	
Leave Encashment (unfunded) (Refer note no. : 6.1)	1,217,854	2,568,479	1,480,469	2,106,852
Total		76,718,818		514,323,859

Note 11 FIXED ASSETS

(Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956)

Amount in ₹												
Particulars	Gross Block						Depreciation and Amortisation				Net Block	
	As at 1st April 2013 A	Addition B	Disposal C	Borrowing Cost D	Other Adjustments* E	As at 31st March 2014 F=A+B-C+D-E	As at 1st April 2013 G	For the year H	Disposal / Adjustment I	As at 31st March 2014 J=G+H-I	As at 31st March 2014 K=F-J	As at 31st March 2013 L=A-G
Lease hold												
Land	113,030,047	4,359,297	-	-	-	117,389,344	5,463,650	1,715,190	-	7,178,841	110,210,503	107,566,397
Freehold												
Land	463,919,384	-	-	-	14,551,407	449,367,977	-	-	-	-	449,367,977	463,919,384
Buildings	465,473,817	264,245,601	-	7,354,327	-	737,073,745	24,432,008	10,107,298	-	34,539,308	702,534,437	441,041,808
Plant and												
Machinery	13,047,038,396	2,496,361,293	17,428,152	128,268,125	16,604,602	15,637,635,061	1,695,382,521	587,612,627	4,745,486	2,278,249,661	13,359,385,400	1,135,1655,875
Furniture and												
Fixture	61,499,270	16,425,865	-	-	-	77,925,136	12,253,723	5,722,786	-	17,976,511	59,948,625	49,245,546
Computer												
Equipments	102,644,603	11,745,536	33,090	-	-	114,357,050	39,222,539	17,051,241	13,461	56,260,320	58,096,730	63,422,064
Office												
Equipments	70,457,948	7,759,453	-	-	-	78,217,403	12,179,124	3,706,228	-	15,885,353	62,332,050	58,278,825
Vehicles	57,956,931	2,270,495	688,163	-	-	59,539,264	19,941,106	6,460,385	278,754	26,122,737	33,416,527	38,015,826
Total Tangible Assets (A)	14,382,020,398	2,803,167,543	18,149,405	135,622,453	31,156,009	17,271,504,980	1,808,874,673	632,375,761	5,037,703	2,436,212,731	14,835,292,249	12,573,145,725
INTANGIBLE ASSETS :												
ROW Permissions	901,602,019	154,259,781	-	3,857,160	4,259,289	1,055,459,673	106,523,154	31,489,908	540,539	137,472,524	917,987,149	795,078,865
ROU	50,326,360	16,010,306	15,250	-	-	66,321,417	-	-	-	-	66,321,417	50,326,360
Software and other Intangibles	253,141,429	696,194	-	-	-	253,837,624	111,250,133	48,613,957	-	159,864,091	93,973,533	141,891,295
Total Intangible Assets (B)	1,205,069,809	170,966,283	15,250	3,857,161	4,259,289	1,375,618,714	217,773,289	80,103,866	540,540	297,336,615	1,078,282,099	987,296,520
Total Assets	15,587,090,207	2,974,133,826	18,164,655	139,479,614	35,415,298	18,647,123,694	2,026,647,962	712,479,627	5,578,243	2,733,549,346	15,913,574,348	13,560,442,245
Previous Year	12,818,366,699	2,954,063,814	239,501,523	65,657,034	11,495,817	15,587,090,207	1,453,651,940	593,954,624	20,958,602	2,026,647,962	13,560,442,245	11,364,714,759

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11.1 CAPITAL WORK IN PROGRESS

Amount in ₹

Capital Work-in-Progress	As at 31st March 2014	As at 31st March 2013
Capital Inventory (CNG and PNG Projects)	845,858,874	1,161,254,571
Capital Work-in-Progress (CNG and PNG Projects)	1,011,705,702	2,161,256,811
Interest during the construction period	134,821,551	172,634,164
Loan Syndication Expenses	1,864,177	22,284,635
Total	1,994,250,304	3,517,430,181

11.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

Amount in ₹

Intangible Assets under development	As at 31st March 2014 (₹)	As at 31st March 2013 (₹)
Software Assets under Development	2,024,268	2,024,268
Total	2,024,268	2,024,268

11.3 IMPAIRMENT OR REVALUATION

Disclosure pursuant to Note no. I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure is for each class of asset :

Amount in ₹

Particulars	Financial Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
Asset details:					
Balance as at 1 st April	-	-	-	-	-
a. Impairment	-	-	-	-	-
b. Revaluation	-	-	-	-	-
Balance as at 31 st March	-	-	-	-	-

11.4 There is no impairment of any assets in terms of Accounting Standard - 28 (AS-28) on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of assets.

11.5 The Company has constructed / installed CNG stations' buildings and machineries, on land taken on lease from various lessees under lease deed for periods ranging from 35 years to 99 years. However, assets constructed / installed on such land have been depreciated at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee non-renewal of the above lease arrangements by the lessees.

Capital assets installed at the consumers' premises on the land of the customers have been depreciated at the rates specified in schedule XIV of the Companies Act, 1956."

11.6 Capital Work in Progress includes ₹ 13,48,21,551/- (Previous year ₹ 17,26,34,164/-) of borrowing cost capitalised pertaining to borrowings for qualifying assets as per AS-16.

11.7 Additions to the fixed assets during the current period includes borrowing costs capitalized ₹ 13,94,79,614 /- (Previous Year ₹ 6,56,57,033/-) pertaining to borrowings for qualifying assets as per the requirements of AS-16 "Borrowing Costs" issued by the Institute of Chartered Accountants of India.

- 11.8 Leasehold Land disclosed under Tangible Assets includes land in respect of certain projects for which execution of lease/conveyance deeds are in process or yet to be executed or registered on 31st March, 2014.
- 11.9 Buildings have been constructed on Freehold Land as well as Leasehold Land acquired on lease.

Note 12 NON-CURRENT INVESTMENTS

(Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956)

Non-Current Investments	Amount in ₹.	
	As at 31st March 2014	As at 31st March 2013
Other Investments		
Investment in Equity instruments (Refer Note 12.2)	4,002,255,000	2,255,000
Total	4,002,255,000	2,255,000
Less : Aggregate Provision for diminution in the value of Investments (Krishna Godavari Gas Network Limited)	(690,000)	(675,000)
Total	4,001,565,000	1,580,000

12.1 AGGREGATE AMOUNT OF QUOTED AND UNQUOTED INVESTMENTS

(Disclosure pursuant to Note no. K (iii)(a) and K(iii)(b) of Part I of Schedule VI to the Companies Act, 1956)

Particulars	Amount in ₹.	
	As at 31st March 2014	As at 31st March 2013
Aggregate amount of quoted investments (Market value of ₹. N.A. (Previous Year ₹. N.A.))	-	-
Aggregate amount of unquoted investments	4,002,225,000	2,255,000
Aggregate amount of Provision for diminution in the value of Unquoted Investments	(690,000)	(675,000)

12.2 DETAILS OF OTHER INVESTMENTS

Investment in Equity instruments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid Equity Shares each of Rs.	Extent of Holding (%)		Amount in (₹.)		Whether stated at Cost Yes / No	If Answer to Column (12) is 'No' - Basis of Valuation
			As at 31 st March 2014	As at 31 st March 2013			As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2014	As at 31 st March 2013		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a) Investment in Equity instruments												
1	Guj Info Petro Limited	Associate Company	25,000	25,000	Unquoted	10	49.94%	49.94%	250,000	250,000	Yes	-
2	Krishna Godavari Gas Network Limited	Other	150,000	150,000	Unquoted	10	3.00%	3.00%	1,500,000	1,500,000	Yes	-
3	The Kalupur Co Op Comm Bank Ltd	Other	200	200	Unquoted	25	0.001%	0.001%	5,000	5,000	Yes	-
4	GSPC Distribution Network Limited	Associate Company*	400,050,000	50,000	Unquoted	10	44.48%	100.00%	4,000,500,000	500,000	Yes	-
Total									4,002,255,000	2,255,000		

* * Subsidiary in previous year"

Note 13 LONG TERM LOANS AND ADVANCES - NON CURRENT ASSETS

	Amount in ₹			
Long Term Loans and Advances	As at 31st March 2014		As at 31st March 2013	
Capital Advances				
To Others [Unsecured, considered good]	68,051,050		46,800,357	
To related parties [Unsecured, considered good] (Refer Note No. 13.1)	-	68,051,050	3,480,000,000	3,526,800,357
Security Deposits				
To Others [Unsecured, considered good] (Refer Note No. 13.3)	125,911,963		178,843,175	
To related parties [Unsecured, considered good] (Refer Note No. 13.1)	6,300,000	132,211,963	13,600,000	192,443,175
Loan to Employees				
To Employees [Unsecured, considered good]		1,599,132		1,781,388
Prepaid Expenses				
For Rent CPRS/MRS		6,127,106		7,145,392
Advance against Expenses				
For Advance against Expenses [Unsecured, considered good]	1,510,000		1,825,901	
For Advance against Expenses-doubtful	296,128		-	
	1,806,128		1,825,901	
Less: Provision for doubtful	296,128		-	
	1,510,000		1,825,901	
For Advance against Expenses-related parties [Unsecured, considered good] (Refer Note 13.1)	-	1,510,000	-	1,825,901
Total		209,499,251		3729,996,213

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13.1 Loans and advances to related parties pertain to:

Particulars	As at 31st March 2014	As at 31st March 2013
a. Capital Advances		
GSPC Distribution Networks Limited (Associate Company) *	-	3,480,000,000
Total	-	3,480,000,000
b. Security Deposit		
Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	6,300,000	13,200,000
Gujarat State Energy Generation Limited (Associate Company of Holding Company)	-	400,000
Total	6,300,000	13,600,000

*Subsidiary in previous year

13.2 Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31st March 2014	As at 31st March 2013
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

13.3 The Company has given refundable security deposit in form of fixed deposit to various project authorities to be held in their name and custody. It will be refunded after satisfactory completion of work. The company has therefore shown these fixed deposits amounting ₹ 3,64,01,604/- (Previous Year ₹ 5,41,74,689 /-), till the same are in custody with project authorities as "Security Deposits" under the Note, "Long term Loans and Advances" in the balance sheet.

Note 14 OTHER NON-CURRENT ASSETS

Other non-current assets	As at 31st March 2014	As at 31st March 2013
Bank Balances	90,000	90,000
Total	90,000	90,000

Note 15 INVENTORIES

(Disclosure pursuant to Note no. O (i), (ii) and (ii) of Part I of Schedule VI to the Companies Act, 1956)

Inventories	As at 31st March 2014	As at 31st March 2013
Stores and spares (Valued at Cost on moving weighted average basis)	51,872,784	48,304,227
Goods-in transit		
Natural Gas in Pipeline (Refer Note 1.2.i)	16,687,255	10,159,728
CNG in Cascades (Refer Note 1.2.i)	4,510,554	7,694,802
Total	73,070,593	66,158,758

Note 16 TRADE RECEIVABLES - CURRENT ASSETS

Trade Receivables	As at 31st March 2014	As at 31st March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	70,188,666	53,539,789
Unsecured, considered good	3,506,283,881	1,797,458,834
Unsecured, considered good	499,510,901	528,370,412
Doubtful	-	-
Total (A)	4,075,983,448	2,379,369,035
Trade receivables outstanding for a period exceeding six months from the date they are due for payment (Refer Note 17.1)		
Secured, considered good	184,010	98,080
Unsecured, considered good	136,334	10,699,831
Unsecured, considered good	13,870,056	12,565,129
Doubtful	7,764,158	1,738,789
Total (B)	21,954,558	25,101,829
Total (A+B)	4,097,938,006	2,404,470,864
Less: Provision for doubtful debts	7,764,158	1,738,789
Total	4,090,173,848	2,402,732,075

16.1 Trade Receivables of ₹ 3,50,64,20,216/- (Previous Year ₹ 1,80,81,58,666/-) are backed by security in form of Bank Guarantees.

16.2 Trade Receivable stated above include debts due from:

Particulars	As at 31st March 2014	As at 31st March 2013
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

16.3 The balances of trade receivables for amount due are subject to confirmation. Necessary adjustments, if any, will be made when the accounts are settled after the confirmation is received.

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Note 17 CASH AND CASH EQUIVALENTS

(Disclosure pursuant to Note no. Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956)

Amount in ₹

Cash and cash equivalents	As at 31st March 2014		As at 31st March 2013	
Cash and cash equivalents				
Balances with banks				
(a) In Current Accounts - including Sweep-in Facility Accounts"	36,932,776		28,681,784	
(b) Deposits with Original Maturity of less than three months"	-		-	
(c) In unpaid Dividend Account	-		-	
Cheques/Drafts on Hand	-		-	
Unpaid Matured Deposits	-		-	
Cash on Hand	8,152,011	45,084,787	16,548,981	45,230,764
Other Bank Balances				
I. Deposits with original maturity of more than three months but less than twelve months	-		-	
II. Deposits with original maturity of more than twelve months"	90,000		90,000	
III. Margin Money Deposit	-		-	
	90,000		90,000	
Less : Non-current Deposits with original maturity of more than twelve months (Disclosed under other non-current assets)"	90,000	-	90,000	-
Total		45,084,787		45,230,764

Note 18 SHORT TERM LOANS AND ADVANCES

	Amount in ₹	
Short-term loans and advances	As at 31st March 2014	As at 31st March 2013
Loans and advances to related parties (Refer notes 18.1 and 40.1)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful recovery	-	-
Advance Against Expenses		
Unsecured, considered good	3,633,679	16,971,702
Unsecured, considered good to related party (Refer notes 18.2)	24,476,973	397,600,576
Loan To Employees		
Unsecured, considered good-Other	599,654	508,387
Staff Advance		
Unsecured, considered good	127,736	104,802
Less: Provision for doubtful recovery	-	-
Advance Tax and TDS		
Unsecured, considered good	116,013,239	111,184,925
Pre Paid Expenses		
Unsecured, considered good	24,710,396	17,793,022
CENVAT Credit Account		
Unsecured, considered good	8,318,188	31,841,975
Balances with PLA Account		
Unsecured, considered good	4,143,328	3,006,736
Balances with Stamp Duty Authorities		
Unsecured, considered good	586,300	442,500
Total	182,609,493	579,454,625

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18.1 Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956

Amount in ₹

Particulars	As at 31st March 2014	As at 31st March 2013
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

18.2 Advances for expenses to Related Parties pertain to :

Amount in ₹

Particulars	As at 31st March 2014	As at 31st March 2013
Gujarat State Petroleum Corporation Limited (Holding Company)	-	-
Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	1,469,087	397,587,221
Guj Info Petro Limited	11,236	13,355
Gujarat State Energy Generation Limited (Associate Company of Holding Company)	16,150	-
GSPC Distribution Networks Limited (Associate Company)	22,980,500	-
Total	24,476,973	397,600,576

Note 19 OTHER CURRENT ASSETS

Amount in ₹

Other current assets	As at 31st March 2014	As at 31st March 2013
Interest Accrued But Not Due on Fixed Deposits	4,246,439	6,132,400
Interest Accrued But Not Due on Security Deposits	2,812,429	1,428,206
Unbilled Revenue	152,263,872	93,944,672
Claims Recoverable - Insurance	-	3,014,518
Expense Recoverable against GGCL acquisition	-	55,032,650
Total	159,322,740	159,552,445

Note 20 REVENUE FROM OPERATIONS

	Amount in ₹			
Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
Sale of products				
- Finished Goods (CNG)	6,871,914,722		5,899,669,701	
- Traded Goods (CNG)	334,541,229		261,046,831	
- Traded Goods (PNG)	<u>39,842,690,276</u>	47,049,146,227	<u>36,318,546,194</u>	42,479,262,727
Other operating revenues				
Initial Connection Charges				
Income (<i>Refer sub-Note 20.1</i>)	87,248,370		101,920,844	
Registration Charges Income				
from Domestic, Comm-Non				
Commercial Connections				
(<i>Refer sub-Note 20.1</i>)	42,187,935		55,098,440	
Contract Renewal				
Charges Income	84,315,670		54,029,075	
Late Payment Charges Income	63,814,744		70,282,743	
Take or Pay Charges Income	51,234,275		34,439,156	
Alteration, Modification and				
Extra Connection Charges Income	63,446,166		60,930,229	
Other Operating Income	<u>17,578,432</u>	409,825,592	<u>6,110,260</u>	382,810,747
Revenue from Operations (Gross)		47,458,971,819		42,862,073,474
Less:				
Excise duty		<u>871,587,248</u>		<u>745,310,365</u>
Revenue from Operations (Net)		<u>46,587,384,571</u>		<u>42,116,763,109</u>

- 20.1 The Company has been advised by its counsel, that since the company does not pass-on any ownership or other right in the pipeline and equipments in favour of the customer, the amounts received by the company as Initial Connection Charges from the Industrial, Commercial-non Commercial Customers and the Registration / Connection Charges from Domestic Customers are not in the nature of remission of the cost of the pipeline and equipments and hence the same needs to be accounted for as income. In view of this, Company has accounted the same as its income in the Statement of Profit and Loss

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Note 21 OTHER INCOME

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Income	11,454,270	14,884,054
Dividend Income	750	750
Liquidated Damages Income	5,717,984	4,082,930
Profit on sale of Assets	13,461	36,396,200
Commission Income	-	117,908
Material Recovery Income	34,514,044	-
Tender / EOI Income	560,000	240,400
Provision Liability No Longer Required	3,773,277	2,350,180
Income from sharing of resources for database	-	15,600,000
Other non-operating income	32,522,636	11,952,359
Total	88,556,422	85,624,781

Note 22 COST OF MATERIAL CONSUMED

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Purchases of Natural Gas for CNG	4,854,821,014	5,003,969,700
Add: Gas Transportation Charges	226,289,296	171,278,849
Total	5,081,110,310	5,175,248,549

Note 23 PURCHASE OF STOCK-IN-TRADE

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Purchases of Natural Gas	42,524,339,630	36,445,987,767
Less: Transfer for CNG Conversion	4,854,821,014	5,003,969,700
Add: Gas Transportation Charges	1,241,641,578	1,661,156,931
	<u>38,911,160,194</u>	<u>33,103,174,997</u>
Purchases of CNG	342,952,520	281,811,497
Total	39,254,112,714	33,384,986,494

Note 24 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Stock-in-Trade		
Natural Gas in Pipeline and in CNG Cascades		
Inventory at the beginning of the year	16,884,778	-
Less: Inventory at the end of year	20,443,288	16,884,778
Changes in Inventories - (-)Increase/(+)Decrease	(3,558,510)	(16,884,778)

Note 25 EMPLOYEE BENEFITS EXPENSE

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Salaries and incentives	338,831,962	248,317,179
Contributions to -		
(i) Provident fund	21,649,101	14,687,069
(ii) Leave Encashment	19,675,574	19,965,731
Gratuity fund contributions	22,689,338	430,058
Staff welfare expenses	6,709,514	8,520,976
Total	409,555,489	291,921,013

Note 26 FINANCE COSTS

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
I. Interest expense		
Interest on Term Loan	1,171,714,506	674,206,538
Interest on Share Application Money	-	23,799,222
Interest on Working capital Loan	2,162,916	4,370,434
Interest on Security Deposits	12,003,010	10,636,071
(a) Total Interest Expense	1,185,880,432	713,012,265
(b) Less: Interest Capitalised as per AS 16	101,667,000	139,631,513
Net Interest Expense [(a)-(b)]	1,084,213,432	573,380,752
II. Interest on current income tax (under section 234B and 234C of the Income Tax)	3,349,472	6,520,625
III. Other borrowing costs	30,585,977	902,103
Total	1,118,148,881	580,803,480

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Note 27 OTHER EXPENSES

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Consumption of Stores and Spare Parts	47,816,377	34,804,887
Power and Fuel		
Electricity Expenses - CNG Stations	187,234,158	173,676,701
Electricity Expenses - PNG	5,106,631	5,682,548
Electricity Expenses - Others	4,496,544	3,790,352
Rent	196,837,333	183,149,601
Rent - Office / Store	34,973,340	30,913,185
Rent - Govt. Authorities		
(Refer Note 27.1)	31,080,160	38,428,603
Repair and Maintenance Expenses	66,053,500	69,341,788
Repairs to Buildings	2,501,346	1,308,974
Repairs to Machinery - CNG	9,875,416	9,988,883
Repairs to Machinery - PNG	6,713,930	5,678,291
Repairs and Maintenance Others	12,461,457	8,280,508
Operation and Maintenance Expense	31,552,149	25,256,657
Operation and Maintenance Expense - CNG	175,406,811	157,563,288
Operation and Maintenance Expense - PNG	269,427,526	242,945,860
LCV/HCV Hiring, Operating and Maintenance Charges	444,834,337	400,509,148
Lease (Wet) Machinery Expense	201,129,107	187,098,593
Instrument Testing Expenses	10,823,113	10,644,945
Franchisee, Commission and Profit Margin Exp.	10,147,847	8,645,349
DMA Agency Commission Expenses		
Franchisee Commission and Profit Margin Exp.	14,028,987	17,099,351
Software Operation and Maintenance Charges	33,394,731	44,211,924
Business Promotion and Marketing Expenses	47,423,718	27,112,573
Advertisement and Publicity	33,622,423	24,210,715
Legal, Professional and Technical Consultancy Exp.	856,514	8,662,745
Insurance	13,296,241	19,324,168
Rates and Taxes (Excluding taxes on Incomes)	77,966,966	24,015,927
Rate, taxes and duties	25,754,369	22,308,011
Provision for Wealth Tax	13,964,116	4,213,195
Administration and Establishment Expenses	29,690	4,234,365
Office Expenses	13,993,806	893,686
	670,323	10,439,228
	13,123,195	

Note 27 OTHER EXPENSES

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Safety and Environment Expenses	6,332,711	8,533,789
Director Sitting Fees and Out of - Pocket Expenses	163,525	80,539
Security Service Expenses	44,381,832	38,461,313
Stationery and Printing Expenses	7,498,662	9,183,467
Telephone and Communication Expenses	17,715,599	19,182,415
Mobile Instrument Exp.	1,511,599	2,108,038
Conveyance and Travailing Expenses	10,528,241	8,735,413
Vehicle Hiring and Running Expenses	25,490,640	25,401,855
Audit Fees (Refer Note 27.2)	1,179,780	814,610
Cost Audit Fees	129,214	138,596
Donations	-	200,000
Penalties	2,500	95,310
Bank Charges	5,395,684	4,696,833
Loss of sale of Assets	244,141	8,182,609
Loss on Disposal of Assets	4,542,330	-
Commission Expenses	354,836	-
Cost of Material Sold as Scrap	16,867,431	-
Bad Debts Written Off	291,003	-
Doubtful Debts (Trade Receivables)	6,025,368	1,017,023
Doubtful Advances	296,128	-
Provision Diminution in Investment	15,000	-
Other Interest Cost	667,850	109,818
Material Shortage Written Off	58,246,480	-
Miscellaneous Expenses	5,705,305	6,442,661
Total	1,449,487,524	1,211,136,026

27.1 The Rent - Govt. Authorities Expenses if any, is recognized as an expenses at the time of receipt of demand note from the concerned govt. authorities like Municipal Corporation, Nagarpalika, Gram Panchayat etc. and the joint measurement is settled and approved by the Management.

27.2 PAYMENTS TO AUDITOR

Payments to auditor	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
For Statutory Audit	898,880	674,160
For taxation matters	-	-
For company law matters	-	-
For management services	-	-
For other services	280,900	140,450
Total	1,179,780	814,610

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Note 28 PRIOR PERIOD ITEMS (NET)

Amount in ₹.

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Administrative and Establishment Expense	-	4,203
Agency Commission to DMA - PNG	(15,939)	6,856
Depreciation	(541,171)	(99,011)
Electricity Expenses - CNG Stations	(13,747)	-
Instrument Testing Expenses	26,364	-
Insurance	14,617	-
Interest on Security Deposits	12,000	-
Interest Income	37,564	-
Legal, Professional and Technical Consultancy Expenses	4,970	(42,798)
Office Expenses	(1,000)	-
Operational and Maintenance Expense - CNG	(32,357)	293,421
Operational and Maintenance Expense - PNG	2,273,965	387,814
Other Operating Income	50,336	-
Rates and Taxes	(2,548)	-
Rent Expenses	4,500	12,630
Repairs and Maintenance Expense	96,971	-
Salary Exps.	(471,537)	-
Stationery and Printing Exp	-	655
Staff Welfare Expenses	(33,060)	-
Telephone and Communication Expenses	1,111	5,171
Total	1,411,039	568,941

Note 29 EXCEPTIONAL ITEMS

Amount in ₹

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Loss of Material (<i>Refer Note 29.1</i>)	-	1,387,382
Total	-	1,387,382

- 29.1 The fire incident which took place in warehouse/store yard in last financial year on 24.03.2012 wherein, capital inventory and spare parts were damaged and for which company had filed a claim of ₹. 4,21,03,603/- (Carrying Cost or Insurance value whichever is lower) and transferred the same under the head "Claim Receivable" in previous year 2012-13. During the financial year 2012-13, considering the weighted average moving price of damaged material, the claim of ₹. 3,06,933/- was found in excess. Company had received ₹.3,92,72,900/- from insurance company and ₹. 11,36,388/- from scrap sale resulting into Loss of Material (₹.13,87,382/-).

Note 30 CURRENT TAX

Particulars	Amount in ₹	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Current Tax Payable including Interest on such tax	3,349,472	203,959,026
Less: Interest on Tax Payable	3,349,472	6,520,625
Current Tax Payable	-	197,438,401
Less: MAT Credit entitlement	-	-
Net Current Tax Liability for the year	-	197,438,401
Add: Short / (Excess) Provision of Tax made in earlier years	-	(84,940)
Net Current Tax Liability	-	197,353,461

Note 31 EARNINGS PER SHARE (EPS)

Particulars		Amount in ₹	
		For the year ended 31st March 2014	For the year ended 31st March 2013
Profit/(Loss) attributable to equity shareholders	₹	(1,033,932,625)	402,035,633
Weighted average number of ordinary equity shares for Basic EPS	Nos.	84,619,630	61,506,421
Nominal Value of equity share	₹	10	10
Basic EPS	₹	(12.22)	6.54
Diluted EPS	₹	(12.22)	6.54

*Weighted average number of ordinary equity shares for Basic EPS for previous year

Particular	As at	Period of Holding (In Days)	No. of Shares	Weighted Average No. of Shares
Equity Shares at the Beginning of the year	1-Apr-12	365	59,209,024	59,209,024
Equity Shares Issued During the year	27-Feb-13	33	25,410,606	2,297,397
Total			84,619,630	61,506,421

Note 32 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	For the year ended 31st March 2014		For the year ended 31st March 2013	
	% of Total Consumption	Amt. in ₹	% of Total Consumption	Amt. in ₹
Raw Materials				
Natural Gas				
- Imported	-	-	-	-
- Indigenous	11.54%	5,081,110,310	13.41%	5,175,248,549
Purchase of stock in Trade				
- Imported	-	-	-	-
- Indigenous	88.44%	39,254,112,714	86.50%	33,384,986,494
Stores and Spare Parts				
- Imported	-	-	-	-
- Indigenous	0.11%	47,816,377	0.09%	34,804,887
Total	100%	44,383,039,401	100%	38,595,039,930

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Note 33 DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

33.1 MANUFACTURED GOODS

Amount in ₹

Particulars	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Manufactured Goods				
Compressed Natural Gas (CNG)	-	-		
	6,000,327,474	5,154,359,337	3,756,032	6,725,050
Total	6,000,327,474	5,154,359,337	3,756,032	6,725,050

Sale in value of CNG is net of discounts and excise duty.

33.2 TRADED GOODS

Amount in ₹

Particulars	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
Traded Goods				
-Natural Gas (PNG)	39,842,690,276	36,318,546,195	16,687,255	10,159,728
-CNG)	334,541,229	261,046,831	-	-
Total	40,177,231,505	36,579,593,026	16,687,255	10,159,728

Sale in value of CNG is net of discounts and excise duty.

33.3 WORK IN PROGRESS

Amount in ₹

Particulars	As at 31st March 2014	As at 31st March 2013
Work-in-progress		
- Natural Gas	-	-
- Other	-	-
Total	-	-

33.4 QUANTITATIVE DETAILS

Particulars	Unit of Measurements	For the year ended 31st March 2014	For the year ended 31st March 2013
Purchase Goods			
Purchase of Natural Gas	MMBTU	47,196,432	53,069,275
	KGS		
Purchase of CNG		6,270,609	6,018,961
Traded Goods (PNG)	SCM at various		
Sale of Natural Gas - PNG	Calorific values	1,051,652,058	1,231,268,476
Sale of CNG	KGS	6,270,609	6,018,961
Manufactured Goods (CNG)			
Sale of Natural Gas - CNG	KGS	134,696,668	134,277,199
Closing Inventory			
Natural Gas	SCM	420,067	353,595
CNG	SCM	201,722	202,066

33.4.1 Difference in reconciliation of purchases and sales of gas quantities is on account of measurement tolerance and normal loss. In addition, the purchase is effected mostly in energy terms (MMBTU / Kcals etc), while the sale is done in terms of volume (SCM). Hence both the figures are not comparable.

Note 34 CONTINGENT LIABILITIES

(Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956)

Amount in ₹.

Contingent liabilities and commitments (to the extent not provided for)	As at 31st March 2014	As at 31st March 2013
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	4,088,502	653,835
(b) Guarantees	313,951,347	29,368,496
(c) Letters of credit	594,106,675	-
(d) Corporate Guarantee given to GDNL*	5,000,000,000	-
(e) Other Contingent Liabilities (Refer Note 34.1)	732,580,566	215,061,936
Sub Total (A)	6,644,727,090	245,084,267
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,499,703,924	2,991,585,926
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	1,280,375,046	1,616,283,287
Sub Total (B)	3,780,078,970	4,607,869,213
TOTAL (A+B)	10,424,806,060	4,852,953,480

*Jointly and severally with Gujarat State Petronet Ltd.

34.1 Other Money for which Company is contingently liable

Amount in ₹

Sr. No.	Particulars	As at 31st March 2014	As at 31st March 2013
1	Disputed statutory claims in respect of Appeals filed against / by company :		
(a)	Excise Duty - related to the financial year 2003-2004 on account of appeal filed by the Commissioner of Central Excise and Customs, Surat with Custom, Excise and Service Tax Appellate Tribunal.	2,365,736	2,365,736
(b)	Income Tax - related to the financial year 2006-07. ITAT, Ahmedabad has partly allowed the appeal and for other issues remanded the matter back to A.O. for fresh verification.	-	5,959,740
(c)	Income Tax - related to the financial year 2007-08. ITAT, Ahmedabad has partly allowed the appeal and for other issues remanded the matter back to A.O. for fresh verification.	-	84,541,610
(d)	Income Tax - related to the financial year 2008-09. ITAT, Ahmedabad has partly allowed the appeal and for other issues remanded the matter back to A.O. for fresh verification.	-	14,31,81,970
(e)	Income Tax - related to the financial year 2009-10. Appeal has been filed with ITAT, Ahmedabad against the order of CIT(A).	122,194,850	122,194,850
(f)	Income Tax - related to the financial year 2010-11 on account of assessment order u/s.143 (3) of the Income Tax Act against which appeal has been filed with CIT (A).	608,019,980	-
TOTAL		732,580,566	215,061,936

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The company is contesting the demands and the management including its tax advisors believe that its position is likely to be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

Note 35 OPERATING LEASE

The Company has taken certain premises for office use and store yards under license agreements and land for setting up CNG Stations. The total rentals recognized as expense for the period ended on 31st March, 2014 under the above license agreements aggregate to ₹ 3,49,73,340 /- (Previous year ₹ 3,09,13,185/-). The future minimum lease payment obligations are as under:

Future Minimum Lease Payments	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013
Not Later than one year	25,897,274	13,736,035
Later than One year and not later than five year	54,970,965	15,490,311
More than five years	80,340,973	12,930,270

Note 36 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

Note 37 EXPENDITURE IN FOREIGN CURRENCIES

Particulars	Amount in ₹	
	As at 31st March 2014	As at 31st March 2013
Know -how, Royalty	-	-
"Professional, Technical and Consultancy Fees etc."	-	-
Sponsorship Expenses (Training)	-	-
Interest Expense	-	-
"Other Expenses: - Travelling Expenses"	-	-

Note 38 EARNINGS IN FOREIGN CURRENCIES

Particulars	Amount in ₹.	
	As at 31st March 2014	As at 31st March 2013
Export of Goods on FOB Basis	-	-
Interest and Dividends	-	-
Know -how, Royalty	-	-
Professional and Consultancy Fees	-	-
Other Income, if any	-	-

Note 39 SEGMENT REPORTING

Based on the Accounting Standard - 17 on "Segment Reporting" (AS-17), issued by the Institute of Chartered Accountants of India, business segment of the company is the primary segment comprising of 'Supply of Natural Gas'. As the company operates only in a single primary business segment, there is no disclosure requirements as per Accounting Standard 17 "Segment Reporting".

Note 40 RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India are as under (Refer Note 40.1)

List of Related Parties and Relationship:

Sr. No.	Name of Related Parties	Relationship
i	Gujarat State Petroleum Corporation Ltd (GSPC)	Holding Company
ii	Gujarat State Petro net Limited (GSPL)	Subsidiary of Holding Company
iii	Gujarat State Energy Generation Limited (GSEG)	Associate of Holding Company
iv	GSPC Pipavav Power Company Ltd. (GPPC)	Subsidiary of Holding Company
v	GSPC LNG Limited (GLL)	Subsidiary of Holding Company
vi	Sabarmati Gas Limited (SGL)	Associate of Holding Company
vii	Guj Info Petro Limited (GIPL)	Subsidiary of Holding Company
viii	GSPC JPDA Limited	Subsidiary of Holding Company
ix	GSPC Distributions Network Limited	Subsidiary Company

* Subsidiary Company in previous year

Key Managerial Personnel:

Sr. No.	Name of Related Parties	Relationship
I	Mr. Tapan Ray, IAS	Director
ii	Mr. PPG Sarma	Chief Executive

Relative of Key Managerial Personnel:

Sr. No.	Name of Related Parties	Relationship
i	Ms. P Subbalakshmi	Mr. PPG Sarma

During the period, the Company has paid Rent of ₹ 3,60,000/- (previous year : ₹ 3,60,000) for hiring residential premises from Ms. P Subbalakshmi.

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40.1 Related Party Disclosures

Sr. No.	Nature of Transactions (Significant Influence)	Transactions with Holding Company		Transactions with Subsidiary of Holding Company	
		For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2014	For the year ended 31st March 2012
1	Gujarat State Petroleum Corporation Ltd. Purchase of Natural Gas 1) GSPC 2) GSPC NIKO JV Salary and Allowances Paid Dividend Paid Rent Paid CNG Sales GGCL Share Acquisition Exp. Received Administration Expenses Software Maintenance Received O&M Charges Paid (GSPC Niko JV)	48,154,843,636 3,543,168 2,678,094 36,692,358 2,466,302 1,071,391 16,988,401 - - - 4,280	41,753,245,693 3,520,166 2,494,122 36,692,358 164,832 - - 128,983 2,150,817 -		
2	Gujarat State Petronet Ltd. Gas Transportation Charges Exp. Interest paid on Share Application Money Supervision Charges (Paid) Supervision Charges (Received) ROW Charges Sale of Capital Goods Reimbursement of Exp (Paid) Deposit Given (Assets) Deposit Received (Liability) Dividend Paid GGCL Share Acquisition Exp. Received CNG Sales Rent Paid Rent paid in advance Reimbursement of Exp (Received)			1,401,487,516 - 676,419 112,360 7,502,280 34,373,053 - 1,900,000 8,800,000 24,637,085 16,988,401 870,405 3,573,530 - 1,345,142	1,843,768,804 23,799,222 2,584,280 - 69,824,998 5,237,969 355,607 3,400,000 - 21,666,666 - - 3,668,305 91,325 8,516,721
3	Sabarmati Gas Ltd. Gas Gas Transportation Charges paid CNG Purchase PNG Gas Sales Gas Transportation Charges Received Supervision Charges Paid Deposit Given (Assets)				
4	Guj Info Petro Ltd. Bandwidth Charges Charge Allowances Recovered Reimbursement of Exp (Received)			288,016 86,839 58,097	732,868 79,151 -
5	Gujarat State Energy Generation Ltd. Dividend Paid Deposit Received (Liability) CNG Sales Administration Expenses				
6	GSPC Distribution Network Ltd. Investment (Share capital acquired) Bank Guarantee Charges Paid Preliminary Exp Paid Reimbursement of Exp (Paid) Loan & Advances Given # Reimbursement of Exp (Received) Administration Expenses (Received)				
7	Key Management Personnel Shri PPG Sarma Remuneration Paid Total Transactions **	48,218,287,630	41,798,396,971	1,502,699,143	1,983,725,916

Out of Total Investment of ₹. 400 crores, ₹. 348 crores has been paid in FY 12-13 as advance.

* Subsidiary in Previous Year

** The above transactions are inclusive of all taxes like Excise, VAT, Service Tax, and Royalty etc.

Transactions with Associates of Holding Company		Transactions with Associates Company*		Key Managerial Personnel		Value of Total Transactions **	
For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2014	For the year ended 31st March 2013
						48,154,843,636	41,753,245,693
						3,543,168	3,520,166
						2,678,094	2,494,122
						36,692,358	36,692,358
						2,466,302	164,832
						1,071,391	-
						16,988,401	-
						-	128,983
						-	2,150,817
						4,280	-
						1,401,487,516	1,843,768,804
						-	23,799,222
						676,419	2,584,280
						112,360	-
						7,502,280	69,824,998
						34,373,053	5,237,969
						-	355,607
						1,900,000	3,400,000
						8,800,000	-
						24,637,085	21666666
						16,988,401	-
						870,405	-
						3,573,530	3,668,305
						-	91,325
						1,345,142	8,516,721
6,173,659	4,512,936					6,173,659	4,512,936
394,395,396	321,107,396					394,395,396	321,107,396
296,679,147	235,811,171					296,679,147	235,811,171
461,956	419,355					461,956	419,355
449,440	-					449,440	-
200,000	-					200,000	-
						288,016	732,868
						86,839	79,151
						58,097	-
250,000	250,000					250,000	250,000
400,000	-					400,000	-
72,480	205,917					72,480	205,917
15,333	3,400					15,333	3,400
		4,000,000,000	500,000			4,000,000,000	500,000
		-	3,820,540			-	3,820,540
		-	63,098			-	63,098
		-	1,466,680			-	1,466,680
		(3,480,000,000)	3,480,000,000			(3,480,000,000)	3,480,000,000
		20,473,000	-			20,473,000	-
		7,500	-			7,500	-
				7,226,635	7,196,850	7,226,635	7,196,850
699,097,411	562,310,175	540,480,500	3,485,850,318	7,226,635	7,196,850	50,967,791,320	47,837,480,230

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Sr. No.	Balances outstanding	Balances outstanding with Holding Company		Balances outstanding with Subsidiary of Holding Company	
	Financial Year	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
1	Gujarat State Petroleum Corporation Ltd. GSPC-Niko-Accounts Payable Accounts Payable Accounts Receivable Deposits (Liability)	3,203,388,332 110,597 5,000	2,389,621,306 66,617 5,000		
2	Gujarat State Petronet Ltd. Accounts Payable Accounts Receivable Deposits (Assets) Deposits (Liability)			89,059,000 44,259 6,300,000 (60,000)	- 405,142,250 13,200,000 -
3	Sabarmati Gas Ltd. Accounts Payable Accounts Receivable Deposits (Liability)				
4	Guj Info Petro Ltd. Accounts Receivable			11,236	13,355
5	Gujarat State Energy Generation Ltd. Accounts Payable Deposit Assets Accounts Receivable Deposit-Liability				
6	GSPC Distribution Network Ltd. Accounts Payable Accounts Receivable Share Application Money Paid Investment				
7	Key Management Personnel Accounts Payable Accounts Receivable				

Balances outstanding with Associates		Balance outstanding with Associates Company*		Balances outstanding with Key Managerial Personnel		Total Outstanding	
As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
						3,203,388,332	2,389,621,306
						110,597	66,617
						5,000	5,000
						89,059,000	-
						44,259	405,142,250
						6,300,000	13,200,000
						(60,000)	-
14,416,988	47,144,150					14,416,988	47,144,150
9,640,379	34,624,776					9,640,379	34,624,776
382,950	582,950					382,950	582,950
						11,236	13,355
1,409	3,400					1,409	3,400
-	400,000					-	400,000
22,836	19,773					22,836	19,773
808,500	808,500					808,500	808,500
		2,353,860	2,353,860			2,353,860	2,353,860
		22,980,500				22,980,500	-
		-	3,480,000,000			-	3,480,000,000
		4,000,500,000	500,000			4,000,500,000	500,000
				-	-	-	-
				-	-	-	-

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Note 41 UNUTILISED AMOUNTS OF PROCEEDS FROM ISSUE OF SECURITIES

(Disclosure pursuant to Note no. 6(V) of Part I of Schedule VI to the Companies Act, 1956)

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.

NOT APPLICABLE

Note 42 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS

(Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956)

In the opinion of management, the current assets including loans and advances, debtors and other current assets are recoverable at the value stated in the balance sheet in ordinary course of business.

Note 43 GSPC GAS Company Limited had applied to the 'Petroleum & Natural Gas Regulatory Board' in May 2008 for authorization of its 10 Geographical Areas (GA)- City Gas Distribution Network under section 18(1) of the 'Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand local or City Gas Distribution Network) Regulations, 2008.

The Company has received authorisations for Rajkot, Surendranagar, Navsari and Nadiad GA s from PNGRB. The authorisations for Valsad, Hazira, Palej and Gandhinagar are under process of authorisation with PNGRB . The Comapany has also received authorisation for Jamnagar GA pursuant to its competitive bid in February 2011. The PNGRB has not considered the application of authorisation of Halol and Khambhat GA by issuing a speaking order in May, 2011. The management of company has replied to PNGRB against the said speaking order and requested to continue to operate in Halol and Khambhat GA in public interest and company continue to operate and book the income thereof. Further, the company is engaged with PNGRB to obtain authorisation for Halol and Khambhat GA as well along with other GA's under relevant rules of the PNGRB Act, 2006. Company has not received any further communication from PNGRB in this regard.

Note 44 GSPC Gas has incurred capital expenditure amounting to ₹. 6.97 Crores (Previous year ₹.6.03 crores) in Bhavnagar area for PNG, the authorization for which from PNGRB is recently awarded to Gujarat Gas Company Ltd. The company has executed business conduction agreement w.e.f 1st May, 2014 with Gujarat Gas Company Ltd., and as such there is no impairment of these assets.

Note 45 The Board of Directors of GSPC Gas Company Limited at its meeting held on 21st April, 2014 passed a resolution to consider the Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme"). GSPC Gas, GFSL, GTCLand GGCL to merge with GSPC Distribution Networks Limited ("GDNL") under the Scheme with appointed date as 1st April, 2013. The scheme is subject to relevant statutory approvals.

Note 46 Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current year's presentation.

The Accompanying Notes are an integral part of the financial Statements.

As per our report attached.

For, A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

Anand Sulakhe
Partner
M. No. : 33451

Place: Gandhinagar
Date: 21st May, 2014

For and on behalf of Board of Directors

Atanu Chakraborty, IAS Director	Tapan Ray, IAS Director
------------------------------------	----------------------------

P. P. G. Sarma
Chief Executive Officer

Rahul Devi
GM (F&A)

Ahmed Khan
Company Secretary

Place: Gandhinagar
Date: 21st May, 2014

13th

ANNUAL REPORT 2013-2014



GUJ INFO PETRO LIMITED

BOARD OF DIRECTORS

Shri Sudeep Kumar Nanda, IAS
Shri Tapan Ray, IAS
Shri J. P. Gupta, IAS
Prof. T.P. Rama Rao

CEO

Shri V.K. Sharma

BANKERS

IDBI Bank Ltd.
ICICI Bank Ltd.
Bank of Baroda
Corporation Bank

AUDITORS

M/s. Singhvi & Mehta
109, University Plaza,
Vijay Char Rasta,
Navrangpura,
Ahmedabad.

REGISTERED OFFICE :

3rd Floor, Block -15,
Udhyog Bhavan
Sector-11
Gandhinagar — 382 011

DIRECTORS' REPORT

To
The Members,
Guj Info Petro Ltd.

The Directors are pleased to present the 13th Annual Report on the business and operations of the Company together with the Audited Financial Statements & Accounts for the year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

Your company in the current financial year has posted yet another year of stellar performance with an impressive top line growth of 44 % reflecting the farsightedness of its corporate strategy of creating multiple drivers of growth.

The company is proud to present the following financial highlights:

(₹. in Lacs)

Particulars	2013-14	2012-13
Income from Operations	4197.81	2817.62
Other Income	252.68	273.07
Total Income	4450.49	3090.69
Less : Dep.	26.75	39.94
Other exps.	3147.55	2115.67
Total Expenditure	3174.30	2155.61
Tax	407.77	295.52
Net Profit	868.42	639.56

DIVIDEND

Keeping in view to the fund requirements for some ambitious expansion projects envisioned in the near future, Directors do not recommend any dividend.

BUSINESS ACTIVITIES

GIPL with its tireless efforts has been able to undertake all IT/ITeS projects of Government/ Department/ Boards/ Corporations/ Society or any Agency/ entity of State Government has cemented its way in establishing itself in this particular field.

Discontinuance of ISP Service:

The Company has discontinued ISP services with effect from 1st November, 2013.

Data-Centre Services

The company is a leading provider of outsourced data center infrastructure for Corporates and government organizations with mission-critical IT operations. The data centre at Infocity, Gandhinagar.

GIPL realizing the criticality of secure data storage, zero downtime has geared itself to provide the essential security, speed and reliability to get the customer online faster ensuring their servers are up and running safely at all times with an unbeatable consistency ratio and overall customer satisfaction rating by providing 24x7 support services.

The Company has engraved its name in the Government sector across Gujarat by delivering services like Server Co-location, managed hosting, Storage & Backup, Network connectivity, application hosting, managed services, Connectivity and wi-fi solutions etc.

E-mail Solution Provider

The company is currently acting as an e-mail solution provider also for various corporate and government departments.

Website Development

The company is also delivering services of website development and maintenance to its group companies and different government departments.

Result Hosting

GIPL has been successfully hosting the HSC, SSC and GUJCET results of GS&HSEB.

Live Surveillance Facility:

GIPL provided end to end Live Surveillance facilities through tablets for Rajasthan Elections as well as GSEB exams.

E-Tendering

E-tendering portal has been commenced by the company for the various government departments/ organizations.

Apex Consultancy for End-to-End IT Solutions:

The company is currently acting as Apex consultant for different government departments which includes Evaluating right product for the organization, suggesting best options, identifying training needs to end-users, selection of ERP for the entire project management to implement world class ERP like SAP, Oracle apps and also providing hand holding support to Organization.

Total Solution Provider/ Nodal Agency:

The company has been appointed as a Total Solution Provider (TSP) for various government organizations/ departments for all its IT related works. GIPL helps the client get the best technologies and drive their business forward through technology. The consultancy teams works closely with the clients to ensure best, feasible and cost effective services.

Software Development

The company has developed the following software for various corporates, government departments/ organizations/ universities.

- 1) Management Information System
- 2) PDA based surveillance and Tracking system
- 3) Village Pond Subsidy Management System.
- 4) University Management System along with Choice Based Credit System (CBCS)
- 5) Software for Education Board
- 6) Pipeline Asset Management System (PAMS)
- 7) Online Examination
- 8) GIS based Tourist Information System dissemination
- 9) Mobile application for information dissemination
- 10) Integrated system for call centre activities
- 11) Web based MIS and Android based application
- 12) Online subsidy application and approval process for different schemes in agriculture sector
- 13) Application Integration with Payment Gateway
- 14) Purchase order generation along with the Inventory Management Software Vehicle Tracking System
- 15) e-filing system

- 16) HR Payroll system
- 17) Document Management System
- 18) P.O. Tracking System
- 19) Invoicing Software
- 20) Online Subsidy Management system.
- 21) Website Development
- 22) House Allotment System
- 23) RFID based Visitor tracking System
- 24) Forest GIS based Management Information System
- 25) Visitor Tracking System
- 26) Call Registration system
- 27) Naukari Khoj Portal
- 28) Gir- e permit System
- 28) ISMS, E-permit system (Foreign Liquor)
- 29) MIS & Mobile Development & Self- Help group

Facility Management Services

The Company under Facility Management Services is providing trained and experienced IT personnel to its group companies, various government departments / organizations & PSUs etc.

Quality Initiatives

The Company has got its ISO 9001:2008 certification for services like customized software development, providing services for LAN & WAN networking projects and IT consultancy & Project Management.

The Company being driven towards achieving excellent quality initiatives has also undergone the certification audit process for ISO/IEC 27001:2005 having the scope for Data Centre, Systems, Network & Service desk services.

Awards

The Company has received two most prestigious awards one for "Best Software Application Development for Education Board" and second one for "Best Software Application Development for Universities" at National UP Education Summit & Awards 2013 held at JSS Academy of Technical Education Auditorium Noida on 19th Aug 2013 from Shri Abhishek Mishra (Minister of Science & technology, UP).

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits and as such, no amount on account of principal or interest on such deposits was outstanding as on the date of the Balance Sheet.

CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

During the year, your directors have constituted the Corporate Social Responsibility and Governance Committee (CSR&G Committee) comprising of Shri Tapan Ray, IAS, Director, Shri J.P. Gupta, IAS, Director, Prof. T.P. Ramarao, Independent Director and Shri V.K. Sharma, CEO as convener.

The said committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Shri Tapan Ray, IAS and Shri T. P. Ramarao shall retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

STATUTORY & C&AG AUDIT

The Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, Singhvi & Mehta, Chartered Accountants of Ahmedabad was appointed as Statutory Auditors for the financial year 2013-14 by C&AG.

C&AG has given NIL comment report for the Financial Year 2013-14. The NIL comment report is annexed herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of The Companies Act, 1956, with respect to Directors Responsibility Statement it is hereby confirmed that -

- (i) In the preparation of the annual accounts for the year ended March 31, 2014, the applicable Accounting Standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same.
- (ii) The Directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and

prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date.

- (iii) The Directors have taken 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.
- (iv) The Directors have prepared the annual accounts of the Company on a going concern basis.

HUMAN RESOURCES

The Company has always believed that human resource is the most important resource and continues to work for its development. The company believes in nurturing talent, motivating, innovation and promoting leadership development.

The company works continuously for maintaining healthy working relationship with the employees. The underlying principle being that workers and staff at all levels are equally instrumental in attaining the Company's goals.

PARTICULARS OF EMPLOYEES

During the period under review, none of the employees were drawing remuneration, which require disclosure under Section 217 (2A) of The Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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

Conservation of Energy

The Company is established for providing I.T. related services. During the period under report, there is no consumption of energy requiring disclosure.

Technology Absorption

The Company has not imported any technology.

Foreign Exchange Earnings & Outgo

Foreign Exchange earnings :	NIL
Foreign Exchange Outgo :	₹ 0.93 lacs

ACKNOWLEDGEMENTS

The Directors heartily convey their appreciation for the excellent contribution made by the employees at all levels, without which the Company would not have been able to make a mark in its journey towards fulfilling its vision.

The Directors are pleased to place on record their sincere thanks to the shareholders for their valuable support, trust and confidence in the Company

The Directors would like to express their appreciation for the assistance and co-operation received from Bandwidth Providers, vendors, customers, various Departments / Organizations of the Government of Gujarat for their valuable support, trust and confidence in the Company.

For and on behalf of Board of Directors,

Tapan Ray, IAS
Director

S.K. Nanda, IAS
Director

Date : 05th September, 2014
Place : Gandhinagar

Comments of the Comptroller and Auditor General of India under Section 619 (4) read with Section 619 (B) of the Companies act, 1956 on the accounts of Guj Info Petro Limited for the year ended 31 March 2014

The preparation of financial statements of Guj Info Petro Limited for the year ended 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are 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 23 June 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Guj Info Petro Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under section 619(4) read with section 619(B) of the Companies Act, 1956.

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

Place: Ahmedabad
Date : 25th August, 2014

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

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Guj Info Petro Ltd.
Gandhinagar.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Guj Info Petro Ltd, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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. 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 March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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 section 227(4A) 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 and 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, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e. As the Company is a Government Company, in terms of Notification no. G.S.R. 829(E) dated 21 st October, 2003, issued by Department of Company Affairs, Ministry of Finance, the clause (g) of subsection (1) of section 274 of the Companies Act, 1956 is not applicable.

FOR, SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN : 02464W

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

(KALURAM GURJAR)
PARTNER
M. NO. 130095

ANNEXURE TO AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of Our Report of even date to the members of Guj Info Petro Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets *except quantitative details of furniture & fixtures*.
 (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 (c) In our opinion and according to the information and explanations given to us, fixed asset comprising 25.68% of total gross block aggregating to Rs. 10,368,589/- has been disposed during the year. However, it does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 (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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
 (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 b) According to the information and explanations given to us, the transactions referred to in the Section 301 of the Companies Act, 1956 made with the Company in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except stated below:

(₹. in Lacs)

Name of the statute	Nature of Dues	Amount	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	₹. 214.01	F. Y. 2007-2008	ITAT, Ahmedabad.

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.

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19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

FOR, SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN : 02464W

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

(KALURAM GURJAR)
PARTNER
M. NO. 130095

BALANCE SHEET AS AT 31ST MARCH, 2014

		(Amount in ₹.)	
Particulars	Note No.	As at 31 st March 2014	As at 31 st March 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	500,600	500,600
(b) Reserves and surplus	2	323,020,063	236,177,979
2 Non-current liabilities			
(a) Other non current liabilities	3	174,720	174,720
(b) Long Term Provision	4	2,620,086	2,156,028
3 Current liabilities			
(a) Trade payables		34,512,993	27,953,752
(b) Other current liabilities	5	280,084,092	160,264,693
(c) Short-term provisions	6	272,850	370,231
TOTAL		641,185,404	427,598,003
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	7		
(a) Tangible assets		10,362,983	15,489,814
(b) Intangible assets		298,522	495,384
(b) Deferred tax asset (Net)	8	2,952,640	1,918,617
(c) Long-term loans and advances	9	17,276,704	5,329,987
(d) Other non-current assets	10	12,761,735	9,048,672
2 Current assets			
(a) Trade receivables	11	67,018,510	44,230,632
(b) Cash and Bank Balance	12		
Cash and cash equivalents		72,447,243	136,408,555
Other Cash and bank balance		368,779	341,429
(c) Short-term loans and advances	13	4,754,701	5,227,059
(d) Other current assets	14	452,943,587	209,107,854
TOTAL		641,185,404	427,598,003

As per our report of even date attached

FOR, SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN : 02464W

(KALURAM GURJAR)
PARTNER
M. NO. 130095

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

For and on behalf of the Board
Guj Info Petro Limited

S. K. Nanda, IAS Tapan Ray, IAS
Chairman Director
V. K. Sharma
CEO

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

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STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹.)			
Particulars	Note No.	For the year ended on 31 st March 2014	For the year ended on 31 st March 2013
Revenue from operations	15	419,780,845	281,761,854
Other income	16	25,268,075	27,306,763
Total Revenue		<u>445,048,920</u>	<u>309,068,617</u>
Expenses:			
Purchase of Computer Hardwares & Electronic Items	17	108,191,789	69,394,260
Network Operating & Project Expenses	18	74,131,136	47,792,230
Employee benefits Expenses	19	114,405,895	83,311,457
Finance costs	20	61,746	74,428
Depreciation and amortization Expenses	7	2,674,920	3,994,305
Other Expenses	21	18,980,466	12,835,340
Total Expenses		<u>318,445,952</u>	<u>217,402,020</u>
Prior Period Adjustment	22.9	(1,015,673)	(1,840,831)
Profit Before Tax		127,618,641	93,507,428
Tax Expenses:			
Current Tax		41,800,000	30,000,000
Deferred Tax	8	(1,034,023)	(448,463)
Income Tax of earlier year		10,581	-
Profit (Loss) for the period		<u>86,842,083</u>	<u>63,955,892</u>
Earnings per equity share:			
Basic and Diluted	22.3	1,734.76	1,277.58

As per our report of even date attached

FOR, SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN : 02464W

(KALURAM GURJAR)
PARTNER
M. NO. 130095

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

For and on behalf of the Board
Guj Info Petro Limited

S. K. Nanda, IAS Tapan Ray, IAS
Chairman Director

V. K. Sharma
CEO

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

		(Amount in ₹.)	
Particulars		2013-14	2012-13
A	Cash Flow from Operating Activities		
	Profit after Tax and prior period adjustment	86,842,083	63,955,891
	Add : Income Tax	41,800,000	30,000,000
	Less: Excess provision of tax previous year/s	10,581	-
	Less: Deferred Tax	(1,034,023)	(448,463)
	Profit Before tax	127,618,641	93,507,428
	Adjustments for		
	Add :		
	Depreciation	2,674,920	3,994,305
	Interest & Finance Charges being financing cash outflow	61,746	74,428
	Loss on Sale / disposal / Write off of Assets	3,195,504	1,552,753
	Less :		
	Interest / Dividend Income	(24,814,427)	(26,982,477)
	Operating profit before working capital changes	108,736,384	72,146,438
	Adjustment for		
	Increase / Dec in Trade / Other receivables and Loans and Advances	(269,864,315)	(211,483,204)
	Increase / Dec in Trade and Other Payables	126,745,317	(36,282,611)
	Cash generated / (used in) operations	(34,382,614)	(175,619,377)
	Less : Direct Tax Paid (Including TDS)	(53,757,298)	(39,679,379)
	Net Cash from / (used in) Operating Activities (A)	(88,139,912)	(215,298,756)
B	Cash Flow from Investing Activities		
	Cash Paid for Purchase of Assets / CWIP including Joint Ventures (Net)	(1,422,205)	(1,489,591)
	Sale of Fixed Assets	875,475	40,194
	Interest / Dividend Income	24,814,427	26,982,477
	Net Cash Flow from Investing Activities (B)	24,267,696	25,533,080
C	Cash Flow from Financing Activities		
	Interest Paid & Finance charges paid	(61,746)	(74,428)
	Net Cash Flow from Financing Activities (C)	(61,746)	(74,428)
	Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C) (D)	(63,933,961)	(189,840,104)
	Total Cash and Cash equivalents at the Beginning of the Year - Note 1	136,749,984	326,590,087
	Total Cash and Cash equivalents at the End of the Year - Note 2	72,816,022	136,749,984

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STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in ₹.)		
Particulars	2013-14	2012-13
Notes:		
Note 1: Cash and Cash equivalents at the end of the year comprises:		
Cash and Cash equivalents at the Beginning of the Year		
Cash & Cheque on hand	125,296	169,369
Bank Balances		
In Current Accounts	14,347,936	10,297,701
In Fixed deposits	122,276,751	316,123,017
Total Cash and Cash equivalents at the Beginning of the Year	136,749,984	326,590,087
Note 2: Cash and Cash equivalents at the End of the Year		
Cash on hand	141,878	125,296
Bank Balances		
In Current Accounts	62,134,836	14,347,936
In Fixed deposits	10,539,307	122,276,751
Total Cash and Cash equivalents at the End of the Year	72,816,022	136,749,984

Note 3 : The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statement" issued under The Companies (Accounting Standard) Rules, 2006.

As per our report of even date attached

FOR, SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN : 02464W

(KALURAM GURJAR)
PARTNER
M. NO. 130095

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

For and on behalf of the Board
Guj Info Petro Limited

S. K. Nanda, IAS Tapan Ray, IAS
Chairman Director

V. K. Sharma
CEO

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

Significant accounting policies

1. Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with The Companies Act, 1956 and in accordance with accounting principles generally accepted in India (Indian GAAP) and comply with the Accounting Standards issued under "The Companies Accounting Rules, 2006", to the extent applicable.

2. Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in preparation of the financial statements are prudent and reasonable. Actual results may differ from those estimates. Any revisions to accounting estimates are recognized prospectively in current and future periods.

3. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on the Written Down Value ('WDV') method at the rates and in the manner prescribed by Schedule XIV to the Companies Act, 1956 except in the case of Leasehold Improvements, which are being depreciated @50%. Assets individually costing up to ₹ 5, 000 are fully depreciated in the year of purchase. Mobile communication equipments purchased by the company below ₹ 5000 have been charged to statement of profit and loss in the year of its purchase.

Intangible assets are recognized as per the criteria specified in Accounting Standard-26 "Intangible Assets" issued under The Companies (Accounting Standard) Rules, 2006. Depreciation on Computer Software is provided @40% on written down value basis.

4. Revenue recognition

Revenue from marketing and selling of internet bandwidth is recognized on completion of the time slot basis.

Revenue from web-hosting and website development is recognized on completion of the respective jobs.

Income from operation & maintenance contracts are recognized over the period of the respective agreements on a time proportion basis.

Revenue from consultancy contracts is recognized based on the terms of the respective contracts.

Revenue from sale of traded goods is recognized when goods are dispatched and the title passes to the customers, net of discounts and rebates, if any, granted.

5. Trade Receivables

General credit period in respect of Non-Government customer is 30 days from the date of billing. Whereas in respect of Government customer the same is 180 days from date of billing.

6. Inventories

Inventories comprises of traded goods mainly computer hardware, software and other networking peripherals, materials for net working. These are stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost is determined on First-In First-Out basis. However at the end of the year there were no inventories of trading goods.

7. Retirement benefits

Retirement benefits to employees are provided as follows :

- Provident Fund :

The eligible employees receive benefit from a provident fund, which is a defined contributory fund.

- **Gratuity:**

The company provides for gratuity, a defined retirement plan to eligible employees. Liability for gratuity is determined by actuarial valuation at the Balance Sheet date. Based on which, the company makes payment to the Guj Infopetro Limited Employees' Group Gratuity Scheme, which in turn contributes the ascertained liability to a group gratuity scheme of Life Insurance Corporation of India.

- **Leave Encashment:**

The company provides for leave encashment liability, which is non-funded retirement benefit scheme, based on actuarial valuation.

8. Provision for taxation

Income-Tax expenses comprises of Current Tax and Deferred Tax. Provision for Current Tax is made as per provisions of I.T. Act. The Deferred Tax charge or credit and the corresponding Deferred Tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred Tax assets are recognised only to the extent there is reasonable virtual certainty that Deferred Tax asset will be realised in future. Deferred Tax assets and liabilities are reviewed at each balance sheet date and adjusted accordingly.

9. Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. The difference between the actual rate of settlement and the rate on the date of transactions is charged or credited to the profit and loss account.

In respect of monetary current assets & liabilities and fixed assets, the overall net gain or loss, if any, on conversion at the exchange rates prevailing on the date of the Balance Sheet is charged to revenue.

10. Earnings Per Share

The basic earnings per share are computed in accordance with Accounting Standard-20, "Earning per share" issued under The Companies (Accounting Standards) Rules, 2006 by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.

11. Provision, Contingent Liabilities and Contingent Assets

A provision is recognised when:

- The Company has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made.

12. Impairment Assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of a depreciated historical cost.

13. Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.

14. Leases

Lease rentals in respect of assets acquired under operating lease are charged to Statement of Profit and Loss. Lease rentals in respect of assets acquired under finance lease are capitalized.

15. Prior Period Adjustments

In respect of the transactions pertaining to the one or more prior periods, the expenditure/ (income) relating to prior period as a result of errors or omission in the preparation of financial statements, is shown under the head "Prior Period Adjustments" in the statement of profit and loss as per the provisions of Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies" issued under The Companies (Accounting Standards) Rules, 2006.

16. Events Occurring after Balance Sheet Date

Material adjusting events (that provides evidence of conditions that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are indicative 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 reports of the board of directors.

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NOTE TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2014

Background

Guj Infopetro Limited ('GIPL' or 'the Company') was incorporated as a Government Company on 15th January 2001 with 99.9% of the share capital being held by Gujarat State Petroleum Corporation Limited ('GSPC'), which is a Government company. Subsequently, GSPC transferred 25,000 shares held by it to Gujarat State Fuel Management Company Limited (presently Known as GSPC Gas Co. Ltd.) resulting in a reduction in its share in the capital of GIPL to 49.9%. Consequently, GIPL was converted into a Non - Government Public Company with effect from 20th January 2001.

GSPC Gas Company Limited became Government company with effect from 5th March, 2008 and hence, the Guj Infopetro Limited again became Government Company with effect from 5th March, 2008.

The Company is primarily engaged in the marketing, selling, distribution of internet bandwidth and other value added services like web hosting, designing, development & maintenance of websites, IT consultancy services, software development, server co-location, mailing solutions, operation & maintenance of systems / networks, trading in hardware equipments, facility management services etc. to various organisations across Gujarat.

1 Share Capital

a. Details of Share Capital

Share Capital	As at 31 st March 2014		As at 31 st March 2013	
	Number	(₹.)	Number	(₹.)
Authorized				
Equity Share Capital				
Equity Share of Rs. 10 Each	<u>50,000,000</u>	<u>500,000,000</u>	<u>50,000,000</u>	<u>500,000,000</u>
Issued, Subscribed & Paid up				
Equity Share Capital				
Equity Share of Rs. 10 Each	50,060	500,600	50,060	500,600
Total	<u>50,060</u>	<u>500,600</u>	<u>50,060</u>	<u>500,600</u>

b. Share holding details of the company as at 31-Mar-2014 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held			
	As at 31 st March 2014	%	As at 31 st March 2013	%
Shares held by holding & ultimate holding Company				
Gujarat State Petroleum Corporation Limited	25,000	49.94	25,000	49.94
GSPC Gas Company Limited(Subsidiary of Gujarat State Petroleum Corp. Ltd)	25,000	49.94	25,000	49.94
Total	<u>50,000</u>	<u>99.88</u>	<u>50,000</u>	<u>99.88</u>

C. There is no change in share capital at the beginning and at the close of the year.

2. Reserves & Surplus

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
General Reserves		
Opening Balance	200,000,000	150,000,000
Appropriated from Net Profit	60,000,000	50,000,000
Closing Balance	260,000,000	200,000,000
Net Profit/(Loss)		
Opening Balance	36,177,980	22,222,088
Add: Net Profit For the current year	86,842,083	63,955,892
Total	123,020,063	86,177,980
Less: Appropriated to General Reserve	60,000,000	50,000,000
Closing Balance	63,020,063	36,177,980
Total	323,020,063	236,177,979

3. Other Non Current Liabilities

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Lease Hold Premium	174,720	174,720
Total	174,720	174,720

4. Long term provisions

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Provision for employee benefits		
Leave Encashment	2,620,086	2,156,028
Total	2,620,086	2,156,028

5. Other Current liability

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Other payables		
Expense payable	5,841,944	11,434,528
Other Statutory Liabilities	3,884,603	1,920,167
Advance Billing	20,901,961	4,476,254
Advance Received from Customers	239,780,584	141,320,744
Deposits	9,675,000	1,113,000
Total	280,084,092	160,264,693

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6. Short term provisions

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Leave Encashment	272,850	196,759
Gratuity	-	173,472
Total	<u>272,850</u>	<u>370,231</u>

7. Fixed Assets
The accounting policy relating to Fixed assets is given at para No. 3 of statement of "Significant Accounting Policies"
Fixed Assets Details

Sr.	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		As at 31 st March 2013 ₹.	Additions ₹.	Adj-during the year ₹.	As at 31 st March 2014 ₹.	Depre. charge for the year ₹.	Adj-during the year ₹.	As at 31 st March 2014 ₹.	As at 31 st March 2013 ₹.
a	Tangible Assets								
	Freehold Land	-	-	-	-	-	-	-	-
	Buildings	2,550,085	211,236,	-	2,761,321	89,475	-	1,838,911	1,717,150
	Plant and Equipment	11,034,985	222,634	923,948	10,333,671	635,067	593,185	4,838,199	5,581,394
	Furniture and Fixtures	11,312,203	-	7,587,629	3,724,573	586,600	4,002,094	782,181	4,954,316
	Vehicles	218,076	-	48,377	169,699	7,582	45,056	21,214	32,117
	Office equipment	1,533,636	667,841	567,689	1,633,788	183,848	498,648	1,130,520	715,568
	Computers	11,076,246	320,494	16,500	11,380,240	956,012	9,074	1,751,957	2,394,901
	Lease Hold Improvements	1,224,447	-	1,224,447	-	19,473	1,149,553	-	94,367
	Total	38,949,676	1,422,205	10,368,589	30,003,292	2,478,057	6,297,610	10,362,983	15,489,814
	Tangible Assets Previous Year	37,596,281	1,489,591	136,194	38,949,678	3,666,202	43,247	15,489,816	17,759,373
b	Intangible Assets								
	Computer software	2,413,414	-	-	2,413,414	196,862	-	298,522	495,384
	Total	2,413,414	-	-	2,413,414	196,862	-	298,522	495,384
	Intangible Assets Previous Year	2,413,414	-	-	2,413,414	328,104	-	495,385	823,488
	Total	41,363,090	1,422,205	10,368,589	32,416,706	2,674,920	6,297,610	10,661,505	15,985,198

Notes : (1) During the year the Company has sold/adjusted it's some of the fixed assets located at various Rented Offices/POPs (Point of present) for a total sale consideration of ₹875,475/- Loss on sale of fixed assets aggregating to ₹. 3,195,504/- debited to profit & Loss Account.

(2) As the company has closed ISP business from 31-10-2013 hence following assets held for disposal.

Details	WDV as on 31.03.2014
Plant & Machinery	2,595,264
Office Equipments	47,455
Total	2,642,719

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8. Deferred Tax Asset

a The policy statement of the company with respect of accounting of deferred tax liability is disclosed at para No. (8) of the Significant accounting policies.

b Details of the Deferred Tax Asset

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Deferred Tax Liability		
Provision for Gratuity disallowable u/s. 40A(7) of I Tax Act	100,153	-
Total DTL	100,153	-
Deferred Tax Asset		
Difference of Depreciation	1,295,999	280,791
Provision for Leave disallowable u/s. 43B of I.Tax Act	938,613	763,362
Provision for Gratuity disallowable u/s. 40A(7) of I.Tax Act	-	56,283
Provision Doubtful Debts - Advances	818,181	818,181
Total DTA	3,052,793	1,918,617
Net Deferred Tax (Liability)/Asset	2,952,640	1,918,617

9. Long Term Loans and Advances

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Advance Income Tax		
Advance Income Tax (Net Provision)	17,119,204	5,172,487
Security Deposits		
Unsecured, considered good	7,500	7,500
Long-term Loans and advances to others		
Unsecured, considered good	235,674	235,674
Total	17,362,379	5,415,661
Less: Provision for doubtful advances	85,674	85,674
Total	17,276,705	5,329,987

10. Other Non Current Assets

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	12,101,979	7,049,525
Doubtful	2,521,748	2,521,748
Total	14,623,727	9,571,273
Less: Provision for doubtful trade receivables	2,521,748	2,521,748
Long term trade receivables	12,101,979	7,049,525
Other Advances		
Unsecured, considered good	173,204	128,772
Other Security Deposits		
Unsecured, considered good	486,552	1,870,375
Total	12,761,735	9,048,672

11. Trade Receivable

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Outstanding for a period less than six months from the date they are due		
Unsecured, considered good	67,018,510	44,230,632
Total	67,018,510	44,230,632

Details of amount due from the directors and other officers of the company.

Due From

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Directors	-	-
Other officer of the company.	-	-
Firm in which officer or Director is a Partner	-	-
Company in which officer or Director is a Director	5,099,099	4,959,951
Total	5,099,099	4,959,951

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12. Cash and Bank Balance

Cash and cash Equivalent

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Balances with banks		
- In Current Accounts	62,134,837	14,347,936
- In Fixed Deposits (Having Maturity of less then or equal to three months)	10,170,528	121,935,322
Cash on hand	141,878	125,296
Total	<u>72,447,243</u>	<u>136,408,555</u>

Other Cash and Bank Balance

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
- In Bank Deposits (Having Maturity of more than three Months or less than or equal to twelve months)	368,779	341,429
Total	<u>368,779</u>	<u>341,429</u>

13. Short-term loans and advances

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
<i>Deposits</i>		
Unsecured, considered good	118,747	727,663
<i>Prepaid Exps.</i>		
Unsecured, considered good	1,433,750	2,783,963
<i>Gratuity</i>		
Secured, considered good	308,686	-
<i>Advance to Employee</i>		
Unsecured, considered good	1,124,656	300,966
<i>Service Tax</i>		
Unsecured, considered good	1,603,179	1,365,488
<i>Advance to Others</i>		
Unsecured, considered good	165,683	48,979
Total	<u>4,754,701</u>	<u>5,227,059</u>

14. Other Current Assets

a Details of Other current assets

Particulars	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
<i>Inter Corporate Deposits</i>		
Unsecured, considered good	437,800,324	195,210,375
<i>Accrued interest on deposit</i>		
Unsecured, considered good	7,973,018	5,096,479
<i>Accrued Income</i>		
Unsecured, considered good	7,170,245	8,801,000
Total	<u>452,943,587</u>	<u>209,107,854</u>

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The accounting policy relating to Revenue Recognition is given at para No. 4 of statement of "Significant Accounting Policies.

15. Revenue

Particulars	For the year ended on 31-Mar-2014		For the year ended on 31-Mar-2013	
	(₹.)	(₹.)	(₹.)	(₹.)
Sale of Trading Goods		119,250,796		77,919,417
Revenue from Services				
ISP Income		29,816,894		42,567,268
Bandwidth Income	12,403,048		24,699,152	
O& M Income	5,529,972		1,945,934	
Other ISP Income	11,883,874		15,922,182	
Project, Software & Consultancy Income		188,431,597		104,834,143
Consultancy Fees	37,856,417		39,265,164	
ISMS Project Income	10,019,760		11,461,852	
Weighbridge Maint. Income	4,763,333		7,294,761	
Site Hosting Income	11,536,055		12,876,806	
RTO Checkpost O&M Project Income	16,069,194		3,267,378	
Web Casting Income	11,422,500		3,132,000	
Webhosting Income	5,725,810		-	
Website Development Income	5,461,288		215,482	
BRTS O&M Income	8,778,480		3,703,031	
Rent Income	11,756,850		11,527,925	
Software Development income	57,605,525		8,175,576	
Other Project Income	7,436,385		3,914,169	
Facility Management Service Income		81,628,642		56,394,038
Others		652,916		46,988
Total		<u>419,780,845</u>		<u>281,761,854</u>

16. Other Income

Particulars	For the year ended on 31-Mar-2014		For the year ended on 31-Mar-2013	
	(₹.)	(₹.)	(₹.)	(₹.)
Interest Income (other than a finance company)		24,814,427		26,982,477
Misc. Income		453,648		324,286
Total		<u>25,268,075</u>		<u>27,306,763</u>

17. Purchase of Computer Hardware & Electronics items

Particulars	For the year ended on 31-Mar-2014 (₹.)	For the year ended on 31-Mar-2013 (₹.)
Stock at the beginning of the financial year	-	-
Purchase during the year	108,191,789	69,394,260
Total	108,191,789	69,394,260

18. Network Operating & Project Expenses

Particulars	For the year ended on 31-Mar-2014 (₹.)	For the year ended on 31-Mar-2013 (₹.)
A. Network Operating Expenses		
Bandwidth Charges	3,757,740	4,509,159
Cable Network Charges	140,020	126,794
Connectivity Charges	4,049,171	4,014,358
Domain Registration Exps.	40,000	20,000
Installation Charges	336,000	1,438,657
Loading & unloading & Octroi Exps.	1,620	3,980
Website Maint.Exps.	-	1,584,378
Operation & Maint. Exps.	-	847,263
Tax Exps.	23,578	35,512
AGR Exps.	1,335,720	1,217,332
Total - A	9,683,849	13,797,433
B. Project Expenses		
Software Develop.Exps.	12,598,541	593,808
Isms Project Exps.	9,015,745	8,637,363
Weighbridge Maint.Exps.	4,763,333	7,294,761
BRTS O&M & Project Exps.	5,723,771	3,119,822
Wifi Solution Project Exps.	665,334	1,216,872
Website Development Exps.	4,830,000	-
Bulk SMS Solution Project Exps.	325,052	13,734
Call Centre Project Exps.	-	1,500,000
Consultancy Exps.	-	6,080,400
Hosting Environment Exps.	77,732	45,763
Data Migration Exps.	1,538,495	-
Video Conferencing Exp.	-	285,000
RTO Check Post O&M & Project Exps.	13,859,285	3,373,224
Web casting Exps.	11,050,000	1,834,050
Total - B	64,447,288	33,994,797
Total (A+B)	74,131,136	47,792,230

19. Employee benefits expense

Particulars	For the year ended on 31-Mar-2014 (₹.)	For the year ended on 31-Mar-2013 (₹.)
Salaries and incentives	50,075,885	44,751,342
Contributions to Provident Fund	3,523,189	2,851,590
Gratuity fund contributions	191,161	311,564
Leave Encashment expenses	576,765	656,626
Outsourced Manpower charges	187,411	182,532
Facility Management & Call Centre charges	56,077,894	31,523,225
Staff welfare expenses	3,773,590	3,034,578
Total	114,405,895	83,311,457

Disclosure as per AS -15

Employees Benefit

In accordance with the Accounting Standard — 15 "Employee Benefit" issued under Companies (Accounting Standards) Rules, 2006, the obligations of the Company, on account of employee benefits, based on independent actuarial valuation, is accounted for in the books of account. Actuarial Valuation is carried out by applying projected unit method. Above standard, the obligations of the Company, on account of employee benefits, based on independent actuarial.

I Defined Contribution Plans :

Provident Fund/ Employees' Pension Fund:

During the year, the Company has recognized ₹. 29.66 lacs (P.Y. ₹.25.92 lacs) in the Profit & Loss Account under the head "Contribution to Provident Fund and Other Funds.

II Defined Benefit Plans:

- (A) Contribution to Gratuity Fund - Funded Scheme
- (B) Provision for Earned Leaves - Non-Funded Scheme

The following tables set out the funded status of Gratuity and non-funded status of Leave Encashment plan and amounts recognized in Company's financial statement as at 31st March, 2014.

Sr.No.	PARTICULARS	GRATUITIY FUNDED		LEAVE ENCASHMENT NON FUNDED	
		2013-14	2012-13	2013-14	2012-13
A	ASSUMPTIONS :				
	Discount Rate [Previous]	8.25%	8.75%	8.25%	8.75%
	Rate Of Return On Plan Assets [Previous]	8.70%	8.75%	-	-
	Salary Escalation [Previous]	7.00%	7.00%	7.00%	7.00%
	Attrition Rate [Previous]	2.00%	2.00%	2.00%	2.00%
	Discount Rate [Current]	9.31%	8.25%	8.25%	8.25%
	Rate Of Return On Plan Assets [Current]	8.70%	8.70%	-	-
	Salary Escalation [Current]	7.00%	7.00%	7.00%	7.00%
	Attrition Rate [Current]	2.00%	2.00%	2.00%	2.00%
B	TABLE SHOWING CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION :				
	Present Value Of Benefit Obligation As At The Beginning Of The Current Period	1,519,488	1,108,219	2,352,787	1,790,087
	Interest Cost	125,358	96,969	194,105	156,633
	Current Service Cost	220,860	193,146	138,824	122,607
	(Benefit Paid)	-	-	-	(93,927)
	Actuarial (Gains)/Losses On Obligations	(1309)	121,154	207,220	377,387
	Present Value Of Benefit Obligation As At The End Of The Current Period	1,864,397	1,519,488	2,892,936	2,352,787
C	TABLE OF FAIR VALUE OF PLAN ASSETS :				
	Fair Value Of Plan Assets At The Beginning Of The Period	1,346,016	1,246,311	-	-
	Expected Return On Plan Assets	117,103	109,052	-	-
	Contributions	673,436	-	-	-
	Actuarial Gains/(Losses) On Plan Assets	36,528	(9347)	-	-
	Fair Value Of Plan Assets At The End Of The Period	2,173,083	1,346,016	-	-
D	TABLE OF RECOGNITION OF ACTUARIAL GAINS/LOSSES :				
	Actuarial (Gains)/Losses On Obligation For The Period	(1309)	121,154	207,220	377,387
	Actuarial (Gains)/Losses On Asset For The Period	(36,528)	9347		
	Subtotal	(37,837)	130,501	207,220	377,387
	Actuarial (Gains)/Losses Recognized In Income & Expenses Statement	(37,837)	130,501	207,220	377,387
E	ACTUAL RETURN ON PLAN ASSETS :				
	Expected Return On Plan Assets	117,103	109,052	-	-
	Actuarial Gains/(Losses) (On Plan Assets	36,528	(9347)	-	-
	Actual Return On Plan Assets	153,631	99,705	-	-

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Sr.No.	PARTICULARS	GRATUITIY FUNDED		LEAVE ENCASHMENT NON FUNDED	
		2013-14	2012-13	2013-14	2012-13
F	AMOUNT RECOGNIZED IN THE BALANCE SHEET:				
	Fair Value Of Plan Assets At The End Of The Period	2,173,083	1,346,016	-	-
	(Present Value Of Benefit Obligation As At The End Of The Period)	(1,864,397)	(1,519,488)	(2,892,936)	(2,352,787)
	Funded Status Unrecognized Past Service Cost At The End Of The Period	308,686	(173,472)	(2,892,936)	(2,352,787)
	Net (Liability)/Asset Recognized In The Balance Sheet	308,686	(173,472)	(2,892,936)	(2,352,787)
G	EXPENSES RECOGNIZED IN THE INCOME STATEMENT:				
	Current Service Cost	220,860	193,146	138,824	122,607
	Interest Cost	125,358	96,969	194,105	156,633
	(Expected Return On Plan Assets)	(117,103)	(109,052)	-	-
	Actuarial (Gains)/Losses	(37,837)	130,501	207,220	377,387
	Expense Recognized In P&L	191,278	311,564	540,149	656,627
H	BALANCE SHEET RECONCILIATION :				
	Opening Net Liability	173,472	-	2,352,787	1,790,087
	Expense As Above	191,278	311,564	540,149	656,627
	Benefit Paid	-	-	-	(93,927)
	(Employer's Contribution)	(673,436)	-	-	-
	Net Liability/(Asset) Recognized In The Balance Sheet	(308,686)	173,472	2,892,936	2,352,787
I	OTHER DETAILS :				
	No Of Memebers	17	16	17	16
	Salary PM	578,760	470,385	578,760	470,385
	Prescribed Contribution For Next Year (12 Months)	-	394,332	-	-
J	CATEGORY OF ASSETS :				
	Insurer Managed Funds	2,173,083	1,346,016	-	-
K	EXPERIENCE ADJUSTMENT :				
	On Plan Liability (Gains)/Losses On Plan Assets (Losses)/Gains	264,606 36,528	23,959 (9347)	586,560	239,715

III Category of Plan Assets :

The Company's Plan Asset in respect of Gratuity are funded through the Group Scheme of Life Insurance Corporation of India.

20. Finance Cost

Particulars	For the year ended on 31-Mar-2014 (₹.)	For the year ended on 31-Mar-2013 (₹.)
Interest Expense	61,746	74,428
Total	61,746	74,428

21. Other Expenses

Particulars	For the year ended on 31-Mar-2014 (₹.)	For the year ended on 31-Mar-2013 (₹.)
Godown/ Office Rent	4,202,126	4,056,723
Electricity Expenses	2,640,627	2,185,326
Telephone Expenses	309,508	198,945
Professional Fees	1,486,947	602,587
Auditors Remuneration	270,000	270,000
Stationery and Printings Expenses	307,461	368,957
Travelling/Conveyance Expenses	445,848	280,985
Insurance Expenses	197,480	188,368
Membership Fees Expenses	110,983	176,774
Repair and Maintenance - Others	1,636,780	657,549
Security Service Charges	756,952	675,782
Vehicle Running-Repair Expense	1,240,166	1,340,284
Bank Charges	74,857	141,885
Loss on sale of fixed assets/ Asset W.off net	3,195,504	52,753
Written off	-	250,000
Other Admin Expenses	394,021	526,811
Total Administrative Expenses	17,269,259	11,973,729
Selling and Distribution Expenses		
Advertisement Expenses	73,119	473,072
Sales Promotion Expenses	1,638,088	388,539
Total Selling and Distribution Expenses	1,711,207	861,611
Total Other Expenses	18,980,466	12,835,340

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22. Notes to the accounts

22.1.1 Contingencies and Commitments:	2013-14	2012-13
<i>Contingent Liabilities</i>		
<i>Out standing demand against regular Income Tax Assessment</i>	<u>7,064,955</u>	<u>11,023,355</u>

Company has received Income Tax assessment order for A.Y 2008-09. Demand of ₹. 214.01 Lacs is raised by the Income Tax Department by disallowing claim of the Company for deduction u/s 80IA of the Income Tax Act, 1961 and also making addition of ₹. 308.47 Lacs received as customer advance. Company has preferred appeal to CIT (Appeals). As per order of CIT (Appeal), the addition of ₹. 308.47 Lacs being advance received from customer is deleted. Whereas, addition on account of not allowing claim for deduction u/s 80IA is upheld. The Company has preferred appeal before I.T.A.T. and the matter is sub judice. In view of above, the Company has not made provision for demand for ₹. 70.65 Lacs raised and shown as contingent liabilities.

22.1.2 Bank Guarantees, Corporate Guarantee, Letter of Credit and performance Guarantees given by the company

Particulars	2013-14	2012-13
Financial Bank Guarantee to DOT	2,000,000	2,000,000
Performance Bank Guarantee to DOT	20,000,000	20,000,000
Performance Bank Guarantee to DOT	-	1,000,000
Performance Bank Guarantee to Others	199,248	2,096,153
Corporate Guarantee to Others	1,781,233	4,389,780

22.2 Adjusted Gross Revenue (AGR)

The Company is regularly paying Adjusted Gross Revenue (AGR)@ 6% based on the order of TDSAT dated 30th August 2007 and subsequent TRAI's guidelines considering only ISP income. The quarterly returns are filed from time to time and provisional assessment has also been completed by DoT upto the year 2008-09.No further provisional assessment done by DOT.

Subsequently, Supreme Court vide its order dated 11th October 2011 set aside the TDSAT order and remitted the matter to the Tribunal to pass fresh order in accordance with law. DoT has issued a letter no.820-01/2006-LR (vol-II) Pt. dated 29/6/2012 increasing AGR at 7% from 1/7/2012 and 8% for the year 2013-14 onwards and clarified that Revenue for the purpose of license fee shall provisionally include all types of revenue from internet services allowing only those deductions available for pass through charges and taxes/levies as in the case of access services without any set-off for expenses. Revenues from Internet services will also be included in the definition of applicable AGR provisionally for ISP-IT category till Government takes a final decision after obtaining TRAI recommendations in this regard. If TDSAT decides the inclusion of Non -ISP income for AGR, the estimated contingent liabilities would be to the extent of ₹. 4.95 Crore (without interest) till 31st March, 2014.

22.3 Earnings Per Share

The policy of Earning Per Share is given in Para No.10 of the Significant Accounting Policy Statement

Basic & Diluted Earnings Per Share	2013-14	2012-13
Net Profit after adjustment attributable to the equity shareholders	86,842,083	63,955,891
Weighted average number of equity shares of Rs. 10 each outstanding during the year	50,060	50,060
Basic & Diluted earnings per equity share	1734.76	1277.58
Face value per share	10	10

22.4 Related Party Transactions

As per the Accounting Standard - 18 on "Related Party Disclosures" issued under "The Companies (Accounting Standards) Rules, 2006", following disclosure is made.

- ? ● Holding Company: Gujarat State Petroleum Corporation Limited
- ? ● Associate Companies: Gujarat State Petronet Limited, GSPC Gas Company Limited, Gujarat State Energy Generation Limited
- ? ● Key Managerial Personnel: Shri V.K.Sharma - C.E.O

Transaction during the year

Particulars	GSPC Ltd		GSPL		GSPC Gas Co. Ltd.		GSEG Ltd.		Perfect IT Solution Pvt. Ltd		Cyber soft Network Pvt. Ltd	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Income Received :												
-Value of Services Rendered Expenses/ Payments made by GIPL :	10,255,186	11,006,115	5,062,610	3,114,074	288,016	730,340	65,541	252,625	506	506	506	506
- Expenses Reimbursements	4,748,273	3,797,284	-	-	142,497	71,236	24,912	28,876	124,394	287,236	1,263,948	2,448,656
Balance as on 31st March'2014 & 2013												
-Amt. Receivable	2,349,601	3,758,106	15,94,195	1,201,845	-	-	-	-	-	-	-	-
-Amt. Payable	217,042	193,610	-	-	10132	4,288	-	4086	-	-	-	-

22.5 Remuneration paid to key personnel

Particulars	2013-14	2012-13
Salary & Allowances	2,693,349	2,456,390*
Directors sitting fees and out of pocket expenses	2,000	8,000

*Directors' remuneration represents amount reimbursed to GSPC towards services rendered by the Director.

22.6 Payment to Auditor

Particulars	2013-14	2012-13
Auditor	250,000	250,000
For Tax Matters	-	-
For Company Law Matters	-	-
For Management Services	-	-
For Other Services	-	-
For Reimbursement of expenses	20,000	20,000
Total	270,000	270,000

22.7 Movement in Provisions for Leave Encashment

The policy for provisions is given in Para No.7 of the Significant Accounting Policy Statement

Particulars	2013-14	2012-13
Opening Balance	2,352,787	1,790,087
Provided during the year	540,149	650,364
Less : Utilized during the year	-	87,664
Closing Balance	2,892,936	2,352,787

22.8 Leases
Operating Lease

The Company has entered into operating lease arrangements for office space (Points of Presence - 'POP') at various locations in Gujarat for supply of bandwidth to its customers. These lease arrangements provide for cancellation by either party subject to a notice period of one month.

Lease payments on cancellable operating lease arrangements debited to the profit and loss are summarized below:

Particulars	2013-14	2012-13
Lease payments debited to the profit and loss account		
- Cancellable operating leases	2,901,639	3,993,229
Total	2,901,639	3,993,229

Finance Lease

The Company has entered into irrevocable finance lease arrangements for office space at Infocity, Gandhinagar, for an upfront one time consideration of ₹. 2,340,000/- and freehold premium payable at the end of 62 years ₹. 174,720/-. Total minimum lease payments at the end of 62 years amounting to ₹. 1, 74,720/- is reflected under Other Liabilities.

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22.9 Details of Prior period Adjustments shown in statement of Profit & Loss is as under:

Particulars	2013-14	2012-13
Staff Welfare Exp		104,029
Facility Management Exp		165,714
ISMS Project		868,800
Pr. Year Purchase		659,287
Audit Charges		1,000
Incentive Payable		42,000
Interest Income	289,167	
Out of Pocket	1,000	
Ex Gratia Bonus	619,205	
Weigh Bridge Maintenance Exp	(22,737)	
Pr. Year Purchase	72,486	
Pr. Year Purchase	555	
Pr. Year Purchase	59,683	
Facility Management Exp	(3,687)	
Grand Total	<u>1,015,672</u>	<u>1,840,830</u>

22.10 The Company has discontinued its ISP operation w. e. f 31st October, 2013. The Company has not yet disposed off fixed assets of ISP operations. As turnover of the company does not exceed 50 Crores, and it do not fall under any other category, therefore Accounting Standard 24, "Discontinuing Operations" issued under the Companies (Accounting Standards) Rules, 2006 is not applicable to the company.

22.11 Disclosure as required under Micro, small and medium enterprise Development Act, 2006:

Particulars	2013-14	2012-13
(I) Principal amount remaining unpaid as on 31st March, 2014	-	-
(ii) Interest due thereon on 31st March ,2014	-	-
(iii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment to the supplier beyond the appointed day during the year	-	-
(iv) 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	-	-
(v) Interest accrued and remaining unpaid as at 31st March 2014	-	-
(vi) 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 enterprises	-	-

Dues to Micro and small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

22.12 Balances of debtors, creditors and loans and advances are subject to confirmation.

22.13 *Expenditure in foreign currency*

Particulars	2013-14	2012-13
Membership charges	-	191,248
Server Rent Charges	92,804	-

22.14 In the opinion of the Board, all the assets other than Fixed Assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

22.15 Considering the nature of company's business and operations there are no separate reportable segments (business and/or geographical) in accordance with the requirement of accounting standard-17 " Segment Reporting" issued under the Companies (Accounting Standards) Rules, 2006.

22.16 Based on the review, the management is of the opinion that there is no impairment of any assets in terms of Accounting Standard-28, " Impairment of Assets" issued under the Companies (Accounting Standards) Rules, 2006.

22.17 *Prior year comparatives*

Previous year's figures have been re-grouped and reclassified wherever necessary to make them comparable with current year's figures.

FOR, SINGHVI & MEHTA
CHARTERED ACCOUNTANTS
FRN : 02464W

(KALURAM GURJAR)
PARTNER
M. NO. 130095

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

For and on behalf of the Board
Guj Info Petro Limited

S. K. Nanda, IAS Tapan Ray, IAS
Chairman Director

V. K. Sharma
CEO

PLACE : GANDHINAGAR
DATE : 23rd June, 2014

3rd

**ANNUAL REPORT
2013-2014**



GSPL INDIA TRANSCO LIMITED

Board of Directors

Shri Tapan Ray, IAS
Shri A.K.Marchanda (up to 31st March 2014)
Shri V.K.Khurana
Shri G.K. Satish (w.e.f. 23rd July 2014)
Shri I.S. Rao
Shri Y.K.Gawali (up to 27th March 2014)
Shri H. R. Wate (W.e.f. 27th March 2014)
Shri Manish Verma
Shri Bose Babu Nallapaneni
Shri Ravindra Agarwal

Chairman

Statutory Auditors

Bhupendra S. Shah & Co.
Chartered Accountants
Ahmedabad

Internal Auditors

Pandya & Mehta
Chartered Accountants
Ahmedabad

Registered Office

GSPC Bhavan,
B/h Udyog Bhavan,
Sector-11,
Gandhinagar - 382010

CIN : U40200GJ2011SGC067450
Website : www.gspcgroup.com/GITL
E-mail : gitl@gspc.in

Bankers

Allahabad Bank
Bank of India
Canara Bank
Corporation Bank
Dena Bank
ICICI bank
Indian Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
Ratnakar bank
State Bank of India
State Bank of Mysore
Syndicate Bank
Union Bank of India
Vijaya Bank
Yes Bank

DIRECTORS' REPORT

To,
The Members
GSPL India Transco Limited

Your Directors have pleasure in presenting the 3rd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

FINANCIALS

₹. in Lacs

Particulars	2013-14	2012-13
Total Income	242.75	123.38
Total Expenses	-	-
Profit Before Tax	242.75	123.38
Tax including Deferred Tax	78.76	39.94
Profit After Tax	163.99	83.44

FINANCIAL CLOSURE

Your Company has achieved financial closure for the project and is now in the advance stage of executing Sponsor Support Undertaking in favour of consortium of Banks.

SHARE CAPITAL

During the year under review the Company has allotted 6,64,42,192 equity shares of Rs. 10 each aggregating to Rs. 66.44 Crores to the Promoters from time to time to achieve shareholding of the Promoters as per the Joint Venture Agreement dated 30th April, 2012. The present shareholding of the Company is as follows:

Name of the Shareholder	No. of shares	% holding
Gujarat State Petronet Limited	7,28,00,000	52
Indian Oil Corporation Limited	3,64,00,000	26
Bharat Petroleum Corporation Limited	1,54,00,000	11
Hindustan Petroleum Corporation Limited	1,54,00,000	11
Total	14,00,00,000	100

DIVIDEND

As the Company is yet to commence commercial operations, no dividend is recommended by the Board of Directors.

PROJECT STATUS

Your Company was incorporated as a Special Purpose Vehicle for implementing the Mallavaram-Bhopal-Bhilwara-Vijaipur Pipeline Project. The total length of the pipeline is approximately 1746 Kms and the map showing pipeline route is enclosed herewith as Annexure - I. Laying of pipeline requires various approvals, clearances, permission etc. from multiple authorities including ROU, Environment clearance, wildlife & forest clearances, permission from other authorities etc. We have initiated process for obtaining statutory clearances/ permissions. Keeping in view the progress achieved in obtaining various statutory clearances, the Company has initiated process for implementing sections of the project where statutory clearances, environment approvals and ROU have already been received and floated EPC tenders in respect thereof.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year.

DIRECTORS

Shri V. K. Khurana and Shri Manish Verma will retire by rotation and being eligible, they have offered themselves for re-appointment. The Board of Directors recommends their re-appointment for approval of the shareholders of the Company.

Shri H R Wate and Shri G K Satish have been appointed as an Additional Directors of the Company with effect from 27th March, 2014 and 23rd July, 2014 respectively. As per provisions of Section 161 of the Companies Act, 2013 and Article 101 of the Articles of Association of the Company, they hold office upto the date of ensuing Annual General Meeting. Board recommends candidature of Shri H R Wate and Shri G K Satish as Directors of the Company. Agenda in this regard forms part of the ensuing AGM for consideration and approval of the Members.

Shri Y K Gawali and Shri A K Marchanda have resigned since last Annual General Meeting. The Board places on record its appreciation for the services rendered by them during their tenure with the Company.

STATUTORY & CAG AUDIT

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG have appointed M/s. Bhupendra S. Shah & Co., Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the Financial Year 2013-14.

C&AG has given NIL Comment Report for the year ended on 31st March, 2014. The NIL Comment Report is enclosed herewith as Annexure - II.

INTERNAL AUDITORS

An independent firm of Chartered Accountants is appointed as an Internal Auditors for conducting internal audit. The observations and recommendations of the Internal Auditors are regularly reported to the management for appropriate action on the same.

AUDIT COMMITTEE

The Company has constituted the Audit Committee in compliance with the provisions of Section 292A of the Companies Act, 1956. The present constitution of Audit Committee is as follows:

Shri Manish Verma	Chairman
Shri G K Satish	Member
Shri I S Rao	Member
Shri H R Wate	Member
Shri N Bose Babu	Member
Shri Ravindra Agrawal	Member

The Audit Committee of Directors of the Company at its Meeting held on 5th May, 2014 approved the Annual Accounts for the period ended on 31st March, 2014 and recommended the same for approval of the Board.

QUALITY, HEALTH, SAFETY & ENVIRONMENT

The advancement of technology provides fresh challenges in pursuit of quality and the organisations that are able to meet these challenges will only be able to survive. Since the Project is in nascent stage, it is thought fit to adopt the Quality Management System - ISO 9001-2008 (QMS). It is quality management system based on the principles that existence of an organisation is dependent upon satisfied customers, continuous improvement of the operations and "prevention is better than cure".

Your Company firmly believes in demonstrating excellence in Quality, Health, Safety and Environment and has framed a Quality Policy highlighting the commitment to implement QMS and ensuring safety of all personnel working under our control and promote harmony with Environment. As a responsible Corporate, Your Company endeavors to keep its employees fully aware of HSE aspects through extensive awareness and training.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- accounting policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair

view of the state of affairs of the company at the end of the financial year and of Profit of the company for that period.

- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions 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.
- the annual accounts are prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

As per Notification No. GSR 289(E) dated 31st March, 2011 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 : NIL

Technology Absorption:

Your Company has not imported any technology.

FOREIGN EXCHANGE EARNINGS & OUTGO FOR THE YEAR:

Foreign Exchange earnings	-	₹. 3.28 Lacs
Foreign Exchange Outgo	-	Nil

ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their appreciation for the continued guidance and support received from the Promoters viz. Gujarat State Petronet Limited, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, and Hindustan Petroleum Corporation Limited, Petroleum & Natural Gas Regulatory Board, Government of India and State Governments and Banks.

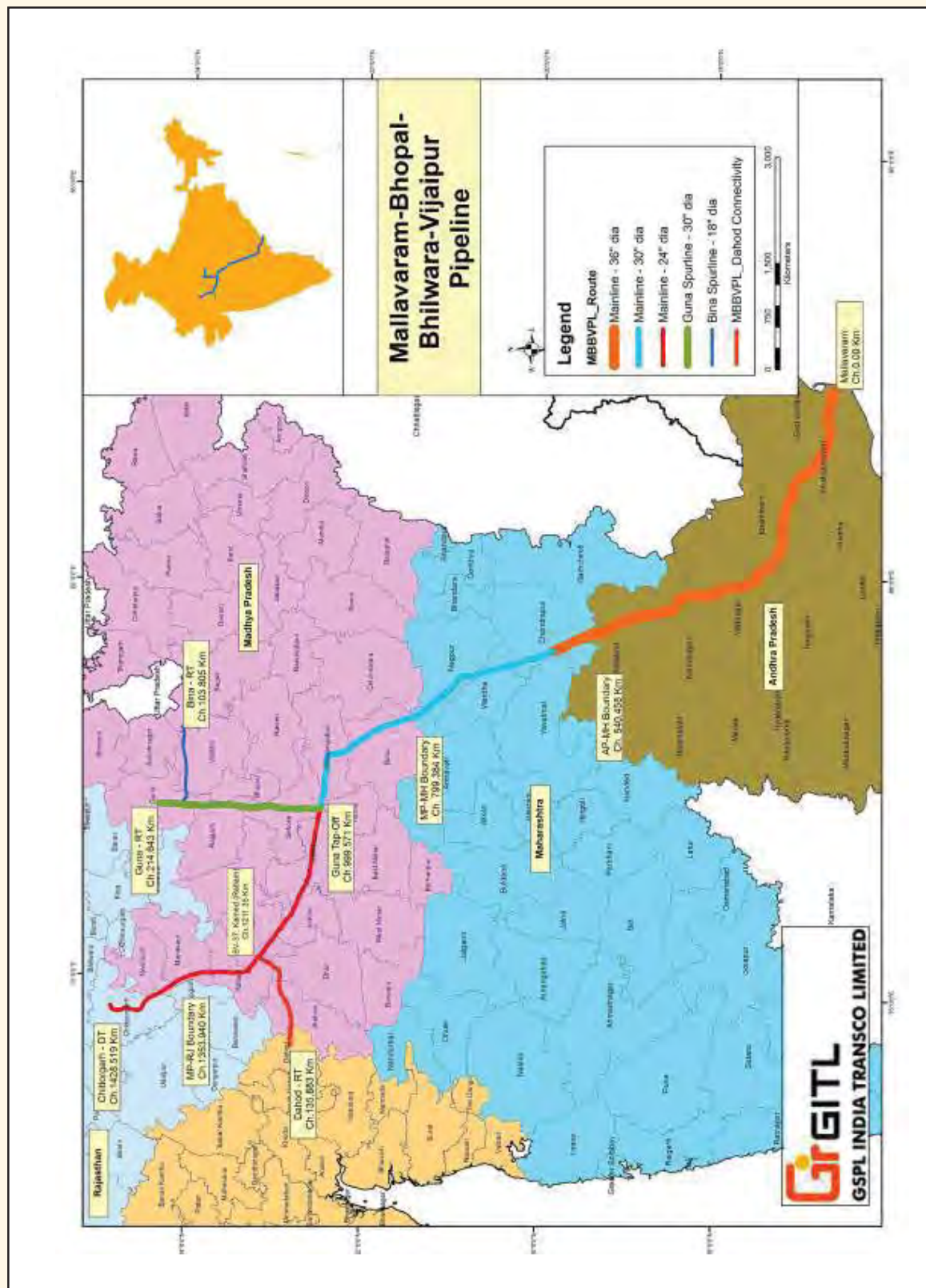
Your Company also place on record sincere appreciation for hardwork, dedicated and unstinted efforts of employees at all levels in implementing the Project.

For and on behalf of Board of Directors,

Tapan Ray, IAS
Chairman

Date : 21st August, 2014
Place : Gandhinagar

Annexure-I



ANNEXURE - II**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPL INDIA TRANSCO LIMITED FOR THE YEAR ENDED 31 MARCH 2014.**

The preparation of financial statements of GSPL India Transco Limited for the year ended 31 March 2014 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 and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of GSPL India Transco Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act, 1956.

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

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

Place : Ahmedabad
Date : 08-07-2014

INDEPENDENT AUDITOR'S REPORT

To,
the Members of
GSPL INDIA TRANSCO LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GSPL INDIA TRANSCO LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (herein after refers to as "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;
- b.b the company does not have any branch offices, therefore reporting under section 227 (3) (bb) on audit report of branch auditor is not applicable.
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. As the Company is a Government Company, in terms of notification no. G.S.R. 829(E) dated 21st October, 2003, issued by Department of Company Affairs, Ministry of Finance, the clause (g) of subsection(1) of section 274 of the Companies Act, 1956 is not applicable
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Date : 05th May 2014
Place : Ahmedabad

ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of the Auditor's Report of even date of the members of GSPL INDIA TRANSCO LIMITED on the financial statements for the year ended 31st March 2014

1. FIXED ASSETS

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) According to information provided by the management, Fixed assets have been physically verified by the management and no discrepancies were noticed.
- (c) No substantial part of the fixed asset have been disposed off during the year as would affect going concern status of the Company.

2. INVENTORIES

The Company does not hold any physical inventories during the year. Accordingly, clause (ii) of paragraph 4 of the Order is not applicable to the Company.

3. LOANS & ADVANCES

- (a) The Company has not granted any secured or unsecured loans, to any party covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) (b) to (d) of paragraph 4 of the Order is not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured from the companies, firms or other parties covered under section 301 of the Companies Act, 1956 and therefore the clauses (iii)(f) & (iii)(g) of paragraph 4 of the Order is not applicable to the Company.

4. INTERNAL CONTROL

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. In our opinion, according to the information and explanations given to us, during the course of audit, we have not observed nor have been informed of any major weaknesses in internal control system.

The Company has not commenced operation thus there are no purchases of inventory and sale of goods and services, thus a part of (iv) of paragraph 4 of the Order regarding inventory is not applicable to the Company.

5. TRANSACTIONS WITH PARTIES UNDER SECTION 301 OF THE CO. ACT, 1956

Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year that need to be entered in the register under that Section. Accordingly clause (v) (b) of paragraph 4 of the said Order is not applicable to the Company.

6. FIXED DEPOSITS

According to the information and explanations given to us, the Company has not accepted any deposits as defined under Section 58 A and 58 AA of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

7. INTERNAL AUDIT

The Company has appointed M/s Pandya & Mehta, a firm of chartered accountants as internal auditor of the company for Financial Year ended on 31st March 2014.

8. COST AUDIT RECORDS

The Central Government has prescribed the maintenance of cost records under clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956. However, since Company's activities pertained to the pre-operative stage, the question of maintenance of cost records does not arise at this stage.

9. STATUTORY DUES

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and other material statutory dues, as applicable with the appropriate authorities.
- (b) According to the information and explanation given to us there are no undisputed and outstanding amounts payable in respect of income tax, wealth tax, sales tax, custom duty and service tax, Excise duty, cess and other material statutory dues outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

10. CASH LOSS

The Company has not been registered for more than five years. Accordingly, clause (x) of paragraph 4 of the Order is not applicable to the Company.

11. DEFAULT IN PAYMENT OF DUES

According to the records of the Company examined by us and the information and explanations given to us, the Company does not have dues to any financial institution or bank or debenture holders as at the balance sheet date.

12. LOAN AGAINST SECURITIES

According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and debentures and other securities. Hence, the clause 4 (xii) is not applicable.

13. CHIT FUNDS

The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company. Accordingly, clause 4(xiii) of the Order is not applicable.

14. DEALING IN SECURITIES

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.

15. GUARANTEE

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.

16. APPLICATION OF FUNDS

In our opinion, and according to the information and explanations given to us, the company has not availed any term loan. Accordingly, clause 4(xvi) of the Order is not applicable.

- 17. On the basis of information received from the management and based on our examination of the balance sheet of the Company as at 31st March 2014, the Company has not raised funds for short-term purpose. Accordingly, clause 4(xvii) of the Order is not applicable.

18. PREFERENTIAL ALLOTMENT OF SHARES

The Company has not made any preferential allotment of shares to parties and companies covered in the

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register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Order is not applicable.

19. DEBENTURES

The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.

20. PUBLIC ISSUE

The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the Order is not applicable.

21. According to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Date : 05th May 2014
Place : Ahmedabad

Bhupendra Shah
Proprietor
Membership No. : 017605

BALANCE SHEET AS AT 31ST MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,15,00,00,000	48,55,78,080
Reserves and surplus	4	2,53,26,453	89,26,924
		1,17,53,26,453	49,45,05,004
Share Application Money Pending Allotment		-	3,45,86,410
Non-current liabilities			
Other Long Term Liability	5	1,94,318	-
Long-term provisions	8	15,75,170	19,023
		17,69,488	19,023
Current liabilities			
Other current liabilities	6	4,56,92,841	5,99,17,102
Short-term provisions	8	10,50,966	21,132
		4,67,43,807	5,99,38,234
TOTAL		1,22,38,39,748	58,90,48,671
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	10	7,81,54,424	19,79,380
Intangible assets	10	10,66,31,385	33,65,926
Capital work-in-progress	10	68,50,50,669	39,56,65,740
Deferred tax assets (net)	7	1,97,305	1,97,305
Long-term loans and advances	11	12,83,87,016	22,54,305
Other Non Current Assets	12	2,77,91,205	-
		1,02,62,12,004	40,34,62,656
Current assets			
Cash and cash equivalents	13	19,07,55,434	18,42,00,207
Short-term loans and advances	11	16,47,843	3,71,992
Other current assets	12	52,24,467	10,13,816
		19,76,27,744	18,55,86,015
TOTAL		1,22,38,39,748	58,90,48,671
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Date : 05th May 2014
Place : Ahmedabad

For and on behalf of Board of Directors,

Tapan Ray, IAS N. Bose Babu
Chairman Director

K. K. Metha
CFO

Date : 05th May 2014
Place : Gandhinagar

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		Amount in ₹.	
Particulars	Note No.	For the Year ended 31st March 2014	For the Year ended 31st March 2013
Income			
Interest income	14	2,42,75,819	1,23,38,143
Total Revenue (A))		<u>2,42,75,819</u>	<u>1,23,38,143</u>
Expense		-	-
Total Expense (B)		<u>-</u>	<u>-</u>
Profit/(Loss) Before Tax [A- B]		<u>2,42,75,819</u>	<u>1,23,38,143</u>
Tax Expenses			
Current tax		78,76,290	40,03,110
Deferred tax		-	(9,396)
Profit/(Loss) After Tax carried to Balance Sheet		<u>1,63,99,529</u>	<u>83,44,429</u>
"Earning per equity share (EPS) (Nominal value of share ₹. 10)"			
Basic Earning per share (Rs.)		0.20	0.28
Diluted Earning per share (Rs.)		0.20	0.28
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Date : 05th May 2014
Place : Ahmedabad

For and on behalf of Board of Directors,

Tapan Ray, IAS N. Bose Babu
Chairman Director

K. K. Metha
CFO

Date : 05th May 2014
Place : Gandhinagar

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2014

Particulars	Amount in ₹.	
	For the Year ended 31st March 2014	For the Year ended 31st March 2013
Cash Flow from Operating Activities :		
Profit before Taxes and Extraordinary Items	2,42,75,819	1,23,38,143
Adjustments for:		
Interest Income	(2,42,75,819)	(1,23,38,143)
Operating Profit before Working Capital Changes	-	-
	-	-
Net Cash Flow from Operating Activities (A)	-	-
Cash Flow from Investing Activities:		
Interest Received	2,28,65,824	1,25,33,119
Taxes paid	(78,84,432)	(40,10,245)
Investment in Fixed Deposits	(2,90,77,232)	
Acquisition of Fixed Assets and Change in CWIP	(48,05,20,490)	(32,00,93,130)
(Increase)/Decrease in Other Assets	(39,45,430)	(99,485)
(Increase)/Decrease in Loan & Advances	(12,72,03,151)	(25,96,992)
(Increase)/(Decrease) in Non-Current Liabilities	1,94,318	-
Proceeds from Sale of Fixed Asset	56,778	-
Net Cash Flow from Investing Activities (B)	(62,55,13,815)	(31,42,66,733)
Cash Flow from Financing Activities :		
Proceeds from issue of Equity Share Capital	62,98,35,510	28,50,77,480
Share Application money received	-	3,45,86,410
Net Cash Flow from Financing Activities (C)	62,98,35,510	31,96,63,890
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	43,21,695	53,97,157
Cash and Cash Equivalents at the beginning of the period		
Cash on hand	62,975.00	-
Bank Balances	3,71,37,232	88,03,050
Short term fixed deposits	14,70,00,000	17,00,00,000
	18,42,00,207	17,88,03,050
Cash and Cash Equivalents at the end of the period		
Cash on hand	30,614	62,975
Bank Balances	56,87,946	3,71,37,232
Short term fixed deposits	18,28,03,342	14,70,00,000
	18,85,21,902	18,42,00,207

Notes:

- The above cash flow statement has been prepared under the indirect method as set out in AS - 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outflow/deduction
- The Increase/Decrease in Current Assets and Current Liabilities are considered as part of Investing activities as it includes amount payable to creditors for procurement of fixed assets/Capital Work in Progress.
As per our report of even date attached

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Date : 05th May 2014
Place : Ahmedabad

For and on behalf of Board of Directors,

Tapan Ray, IAS N. Bose Babu
Chairman Director

K. K. Metha
CFO

Date : 09th May 2013
Place : Gandhinagar

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

1 CORPORATE INFORMATION

GSPL India Transco Limited ('the company') was incorporated on 13th October 2011 under the Companies Act, 1956 as a subsidiary of Gujarat State Petronet Limited (GSPL). On 30th April 2012, a Joint Venture Agreement was executed between Gujarat State Petronet Ltd. (GSPL), Indian Oil Corporation Ltd. (IOCL), Bharat Petroleum Corporation Ltd (BPCL) and Hindustan Petroleum Corporation Ltd.(HPCL). The proposed share holding pattern is GSPL(52%), IOCL(26%), BPCL(11%) and HPCL(11%). The Company is developing a natural gas pipeline for transmission of natural gas from Mallavarm in Andhra Pradesh to Bhilwara in Rajasthan.

2 BASIS OF PREPARATION

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956. The company has consistently applied the accounting principles and policies and these accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

2.1 Significant Accounting policies

(a) Use of Estimates

The preparation of financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring material adjustments to the components of financial statements in future periods.

(b) Tangible 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.

A Fixed Asset is derecognised from Financial Statements on disposal or when no further benefit is expected from its use and disposal.

All expenditure on project , till it is commissioned, is kept as Capital Work in Progress (CWIP) and after commissioning the same is transferred to Fixed Assets. Moreover, the Company capitalises borrowing cost for project.

The expenditure incurred relating to project prior to commencement of commercial operations are classified as Project Development Expenditure / Pre-Operative Expenditure and disclosed under Capital Work in Progress and will be apportioned to assets on completion of Project.

(c) 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 capitalises software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets".

(d) 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.

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 ₹. 5000/- are depreciated fully in the year of purchase / capitalisation.

In case of Intangible Assets, software is amortised at 40% on written down value method, whereas the cost incurred on 'Right of Use and Right of way on land' is not amortised but is tested for impairment on periodic basis."

(e) **Employee Benefits**

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

Short Term employee benefits are recognised as expense in the year in which services are rendered and are transferred to pre-operative expenses till start-up of commercial operation. 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, if any, are transferred to pre-operative expenses till start-up of commercial operation. Similarly, liability in respect of leave salary 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 transferred to pre-operative expenses till start-up of commercial operation.

Retirement benefits in the form of superannuation is recognised as expense on estimated basis and transferred to pre-operative expenses till start-up of commercial operation. The company is in the process of formulating funds for super annuatuiou and gratuity for the employees. Retirement Benefit in the form of provident fund, which is defined contribution scheme, is recognised as expense and transferred to pre-operative expenses till start-up of commercial operation.

(f) **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 period-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 recognised as income or expense in line with the provisions of Accounting Standard -11 "The Effects of Changes in Foreign Exchange Rates.

(g) **Revenue Recognition**

Interest income is recognised on time proportion basis.

(h) **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 and loss as current tax. The company recognises 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 period. i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises 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 and 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 period.

(i) Impairment of Assets

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

(j) 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 period by weighted number of Equity Shares outstanding during the period.

The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

(k) 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 assets are neither recognised nor disclosed in financial statements.

Contingent liabilities if material are disclosed by way of notes to accounts.

(l) Cash and cash Equivalent

Cash and cash equivalents comprise cash on hand and deposits with banks. 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.

(m) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (Loss) 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.

(n) 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 recognised 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 reports of the Board of Directors.

3. Share Capital

Particulars	No. of Shares	As at 31st March 2014	No. of Shares	As at 31st March 2013
AUTHORISED SHARE CAPITAL Equity Shares of ₹. 10 each	2,20,00,00,000	22,00,00,00,000	2,20,00,00,000	22,00,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL Equity Shares of ₹.10/- each fully paid up	11,50,00,000	1,15,00,00,000	4,85,57,808	48,55,78,080
Total	<u>11,50,00,000</u>	<u>1,15,00,00,000</u>	<u>4,85,57,808</u>	<u>48,55,78,080</u>

Reconciliation of Number of Shares Outstanding at the beginning and at the end of the year

Particulars	Year ended on 31st March 2014		Year ended on 31st March 2013	
	No. of Shares	Amount in ₹.	No. of Shares	Amount in ₹.
Equity Shares				
Equity shares at the beginning of the Year	4,85,57,808	48,55,78,080	2,00,50,060	20,05,00,600
Add: Equity Shares allotted during the year	6,64,42,192	66,44,21,920	2,85,07,748	28,50,77,480
Equity shares at the end of the Year	<u>11,50,00,000</u>	<u>1,15,00,00,000</u>	<u>4,85,57,808</u>	<u>48,55,78,080</u>

Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs.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, if any, proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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 31st March 2014		As at 31st March 2013	
	No. of Equity Shares	Amount in ₹.	No. of Equity Shares	Amount in ₹.
Equity Shares held by Holding Company - Gujarat State Petronet Ltd. having face value of ₹.10/- each.	5,98,00,000	59,80,00,000	3,00,50,060	30,05,00,600

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

Name of the Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petronet Ltd. (including Nominee Share Holders)	5,98,00,000	52.00%	3,00,50,060	61.89%
Indian Oil Corporation Ltd.	2,99,00,000	26.00%	1,00,25,030	20.65%
Bharat Petroleum Corporation Ltd.	1,26,50,000	11.00%	42,41,359	8.73%
Hindustan Petroleum Corporation Ltd.	1,26,50,000	11.00%	42,41,359	8.73%

4. RESERVE & SURPLUS

Amount in ₹.

Particulars	As at 31st March 2014	As at 31st March 2013
Profit & Loss Account		
Opening Balance	89,26,924	5,82,495
Add: Profit during the Year	1,63,99,529	83,44,429
Closing Balance	<u>2,53,26,453</u>	<u>89,26,924</u>
TOTAL	<u>2,53,26,453</u>	<u>89,26,924</u>

5. OTHER CURRENT LIABILITIES

Amount in ₹.

Particulars	As at 31st March 2014	As at 31st March 2013
OYVS Installments from employees	1,94,318	-
TOTAL	<u>1,94,318</u>	<u>-</u>

6. OTHER CURRENT LIABILITIES

Amount in ₹.

Particulars	As at 31st March 2014	As at 31st March 2013
Other Payables (including payables for Capital Goods and Services) (Refer note no.22 for details of due to micro, small and medium enterprises)	4,14,60,662	5,55,03,781
Other Statutory Liabilities	42,32,179	44,13,321
TOTAL	<u>4,56,92,841</u>	<u>5,99,17,102</u>

7. DEFERRED TAX ASSET (NET)

Amount in ₹.

Particulars	As at 31st March 2014	As at 31st March 2013
Deferred Tax Liability	-	-
Total Deferred Tax Liability (A)	-	-
Deferred Tax Asset: Preliminary Expenditure u/s 35 D	1,97,305	1,97,305
Total Deferred Tax Asset (B)	1,97,305	1,97,305
TOTAL (B - A)	1,97,305	1,97,305

8. PROVISIONS

Particulars	Long Term Provision As at 31st March 2014 (₹.)	Short Term Provision As at 31st March 2014 (₹.)	Long Term Provision As at 31st March 2013 (₹.)	Short Term Provision As at 31st March 2013 (₹.)
Provision for Employee Benefits				
Provision for Gratuity	5,44,734	689	10,831	20
Provision for Leave Salary	10,30,436	58,979	8,192	4,612
Provision for Leave Travel Allowance	-	3,92,659	-	16,500
Provision for Super Annuation	-	5,82,551	-	-
Other Provision				
Provision for Wealth Tax	-	16,088	-	-
TOTAL	15,75,170	10,50,966	19,023	21,132

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9. PROJECT DEVELOPMENT / PRE-OPERATIVE EXPENDITURE

		Amount in ₹.	
Particulars		For year ended on 31st March, 2014	For year ended on 31st March, 2013
Opening Balance Brought Forward	[a]	4,79,51,165	26,29,686
Employee Benefit Expenses			
Salaries and Allowances		4,30,71,974	1,52,00,025
Leave Salary		11,20,036	12,804
Gratuity		5,34,572	10,851
Staff Welfare Expenses		8,15,383	46,003
Super Annuation		5,82,551	-
Contribution to Provident Fund		13,11,548	-
	[b]	4,74,36,064	1,52,69,683
Other Expenses			
Advertisement & Publicity Expenses		3,53,888	11,67,089
Business Promotion		-	1,47,300
Director Sitting Fees		2,07,866	1,97,978
Insurance Expenses		1,49,077	88,081
Legal & Professional Expenses		18,96,936	41,91,124
Miscellaneous Expenses		11,67,045	9,74,089
Payment to Outsourced Persons		2,95,673	-
Recruitment & Training		12,28,822	14,35,874
Rent & Utility Charges		50,26,019	-
RoC Fees		3500	1,74,03,500
Stationery & Printing		57,188	93,344
Statutory Audit Fee		85,000	60,000
Travelling Expenses - Directors		5,65,424	4,10,657
Travelling Expenses - Others		44,62,214	28,62,238
	[c]	1,54,98,652	2,90,31,275
Depreciation	[d]	30,73,240	10,20,520
Less : Misc. Income	[e]	(8,64,277)	-
Closing Balance	[a+b+c+d+e]	11,30,94,844	4,79,51,165

10. FIXED ASSETS

Amount in ₹.

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT	
	Op. Balance As at 01-Apr-13	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As at 31-Mar-14	Op. Balance As at 1-Apr-13	Additions/ During the Year	Deduction During the Year	Cl. Balance As at 31-Mar-14
								As at 31-Mar-14
								As at 31-Mar-13
TANGIBLE ASSETS								
Land-Free Hold								
Furniture	332,883	6,82,69,127		6,82,69,127	7,091	59,417		6,82,69,127
& Fittings		13,700		3,46,583				2,80,075
Computers	18,91,463	37,66,037	60,000	55,97,500	3,45,163	11,74,036	3,222	40,81,523
Communication	1,14,138	4,39,630		5,53,768	6,850	53,028		4,93,890
Equipments								59,878
Office Equipments		1,17,085		1,17,085		24,005		24,005
Vehicle		56,68,677		56,68,677		7,31,948		7,31,948
Total (A)	23,38,484	7,82,74,256	60,000	8,05,52,740	3,59,104	20,42,434	3,222	7,81,54,424
INTANGIBLE ASSETS								
Computer	21,98,622	12,35,960		34,34,582	6,57,780	10,30,806		17,45,996
Software								
Right of Use	18,25,084	10,30,60,305		10,48,85,389	-	-	-	-
/ Right of Way								
Total (B)	40,23,706	10,42,96,265	-	10,83,19,971	6,57,780	10,30,806	-	10,66,31,385
CAPITAL WORK IN PROGRESS	39,56,65,740	28,93,84,929		68,50,50,669	-	-	-	68,50,50,669
Total (C)	39,56,65,740	28,93,84,929	-	68,50,50,669	-	-	-	68,50,50,669
TOTAL (A+B+C)	40,20,27,930	47,19,55,450	60,000	87,39,23,380	10,16,884	30,73,240	3,222	86,98,36,478
Previous Year	2,85,57,540	37,35,10,890	40,500	40,20,27,930	4,426	10,20,520	8,063	40,10,11,046

Note: i) Depreciation amounting to ₹. 30,73,240/- (Previous Year ₹. 10,20,520/-) for year ended on 31.03.2014 has been transferred to Pre-Operative Expenses.

Note: ii) Capital Work in Progress includes Pre-Operative Expenses. The break-up of Pre-operative expenses is disclosed under Note No.9

Note: iii) Out of title deeds of land for 24 SV station amounting to ₹. 6,82,69,127/-, original title deeds of land for 22 SV stations amounting to ₹. 5,87,53,650/- were produced to auditors for verification. For balance title deeds of land for 2 SV station amounting to ₹. 95,15,477/- original copies are lying with Tehsildar Office in Madhya Pradesh, hence, copy of the same are produced to auditor for verification during the course of audit.

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11. LOANS & ADVANCES

Particulars	Long Term As at 31st March 2014 (₹.)	Short Term As at 31st March 2014 (₹.)	Long Term As at 31st March 2013 (₹.)	Short Term As at 31st March 2013 (₹.)
Capital Advances				
Unsecured, considered good	9,07,45,682	-	-	-
Security Deposit Given				
Unsecured, considered good	3,44,30,838	1,55,500	2,225,000	153,000
Other Loans & Advances				
Unsecured, considered Good				
Housing Bulding Advance to Employees	29,90,652	2,09,504	-	-
Advance Tax and TDS (net of Provision)	37,447		29,305	-
Loans & Advances to Employees	1,82,397	3,58,753	-	50,125
Balance with Service Tax		77,658		
Other Advance Payments	-	2,23,889	-	95,307
Prepaid Expenses	-	6,22,539	-	73,560
TOTAL	12,83,87,016	16,47,843	22,54,305	3,71,992

12. OTHER ASSETS

Particulars	Non-Current As at 31st March 2014 (₹.)	Current As at 31st March 2014 (₹.)	Non-Current As at 31st March 2013 (₹.)	Current As at 31st March 2013 (₹.)
Unsecured, considered good				
Non Current Bank Balance (Refer Note No 13)	2,68,43,700	-	-	-
Others				
Others Receivables	-	40,44,915	-	99,485
Interest Accrued-But Not Due-Deposits	9,47,505	11,79,552	-	9,14,331
TOTAL	2,77,91,205	52,24,467	-	10,13,816

13. CASH & BANK BALANCE

Particulars	Non-Current As at 31st March 2014 (₹.)	Current As at 31st March 2014 (₹.)	Non-Current As at 31st March 2013 (₹.)	Current As at 31st March 2013 (₹.)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	56,87,946	-	3,71,37,232
Fixed Deposit with original maturity of less than or equal to 3 months	-	18,28,03,342	-	14,70,00,000
Cash on Hand	-	30,614	-	62,975
Other Bank Balance				
Margin Money Deposit for Bank Guarantees	2,68,43,700	22,33,532	-	-
TOTAL	2,68,43,700	19,07,55,434		18,42,00,207
Amount disclosed under Other Non-Current Assets (Refer Note No. 12)	(2,68,43,700)	-	-	-
TOTAL	-	19,07,55,434	-	18,42,00,207

14 OTHER INCOME

Particulars	For the Year ended 31st March 2014 (₹.)	For the Year ended 31st March 2013 (₹.)
Interest Income		
Interest on Fixed Deposits with Banks	2,40,78,550	1,23,38,143
Interest income on House Building Advance	1,97,269	-
TOTAL	2,42,75,819	1,23,38,143

15 CONTINGENT LIABILITY

Bank Guarantee issued by the company and outstanding as on 31st March 2014 is ₹. 2,90,77,232/- (Previous year ₹. NIL)
There are no other contingent liability nor any claim against the company acknowledge as debt as on the balance sheet date.

16 CAPITAL & OTHER COMMITMENT

Capital commitment :

Amount of estimated amount of contracts remaining to be executed on capital account and not provided for is approximately ₹.93,51,42,694/- (Previous year ₹. 1,04,80,06,202/-).

Other Commitment: Nil

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17. PAYMENT TO AUDITORS

Particulars	Amount in ₹.	
	For the Year ended 31st March 2014 (₹.)	For the Year ended 31st March 2013 (₹.)
For Statutory Audit	85,000	60,000
For other services	-	-
For reimbursement of expenses	10,000	-
Total	<u>95,000</u>	<u>60,000</u>

18 In the opinion of management, any of the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

19 EXPENDITURE / INCOME IN FOREIGN CURRENCY

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

During the year an amount of ₹. 3,28,268/- has been received as Bid Fee in Foreign Currency (Previous Year Earning in Foreign Currency: NIL).

20 The balances of sundry debtors, creditors, loans and advances and deposits are subject to the confirmation by the parties and provision for all liabilities is adequate in opinion of the company.

21. EARNINGS PER SHARE

Particulars	Amount in ₹.	
	For the Year ended 31st March 2014 (₹.)	For the Year ended 31st March 2013 (₹.)
Net Profit/(Loss) after current and deferred tax	1,63,99,529	83,44,429
Weighted average number of equity shares	8,06,51,425	3,02,55,432
Basic EPS	0.20	0.28
Total weighted average number of equity shares including Potential equity shares	8,06,51,425	3,02,55,432
Diluted EPS	0.20	0.28
Face value / Nominal value of share	10.00	10.00

- 22 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :

Particulars	Amount in ₹.	
	2013-14	2012-13
Principal amount remaining unpaid as on 31st March 2014	2,35,76,947	1,08,50,772
Interest due thereon as on 31st March 2014	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31st March 2014	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

23. EMPLOYEE BENEFITS

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

Particulars	2013-14		2012-13	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (206-08) Ult.		LIC (1994-96) published table for mortality rate	
Withdrawal rate	5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age	
Retirement Age	60		60	
Discount Rate Current Period	9.10%	9.10%	8.20%	8.20%
Rate of Return on Plan Assets Current Period	N.A.	N.A.	N.A.	N.A.
Salary Escalation Current Period	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".

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Amount in ₹.

Particulars	2013-14		2012-13	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	10,815	12,804	-	-
Interest Cost	890	703	-	-
Current Service Cost	5,26,070	10,11,225	10,851	12,804
Benefit Paid	-	-	-	-
Actuarial Loss / (gain) on Obligations	7,612	64,683	-	-
Liability at the end of the period	5,45,423	10,89,415	10,851	12,804
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial gain / (loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the period	-	-	-	-
Actual Gain / loss recognised				
Actuarial (gain) / loss on obligations	7,612	64,683	-	-
Actuarial gain / (loss) on Plan Assets		-		-
Net Actuarial (gain) / loss recognised during the period	7,612	64,683	-	-
Amount recognised in Balance Sheet				
Liability at the end of the period	5,45,423	10,89,415	10,851	12,804
Fair Value of Plan Asset at the end of the period	-	-	-	-
Net amount recognised in the Balance Sheet	5,45,423	10,89,415	10,851	12,804
Expense recognised as Preoperative Expenses				
Current Service cost	5,26,070	10,11,225	10,851	12,804
Interest cost	890	703	-	-
Expected return on Plan Asset	-	-	-	-
Net Actuarial Loss / (gain) to be recognised	7,612	64,683	-	-
Expense recognised as Preoperative Expenses	5,34,572	10,76,611	10,851	12,804
Current Liability	689	58,979	20	4,612
Non Current Liability	5,44,734	10,30,436	10,831	8,192
Total Liability	5,45,423	10,89,415	10,851	12,804

24. Related Party Disclosures

List of related parties identified as per AS-18 is as follows :

Ultimate Holding Company
Gujarat State Petroleum Corporation Ltd.

Holding Companies:
Gujarat State Petronet Ltd.

Co - Promoters:
Indian Oil Corporation Ltd.
Bharat Petroleum Corporation Ltd.
Hindustan Petroleum Corporation Ltd.

Fellow Subsidiary:
GSPL India Gasnet Ltd.

Key Managerial Personnel:
Shri Tapan Ray, IAS, Chairman
Shri N. Bose Babu, Director
Shri Ravindra Agrawal, Director

Transactions* with related parties during the year as per Accounting Standard - 18 on "Related Party Disclosures" are as follows:

Name of Related Party & transactions	Amount in ₹.	
	2013-14 Amount in ₹.	2012-13 Amount in ₹.
Gujarat State Petronet Ltd. (Holding Company)		
Expenditure Reimbursement paid	1,81,99,367	1,74,10,944
Rent paid to GSPL	34,54,073	-
Purchase of Admin Asset from GSPL	23,21,754	-
Expenditure Reimbursement received	64,25,051	-
Investment in equity shares by GSPL	29,74,99,400	10,00,00,000
Gujarat State Petroleum Corporation Ltd. (Ultimate - Holding Company)		
Expenditure Reimbursement received	57,91,869	2,62,642
Indian Oil Corporation Ltd. (Co - Promoter)		
Expenditure Reimbursement paid	15,99,678	90,58,351
Pipeline Crossing Charges paid	20,000	-
Refundable Deposit given for pipeline crossing	1,50,250	-
Sitting Fee#	50,562	43,708
Investment in equity shares by IOCL	19,87,49,700	10,02,50,300
Bharat Petroleum Corporation Ltd. (Co - Promoter)		
Sitting Fee#	28,090	21,854
Investment in equity shares by BPCL	8,40,86,410	42,413,590
Equity share application money received & pending allotment	-	3,45,86,410
Hindustan Petroleum Corporation Ltd. (Co - Promoter)		
Sitting Fee#	5,618	5,618
Investment in equity shares by HPCL	8,40,86,410	4,24,13,590
GSPL India Gasnet Ltd. (Fellow Subsidiary)		
Expenditure Reimbursement paid	-	78,905
Key Managerial Personnel		
Sitting Fee #	67,416	73,708

* The above transactions are inclusive of all taxes, wherever applicable.

Sitting Fees to Key Managerial Personnel includes service tax paid under reverse charge mechanism, wherever applicable

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Details of outstanding balance with related parties is as follows:

		Amount in ₹.	
Name	2013-14 Amount in ₹.	2012-13 Amount in ₹.	
Gujarat State Petronet Ltd. (Holding Company)			
Amount payable	16,38,030	35,75,334	
Amount receivable	6,49,652	-	
Gujarat State Petroleum Corporation Ltd. (Holding Company)			
Amount payable		-	
Amount receivable	32,73,339	42,135	
Indian Oil Corporation Ltd. (Co - Promoter)			
Amount payable	12,208	-	
Amount receivable	1,50,250	-	
Bharat Petroleum Corporation Ltd. (Co - Promoter)			
Amount payable	-	-	
Amount receivable	-	-	
Hindustan Petroleum Corporation Ltd. (Co - Promoter)			
Amount payable	-	-	
Amount receivable	-	-	
GSPL India Gasnet Ltd. (Fellow Subsidiary)			
Amount payable	-	-	
Amount receivable	-	-	
Key Managerial Personnel			
Amount payable	-	-	
Amount receivable	10,452	-	

- 25 The company has not started commercial operations and will primarily be engaged in single segment of natural gas transportation business , which involves transportation of natural gas from sources of supply to end customers. Hence, Segment reporting as required under Accounting Standard 17 issued by Institute of Chartered Accountants of India is not applicable.
- 26 The Company has signed Rupee Loan Facility Agreement for Term Loan of ₹. 5080 crore with a consortium of 14 banks on 29th June 2012 with Bank of India as the Lead Bank. However, disbursement of loan is not yet taken by the company.
- 27 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.
- 28 Some of the employees working for the company are on the roll of promoter for which expenditure on salary have been disclosed as "Salary" under Pre-Operative Expenditure based on invoices received from promoter companies.
- 29 The figures appearing in financial statements are rounded off to the nearest Rupees.
- 30 Previous year figures have been regrouped or reclassified , wherever necessary.

As per our report of even date attached

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Place : Ahmedabad
Date : 05th May 2014

For and on behalf of the Board of Directors,

Tapan Ray, IAS N. Bose Babu
Chairman Director

K. K. Metha
CFO

Place : Gandhinagar
Date : 05th May 2014

3rd

**ANNUAL REPORT
2013-2014**



GSPL INDIA GASNET LIMITED



GSPL INDIA GASNET LIMITED

Board of Directors

Shri Tapan Ray, IAS
Shri A.K.Marchanda (up to 31st March 2014)
Shri V.K.Khurana
Shri G.K. Satish (w.e.f. 23rd July 2014)
Shri I.S. Rao
Shri Y.K.Gawali (up to 27th March 2014)
Shri H. R. Wate (W.e.f. 27th March 2014)
Shri Manish Verma
Shri Ravindra Agarwal
Shri Bose Babu Nallapaneni

Chairman

Statutory Auditors

Shailesh Shah & Associates
Chartered Accountants
Ahmedabad

Internal Auditors

Pandya & Mehta
Chartered Accountants
Ahmedabad

Registered Office

GSPC Bhavan,
B/h Udyog Bhavan,
Sector-11,
Gandhinagar - 382010

CIN : U40200GJ2011SGC067449
Website : www.gspcgroup.com/GIGL
E-mail : gigl@gspc.in

Bankers

Allahabad Bank
Axis bank
Bank of Baroda
Bank of India
Canara Bank
Corporation Bank
Dena Bank
ICICI bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
Ratnakar bank
State Bank of India
UCO Bank
Union Bank of India
Vijaya Bank
Yes Bank

**DIRECTORS' REPORT**

To,
The Members
GSPL India Gasnet Limited

Your Directors have pleasure in presenting the 3rd Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIALS

₹. in Lacs

Particulars	2013-14	2012-13
Total Income	233.90	94.58
Total Expenses	-	-
Profit Before Tax	233.90	94.58
Tax including Deferred Tax	75.89	29.13
Profit After Tax	158.01	65.45

FINANCIAL CLOSURE

Your Company has achieved financial closure for the project and is now in the advance stage of executing Sponsor Support Undertaking in favour of consortium of Banks.

SHARE CAPITAL

During the year under review, the Company has allotted 6,92,30,770 equity shares of Rs. 10 each aggregating to Rs. 69.23 Crores to the Promoters from time to time to achieve shareholding of the Promoters as per the Joint Venture Agreement dated 30th April, 2012. The present shareholding of the Company is as follows:

Sr No.	Name of the Shareholder	No. of shares	% holding
1	Gujarat State Petronet Limited	8,42,50,060	52.00
2	Indian Oil Corporation Limited	4,21,25,030	26.00
3	Bharat Petroleum Corporation Limited	1,78,22,128	11.00
4	Hindustan Petroleum Corporation Limited	1,78,22,128	11.00
	Total	16,20,19,346	100.00

DIVIDEND

As the Company is yet to commence commercial operations, no dividend is recommended by the Board of Directors.

PROJECT STATUS

Your Company was incorporated as a Special Purpose Vehicle for implementing the following Natural Gas Pipeline Projects:

Sr. No.	Project	Kms. (approx.)
1	Mehsana-Bhatinda Pipeline Project (MBPL)	1670
2	Bhatinda- Jammu-Srinagar Project (BJSPL)	740

The total length of the pipeline is approximately 2410 Kms and the map showing pipeline route is enclosed herewith as Annexure - I. Laying of pipeline requires various approvals, clearances, permission etc. from multiple authorities including ROU, Environment clearance, wildlife & forest clearances, permission from other authorities etc. We have initiated process for obtaining statutory clearances/permissions. Keeping in view the progress achieved in obtaining various statutory clearances, the Company has initiated process for implementing sections of the project where statutory clearances, environment approvals and ROU have already been received and floated EPC tenders in respect thereof.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year.

DIRECTORS

Shri V. K. Khurana and Shri Manish Verma will retire by rotation and being eligible, they have offered themselves for re-appointment. The Board of Directors recommends their re-appointment for approval of the shareholders of the Company.

Shri H R Wate and Shri G K Satish have been appointed as an Additional Directors of the Company with effect from 27th March, 2014 and 23rd July, 2014 respectively. As per provisions of Section 161 of the Companies Act, 2013 and

Article 101 of the Articles of Association of the Company, they hold office upto the date of ensuing Annual General Meeting. Board recommends candidature of Shri H R Wate and Shri G K Satish as Directors of the Company. Agenda in this regard forms part of the ensuing AGM for consideration and approval of the Members.

Shri Y K Gawali and Shri A K Marchanda have resigned since last Annual General Meeting. The Board places on record its appreciation for the services rendered by them during their tenure with the Company.

STATUTORY & CAG AUDIT

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, C&AG have appointed M/s. Shailesh Shah & Associates, Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company for the Financial Year 2013-14.

C&AG has given NIL Comment Report for the year ended on 31st March, 2014. The NIL Comment Report is enclosed herewith as Annexure - II.

INTERNAL AUDITORS

An independent firm of Chartered Accountants is appointed as an Internal Auditors for conducting internal audit. The observations and recommendations of the Internal Auditors are regularly reported to the management for appropriate action on the same.

AUDIT COMMITTEE

The Company has constituted the Audit Committee in compliance with the provisions of Section 292A of the Companies Act, 1956. The present constitution of Audit Committee is as follows:

Shri Manish Verma	Chairman
Shri G K Satish	Member
Shri I S Rao	Member
Shri H R Wate	Member
Shri N Bose Babu	Member
Shri Ravindra Agrawal	Member

The Audit Committee of Directors of the Company at its Meeting held on 5th May, 2014 approved the Annual Accounts for the period ended on 31st March, 2014 and recommended the same for approval of the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- accounting policies are selected and applied consistently and judgments and estimates are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of Profit of the company for that period.
- 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.
- the annual accounts are prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

As per Notification No. GSR 289(E) dated 31st March, 2011 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 : NIL

TECHNOLOGY ABSORPTION :
Your Company has not imported any technology.

FOREIGN EXCHANGE EARNINGS & OUTGO FOR THE YEAR :

Foreign Exchange earnings : ₹. 2.19 Lacs
Foreign Exchange Outgo : Nil



ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their appreciation for the continued guidance and support received from the Promoters viz. Gujarat State Petronet Limited, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, and Hindustan Petroleum Corporation Limited, Petroleum & Natural Gas Regulatory Board, Government of India and State Governments and Banks.

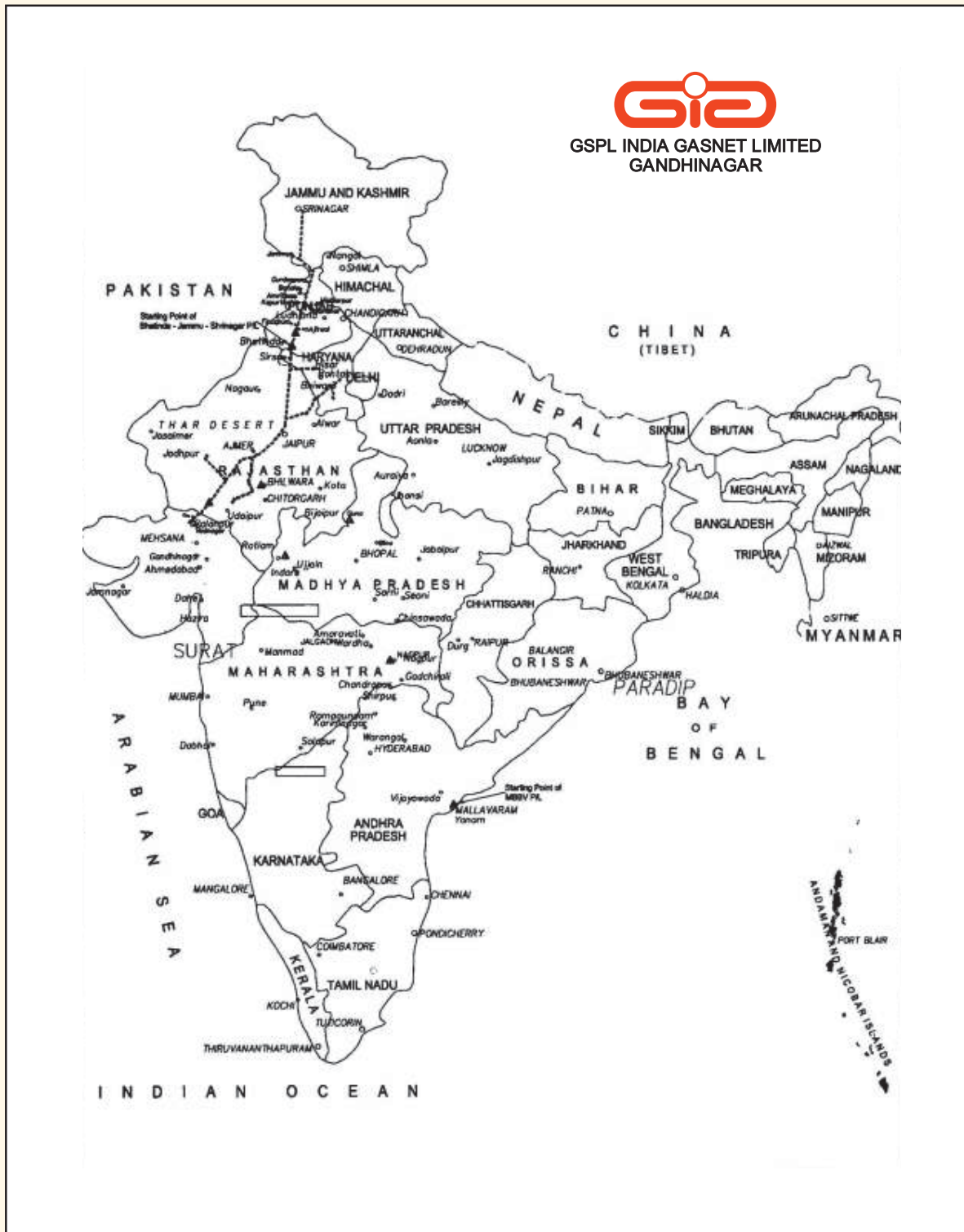
Your Company also place on record sincere appreciation for hardwork, dedicated and unstinted efforts of employees at all levels in implementing the Project.

For and on behalf of Board of Directors,

Tapan Ray, IAS
Chairman

Date : 21st August, 2014
Place : Gandhinagar

ANNEXURE - I





ANNEXURE - II

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPL INDIA GASNET LIMITED, FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of GSPL India Ganet Limited for the year ended 31 March 2014 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 and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of GSPL India Ganet Limited for the year ended 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) of the Companies Act. 1956.

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

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

Place : Ahmedabad
Date :

INDEPENDENT AUDITOR'S REPORT

To, the Members of GSPL INDIA GASNET LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GSPL INDIA GASNET LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance. Forming an Opinion and Reporting on Financial Statements 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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;



GSPL INDIA GASNET LIMITED

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

Place : Ahmedabad
Date : 5th May 2014

CA Shailesh A. Shah
Proprietor
Membership No. : 032205

For and on behalf of
Shailesh Shah & Associates
Chartered Accountants
ICAI firm Registration No. : 109877W

ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 3 of the Auditor's Report of even date of the members of GSPL INDIA GASNET LIMITED on the financial statements for the year ended 31st March 2014

1.

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) However Company has undertaken activities related to developing a natural gas pipeline project and expenditure on it is considered under Capital Work-in-progress and expenditure on such capital work is recorded in the fixed assets register maintained by the Company.
- (c) According to information provided by the management, Fixed assets have been physically verified by the management and no discrepancies were noticed.
- (d) In our opinion, no substantial disposal of fixed assets during the year, which would affect the going concern status of the Company.

2.

The Company does not hold any physical inventories during the year. Accordingly, clause (ii) of paragraph 4 of the Order is not applicable to the Company.

3.

LOANS & ADVANCES

- (a) The Company has not granted any secured or unsecured loans, to any party covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause (iii) (a), (iii) (b) and (iii) (c) of paragraph 4 of the Order is not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured from the companies, firms or other parties covered under section 301 of the Companies Act, 1956 and therefore the clauses (iii)(e), (iii)(f) and (iii)(g) of paragraph 4 of the Order is not applicable to the Company.

4.

INTERNAL CONTROL

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. In our opinion, according to the information and explanations given to us, during the course of audit, we have not observed nor have been informed of any major weaknesses in internal control system.

The Company has not commenced operation thus there are no purchases of inventory and sale of goods and services, thus a part of (iv) of paragraph 4 of the Order is not applicable to the Company.

5.

TRANSACTIONS WITH PARTIES UNDER SECTION 301 OF THE COMPANIES ACT, 1956

Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year that need to be entered in the register under that Section. Accordingly clause (v) (b) of paragraph 4 of the said Order is not applicable to the Company.

6.

FIXED DEPOSITS

According to the information and explanations given to us, the Company has not accepted any deposits as defined under Section 58A and 58AA of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

7.

INTERNAL AUDIT

The Company has appointed M/s Pandya & Mehta



8. COST AUDIT RECORDS

The Central Government has prescribed the maintenance of cost records under clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956. However, since Company's activities pertained to the pre-operative stage, thus this not applicable to the company.

9. STATUTORY DUES

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including income-tax, sales-tax, wealth tax, custom duty, service tax, cess and other material statutory dues, as applicable with the appropriate authorities.
- (b) According to the information and explanation given to us there are no undisputed and outstanding amounts payable in respect of income tax, wealth tax, sales tax, custom duty and Excise duty, service tax, cess and other material statutory dues outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

10. CASH LOSS

The Company has not been registered for more than five years. Accordingly, clause (x) of paragraph 4 of the Order is not applicable to the Company.

11. DEFAULT IN PAYMENT OF DUES

According to the records of the Company examined by us and the information and explanations given to us, the Company does not have dues to any financial institution or bank or debenture holders as at the balance sheet date. Accordingly, clause 4(xi) of the Order is not applicable.

12. LOAN AGAINST SECURITIES

According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable.

13. CHIT FUNDS

The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company. Accordingly, clause 4(xiii) of the Order is not applicable.

14. DEALING IN SECURITIES

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Order is not applicable.

15. GUARANTEE

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.

16. APPLICATION OF FUNDS

In our opinion, and according to the information and explanations given to us, the company has not availed any term loan although it has been sanctioned. Accordingly, clause 4(xvi) of the Order is not applicable.

17. On the basis of information received from the management and based on our examination of the balance sheet of the Company as at 31st March 2014, the Company has not raised funds for short-term purpose. Accordingly, clause 4(xvii) of the Order is not applicable.

18. PREFERENTIAL ALLOTMENT OF SHARES

The Company has not made any preferential allotment of shares to parties and companies covered in the

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register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Order is not applicable.

19. DEBENTURES

The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.

20. PUBLIC ISSUE

The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the Order is not applicable.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

CA Shailesh A. Shah
Proprietor
Membership No. : 032205

For and on behalf of
Shailesh Shah & Associates
Chartered Accountants
ICAI firm Registration No. : 109877W

Place : Ahmedabad
Date : 5th May 2014



GSPL INDIA GASNET LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Notes	As at 31 st March 2014 (₹.)	As at 31 st March 2013 (₹.)
Equity and Liabilities			
Shareholders' funds			
Share capital	3	1,370,193,460	677,885,760
Reserves and surplus	4	22,489,264	6,688,411
		<u>1,392,682,724</u>	<u>684,574,171</u>
Share application money pending allotment		-	21,153,850
Non-current liabilities			
Other long-term liabilities	5	184,895	-
Long-term provisions	8	<u>1,891,470</u>	<u>196,409</u>
		2,076,365	196,409
Current liabilities			
Other current liabilities	6	29,214,991	46,231,344
Short-term provisions	8	<u>1,705,791</u>	<u>182,581</u>
		30,920,782	46,413,925
TOTAL		<u><u>1,425,679,871</u></u>	<u><u>752,338,355</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	215,383,257	1,823,446
Intangible assets	10	59,576,186	15,527,344
Capital work-in-progress	10	800,249,580	487,212,216
Deferred tax assets (Net)	7	197,305	197,305
Long term loans and advances	11	82,227,916	38,436,057
Other non-current assets	12	<u>2,275,996</u>	<u>10,362</u>
		1,159,910,240	543,206,730
Current assets			
Cash and Bank Balances	13	261,449,061	208,174,493
Short term loans and advances	11	1,219,908	404,704
Other current assets	12	<u>3,100,662</u>	<u>552,428</u>
		265,769,631	209,131,625
TOTAL		<u><u>1,425,679,871</u></u>	<u><u>752,338,355</u></u>
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

Shailesh A. Shah
Proprietor
Membership No. : 032205

Place : Ahmedabad
Date : 5th May 2014

For and on behalf of Board of Directors

Tapan Ray, IAS
Chairman

Ravindra Agrawal
Director

K.K. Mehta
CFO

Place : Gandhinagar
Date : 5th May 2014

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

Particulars	Note No.	For the Year ended 31st March 2014 (₹.)	For the Year ended 31st March 2013 (₹.)
Income			
Other income (Interest Income)	14	23,389,612	9,457,863
Total Revenue (A)		<u>23,389,612</u>	<u>9,457,863</u>
Expenses		-	-
Total Expenses (B)		<u>-</u>	<u>-</u>
Profit/(Loss) Before Tax [A-B]		<u>23,389,612</u>	<u>9,457,863</u>
Tax Expenses			
Current tax		7,588,759	2,922,480
Deferred tax		-	(9,396)
Profit/(Loss) After Tax carried to Balance Sheet		<u>15,800,853</u>	<u>6,544,779</u>
Earning per equity share (EPS) (Nominal value of share ₹. 10)			
Basic Earning per share (₹.)		0.16	0.15
Diluted Earning per share (₹.)		0.16	0.15
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

Shailesh A. Shah
Proprietor
Membership No. : 032205

Place : Ahmedabad
Date : 5th May 2014

For and on behalf of Board of Directors

Tapan Ray, IAS Ravindra Agrawal
Chairman Director

K.K. Mehta
CFO

Place : Gandhinagar
Date : 5th May 2014



GSPL INDIA GASNET LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2014

Particulars	For the Year ended 31st March 2014 (₹.)	For the Period ended 31st March 2013 (₹.)
Cash Flow from Operating Activities		
Profit before Taxes and Extraordinary Items	23,389,612	9,457,863
<u>Adjustments for:</u>		
Interest Income	(23,389,612)	(9,457,863)
Net Cash Flow from Operating Activities (A)	-	-
Cash Flow from Investing Activities		
Interest Received	21,992,177	9,581,981
Taxes paid	(7,573,223)	(3,066,165)
Investment in Fixed Deposits	(4,240,083)	(10,000)
Proceeds from Sale of Fixed Asset	6,987	-
(Increase)/Decrease in Other Assets	(1,236,350)	(189,194)
(Increase)/Decrease in Loans & Advances	(44,622,599)	(38,632,361)
Increase/(Decrease) in Non-Current Liabilities	184,895	-
Acquisition of Fixed Assets and Change in CWIP	(584,451,086)	(347,166,012)
Net Cash Flow from Investing Activities (B)	(619,939,282)	(379,481,751)
Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	671,153,850	477,385,160
Share Application money received	-	21,153,850
Net Cash Flow from Financing Activities (C)	671,153,850	498,539,010
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	51,214,568	119,057,259
Cash and Cash Equivalents at the beginning of period		
Cash on hand	27,549	-
Bank Balances	25,646,944	14,117,234
Short term fixed deposits	182,500,000	75,000,000
	208,174,493	89,117,234
Cash and Cash Equivalents at the end of the period		
Cash on hand	26,887	27,549
Bank Balances	16,362,174	25,646,944
Short term fixed deposits	243,000,000	182,500,000
	259,389,061	208,174,493

Notes:

- The above cash flow statement has been prepared under the indirect method as set out in AS - 3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outflow/deduction.
- The Increase/Decrease in Current-Noncurrent Assets and Current-Noncurrent Liabilities are considered as part of Investing activities as it includes amount payable to creditors for procurement of fixed assets/Capital Work in Progress.

As per our report of even date attached

For Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

Shailesh A. Shah
Proprietor
Membership No. : 032205

Place : Ahmedabad
Date : 5th May 2014

For and on behalf of Board of Directors

Tapan Ray, IAS Ravindra Agrawal
Chairman Director

K.K. Mehta
CFO

Place : Gandhinagar
Date : 5th May 2014

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

1. CORPORATE INFORMATION

GSPL India Gasnet Limited ('the company') was incorporated on 13th October 2011 under the Companies Act, 1956 as a subsidiary of Gujarat State Petronet Limited (GSPL). On 30th April, 2012, a joint venture agreement was executed between Gujarat State Petronet Limited (GSPL), Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL). The proposed shareholding pattern shall be GSPL(52%), IOCL(26%), BPCL(11%) and HPCL (11%). The Company is developing a natural gas pipeline for transmission of natural gas from Mehsana in Gujarat to Bhatinda in Punjab and Srinagar in Jammu & Kashmir.

2. BASIS OF PREPARATION

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956. The company has consistently applied the accounting principles and policies and these accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

2.1. Significant Accounting Policies :

(a) Use of Estimates

The preparation of financial statements requires management to make certain judgements, estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring material adjustments to the components of financial statements in future periods.

(b) Tangible 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.

All the expenditure on project, till it is commissioned, is kept as Capital Work in Progress (CWIP) and after commissioning the same is transferred to Fixed Assets. Moreover, the Company capitalises borrowing cost for project.

The expenditure incurred relating to project prior to commencement of commercial operations are classified as Project Development Expenditure / Pre-operative Expenditure and disclosed under Capital Work-in-Progress and will be apportioned to the assets on the completion of the Project.

(c) 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 capitalises software as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets".

(d) 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.

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 ₹. 5000/- are depreciated fully in the year of purchase / capitalisation.

In case of Intangible Assets, software is amortised at 40% on written down value method, whereas the cost incurred on 'Right of Use and Right of way on land' is not amortised but is tested for impairment on periodic basis.



(e) Employee Benefits

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

Short term employee benefits are recognised as expense in the year in which services are rendered and transferred to pre-operative expenses till start-up of commercial operation. 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, if any, are transferred to pre-operative expenses till start-up of commercial operation. Similarly, liability in respect of leave salary 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 transferred to pre-operative expenses till start-up of commercial operation.

Retirement benefits in the form of superannuation is recognised as expense on estimated basis and transferred to pre-operative expenses till start-up of commercial operation. The company is in the process of formulating fund for Superannuation and Gratuity for the employees. Retirement Benefit in the form of provident fund, which is defined contribution scheme, is recognized as expense and transferred to pre-operative expenses till start-up of commercial operation.

(f) 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 period-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 recognised as income or expense in line with the provisions of Accounting Standard -11 "The Effects of Changes in Foreign Exchange Rates".

(g) Revenue Recognition

Interest income is recognised on time proportion basis.

(h) 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 and loss as current tax. The company recognises 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 period. i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises 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 and 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 period.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957.

(I) Impairment of Assets :

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

(j) 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 period by weighted number of Equity Shares outstanding during the period.

The number of shares used in computing diluted EPS comprises the weighted average number of equity shares considered for deriving basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

(k) 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 assets are neither recognised nor disclosed in financial statements.

Contingent liabilities if material are disclosed by way of notes to accounts.

(l) Cash and cash Equivalent :

Cash and cash equivalents comprise cash on hand and deposits with banks. 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.

(m) Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit/(loss) 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.

(n) 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 recognised 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 reports of the Board of Directors.



GSPL INDIA GASNET LIMITED

3 Share capital

Particulars	No. of Shares	As at 31st March 2014 (₹.)	No. of Shares	As at 31st March 2013 (₹.)
Authorised Equity Share Capital :				
Equity Shares of ₹. 10 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>2,000,000,000</u>	<u>2,000,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Equity Shares of ₹. 10/- each fully paid up	<u>137,019,346</u>	<u>1,370,193,460</u>	<u>67,788,576</u>	<u>677,885,760</u>
TOTAL	<u>137,019,346</u>	<u>1,370,193,460</u>	<u>67,788,576</u>	<u>677,885,760</u>

Reconciliation of Number of Shares Outstanding at the beginning and at the end of the year

Particulars	2013-2014		2012-2013	
	No. of Shares	Amount (₹.)	No. of Shares	Amount (₹.)
<u>Equity Shares</u>				
Equity shares at the beginning of the Year	67,788,576	677,885,760	20,050,060	200,500,600
Add: Equity Shares allotted during the year	69,230,770	692,307,700	47,738,516	477,385,160
Equity shares at the end of the Year	<u>137,019,346</u>	<u>1,370,193,460</u>	<u>67,788,576</u>	<u>677,885,760</u>

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, if any, proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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 31st March 2014		As at 31st March 2013	
	No. of Equity Shares	Amount (₹.)	No. of Equity Shares	Amount (₹.)
Equity Shares held by Holding Company - Gujarat State Petronet Ltd. having face value of ₹.10/- each.	71,250,060	712,500,600	40,050,060	400,500,600

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

Name of the Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petronet Limited (including Nominee Shareholders)	71,250,060	52.00%	40,050,060	59.08%
Indian Oil Corporation Limited	35,625,030	26.00%	15,025,030	22.16%
Bharat Petroleum Corporation Limited	15,072,128	11.00%	6,356,743	9.38%
Hindustan Petroleum Corporation Limited	15,072,128	11.00%	6,356,743	9.38%

4 RESERVES & SURPLUS :

Particulars	As at 31st March 2014 (₹.)	As at 31st March 2013 (₹.)
<u>Profit & Loss Account</u>		
Opening Balance	6,688,411	1,43,632
Add: Profit during the Year	15,800,853	6,544,779
Closing Balance	22,489,264	6,688,411
TOTAL	22,489,264	6,688,411

5 OTHER LONG TIME LIABILITIES :

Particulars	As at 31st March 2014 (₹.)	As at 31st March 2013 (₹.)
OYVS Installments from employees	184,895	-
TOTAL	184,895	-

6 OTHER CURRENT LIABILITIES :

Particulars	As at 31st March 2014 (₹.)	As at 31st March 2013 (₹.)
Other Payables for Capital Expenditure (refer note no.22 for details of due to micro, small and medium enterprises)	23,704,753	41,849,485
Other Statutory Liabilities	5,510,238	4,381,859
TOTAL	29,214,991	46,231,344

7 DEFERRED TAX ASSET (Net) :

Particulars	As at 31st March 2014 (In ₹.)	As at 31st March 2013 (In ₹.)
<u>Deferred Tax Liability :</u>		
Total Deferred Tax Liability (A)	-	-
<u>Deferred Tax Asset :</u>		
Preliminary Expenses u/s 35D	197,305	197,305
Total Deferred Tax Asset (B)	197,305	197,305
Net Deferred Tax Asset [B-A]	197,305	197,305



GSPL INDIA GASNET LIMITED

8 PROVISIONS

Particulars	Long Term As at 31st March 2014 (₹.)	Short Term As at 31st March 2014 (₹.)	Long Term As at 31st March 2013 (₹.)	Short Term As at 31st March 2013 (₹.)
<u>Provision for employee benefits</u>				
Provision for Gratuity	777,473	1,031	29,534	82
Provision for Leave Salary	1,113,997	59,954	1,66,875	57,398
Provision for Leave Travel Allowance	-	378,376	-	57,745
Provision for Superannuation	-	1,256,528	-	67,356
	<u>1,891,470</u>	<u>1,695,889</u>	<u>196,409</u>	<u>182,581</u>
<u>Other Provisions</u>				
Provision for Wealth Tax	-	9,902	-	-
	<u>-</u>	<u>9,902</u>	<u>-</u>	<u>-</u>
TOTAL	1,891,470	1,705,791	196,409	182,581

9 PRE-OPERATIVE EXPENSES / PROJECT DEVELOPMENT EXPENDITURE

Particulars	For the Year ended 31st March 2014 (₹.)	For the Year ended 31st March 2013 (₹.)
Opening Balance Brought Forward [a]	61,416,387	2,676,950
Employee Benefit Expenses		
Salaries and Allowances	54,931,151	24,709,717
Leave Salary	963,173	2,24,273
Contribution to Provident Fund	1,607,546	-
Superannuation Expenses	1,189,172	67,356
Gratuity Expenses	748,888	29,616
Staff Welfare Expenses	572,689	76,666
Sub-total [b]	<u>60,012,618</u>	<u>25,107,628</u>
Other Expenses		
Advertisement & Publicity Expenses	311,360	1,551,704
Director Sitting Fees	207,866	1,97,978
Insurance Expenses	150,523	87,006
Legal & Professional Expenses	2,984,606	67,72,576
Miscellaneous Expense	2,108,376	9,26,622
Payment to Outsourced Persons	1,323,374	1,42,550
Recruitment & Training	1,045,945	17,60,394
Rent & Utility Charges	5,213,519	6,37,500
RoC Fees	2,600	17,401,000
Stationery & Printing	100,173	97,256
Statutory Audit Fees	95,506	67,416
Travelling Expenses - Directors	210,394	1,79,913
Travelling Expenses - Others	5,635,030	2,340,781
Sub-total [c]	<u>19,389,272</u>	<u>32,162,696</u>
Depreciation [d]	<u>4,868,347</u>	<u>1,469,113</u>
Less: Miscellaneous Income [e]	<u>(2,114,846)</u>	<u>-</u>
Closing Balance (a+b+c+d+e)	<u>143,571,778</u>	<u>61,416,387</u>

10. FIXED ASSETS

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Op. Balance As at 1-Apr-13	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As at 31-Mar-14	Op. Balance As at 1-Apr-13	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As at 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
TANGIBLE ASSETS										
Land- Free Hold	-	206,773,634	-	206,773,634	-	-	-	-	206,773,634	-
Office Equipments	-	357,119	-	357,119	-	55,491	-	55,491	301,629	-
Communication										
Equipments	60,800	392,596	7,480	445,916	902	43,360	493	43,769	402,147	59,898
Computers	2,021,322	2,598,847	-	4,620,169	262,643	1,272,864	-	1,535,507	3,084,661	1,758,679
Furniture & Fittings	5,300	915,867	-	921,167	431	115,860	-	116,291	804,876	4,869
Vehicles	-	4,771,526	-	4,771,526	-	755,216	-	755,216	4,016,310	-
Total (A)	2,087,422	215,809,589	7,480	217,889,531	263,976	2,242,791	493	2,506,274	215,383,257	1,823,446
INTANGIBLE ASSETS										
Computer Software	6,732,853	1,235,960	-	7,968,813	1,205,137	2,625,556	-	3,830,693	4,138,120	5,527,716
Right of Use	9,999,628	45,438,438	-	55,438,066	-	-	-	-	55,438,066	9,999,628
Total (B)	16,732,481	46,674,398	-	63,406,879	1,205,137	2,625,556	-	3,830,693	59,576,186	15,527,344
CAPITAL WORK IN PROGRESS										
Total (C)	-	-	-	-	-	-	-	-	800,249,580	487,212,216
TOTAL (A+B+C)	18,819,903	262,483,987	7,480	281,296,410	1,469,113	4,868,347	493	6,336,967	1,075,209,023	504,563,006
Previous Year	-	18,819,903	-	18,819,903	-	1,469,113	-	1,469,113	504,563,006	216,442,202

Note: i) Depreciation amounting to ₹. 48,68,347/- (Previous Year ₹. 14,69,113/-) has been transferred to Pre-Operative Expenses.

Note: ii) Capital Work in Progress includes Pre-Operative Expenses. The break-up of Pre-operative expenses is disclosed under Note No.9.



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11 LOANS AND ADVANCES

Particulars	Long Term As at 31st March 2014 (₹.)	Short Term As at 31st March 2014 (₹.)	Long Term As at 31st March 2013 (₹.)	Short Term As at 31st March 2013 (₹.)
Capital Advances				
Unsecured, considered good	47,203,325	-	20,956,057	-
Security Deposit Given				
Unsecured, considered good	30,117,577	95,000	17,271,600	2,25,000
Other Loans & Advances				
Secured considered Good				
Housing Building Advance to Employees	4,714,305	294,021	-	-
Unsecured, considered Good				
Advance Tax and TDS (net of Provision)	192,709	-	2,08,400	-
Loans & Advances to Employees	-	-	-	17,935
Balance with Service Tax	-	32,055	-	-
Other Advance Payments	-	187,394	-	93,257
Prepaid Expenses	-	611,438	-	68,512
TOTAL	82,227,916	1,219,908	38,436,057	4,04,704

12 OTHER ASSETS

Particulars	Non-Current As at 31st March 2014 (₹.)	Current As at 31st March 2014 (₹.)	Non-Current As at 31st March 2013 (₹.)	Current As at 31st March 2013 (₹.)
<u>Unsecured, considered good</u>				
Non-Current Bank Balances (Note No. 13)	2,190,083	-	10,000	-
Others				
Others Receivables	-	1,425,544	-	1,89,194
Interest Accrued-But Not Due-Deposits	85,913	1,675,118	362	363,234
TOTAL	2,275,996	3,100,662	10,362	5,52,428

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13 CASH AND BANK BALANCES

Particulars	Non-Current As at 31st March 2014 (₹.)	Current As at 31st March 2014 (₹.)	Non-Current As at 31st March 2013 (₹.)	Current As at 31st March 2013 (₹.)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	16,362,174	-	25,646,944
Fixed Deposit with original maturity of less than 3 months	-	243,000,000	-	182,500,000
Cash on hand	-	26,887	-	27,549
	-	259,389,061	-	208,174,493
Other Bank Balances				
Margin Money Deposit - Bank Guarantees	2,190,083	2,060,000	10,000	-
TOTAL	2,190,083	261,449,061	10,000	208,174,493
Amount disclosed under Other Non-Current Assets (Note No.12)	(2,190,083)	-	(10,000)	-
TOTAL	-	261,449,061	-	208,174,493

14 OTHER INCOME :

Particulars	For the Year ended 31st March 2014 (₹.)	For the Year ended 31st March 2013 (₹.)
Interest Income		
Interest on Fixed Deposits with Banks	23,041,176	9,457,863
Interest Income - House Building Advance	348,436	-
TOTAL	23,389,612	9,457,863

15 CONTINGENT LIABILITY

Bank Guarantee/Letter of Credit issued and outstanding as on 31st March 2014 is for an amount of ₹.42,50,083/- (Previous year Rs. 10,000/-). There are no other contingent liability nor any claim against the company acknowledge as debt as on the balance sheet date.

16 CAPITAL & OTHER COMMITMENT

Capital commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately ₹. 112,04,46,044/- (Previous year ₹. 120,07,47,622/-).

Other Commitment: Nil

**GSPL INDIA GASNET LIMITED****17 PAYMENT TO AUDITORS :**

Particulars	2013-2014	2012-2013
For Statutory Audit	95,506	67,416
For other services	-	-
For reimbursement of expenses	11,236	-
TOTAL	106,742	67,416

18 In the opinion of management, any of the assets other than fixed assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

19 EXPENDITURE / INCOME IN FOREIGN CURRENCY

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

During the year, the company has received Bid Fees in foreign currency amounting ₹. 2,18,513/- (Previous Year: NIL)

20 The balances of sundry debtors, creditors, loans and advances and deposits are subject to the confirmation by the parties and provision for all liabilities is adequate in opinion of the company.

21 EARNINGS PER SHARE :

Particulars	2013-14	2012-13
Net Profit/(Loss) after current and deferred tax	15,800,853	6,544,779
Weighted average number of equity shares	98,216,396	42,679,035
Basic EPS	0.16	0.15
Total weighted average number of equity shares including Potential equity shares	98,216,396	42,679,035
Diluted EPS	0.16	0.15
Face value / Nominal value of share	10.00	10.00

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- 22 The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is given below:

Particulars	2013-14	2012-13
Principal amount remaining unpaid as on 31 st March 2014	362,341	73,407
Interest due thereon as on 31 st March 2014	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31 st March 2014	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by management.

23 EMPLOYEE BENEFITS :

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

Particulars	2013-14		2012-13	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Mortality	Indian Assured Lives Mortality (2006-08) Ult.		LIC (1994-96) published table for mortality rate	
Withdrawal rate	5% at younger age reducing to 1% at old age		5% at younger age reducing to 1% at old age	
Retirement Age	60 Years		60 Years	
Discount Rate Current Period	9.10%	9.10%	8.20%	8.20s%
Rate of Return on Plan Assets Current Period	N.A.	N.A.	N.A.	N.A.
Salary Escalation Current Period	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".

Particulars	2013-14		2012-13	
	Gratuity	Leave Salary	Gratuity	Leave Salary
Table showing change in benefit obligation				
Opening defined benefit obligation	29,616	164,161	-	-
Interest Cost	2,429	13,461	-	-
Current Service Cost	627,360	492,909	29,616	224,273
Benefit Paid	-	-	-	-
Actuarial Loss / (gain) on Obligations	119,099	503,420	-	-
Liability at the end of the period	778,504	1,173,951	29,616	224,273
Table showing change in Fair Value of Plan Assets				
Fair Value of Plan Assets at the beginning of the period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Contributions	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial gain / (loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the period	-	-	-	-
Actual Gain / loss recognised				
Actuarial (gain) / loss on obligations	119,099	503,420	-	-
Actuarial gain / (loss) on Plan Assets	-	-	-	-
Net Actuarial (gain) / loss recognised during the period	119,099	503,420	-	-
Amount recognised in Balance Sheet				
Liability at the end of the period	778,504	1,173,951	29,616	224,273
Fair Value of Plan Asset at the end of the period	-	-	-	-
Net Amount recognised in the Balance Sheet	778,504	1,173,951	29,616	2,24,273
Expense recognised as Preoperative Expenses				
Current Service cost	627,360	492,909	29,616	2,24,273
Interest cost	2,429	13,461	-	-
Expected return on Plan Asset	-	-	-	-
Net Actuarial Loss / (gain) to be recognised	119,099	503,420	-	-
Expense recognised as Preoperative Expenses				
Current Liability	748,888	1,009,790	29,616	2,24,273
Non Current Liability	1,031	59,954	82	57,398
	777,473	1,113,997	29,534	1,66,875
Total Liability	<u>778,504</u>	<u>1,173,951</u>	<u>29,616</u>	<u>2,24,273</u>

24 Related Party Disclosures :

List of related parties identified as per AS-18 is as follows:

Ultimate Holding Company
Gujarat State Petroleum Corporation Ltd.
Holding Company
Gujarat State Petronet Ltd.
Co-promoters
Indian Oil Corporation Ltd.
Bharat Petroleum Corporation Ltd.
Hindustan Petroleum Corporation Ltd.
Fellow Subsidiary
GSPL India Transco Ltd.
Key Managerial Personnel
Shri Tapan Ray, IAS, Chairman
Shri N. Bose Babu, Director
Shri Ravindra Agrawal, Director

Transactions* with related parties during the year as per Accounting Standard - 18 on "Related Party Disclosures" are as follows:

Name of Related Party & Nature of Transactions	2013-14 Amount ₹.	2012-13 Amount ₹.
Gujarat State Petroleum Corporation Ltd. (Ultimate Holding Company)		
Expenditure Reimbursement Paid	1,294,943	1,168,384
Expenditure Reimbursement Received	1,390,357	40,711
Gujarat State Petronet Ltd. (Holding Company)		
Expenditure Reimbursement Paid	23,841,962	24,695,073
Expenditure Reimbursement Received	7,877,855	1,797,530
Purchase of Fixed Assets	3,246,019	-
Rent Expense	3,454,073	-
Investment in Equity Shares by GSPL	312,000,000	200,000,000
Indian Oil Corporation Ltd. (Co-promoter)		
Engineering Consultancy Expenses	29,183,264	-
Expenditure Reimbursement Paid	1,307,817	9,058,351
Pipeline Crossing Charges Paid	2,359,560	-
Security Deposit Paid	5,111,458	-
Sitting Fees#	50,562	43,708
Investment in Equity Shares by IOCL	206,000,000	150,250,300
Bharat Petroleum Corporation Ltd. (Co-promoter)		
Sitting Fees#	28,090	21,854
Investment in Equity Shares by BPCL	87,153,850	63,567,430
Equity Share Application Money Received & Pending Allotment	-	21,153,850
Hindustan Petroleum Corporation Ltd. (Co-promoter)		
Sitting Fees#	5,618	5,618
Pipeline Crossing Charges Paid	589,890	234,270
Investment in equity shares by HPCL	87,153,850	63,567,430
GSPL India Transco Limited (Fellow Subsidiary)		
Expenditure Reimbursement Received	-	78,905
Key Managerial Personnel		
Sitting Fees#	67,416	73,708

* The above transactions are inclusive of all taxes, wherever applicable.

Sitting Fees includes service tax paid under reverse charge mechanism, wherever applicable.



GSPL INDIA GASNET LIMITED

Details of Outstanding Balance with Related Parties :

Name of Related Party	2013-14 Amount ₹.	2012-13 Amount ₹.
Gujarat State Petroleum Corporation Ltd. (Ultimate Holding Company)		
Account Receivable	678,053	-
Account Payable	104,064	739,566
Gujarat State Petronet Ltd. (Holding Company)		
Account Receivable	747,491	189,194
Account Payable	349,629	3,926,395
Indian Oil Corporation Ltd. (Co-promoter)		
Account Receivable	5,111,458	-
Account Payable	2,375,508	9,000
Bharat Petroleum Corporation Ltd. (Co-promoter)		
Account Receivable	-	-
Account Payable	-	4,500
Hindustan Petroleum Corporation Ltd. (Co-promoter)		
Account Receivable	-	150,000
Account Payable	76,770	-
GSPL India Transco Limited (Fellow Subsidiary)		
Account Receivable	-	-
Account Payable	-	-
Key Managerial Personnel		
Account Receivable	-	-
Account Payable	-	-

- 25 The company has not started commercial operations and will primarily be engaged in single segment of natural gas transportation business, which involves transportation of natural gas from sources of supply to end customers. Hence, Segment reporting as required under Accounting Standard 17 issued by Institute of Chartered Accountants of India is not applicable.
- 26 The Company has signed Rupee Loan Facility Agreement for Term Loan of ₹. 4,516 crore with a consortium of 12 banks on 30th January, 2012 with Bank of India as the Lead Bank. However, disbursement of loan is not yet taken by the company.
- 27 As at the balance sheet date Company has reviewed the carrying amounts of its assets and there is no indication that those assets have suffered any impairment loss. Hence no such impairment loss has been provided.
- 28 Some of the employees working for the company are on the roll of promoter companies for which expenditure on salary have been disclosed as "Salary" under Pre-Operative Expenditure based on debit note received from promoter Gujarat State Petronet Ltd.
- 29 The figures appearing in financial statements are rounded off to the nearest Rupees.
- 30 The previous year figures have been regrouped or reclassified, wherever necessary.

As per our report of even date attached

For and on behalf of Board of Directors

For Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

Tapan Ray, IAS Ravindra Agrawal
Chairman Director

Shailesh A. Shah
Proprietor
Membership No. : 032205

K.K. Mehta
CFO

Place : Ahmedabad
Date : 5th May 2014

Place : Gandhinagar
Date : 5th May 2014

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GSPC DISTRIBUTION NETWORK LIMITED

Board of Directors :

Mr. Tapan Ray, IAS
Mr. Manish Kumar Verma
Mr. P.P.G. Sarma
Mr. Ravindra Agrawal
Mr. N. Bose Babu

Chairman.
Director
Director
Director
Director

Executive:

Ahmed Khan

Company Secretary:

Rohan Sampat

Financial Institution / Bankers:

Gujarat State Financial Services Limited.
YES Bank Limited.

Statutory Auditor:

M/s. J.S. Maheshwari & Co.
Chartered Accountants
Ahmedabad

Internal Auditor:

M/s. Dhruv Vachhani & Co.
Chartered Accountants
Ahmedabad.

Registered Office :

Block No.: 15, 3rd Floor,
Udyog Bhavan, Sector - 11,
Gandhinagar - 382 009 INDIA.
Phone No. +91-79-66737400
Fax No. +91-79-66737456
Mail ID : csgdnl@gspc.in
CIN-U40200GJ2012SGC069118

NOTICE

NOTICE is hereby given that 2 (Second) Annual General Meeting of GSPC Distribution Networks Limited is scheduled to be held on Tuesday, 30th December, 2014 at 11:30 AM at 3rd Floor, GSPC Bhavan, Sector-11, Gandhinagar, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2014, Statement of Profit and Loss for the year ended on 31st March 2014 along with notes forming part of the financial statements together with the Consolidated Financial Statements and the Independent Auditors' Report as well as the Report / Comments of Comptroller and Auditor General of India.
2. To reappoint Shri Ravindra Agrawal, Director of the Company retiring by rotation, and being eligible, offers himself for reappointment.
3. To fix the remuneration of the Statutory Auditors of the Company for the financial year 2014-2015 in terms of the provisions of Section 142 of Companies Act, 2013 earlier Section 224(8) (aa) of the Companies Act, 1956.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 earlier section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 2013/1956 and the Articles of Association of the Company, the approval of the Company be and is hereby accorded to the Board, to borrow any sums of money, from time to time, from any one or more of the Company's bankers and/or from any other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise, whether unsecured or secured, so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business), will or may exceed the aggregate of the paid-up share capital of the Company and its free reserves, however that the total amount up to which the moneys may be borrowed by the Board and outstanding at any time shall not exceed the sum of ₹. 70,00,00,00,000 (Rupees Seven Thousand Crores)."

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 180 (1) (a) of the Companies Act, 2013 earlier section 293(1)(a) of Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 2013/1956 to mortgage/hypothecate or create charge by the Board over any or all the immovable/movable properties, including equity shares/security held as investment, of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any bank, financial institution or any other lender to secure financial assistance that may be granted/ lent/ advanced/ provided to the Company by such bank, financial institution or such other lender together with interest thereon at the rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to such bank, financial institution or any such lender under financial assistance agreement entered into or to be entered into by the Company in respect of such financial assistance present or future.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise with any bank, financial institution or any such lender, the documents for creating the aforesaid mortgage/ hypothecation/ charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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“RESOLVED FURTHER THAT for the purpose of giving effect to the aforementioned resolutions, including issue and allotment of the further shares, the Board be and is hereby authorized to exercise all such powers and do all such acts, deeds, things, and matters, as the Board may in its sole discretion consider necessary or desirable or appropriate and to settle any question, issue or difficulty that may arise in connection therewith in the manner the Board may in its sole discretion, consider fit and appropriate.

“RESOLVED FURTHER THAT the Board or its Committee be and is hereby to be authorized to do all such acts, deeds, and things as may be necessary to give effect to the aforesaid resolutions.”

By Order of the Board
Ahmed Khan
Authorised Signatory

Date: 06/12/2014
Place: Gandhinagar

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENTS APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. All Bodies Corporate members intending to send their representatives to attend and participate in the meeting or any adjournment there of are requested to send a certified copy of the Board Resolution or resolution of its governing body authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Any member desiring any information pertaining to the Accounts are requested to send their queries in writing to the Company not less then 48 hours before the commencement of the Meeting.
5. Members are requested to bring their Copy of the Annual Report at the Annual General Meeting.

ANNEXURE TO NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION
102 OF THE COMPANIES ACT, 2013
(Earlier Section 173 of the Companies Act, 1956)

Item 4 and 5

Shareholders of the Company in its 2nd EGM held on 20th September, 2012 had accorded consent via ordinary resolution for borrowing powers of the board (up to Five Thousand Crores) under earlier section 293 (1) (d) of Companies Act, 1956 now section 180(1) (c) of the Companies Act, 2013 & authority to mortgage assets of the Company under earlier section 293 (1) (a) of the Companies Act, 1956 now section 180(1) (a) of the Companies Act, 2013. As per the New Companies Act, 2013 the board of directors of the Company shall exercise the power to borrow money & power to mortgage the assets of the Company only by means of special resolution.

Hence, in view of the newly introduced provisions & requirement of Section 180 of the Companies Act, 2013, the necessary approval of the members of the Company is sought by way of special resolution as compared to the approval required by way of ordinary resolution as required under the Companies Act, 1956.

Your directors place the resolution for your approval and confirm that none of the directors and key managerial personnel of the Company and their relatives are in anyway concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 and 5.

By order of the Board
Ahmed Khan
Authorised Signatory

Date: 06/12/2014
Place: Gandhinagar

DIRECTORS REPORT

To
The Members,
GSPC DISTRIBUTION NETWORKS LIMITED.

Your Directors have pleasure in presenting the 2nd Annual Report on the Business and Operations and Audited Accounts of the Company for the Financial year ended on 31st March 2014.

PERFORMANCE HIGHLIGHTS :

(Amount in Crores)

Particulars	For the Financial year ended on 31-03-2014	For the Financial year ended on 31-03-2013
Total Income	122.54	2.27
Total Expense	192.64	5.45
Profit / (Loss) Before Tax	(70.10)	(3.18)
Less Current Tax	1.31	0.69
Profit / (Loss) After Tax	(71.40)	(3.86)

SHARE CAPITAL :

During the year your Company has allotted 40,00,00,000 Equity Shares of ₹.10/- each to GSPC Gas Company Limited, 35,00,00,000 Equity Shares of ₹.10/- each to Gujarat State Petronet Limited and 15,00,00,000 Equity Shares of ₹.10/- each to Gujarat State Fertilizers & Chemicals Limited and pursuant to allotment total paid up equity share capital of the Company became INR 900,05,00,000.

DIVIDEND:

In view of loss sustained during the year under review, your Directors have not recommended any dividend on equity shares for the year under review.

ACQUIRED BG'S STAKE & MANAGEMENT CONTROL IN GUJARAT GAS COMPANY LIMITED:

Your Company acquired 83,518,750 (65.12%) Equity Shares of Gujarat Gas Company Limited (GGCL) from BG Asia Pacific Pte. Ltd on 12th June, 2013 by paying ₹.2463.46/- Crores, being the Gross amount including the amount transferred into Citi Bank Escrow Account. Company made net payment of ₹. 1998,67,84,379/- to BG Asia Pacific Holdings Pte. Limited on 12/06/2013 and transferred ₹. 4,647,846,871/- into Escrow Account with Citi Bank. It had also required

11,000,330 (8.58 %) Equity Shares of GGCL under the open offer in terms of SEBI (Substantial Acquisition of Shares & Takeover) Regulation 2011. Upon completion of Acquisition of Equity Share of GGCL by your Company the total shareholding of your Company in GGCL has risen to 94,519,080 (73.70%). Consequent to the said acquisition, the management of M/s GGCL was changed with effect from 12th June, 2013 by reconstituting the Board of GGCL.

Government of Gujarat nominated the following persons as Directors on Board of M/s GGCL.

1. Dr. Varesh Sinha, IAS, Chief Secretary to Government of Gujarat.
2. Shri D.J. Pandian, IAS, Principal Secretary, EPD Government of Gujarat.
3. Dr. Hasmukh Adhia, IAS, Principal Secretary to Government Finance department.
4. Shri Tapan Ray, IAS, Managing Director of GSPC.
5. Shri Sugata Sircar as Managing Director.

Further GGCL in its meeting held on 12th June, 2013 appointed the following persons, who were nominees of your Company, as Directors on the Board of GGCL replacing the Directors of BG.

1. Dr Varesh Sinha, IAS, Chief Secretary to Government of Gujarat (As Chairman)
2. Shri D.J. Pandian, IAS, Principal Secretary EPD Government of Gujarat (as Director)
3. Dr. Hashmukh Adhia, IAS, Principal Secretary to Government Finance department (as director)
4. Shri Tpan Ray, IAS, Managing Director of GSPC (as Director)
5. Shri Sujata Sircar (as Managing Director).

Pursuant to the provisions of Share Purchase Agreement, Shri Sugata Sircar (Managing Director) of GGCL resigned with effect from 12th December, 2013 & Shri P.P.G Sarma Director of your Company was appointed as "In Charge" Chief Executive Officer (CEO) of GGCL with effect from 12th December, 2013.

MERGER/ AMALGAMATION OF COMPANY :

Your Company in its 13th Board Meeting held on dated 24 February, 2014, had in- principally approved consolidation by way of amalgamation of GSPC Gas Company Limited ("GSPC Gas") GSPC Distribution Networks Limited ("GDNL"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), and Gujarat Gas Trading Company Limited ("GTCL"). Further Company in its 14th Board Meeting held on 21st April, 2014 gave final approval to the amalgamation of Gujarat Gas Company Limited ('GGCL'), Gujarat Gas Financial Services Limited (GFSL), Gujarat Gas Trading Company Limited (GTCL), GSPC Gas Company Limited (GSPC Gas) into GSPC Distribution

GSPC DISTRIBUTION NETWORK LIMITED

Networks Limited ('GDNL') through a High Court approved Composite Scheme of Amalgamation and Arrangement. Your Company has initiated the process of Amalgamation as per the relevant provisions of Companies Act 1956/ Companies Act 2013.

FIXED DEPOSITS :

During the period under review, the Company has not accepted any deposits from Public pursuant to the provisions of Section 58A of the Companies Act, 1956.

SUBSIDIARIES:

GUJARAT GAS COMPANY LIMITED:

Gujarat Gas Company Limited (GGCL) is incorporated in India under the provisions of the Companies Act, 1956. GGCL is engaged in the business of transmission and distribution of Natural Gas, GGCL serves the entire range of the retail end of the gas value chain i.e. Residential, Industrial, CNG and Commercial. The Equity Share of GGCL are listed on National Stock Exchange, Bombay Stock Exchange, Ahmedabad Stock Exchange and Vadodara Stock Exchange.

GUJARAT GAS FINANCIAL SERVICES LIMITED :

Gujarat Gas Financial Services Limited ("GFSL") is incorporated in India under the provisions of the Companies Act, 1956. GFSL is currently engaged in the business of sale of gas connections in India to its holding company i.e. GGCL and to other commercial and non commercial customers within India. GFSL is an unlisted Company. GGCL holds 69.88% Equity Shares in GFSL.

GUJARAT GAS TRADING COMPANY LIMITED :

Gujarat Gas Trading Company Limited ("GTCL") is incorporated in India under the Provisions of the Companies Act, 1956. GTCL is engaged in the business of distribution of gas from sources of supply to centres of demand and/or to the end customers. GTCL is an unlisted Company. GTCL is a wholly owned subsidiary of GGCL.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidation of financial statements of your company and its Subsidiary Company i.e. Gujarat Gas Company Limited and its subsidiary Companies Gujarat gas Trading Company Limited and Gujarat Gas Financial Services Limited (collectively referred to as 'the Group') for the Financial Year 2013-2014, financial statements have been prepared in accordance with the principles and procedures laid down in the Accounting Standard 21 'Consolidated Financial Statements' notified under Companies (Accounting Standard) Rules, 2006.

Name Of The Undertaking	Relationship	Country of Incorporation	Proportionate beneficial ownership interest /voting power
Gujarat Gas Company Limited(GGCL)	Subsidiary wef 12.06.2013	India	73.30%
Gujarat Gas Financial Services Limited	Sub-Sidiary	India	69.88% of GGCL
Gujarat Gas Trading Comapny Limited	Sub-Sidiary	India	100% of GGCL

DIRECTORS :

In accordance with the provisions of Companies Act, 2013/ Companies Act, 1956 and pursuant to the provisions of Articles of Association of your Company, two of your Directors viz. Shri Ravindra Agrawal & Shri N Bose Babu. Retires by rotation at this ensuing Annual General Meeting. However, being eligible they offer themselves for re-appointment. Your directors recommend their reappointment.

AUDITORS :

Your Company being a Government Company/Quasi Government Company. the Statutory Auditors has been appointed by the Comptroller and Auditor General of India (CAG) for the financial year 2013-2014. Accordingly, the Comptroller and Auditor General of India (CAG) appointed M/s. J. S. Maheshwari & Co. Chartered Accountants, Ahmedabad as the Statutory Auditors to carry out statutory audit of your Company for the financial year ended on 31st March 2014.

AUDIT COMMITTEE:

During the period under review the Audit Committee met 2 times 21st April, 2014 and 20th May, 2014. Audit Committee in its meeting held on 20th May, 2014 has approved and recommended the Annual Accounts for the year ended on 31st March, 2014 for approval of the Board. Members of the Board in its meeting held on 20th May, 2014 approved the annual accounts for the year ended on 31st March, 2014.

During the year, the terms of the reference of the Audit Committee have undergone change in line with the provisions of section 177 of Companies Act, 2013, same has

been noted by Audit Committee in its meeting held on 20th May, 2014. Presently, the Audit Committee comprises of Shri Manish Verma, Shri P.P.G. Sarma & Shri Ravindra Agrawal.

STATUTORY AUDITOR'S REPORT :

The Notes on Financial Statements referred to in the Auditors' Report are self explanatory and do not call for any further comments and explanations.

INTERNAL CONTROL SYSTEM :

Your Company has well established and efficient internal control system and procedure commensurate with its size and nature of business.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirements under sec 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, your Directors hereby confirm the following:-

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at 31st March, 2014 being the end of the financial year 2013-2014 and of the loss of the company for the year ended on 31st March 2014.
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the directors had prepared the annual accounts on a going concern basis.

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

Pursuant to the compliance of the provisions of Sec.217(1) (e) a statement containing the information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is appended herewith as under :

- | | |
|--|---|
| a. Conservation of Energy : | NIL |
| b. Technology Absorption : | Your Company has not imported any technology. |
| c. Foreign Exchange Earnings and Outgo for the period: | |
| Foreign Exchange Earnings : | NIL |
| Foreign Exchange Outgo : | NIL |

PARTICULARS OF EMPLOYEES :

During the period under review, the Company does not have any employee where disclosure under section 217 (2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is required.

ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, members and all other stakeholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives of the GSPC Group of Companies.

For and on behalf of Board of Directors,

Tapan Ray, IAS
Chairman

Date : 20/05/2014
Place: Gandhinagar.
Registered Office: Block No. 15,3rd Floord.
Udyog Bhavan, Sector 11, Gandhinagar - 382011

REPORTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) READ WITH SECTION 619(B) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPC DISTRIBUTION NETWORKS LIMITED, FOR THE YEAR ENDED 31 MARCH 2014.

The preparation of financial statements of GSPC Distribution Networks Limited for the year ended 31 March 2014 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 and 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 20th May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of GSPC Distribution Networks Limited for the year ended 31 March 2014. This supplemental audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under section 619(4) read with section 619(b) of the Companies Act, 1956.

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

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

Place : Ahmedabad
Date : 25-06-2014

INDEPENDENT AUDITOR'S REPORT

To,
the Members of
GSPC DISTRIBUTION NETWORKS LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of GSPC Distribution Networks Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the Year ended as on 31st March 2014, and a summary of significant accounting policies and other explanatory information. Which have been signed under reference to this report.

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

Based on our audit, we report that,

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

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

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:

GSPC DISTRIBUTION NETWORK LIMITED

- 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 and 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 and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. As the Company is a Government Company, in terms of notification no. G.S.R. 829(E) dated 21st October, 2003, issued by Department of Company Affairs, Ministry of Finance, the clause (g) of subsection(1) of section 274 of the Companies Act, 1956 is not applicable.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid. Thus, it would not be possible for us to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued. However, till the time such Rules are prescribed, we need not make any comment in respect of the Cess under section 441A of the Companies Act, 1956 in report under paragraph 4(ix)(a) of CARO 2003.

For, J. S. Maheshwari & Co.
Chartered Accountants
Firm Regn. No.: 001318C

Place : Gandhinagar
Date : 20-05-2014

(Ashish Maheshwari)
Partner
M. No. 412441

ANNEXURE TO AUDITOR'S REPORT

[Referred to in paragraph 3 of the Auditor's Report of even date of the members of GSPC Distribution Networks Limited on the financial statements for the year ended on 31st March 2014.]

1. In respect of its fixed assets :

The Company has not acquired any fixed assets hence no fixed assets registers is maintained.

The Company have not acquired any fixed assets, hence no reconciliation called for between the physical and book records.

As Company has no fixed assets hence this clause is not applicable.

2. In respect of its inventories:

The Company does not hold any physical inventories during the period under review. Accordingly, clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956:

According to the information and the explanations given to us, the company has not granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently requirements of clauses (iii) (a) to (iii) (g) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

4. In respect of internal control:

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. In our opinion, according to the information and explanations given to us, during the course of audit, we have not observed nor have been informed of any major weaknesses in internal control system.

The Company has not purchased of inventory and sale of goods and services, thus a part of (iv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956:

Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 during the year that need to be entered in the registered under that Section. Accordingly clause (v) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company

6. In respect of Deposit from Public:

According to the information and explanations given to us, and other specific professional opinion obtained by the entity, the company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of The Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975.

7. In respect of Internal Audit System:

The Company has an internal audit system commensurate with its size of the company and nature of its business. The internal audit during the period under review was carried out by the firm of Chartered Accounts. In our opinion the internal audit system is adequate commensurate with the size of the company and nature of its business.

8. In respect of maintenance of cost records:

The Central Government has prescribed the maintenance of cost records under clause (d) of Sub-section (1) of Section 209

of the Companies Act, 1956. However, since Company's activities pertained to this stage, the question of maintenance of cost records does not arise.

9. In respect of statutory dues:

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, custom duty, excise duty, cess and other material statutory dues, as applicable with the appropriate authorities. As informed to us, provisions of employees' state insurance act are not applicable to the company.

According to the information and explanation given to us there are no undisputed and outstanding amounts payable in respect of income tax, wealth tax, sales tax, custom duty and Excise duty, cess and other material statutory dues outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable

10. In respect of accumulated losses and cash losses:

The Company has not been registered for more than five years. Accordingly, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

11. In respect of dues to financial institution / banks / debenture:

According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of outstanding dues to any financial institution, bank and debenture holders during the period ended on 31st March, 2014.

12. In respect of loans and advances granted on the basis of security:

According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and debentures and other securities.

13. In respect of provisions applicable to Chit fund:

The Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

14. In respect of dealing or trading in shares, securities, debentures and other investment:

According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

15. In respect of guarantee given for loans taken by others:

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the Order is not applicable.

16. In respect of application of term loans:

In our opinion, and according to the information and explanations given to us, term loans have been applied for the purpose for which they were raised.

17. In respect of funds used:

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have, prima facie, not been used for long-term investments and vice-versa.

18. In respect of preferential allotment of shares:

During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the

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register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii)) of the Companies (Auditor's Report) Order, 2003 is not applicable.

19. In respect of securities created for debentures:

According to the records of the company and information and explanations given to us, the Company has issued Redeemable, Unsecured, Unlisted, and Non-Convertible Debentures of ₹.500 Crores during the period covered by our audit report. In respect of debentures issued by the Company, the company has secured the same by jointly & severally corporate guarantee of GSPC GAS and GSPL which fully covered the amount of debenture of ₹. 500 Crores.

20. In respect of end use of money raised by public issues:

The Company has not raised any money by way of public issue during the year and therefore clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.

21. In respect of fraud:

During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period under review /audit.

For, J. S. Maheshwari & Co.
Chartered Accountants
Firm Regn. No.: 001318C

Place : Gandhinagar
Date : 20-05-2014

(Ashish Maheshwari)
Partner
M. No. 412441

GSPC DISTRIBUTION NETWORK LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

		Amount in Crores	
Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
II. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	900.05	0.05
(b) Reserves and surplus	3	(75.27)	(3.86)
(c) Money received against share warrants		-	-
2 Share application money pending allotment	4	-	348.00
3 Non-current liabilities			
(a) Long-term borrowings	5	500.00	1,500.00
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	6	22.72	3.19
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	7	1,645.55	-
(d) Short-term provisions	8	0.02	2.79
TOTAL		<u>2,993.06</u>	<u>1,850.17</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	2,811.14	347.68
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	10	7.97	-
2 Current assets			
(a) Current investments	11	-	1,499.91
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and Cash Equivalents	12	165.62	0.06
(e) Short-term loans and advances	13	1.52	0.24
(f) Other current assets	14	6.81	2.28
TOTAL		<u>2,993.06</u>	<u>1,850.17</u>
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

The Accompanying Notes are an integral part of the financial Statements.

For, GSPC Distribution Networks Limited

For, J. S. Maheshwari & Co.
Chartered Accountants
Firm Regn. No.: 001318C

(Ashish Maheshwari)
Partner
M. No. 412441

Place : Gandhinagar
Date : 20 May, 2014

Manish Verma
Director

Ahmed Khan
Authorised Signatory

Place : Gandhinagar
Date : 20 May, 2014

P. P. G. Sarma
Director

Rohan Sampat
Company Secretary

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STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2014

Particulars	Note No.	Amount in Crores	
		For the year ended on 31.03.2014	For the period from 21.2.2012 to 31.03.2013
I. Revenue from operations (Gross)		-	-
Other Income	15	122.54	2.27
Total Revenue		<u>122.54</u>	<u>2.27</u>
Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories		-	-
Employee benefits expense		-	-
Finance costs	16	189.55	3.24
Depreciation and amortization expense		-	-
Other expenses	17	3.09	2.21
Total expenses		<u>192.64</u>	<u>5.45</u>
Profit /(Loss) before exceptional and extraordinary items and tax		(70.10)	(3.18)
(a) Prior Period Items		-	-
(b) Exceptional items		-	-
Profit /(Loss) before extraordinary items and tax		(70.10)	(3.18)
Extraordinary Items		-	-
Profit /(Loss) Before Tax(PBT)		(70.10)	(3.18)
Tax expense:			
(1) Current tax	18	1.31	0.69
(2) Deferred tax		-	-
Profit (Loss) for the period from continuing operations		(71.40)	(3.86)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)		-	-
Profit (Loss) for the period		<u>(71.40)</u>	<u>(3.86)</u>
Earnings per equity share:	19		
(1) Basic (Rs.)		(0.92)	(1,106.21)
(2) Diluted (Rs.)		(0.84)	(1.18)
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 33		

The Accompanying Notes are an integral part of the financial Statements.

For, GSPC Distribution Networks Limited

For, J. S. Maheshwari & Co.
Chartered Accountants
Firm Regn. No.: 001318C

(Ashish Maheshwari)
Partner
M. No. 412441

Place : Gandhinagar
Date : 20 May, 2014

Manish Verma
Director

Ahmed Khan
Authorised Signatory

Place : Gandhinagar
Date : 20 May, 2014

P. P. G. Sarma
Director

Rohan Sampat
Company Secretary

GSPC DISTRIBUTION NETWORK LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2014

		Amount in Crores	
Particulars	For the year ended on 31.03.2014	For the period from 21.02.2012 to 31.03.2013	
A.			
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax	(70.10)	(3.18)	
Adjustments for:			
Depreciation	-	-	
Interest Expense	189.55	3.24	
Dividend Income	(85.07)	-	
Interest Income	(37.47)	(2.27)	
Operating Profit before Working Capital Changes	(3.09)	(2.21)	
Adjustments for changes in Working Capital			
(Increase)/Decrease in Trade Receivables	-	-	
(Increase)/Decrease in Loan and Advance	0.24	(0.24)	
(Increase)/Decrease in Other Current Assets	-	-	
(Increase)/Decrease in Inventory	-	-	
Changes in Trade and Other Receivables	0.24	(0.24)	
Increase/(Decrease) in Trade Payables	-	-	
Increase/(Decrease) in Other Liabilities	2.06	-	
Increase/(Decrease) in Provision for Expenses	(2.04)	2.06	
Changes in Trade and Other Payables	0.03	2.06	
Cash Generated from Operations	(2.83)	(0.39)	
Extra Ordinary Items and Other Adjustments	-	-	
Taxes Paid	3.56	-	
Net Cash from Operating Activities	(6.39)	(0.39)	
B.			
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets including cwip and capital advances.	-	-	
Interest Received	32.47	-	
Investment - Non Current	(2,463.46)	(347.68)	
Purchase of Investment - Current	-	(1,499.91)	
Sale of Investment - Current	1,499.91	-	
Dividend Income	85.07	-	
Changes in Fixed Deposits	(147.35)	-	
Net Cash used in Investing Activities	(993.37)	(1,847.59)	
C.			
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Share Capital/Share Application Money	552.00	348.05	
Repayment of Long-term borrowings	500.00	1,500.00	
Interest Paid	(26.54)	-	
Net Cash from Financing Activities	1,025.46	1,848.05	
NET INCREASE IN CASH AND CASH EQUIVALENTS	25.71	0.06	
Cash and Cash Equivalents at the beginning of the period	0.06	-	
Cash and Cash Equivalents at the end of the period	25.77	0.06	
Closing Cash and Cash Equivalents comprise:			
Cash in hand	-	-	
Balances with Scheduled Banks	0.02	0.06	
Balances in Fixed Deposits	25.75	-	

Notes to Cash Flow Statement :

- a. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- b. Figures in bracket (-) indicate Cash outflow.

For, GSPC Distribution Networks Limited

For, J. S. Maheshwari & Co.
Chartered Accountants
Firm Regn. No.: 001318C

(Ashish Maheshwari)
Partner
M. No. 412441

Place : Gandhinagar
Date : 20 May, 2014

Manish Verma
Director

Ahmed Khan
Authorised Signatory

Place : Gandhinagar
Date : 20 May, 2014

P. P. G. Sarma
Director

Rohan Sampat
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 01.04.2013 TO 31.03.2014

Note No. : 1 Significant Accounting Policies

1 CORPORATE INFORMATION

GSPC Distribution Networks Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was incorporated on 21.02.2012 and the first accounting year is from 21.02.2012 to 31st March, 2013. The Company is promoted by GSPC Gas Company Limited and belongs to the GSPC group.

The Company is engaged in City Gas Distribution (CGD) business including sale, purchase, supply, distribution, transportation of and trading in natural gas, compressed natural gas ("CNG"), liquefied natural gas ("LNG"), liquefied petroleum gas ("LPG"), and other gases through pipelines, trucks/trains or such other suitable mode for transportation and distribution and to carry on any other business which may be conveniently carried on in connection with the above activities.

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under historical cost convention on accrual and going concern basis of accounting. The financial statements have been prepared and presented to comply in all material aspects with the Generally Accepted Accounting Principles (Indian GAAP) in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, as notified by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and the relevant provisions of the Companies Act, 1956.

The company has consistently applied the accounting principles and policies; and accounting policies not referred to otherwise, are in conformity with generally accepted accounting principles (Indian GAAP) in India.

3 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) in India requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which they are materialized.

4 REVENUE RECOGNITION

Interest expense and income are recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised, when the right to receive the dividend is established by the reporting date.

All income and expenses are recognized on accrual basis.

Expenditure charged to statement of profit and loss is provided for the period for which the expenditure is incurred. Adequate provisions are made for all known expenses and liabilities.

5 PRELIMINARY EXPENDITURE

Preliminary expenditure is expensed out in the reporting period in which the expenditure is incurred in line with the provisions of Accounting Standard - 26 on "Intangible Assets."

6 TAXES ON INCOME

Tax provision for the reporting period, comprises of current tax and deferred tax.

Tax provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws that have been enacted as on balance sheet date. Current Tax represents amount of income tax payable in respect of the taxable income for the reporting period.

Deferred tax liability and assets is computed as per Accounting Standard (AS-22) on "Accounting for Taxes on Income". Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between

GSPC DISTRIBUTION NETWORK LIMITED

taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

7 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Provision for contractual obligation has been disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Contingent assets are neither recognized nor disclosed in the financial statements.

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets", if any, are not recognized for liabilities whose future outcome cannot be ascertained with reasonable certainty but are disclosed in the notes to accounts.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

8 EARNINGS PER SHARE

The Company reports earnings per share (EPS) in accordance with Accounting Standards - 20 on "Earnings per Share". The earnings considered in ascertaining the Company's EPS comprises of the net profit after tax. Basic EPS is computed by dividing the net profit for the current period by the weighted average number of Equity shares outstanding as on the balance sheet date.

The number of shares used in computing diluted earnings per share (DEPS) comprises the weighted average number of Equity Shares considered for deriving basic earnings per share (BEPs), and the weighted average number of Equity Shares that could have been issued on the conversion of all dilutive potential Equity Shares.

9 CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the "Indirect Method" set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

10 INVESTMENTS

Investments are classified as long or current term in accordance with Accounting Standard 13 on "Accounting for Investments.

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term Investments are stated at cost. Provision, if any, is made to recognize any diminution in value of investments, other than that of a temporary nature.

Current Investment are stated at lower of cost and fair value.

Any reduction in carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

11 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 reports of the board of directors.

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Note 2. Share Capital

2.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL

Share Capital	As at 31 st March 2014		As at 31 st March 2013	
	No. of Shares	(Amount in Crores)	No. of Shares	(Amount in Crores)
Authorised Share capital * Equity Shares of ₹.10 each	1,50,00,00,000	1,500.00	1,50,00,00,000	1,500.00
Issued Share capital Equity Shares of ₹.10 each	90,00,50,000	900.05	50,000	0.05
Subscribed Share capital Equity Shares of ₹.10 each	90,00,50,000	900.05	50,000	0.05
Fully Paid up Share Capital Equity Shares of ₹.10 each fully paid	90,00,50,000	900.05	50,000	0.05
Total	<u>90,00,50,000</u>	<u>900.05</u>	<u>50,000</u>	<u>0.05</u>

2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Equity Shares of ₹.10 fully paid		Equity Shares of ₹.10 fully paid	
	No. of Shares	(Amounts in Crores)	No. of Shares	(Amounts in Crores)
Shares outstanding at the beginning of the period	50,000	0.05	-	-
Shares Issued during the period	90,00,00,000	900.05	50,000	0.05
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	<u>90,00,50,000</u>	<u>900.05</u>	<u>50,000</u>	<u>0.05</u>

Board of Directors in its Board meeting held on 20.05.2013, issued and allotted Equity shares of the Company at face value of ₹. 10 each to share applicants.

2.3 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 shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

GSPC DISTRIBUTION NETWORK LIMITED

2.4 PROPOSED DIVIDEND

Particulars	As at 31 st March 2014		As at 31 st March 2013	
	Equity Shares of ₹. 10 each fully paid		Equity Shares of ₹. 10 each fully paid	
	No. of Shares	(Amounts in Crores)	No. of Shares	(Amounts in Crores)
Dividends proposed to be distributed to equity Shareholders	-	-	-	-
Amount per share dividend distributed to equity Shareholders	-	-	-	-

2.5 (A) SHARE HOLDING BY PRESCRIBED ENTITIES

Out of Equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries and associates are as below :

Share Holder	Nature of Relationship	As at 31 st March 2014		As at 31 st March 2013	
		Equity Shares ₹.10 each fully paid (Number)	(Amounts in Crores)	Equity Shares ₹.10 each fully paid (Number)	(Amounts in Crores)
GSPC GAS Company Limited with nominee's.	Associate Company (PY:Holding Co.)	40,00,50,000	400.05	50,000	0.05
Guajrat State Petronate Limited	Associate Comapny	35,00,00,000	350.00	-	-

(B) DISTRIBUTION OF SHAREHOLDING PATTERN (With Voting Rights)

Name of Share holdres	As at 31 st March 2014		As at 31 st March 2013	
	No. of Share holders	Total No. of Equity Shares	No. of Share holders	Total No. of Equity Shares
Equity Shares of ₹. 10 each fully paid	-	-	-	-
GSPC GAS Company Limited , (with Nominee's)	7	40,00,50,000	7	50,000
Gujarat State Petronate Limited	1	35,00,00,000	-	-
Gujarat State Fertilizer & Chemicals	1	15,00,00,000	-	-
TOTAL	9	90,00,50,000	7	50,000

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

Name of Share holdres	As at 31 st March 2014		As at 31 st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹.10 each fully paid	-	-	-	-
GSPC GAS Company Limited , (with Nominee's)	40,00,50,000	44.45%	50,000	100.00%
Gujarat State Petronet Limited	35,00,00,000	38.89%	-	-
Gujarat State Fertilizer & Chemicals Limited	15,00,00,000	16.67%	-	-

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2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES

Particulars	As at 31 st March 2014	As at 31 st March 2013
Equity Shares:	(Aggregate No. of Shares)	(Aggregate No. of Shares)
Fully paid pursuant to contract(s) without payment being	-	-
Fully paid up by way of bonus shares	-	-
Shares bought back	-	-

Note 3 RESERVES AND SURPLUS

(Amounts in Crores)

Reserves and Surplus	As at 31 st March 2014	As at 31 st March 2013
Surplus in Statement of Profit and Loss		
Opening balance	(3.86)	-
(+) Net Profit/(Net Loss) For the current year	(71.40)	(3.86)
(+) Transfer from Reserves	-	(75.27)
Less : Appropriations:		
(-) Proposed Dividends	-	-
Total Appropriations	-	-
Closing Balance		
Total	<u>(75.27)</u>	<u>(3.86)</u>

Note 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

4.1 The Company has received the share application money from the following applicant:

(Amounts in Crores)

Sr. No.	Name of applicants	As at 31.03.2014	As at 31.03.2013
1	GSPC GAS Company Limited	-	348.00
	Total	<u>-</u>	<u>348.00</u>

Board of Directors in its Board meeting held on 20.05.2013, issued and allotted Equity shares of the Company at face value of ₹. 10 each to share applicants.

GSPC DISTRIBUTION NETWORK LIMITED

Note 5. LONG TERM BORROWINGS

(Ammount in Crores)

Long Term Borrowings	As at 31.03.2014	As at 31.03.2013
MEDIUM TERM LOAN		
Unsecured Term Loan		
Others - From Financial Institutions.		
Gujarat State Financial Services Limited	-	1,500.00
DEBENTURES		
Redeemable, Unsecurred, Unlisted, and Non-Convertible		
Debentures - NCD		
Others-From Private Placements-Body Corporates.	500.00	-
<i>(Refer Note No. 5.1)</i>		
	500.00	1,500.00
<i>The Company does not have any continuing defaults in repayment of loans and interest as at the erparing date.</i>	-	-
Total	500.00	1,500.00

Note 5.1
BORROWINGS

(Amount in Crores)

UN-SECURED BORROWINGS:	Total Outstanding Amount as on 31.03.2014	Total Outstanding Amount as on 31.03.2013	Repayment Terms				Non-Current Portion			Current Maturities**	
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2014	Total Number of Installments along with interest	Total Number of Payable within one year from 31.03.2014	Rate of Interest as on 31.03.2014 in %	Amount of Installments not due within one year from 31.03.2014	Amount of Installments not due within one year from 31.03.2013	Amount of Installments not due within one year from 31.03.2014	Amount of Installments not due within one year from 31.03.2013

MEDIUM TERM LOANS FROM FINANCIAL INSTITUTIONS:

Gujarat State Financial Service Ltd	100.00	100.00	Bullet Payment from first Disbursement not exceeding 18 Months from the date of disbursement	Aug-14	N.A.	N.A.	9.50%p.a.	-	100.00	100.00	-
Gujarat State Financial Services Ltd	1,400.00	1,400.00	Bullet Payment from first Disbursement not exceeding 18 Months from the date of dis.	Sep-14	N.A.	N.A.	9.50% pa	-	1,400.00	1,400.00	-
Total (A)	1,500.00	1,500.00						-	1,500.00	1,500.00	-

DEBENTURES:

Redeemable, Unsecured Unlisted, and Non- Convertible Debentures- NCD	500.00	-	Rs.459 Crores is repayable 36 months from the date allotment of NCD Rs.5 Crores NCD Holders having call / put option after 18 months for repayment from the date of allotment of NCD	April,2016	N.A.	N.A.	10.30% payable on semi annually basis	500.00	-	-	-
TOTAL (B)	500.00	-						500.00	-	-	-

(TOTAL (A + B))	2,000.00	1,500.00						500.00	1,500.00	1,500.00	-
**q Less : Amount disclosed under the head " Other Current Liabilities" (Note No. 7)											
Net Amount								500.00	1,500.00	-	-

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2014	As at 31st March 2013
Secured / Unsecured	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS for Rs. 1500 Crores borrowing.	Demand Promissory Note and Post dated cheques for repayment of principal and interest has been given to GSFS for Rs. 1500 Crores borrowing.
Guaranteee by Directors or others	GSFC GAS and GSPL (Associate Co.) has guaranteed to IDBI Trustee for NCD of Rs. 500 Crores.	None of the loan has been guaranteed by the directors or others.
Loan from related party	None of the loan has been taken from the related party(ies).	None of the loan has been taken from the related party(ies).

GSPC DISTRIBUTION NETWORK LIMITED

Note 6. OTHER LONG TERM LIABILITIES

(Amount in Crores).

Other Long Term Liabilities	As at 31.03.2014	As at 31.03.2013
Interest Accured but not due on long term borrowings	22.72	3.19
Total	22.72	3.19

Note 7. OTHER CURRENT LIABILITIES

(Amount in Crores).

Other Current Liabilities	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Other Current liabilities:			
(a) Current maturities of long-term debt			
Unsecured Term Loan			
Others - From Financial Institutions.			
- Gujarat State Financial Services Limited		1,500.00	-
(b) Interest accrued but not due on borrowings		143.48	-
(C) Other Payables :			
BG Asia Pacific Holdings Limited	464.78	-	-
Less : Amount deposited in	464.78	-	-
Escrow Account with Citi Bank			
<i>(Refer Note 7.1)</i>			
(d) Other Payable to related parties			
GSPC Gas Company Limited		2.06	-
(e) Duties & Taxes			
TDS Payable (₹. 80)		0.00	-
Total		1,645.55	-

Note 7.1

The Company deposited INR 464,78,46,871/- into the escrow account ("named BG Asia Pacific Holding Ple. Limited GSPC Distribution Networks Limited Escrow Account") opened with Citibank N.A. (acting as the escrow agent) on 12th June, 2013, acting as the escrow agent, pursuant to the escrow agreement executed between the BG Asia Pacific Holding Ple. Limited (the Seller), GSPC Distribution Networks Limited (the Purchaser) and Citi bank N.A. The Payment of said amount into Escrow Account which is to be utilized to meet future tax withholding liability (if any) based on outcome of the applications to the Authority for Advance Rulings or otherwise to be remitted to BG Asia Pecific Holdings Pte. Limited (the Seller) directly.

Note 8. SHORT TERM PROVISIONS

(Amount in Crores).

Short term Provisions	As at 31 st March 2014	As at 31 st March 2013
I. Provision for Taxation	-	0.74
II. Provision for Expenses (CY : ₹.24,000)	0.00	-
Provision for Auditor Remuneration (PY : ₹. 28,090)	0.02	0.00
Provision for Expense of increased Authorised Share Capital	-	2.05
	0.02	2.06
Total	0.02	2.79

Note 9. NON CURRENT INVESTMENTS
Details of Other Investments
Investment in Equity Instruments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		(Amount in Crores)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			As at 31 March 2014	As at 31 March 2013			As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013		
1	2	3	4	5	6	7	8	9	10			
(a)	Investment in Equity Instruments											
1	Gujarat Gas Company Limited	Subsidiary (Previous Year Others)	9,45,19,080	1,10,00,330	Quoted	Equity Shares of Rs.2 each fully paid	73.70%	8.58%	2,811.14	347.68	Yes	
	Total								2,811.14	347.68		
Aggregate amount of quoted investments and market value thereof :												
							2,483.96		263.84			

Note : 8,35,18,750 Equity Shares of Rs.2 each were acquired on 12.06.2013 in pursuant to the Share Purchase Agreement dated October 03, 2012 with BG Asia Pacific Holdings Pte. Limited, Singapore by GSPC Distribution Networks Limited for acquisition of 65.12% shares of Gujarat Gas Company Limited at a consideration of INR 2463,46,31,250/- and 11,000,330 Equity Shares were acquired under the open offer made to the Shareholders of Gujarat Gas Company Limited in February, 2013.

GSPC DISTRIBUTION NETWORK LIMITED

Note 10. OTHER NON CURRENT ASSETS

(Amount in Crores).		
Other Non Current Assets	As at 31.03.2014	As at 31.03.2013
Non-current Deposits with original-maturity for more than twelve months	7.50	-
Interest Accrued but not on deposit	0.47	-
Total	7.97	-

Note 11. CURRNET INVESTMENTS

(Amount in Crores).						
Currnet Investments				As at 31.03.2014	As at 31.03.2013	
Certificate of Deposit - Banks						
Sr.	Name of CD	No. of	Date of Sale		Date of Purchase	
1.	IDBI Bank	20,000	25/04/2013	-	25.03.2013	191.91
2.	IDBI Bank	40,000	26/04/2013	-	26.03.2013	384.00
3.	Punjab National Bank	50,000	25/04/2013	-	26.03.2013	469.87
4.	Punjab National Bank	20,000	26/04/2013	-	26.03.2013	183.49
5.	Punjab National Bank	20,000	29/04/2013	-	26.03.2013	183.49
6.	Anudhra Bank	9.500	26/04/2013	-	26.03.2013	87.15
* Face value per CD-₹.1 lakh						
Total				-		1,499.91

Note 12. CASH AND CASH EQUIVALENTS

Note 12: CASH AND CASH EQUIVALENTS

(Amount in Crores).

Currnet Investments	As at 31.03.2014		As at 31.03.2013	
A. Cash and cash equivalents				
I. Balances with banks				
(a) in Current Accounts	0.02		0.06	
(b) Deposits with Original Maturity less than three monts	-		-	
(C)in unpaid Dividend Account	-	0.02	-	0.06
II. Cheques / Drafts on Hand	-		-	
III. Cash on Hand	-		-	
IV. Other Cash and Cash Equipments				
1. Deposits with GSFS with Original Maturity less than three months	25.75	25.75	-	-
		25.77		0.06
B. Other Bank Balances				
1. Deposits with original maturity for more than three months but less than twelve months	139.85		-	
2. Deposits with original maturity for more than twelve months	7.50		-	
	147.35		-	
Less : Non-current Deposits with original maturity for more than twelve months (Disclosed under other non-current assets)	7.50	139.85	-	-
Total		165.62		0.06

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Note 13. SHORT TERM LOAN & ADVANCES

	(Amount in Crores).	
	As at 31.03.2014	As at 31.03.2013
SHORT TERM LOAN & ADVANCES		
<i>(Unsecured - considered good. unless otherwise stated)</i>		
Advances Recoverable in Cash or kind or value to be received.		
Advances of Related Parties (Unsecured, considered good)	-	0.24
- GSPC Gas Company Limited		
TDS Receivables	2.83	-
Less : Provision for Taxation	1.31	-
Total	1.52	0.24

Note 14. OTHER CURRENT ASSETS

	(Amount in Crores).	
	As at 31.03.2014	As at 31.03.2013
Other Current Assets		
<i>(Unsecured - considered good. unless otherwise stated)</i>		
Interest Accrued but not due on deposit	6.81	2.28
Total	6.81	2.28

Note 15. OTHER INCOME

	(Amount in Crores).	
Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
I. Dividend Income	85.07	-
II. Interest Income	37.47	2.27
Total	122.54	2.27

Note 16. FINANCE COSTS

	(Amount in Crores).	
Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
I. Interest on Loan	140.29	3.19
II. Interest on NCD	49.26	-
III. Interest on Current Tax	-	0.05
Total	189.55	3.24

GSPC DISTRIBUTION NETWORK LIMITED

Note 17. OTHER EXPENSES

(Amount in Crores).

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Membership Fees (CY : ₹. 4,496)	0.00	0.01
Legal, Professional & Consultancy Fees	0.19	0.15
Arranger Fees	1.69	-
Auditor Remuneration (PY : ₹. 28,090)	0.02	0.00
Bank Charges	-	-
Demat Charges	0.04	-
Preliminary Expenses	-	0.01
Registration Fees for Increased Authorised Share Capital	-	2.05
Rate, Taxes and duties	1.15	-
Internal Audit Fees (CY : ₹. 24,000)	0.00	-
Miscellaneous Expenses	-	-
Total	3.09	2.21

PAYMENTS TO AUDITORS

(Amount in Crores).

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
a. for audit (PY : ₹.28,090)	0.01	0.00
b. for taxation matters (CY : ₹.12,000)	0.00	-
c. for company law matters	-	-
d. for management services	-	-
e. for other services	-	-
f. for reimbursement of expenses (CY : ₹. 18,236)	0.00	-
Total	0.02	0.00

Note 18. CURRENT TAX

(Amount in Crores).

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
Current Income Tax		
Current Tax Payable including Interest on such tax	1.31	0.74
Add / (less) : Short /(Excess) provision of earlier years (CY : ₹.3)	0.00	-
Less : Interest on Tax Payable U/s 234B & C of the Income Tax Act.	-	0.05
Total	1.31	0.69

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Note 19. EARNINGS PER SHARE (EPS):

(Amount in Crores).

Particulars		For the year ended 31.03.2014	For the year ended 31.03.2013
Profit / (Loss) attributable to equity shareholders	(Amounts in Crores)	(71.40)	(3.86)
Weighted average number of ordinary equity shares for Basic EPS	Nos.	77,67,62,329	34,931
Weighted average number of ordinary equity shares for DPS	Nos.	84,66,25,342	3,28,61,642
Nominal Value of equity share	₹.	10	10
Basic EPS	₹.	-0.92	-1,106.21
Diluted EPS	₹.	-0.84	-1.18

Note 20. CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in Crores).

Contingent liabilities and commitments (to the extent not provided for)		For the year ended 31.03.2014	For the year ended 31.03.2013
(i) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt		-	-
(b) Guarantees		-	-
(c) Disputed statutory claims in respect of		-	-
(c) Other money for which the company is contingently liable		-	-
Sub Total (I)		-	-
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		-	-
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for		0.36	-
(c) Uncalled liability on shares and other investments partly paid		-	-
(d) Other commitments (specify nature)		-	-
- Commitment of payment to BG Asia Pacific Holding Pte. Limited, Singapore for acquisition of 65.12% stake i.e. 8,35,18,750 Equity Shares of ₹. 2 each in Gujarat Gas Company Limited at price specified in Share Purchase Agreement dated 03.10.2012		-	2,463.80
Sub Total (ii)		0.36	2,463.80
TOTAL (Subtotal (I) and (ii))		0.36	2,463.80

Note 21. Value of Imports calculated on CIF Basis

(Amount in Crores).

Particulars		For the year ended 31.03.2014	For the year ended 31.03.2013
(a) Raw Materials		-	-
(b) Components and Spare Parts		-	-
© Capital goods		-	-

GSPC DISTRIBUTION NETWORK LIMITED

Note 21. Value of Imports calculated on CIF Basis

(Amount in Crores).

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
(a) Raw Materials	-	-
(b) Components and Spare Parts	-	-
(c) Interest Expense	-	-

Note 22. Expenditure in Foreign Currencies

(Amount in Crores).

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
(a) Know -how, Royalty	-	-
(b) Professional and Technical Consultancy Fees etc.	-	-
(c) Interest Expense	-	-
(d) Others Expenses:	-	-

Note 23. Earning in Foreign Currencies

(Amount in Crores).

Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
(a) Export of Goods on FOB Basis	-	-
(b) Interest and Dividends	-	-
(c) Know -how, Royalty, Professional and Consultancy Fees	-	-
(d) Other Income, if any	-	-

NOTE 24. SEGMENT REPORTING

Considering the nature of company's Business, there are no separate reportable segment as per the requirement of Accounting Standard 17 "Segment Reporting".

NOTE 25. RELATED PARTY DISCLOSURES

Related party disclosures as required by Accounting Standard - 18 issued by the Institute of Chartered Accountants of India are as under:

A. List of Related Parties and Relationship :

Sr. No.	Name of Related Parties	Relationship
1	GSPC GAS Company Limited (GSPC GAS)	Associate Company
2	Gujarat State Petroleum Limited (GSPL)	Associate Company
3	Gujarat State Petroleum Corporation Ltd	Ultimate Holding Co. of Associate Company
4	Gujarat Gas Company Limited (GGCL)	Subsidiary Comapny
5	Gujarat Gas Trading Company Limited (GTCL)	Subsidiary Company of GGCL
6	Gujarat Gas Financial Services Limited (GFSL)	Subsidiary Company of GGCL

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B. Key Management Personnel :

Sr. No.	Name of Related Parties	Relationship
1	Mr. Tapan Ray, IAS	Chairman
2	Mr. Ravindra Agrawal	Director
3	Mr. N. Bose Babu	Director
4	Mr. Manishkumar Verma	Director
5	Mr. PPG Sarma	Director

C. Transaction with Related Parties :

(Amount in Crores).

Sr. No.	Nature of transactions	Transaction With Related Party	For the year ended 31.03.2014	For the year ended 31.03.2013
1	Reimbursement of Preliminary Expenses	GSPC GAS	2.05	0.01
2	Reimbursement of Legal, Prof. & Consultancy Fees	GSPC GAS	0.00	0.15
3	Rate & taxes Paid	GSPC GAS	0.25	-
4	Bank Guarantee Charges recovered	GSPC GAS	-	0.38
5	Equity Share Capital - Initial Subscription	GSPC GAS	-	0.05
6	Share Application Money Received	GSPC GAS	52.00	348.00
7	Share Application Money Received	GSPL	350.00	-
8	Corporate Bank Guarantee given by	Jointly & Severally by	500.00	-
9	Corporate Bank Guarantee given by	GSPC GAS and	500.00	200.00
10	Dividend Received	Gujarat Gas	85.07	-

D. Outstanding Balances with Related Parties :

(Amount in Crores).

Sr. No.	Nature of transactions	Transaction With Related Party	For the year ended 31.03.2014	For the year ended 31.03.2013
1	Advances to Related Parties	GSPC GAS	-	0.24
2	Share Application Money Received	GSPC GAS	-	348.00
2	Others Payable to related parties	GSPC GAS	2.06	-

Note 26 RECOVERABLE VALUE OF ALL ASSETS OTHER THAN FIXED ASSETS AND NON CURRENT INVESTMENTS

(Disclosure pursuant to Note no. 6(W) of Part I of Schedule VI to the Companies Act, 1956)

In the opinion of management, the current assets including loan and advances, current investments and other current assets are recoverable at the value stated in the balance sheet in ordinary course of business.

Note 27 The Company does not have any employee where disclosure under section 217(2A) of the companies Act, 1956 and disclosure under Accounting Standard-15 (Revised 2005) 'Employee Benefit is required.

Note 28 The Company had no transactions during the period with any Micro and Small and Medium Enterprises and hence reporting details of principle and interest amount outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 does not arise.

GSPC DISTRIBUTION NETWORK LIMITED

Note 29 In pursuance to its objective of carrying on City Gas Distribution (CGD) business, the company had commenced its operation by entering into a Share Purchase Agreement (SPA) with BG Asia Specific Holdings Pte Limited, Singapore to acquire 65.12% shares in Gujarat Gas Company Limited (GGCL -a Company engaged in CGD business) on October 3rd, 2012 and consequently triggered provision of Open offer for acquiring additional 26% of Gujarat Gas Company Limited (GGCL) through public offer in pursuance of SEBI takeover Regulations 2011. The company had given an open offer to purchase shares of Gujarat Gas Company Limited (GGCL) from the public shareholders of Gujarat Gas Company Limited (GGCL) and had purchased 8.58% stake in Gujarat Gas Company Limited (GGCL) through Open Offer .

Post acquisition of shares from BG Asia Specific Holdings Pte Limited, Singapore the company will have a majority stake of 73.70 % in the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL). The company will carry on the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) through the purchase of its shares and also explore the possibility to consolidate the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) in due course of time. Hence GDNL has become the holding company of Gujarat Gas Company Limited w.e.f. 12 June 2013.

The company carries on the City Gas Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) through the purchase of its shares and also consolidate the city has Distribution (CGD) business of Gujarat Gas Company Limited (GGCL) in due course of time.

Note 30 EVENTS OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors of GSPC Distribution Networks Limited as its meeting held on 21st April 2014 passed a resolution to consider the Composite Scheme of Amalgamation and Arrangement between GSPC Gas Company Limited ("GSPC Gas"), Gujarat Gas Company Limited ("GGCL"), Gujarat Gas Financial Services Limited ("GFSL"), Gujarat Gas Trading Company Limited ("GTCL") and GSPC Distribution Networks Limited ("GDNL") and their respective shareholders (the "Scheme").

GSPC Gas, GFSL, GTCL and GGCL to merge with GSPC Distribution Networks Limited ("GDNL") under the scheme with appointed date as 1st April, 2013.

The Scheme is subject to relevant statutory approvals.

Note 31 As per According Standards -22 on "Accounting for Taxes on Income" issued by the institute of Chartered Accountants of India (ICAI), deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against with such deferred tax assets can be realised. The Company has not recognised deferred tax asset in view of the reasonable certainty that sufficient future income will not be available.

Note 32 Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current year's presentation.

Note 33 The Figures appearing in Financial Statements are rounded off to the nearest INR Crores.

The Accompanying Notes are an integral part of the financial Statements.

For, GSPC Distribution Networks Limited

For, J. S. Maheshwari & Co.
Chartered Accountants
Firm Regn. No.: 001318C

Manish Verma
Director

P. P. G. Sarma
Director

(Ashish Maheshwari)
Partner
M. No. 412441

Ahmed Khan
Authorised Signatory

Rohan Sampat
Company Secretary

Place : Gandhinagar
Date : 20 May, 2014

Place : Gandhinagar
Date : 20 May, 2014

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GSPC Distribution Networks Limited

Statement under section 212 of Companies Act, 1956 relating to subsidiary Companies

Particulars	Gujarat Gas Company Limited
Date from which they became subsidiary	12.06.2013
Financial year of the subsidiary ended on	31st March, 2014
Shares of the subsidiary held by the company on the above dates	
1. Number of shares	9,45,19,080
2. Face Value	Equity Shares of Rs. 2 each
3. Extent of holding	73.70%
Net aggregate Profit/ (Loss) for the current year (in Rs. Crores)	359.34
Net aggregate amounts of the profits or losses of the subsidiary so far it concerns the members of the holding company and is dealt with in the accounts of holding company:	
1. for the financial year of the subsidiary	264.83
2. for the previous financial years of the subsidiary since it became its subsidiary	735.36
Net aggregate amounts for the profits or losses of the subsidiary so far it concerns the members of the holding company and is not dealt with in the accounts of holding company:	
1. for the financial year of the subsidiary	NIL
2. for the previous financial years of the subsidiary since it became its subsidiary	NIL

FINANCIAL SUMMARY OF SUBSIDIARY COMPANIES

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

Summary of financial information (Consolidated) of subsidiary companies for the Financial Year 2013-14 is as follows:

(Amount in Crores).

Particulars	Gujarat Gas Company Limited
Net Fixed Assets	962.41
Other Non Current Assets	17.32
Current Assets	944.35
Total Assets	1,924.08
Capital	25.65
Reserves	1,222.15
Minority Interest	10.66
Non-current Liabilities	422.00
Current Liabilities	243.62
Total Liabilities	1,924.08
Turnover (Including other income)	3,197.91
Profit/ (Loss) before Tax	534.73
Provision for Tax	174.15
Profit /(Loss) after Tax	360.58
Proposed Dividend and Final Interim Dividend paid with DDT	134.96

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GUJARAT GAS COMPANY LIMITED

BOARD OF DIRECTORS

Dr. Varesh Sinha, IAS, Chairman (w.e.f. 12 June 2013)
 Dr. Hasmukh Adhia, IAS (w.e.f. 12 June 2013)
 Mr. D.J. Pandian, IAS (w.e.f. 12 June 2013)
 Mr. Tapan Ray, IAS, (w.e.f. 12 June 2013)
 Prof. Pradip Khandwalla
 Mr. Jal Patel
 Mr. Ajit Kapadia

Mr. Sudhir Mankad (Upto 6 May 2013)
 Mr. Hasmukh Shah (Upto 12 June 2013)
 Mr. Shahram Jahanbani (Upto 12 June 2013)
 Mr. Shaleen Sharma, (Upto 12 June 2013)
 Mr. Sugata Sircar (Upto 11 December 2013)

Mr. PPG Sarma, In Charge CEO (w.e.f. 12 December 2013)
 Ms. Rajeshwari Sharma, Company Secretary

GROUP HEADS

Mr. Chirag Brahmbhatt, Head - HR
 Mr. Himanshu K. Upadhyay, Director - Policy and Corporate Affairs
 Mr. Maqsood Shaikh, Head - Commercial
 Mr. Nitin Patil, Director - Technical & HSSE
 Mr. Nitesh Bhandari - Financial Controller

SUBSIDIARY COMPANIES

Gujarat Gas Financial Services Ltd

BOARD OF DIRECTORS

Mr. Tapan Ray, IAS (w.e.f. 9 July 2013)
 Mr. PPG Sharma (w.e.f. 9 July 2013)
 Mr. Ravindra Agarwal (w.e.f. 20 January 2014)
 Mr. Manu Verma (Upto 8 July 2013)
 Mr. Sadhan Banerjee (Upto 8 July 2013)
 Mr. Sugata Sircar (Upto 11 December 2013)

Gujaratgas Trading Company Ltd

BOARD OF DIRECTORS

Prof. Pradip Khandwalla
 Mr. PPG Sarma, (w.e.f. 20 January 2014)
 Mr. Manish Verma, (w.e.f. 21 April, 2014)
 Mr. Manu Verma (Upto 9 July 2013)
 Mr. Sugata Sircar (Upto 11 December, 2013)
 Mr. Tapan Ray, IAS (resigned w.e.f. 27 March 2014)

BANKERS

HDFC Bank Limited	ICICI Bank Limited
State Bank of India	Kotak Mahindra Bank Limited
Yes Bank Limited	

AUDITORS

Gujarat Gas Company Limited
 Manubhai & Shah, Chartered Accountants
 2nd Floor, 'B' Wing, Premium House,
 Near Gandhigram Rly. Station, Navrangpura,
 Ahmedabad-380009.

Gujaratgas Trading Company Limited
 Talati & Talati
 Ambica Chambers, Near Old High Court, Navrangpura,
 Ahmedabad-380009.

Gujarat Gas Financial Services Limited
 R. S. Patel & Co.
 801, Popular House, Near Income Tax Circle, Ashram Road,
 Ahmedabad-380009.

COST AUDITORS

Gujarat Gas Company Limited
 Atul Bhatt & Co.
 C-3, "Prathana, Opp. Dudhia Dairy, Nr. Jain Merchant
 Society, Paldi, Ahmedabad-380007.

CORPORATE OFFICE

2, Shanti Sadan Society, Near Parimal Garden, Ellisbridge,
 Ahmedabad - 380 006.

OFFICES

SURAT: Adajan Gam, Post Box No. 915, P.O. Navyug
 College, Surat-395009
 ANKLESHWAR: Surati Bhagol, Umarwada Road,
 Via Piraman Naka, Ankleshwar-393001
 BHARUCH: Anand Mangal Society, Son Talavadi,
 Bharuch-392001
 BHAVNAGAR: Survey No.411, Paiki-2, Bhavnagar-
 Vallabhipur Road, Opp. Rangoli Restaurant, Village-Vartej,
 Dist. Bhavnagar 364060

DIRECTORS' REPORT

DEAR SHAREHOLDERS,

Your Directors have pleasure in presenting the 34th Annual Report and the audited accounts for the Financial Year of fifteen months ended on 31 March 2014.

1. FINANCIAL RESULTS

₹. in Crores

Particulars	Consolidated Financials		Stand-alone Financials	
	15 Months ended	12 Months ended	15 Months ended	12 Months ended
	31-03-2014	31-12-2012	31-03-2014	31-12-2012
Total income	3,993.03	3,163.23	3,989.12	3,157.56
Gross profit before interest, depreciation and tax	711.54	475.44	708.95	470.36
Less: Interest	0.52	0.16	0.52	0.16
Depreciation	96.84	65.83	96.50	65.36
Profit before tax	614.18	409.45	611.93	404.84
Tax expenses	194.07	120.90	192.08	118.18
Net Profit	420.11	288.55	419.85	286.66
Minority Interest	1.50	1.93	-	-
Profit attributable to Group	418.61	286.62	419.85	286.66
Add: Undistributed profit of earlier years	651.63	513.28	640.43	501.52
Balance available for Appropriation	1,070.24	799.90	1,060.28	788.18
Less: Appropriations:				
Transfer to general reserve	42.00	29.15	42.00	28.70
Preference dividend	-	0.27	-	0.27
Proposed Equity dividend	-	-	-	-
Corporate dividend tax on proposed dividend	-	0.11	-	0.04
Interim Dividend	115.42	89.78	115.42	89.78
Corporate dividend tax on interim dividend	19.54	14.56	19.54	14.56
Transfer to Capital Redemption Reserve	-	14.40	-	14.40
Surplus retained	893.28	651.63	883.32	640.43
Earning per Share (₹.)	32.64	22.32	32.74	22.33

2. DIVIDEND

Your Directors recommend to the shareholders at their Annual General Meeting, the confirmation as the final dividend of the Interim Dividend of Rs. 9/- per fully paid up equity share of Rs. 2.00 each on 12,82,50,000 equity shares of the Company, declared by the Board of Directors on 12 November 2013 and paid on 9 December 2013, to those equity shareholders whose names appeared on the Register of Members of the Company as at the close of business hours of 25 November 2013.

A sum of Rs. 42 crs is proposed to be transferred to the General Reserve during the year.

3. CHANGE IN CONTROL OF THE COMPANY

GSPC Distribution Networks Limited (GDNL) entered into a Share Purchase Agreement, dated 3 October 2012, (SPA) with BG Asia Pacific Holdings Pte Limited (BGAPH), the erstwhile promoter of GGCL and BG Energy Holdings Limited, the holding company of BGAPH, and acting as the guarantor for the BGAPH's obligations under the SPA, for acquisition of 83,518,750 Equity Shares constituting 65.12% of the paid up Equity Share capital of GGCL, for a purchase amount not exceeding Rs. 24,638,031,250/- (Rupees Twenty Four Billion Six Hundred Thirty Eight Million Thirty One Thousand and Two Hundred and Fifty only).

In compliance with Regulations 3(1) and 4 of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, (SAST Regulations), a mandatory Open Offer was made by GDNL along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC GAS) to acquire at the price of Rs. 314.17/- per equity share, up to 33,345,000 equity shares representing 26% of equity shares from the shareholders of GGCL, as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of GGCL pursuant to the SPA.

The said Open Offer had opened on 30 January 2013 and closed on 12 February 2013. GDNL acquired 11,000,330 (8.58%) equity shares of Rs. 2/- each on 12 March 2013, in the Open Offer. GDNL completed the acquisition of 83,518,750 (65.12%) equity shares of Rs. 2/- each from BGAPH as per the SPA and BGAPH had transferred these Equity Shares to GDNL for the consideration of Rs 2463.46 Crs (including escrow amount). As per the provisions of SPA, on 12 June 2013, BGAPH's four Nominee Directors on the Board of GGCL viz. Mr. Hasmukh Shah, Mr. Shaleen Sharma, Mr. Shahram Jahanbani and Mr. Sugata Sircar had resigned and in their place five Nominees of GDNL viz. Dr. Varesh Sinha, IAS, Dr. Hasmukh Adhia, IAS, Mr. D.J. Pandian, IAS, Mr. Tapan Ray, IAS, and Mr. Sugata Sircar were appointed as the Promoter-Directors. Dr. Varesh Sinha, IAS was appointed as the Chairman of the Board and of the Company. Mr. Sugata Sircar was re-appointed as the Managing Director upon the nomination by GDNL.

As per the provisions of SPA, Mr Sugata Sircar continued as Director/MD for the transition period of 6 months w.e.f. 12th June 2013 till 11th December 2013, in order to ensure smooth transfer of GGCL into the folds of GSPC Group. Subsequent to the exit of Mr Sircar from GGCL, the GSPC group appointed Mr PPG Sarma as the In Charge Chief Executive Officer of the Company to take care of the day to day executive functions w.e.f. 12 December 2013.

4. COMPOSITE SCHEME OF AMALAGAMATION

The Board at its meeting dated 24 February 2014, granted its "in-principle" approval to the consolidation by way of amalgamation of the Company, GSPC Gas Company Limited ("GSPC Gas"), GSPC Distribution Networks Limited ("GDNL"), Gujarat Gas Financial Services Limited ("GFSL") and Gujarat Gas Trading Company Limited ("GTCL") through a High Court approved Composite Scheme of Amalgamation and Arrangement.

The Board at its meeting held on 21 April 2014 approved the Scheme of Amalgamation. The report of SSPA & Co, gives a fair ratio of exchange in the event of amalgamation. In consideration of the amalgamation, GDNL to issue and allot the shares as per the following swap ratio:

- a. 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 2/- each held by equity shareholders of the GGCL;
- b. 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 10/- each held by equity shareholders of GFSL;
- c. 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of GDNL, for every 76 (seventy six) equity shares of Rs.10/- each held by equity shareholders of GSPC Gas;

On the above share swap ratios, SBI Capital Markets Ltd has also provided its fairness certificate.

Your Company has initiated the process of Amalgamation as per the relevant provisions of Companies Act, 1956/ or Companies Act 2013, the SEBI requirements including the provisions under the listing agreements with the stock exchanges.

5. MANAGEMENT ANALYSIS

5.1 Industry outlook and developments

Natural Gas has emerged and continues to remain a vital energy source amongst various available resources in world's energy consumption. It is one of the cleanest conventional fuels with very low level of greenhouse gas emissions in comparison to other conventional sources. Natural Gas has found increasing usage in different sectors like power, automobile etc. Currently it accounts for 23.94% of total global energy mix¹. As per the projections of International Energy Agency (IEA), demand for Natural Gas would grow to approximately 43% through year 2035².

India is amongst one of the fastest growing energy economies in the world which has shown high degree of resilience during recent period of recessions experienced by various other economies. The production of natural gas has steadily increased from 31.33 BCMs during 2005-06 to 39.78 BCMs during 2012-13, registering a CAGR of

registering a CAGR of 3.03%, most of this increase attributed to the discovery of new reserves³. On the other hand, the consumption of natural gas has grown much faster at a CAGR of 6% over previous five years i.e. from 118 mmcmd in year 2007-08 to 158 mmcmd in year 2012-13, driven by growth in sectors like power, fertiliser and city gas distribution (CGD)⁴.

The downstream regulator, the Petroleum and Natural Gas Regulatory Board (PNGRB) is contributing in promoting the growth of the CGD sector in the country. During the period it has awarded licenses to operate and grow cities viz. Bhavnagar, Jamnagar, etc. for which bids were submitted under round - 3 of CGD bidding to the PNGRB. Further, continuing its endeavour, the PNGRB is again inviting competitive bids for developing gas infrastructure (round - 4) including development of new cross country pipelines and CGD networks in the country. Given that all the plans for expansion in natural gas supply in the country, it is envisaged that the share of natural gas in the primary energy mix would reach 20% by 2025⁵, with additional RLNG terminals being erected and commissioned, nationwide transmission pipeline network laid and transnational pipelines expected to materialize in the next decade.

Though the economy is bullish, the changes expected in policies to be more industry friendly coupled with change in global scenario, India is being viewed as a potential market for future investments and growth. Most of the measurable indicators are pointing towards India whose economy will grow faster in 2014 and thereafter in immediate next years, but the primary driver to fuel this growth remains "Energy" and with increased focus of the Government in improving the local hydrocarbon discoveries and growing environment concerns to have better cities for its citizens, there is an expected shift of this solid fuel economy to move to natural gas for fuelling its energy needs, apart from testing other renewable fuels during the course of time.

5.2 Opportunities and Challenges

The PNGRB which has been mandated for regulating the CGD sector has been actively pursuing its objective of growth in the sector by awarding new pipeline projects and new geographies during the last year. This would provide the much needed push for growth of the gas markets. The PNGRB has outlined its vision of expanding CGD network to more than 300 cities in India, as part of which, 60 cities have been identified for developing CGD network by 2021-22. Your company has rich technical and commercial resources having varied experience in gas markets and has over 10,000 man years' experience of managing gas networks and servicing customers consuming natural gas and hence is well equipped and most suitable company to lead this market from the front.

The PNGRB has announced the winners from its third round of bidding during this financial year. Further, the PNGRB has announced the fourth CGD Bid Round by inviting bids to develop CGD networks in 14 new geographic areas. Your Company is actively evaluating the geographic areas for bid in order to expand its horizon of growth.

Recently, based on a recent Court verdict, the Ministry of Petroleum and Natural Gas (MoPNG) issued a directive for allocating indigenous (domestic) gas to the CGD sector to boost the demand of CNG (transport) and household (domestic segment) for sustainable growth. While, some quantum of the domestic source already available with Your Company was reduced as an arrangement to adhere to this directive issued by the MoPNG, however Your Company benefitted by securing replacement gas volumes from another domestic source, that is cheaper and assured, supporting sustainable future growth of CNG and household markets, which otherwise could have been challenging to develop with sole RLNG as source of supply.

Your Company continues to focus on strong industrial growth coupled with the presence of a well-developed gas transportation network and an encouraging business environment attracting large investments in the state of Gujarat. Recent announcements indicate plans for significant additional investments in manufacturing and urban facilities. It is expected that these investments will continue to fuel further growth of the CGD sector in Gujarat in the near to medium term. While, there is reversal in trend in domestic gas production from a level of 130 mmscmd two years ago, to a level of 94 mmscmd in 2012-13, leading to an unprecedented gas shortage in the country for various sectors including the industrial sector, however this has put significant reliance on imported fuel to meet the ever increasing demand in these sectors. The demand for natural gas remains strong under dynamic range of gas cost scenarios as the product has several advantages over most of its competing alternate fuels. On its path of evolution and maturity the natural gas pricing is moving towards a market determined pricing mechanism and Indian gas market is getting increasingly aligned with the global trends. Though, the natural gas pricing linked to oil economy continues to create huge pressures on sustenance of natural gas as fuel to few industrial sectors that had switched from solid fuel to natural gas, whereby these industries are switching back to solid fuels to sustain competitive pressure amongst their peers, Your Company continues to place the product in affordable markets by growing in to new geographies and expanding its networks beyond in-fill areas.

In 2012 India imported about 2.0 bcf/day of natural gas through two of its regasification facilities in Gujarat, at Dahej and Hazira. With the commissioning in 2013 of its Dabhol facility in Maharashtra, India now has three import terminals: Dahej, with a capacity to import 10 million tons

a year (MMTPA) of LNG (approximately 1.3 bcf/day); Hazira (3.5 MMTPA, or 0.46 bcf/day); and Dabhol (5 MMTPA, or 0.66 bcf/day). India is embarking on an ambitious plan to expand its LNG regasification capacity at Dahej and Hazira. In addition, a number of new import facilities are either under construction or in the planning phase. Thus, availability of natural gas to its markets shall be assured

Your Company is aware and equipped to manage and grow in the dynamic gas market and the challenges that surround it due to its expertise in this business for more than two and half decades. Your Company has tied up for supply of RLNG on long term basis up to 2025 for serving demand from its industrial customers. Further, it is also aspiring to grow its horizons in new geographies with continuous focus on safety for a safe delivery system in its operations.

- 1 Minutes of standing committee on Petroleum & Natural Gas on
- 2 "Allocation & Pricing of Gas"
- 3 www.bp.com/content/energy_outlook_2035
- 4 Energy Statistics 2014, CSO
- 5 "Vision 2030" Natural Gas Infrastructure in India

5.3 Operations and Market Performance

Your Company is proud to announce that it has won the coveted Bid for the geographic area of Bhavnagar in the PNGRB CGD third bid round, pursuant to which Your Company has been awarded license by the PNGRB to lay, build, operate or expand the areas comprising of Bhavnagar district and few talukas of the newly formed district of Botad. Your Company has been granted 300 months of infrastructure exclusivity i.e. valid up to March 2039 and 60 months of marketing exclusivity valid up to March 2019 for the CGD network. GGCL having accepted the authorization has begun its operations in the newly awarded geographic area of Bhavnagar with full vigor and determination to develop new geographies.

Your Company met the challenges of depleting domestic gas availability in the country by successfully sourcing natural gas through the year by procuring R-LNG at competitive prices through equitable mix of long term and medium term contracts with various suppliers to ensure uninterrupted gas supplies to customers. Your Company will continue to make concerted efforts to secure such supplies to ensure an efficient balance of medium and short term RLNG in its gas sourcing portfolio. This will safeguard the supply security for your Company's customers and generate flexibility in managing the variations in gas requirements of our diverse market segments.

Your Company recently has experienced drop in volume sales in industrial segments on account of industries switching to cheaper alternates may be at cost of

environment, however may be it would be for their survival, at this instance. Your Company continues focus on placing natural gas to affordable markets and has set-up an internal application development centre and endeavours improving fuel efficiencies in certain processes targeting to regain the loss volumes and also fuel growth by adding new industries currently using alternate fuel.

Your Company connected over 75,000 new household customers on natural gas during the year, taking the total number of domestic customers on your Company's network to around 440,000. More than 205,000 vehicles now ply in your Company's operating areas on CNG. Sales volumes grew by 7.4% in the residential segment and 0.6% in the CNG segment during calendar year 2013.

5.4 Future outlook

The natural gas sector is at the threshold of rapid development in India supported by ever increasing demand for the fuel in the country. The increased exploration efforts under NELP, commissioning of the LNG import terminals in the West Coast, projected upcoming LNG terminals and the Government's initiatives in the direction of development of a nationwide natural gas pipeline grid and new CGD networks is augmenting development as envisaged. The demand for natural gas is expected to grow as has been outlined above. It will be critical for your Company to grow in high value industrial markets and expand its network & CNG station infrastructure in order to meet the growth in demand. Your Company plans to continue extending its network to areas contiguous to its current areas of operation and beyond.

Your Company will diligently continue to assess and evaluate growth opportunities within its existing areas of operation and to new geographical areas. Your Company will endeavor to grow by value and volume by identifying and accessing high value market segments.

5.5 Internal Control System and Risk Management

Your Company has a strong internal control framework and an elaborate internal control system to ensure protection of value, ensure adherence to operating standards and to eliminate the risk of fraud.

Your Company follows a comprehensive management assurance process which deals with the broad aspects of risks, compliances and assurances. The Internal Control Framework has identified various areas where internal controls are critical including Financial Control Assurance (FCA) processes which clearly lay down the procedures to be followed for activities which have a bearing on control risk. Various policies and operating procedures have also been laid down to ensure internal control and compliance to statutory requirements as well as to the Company's policies and standards.

The approach adopted by your Company is to embed internal controls in its software solutions to the extent possible. The Company has successfully implemented the ERP modules in 2012 like IS-Utility & Customer Care System(IS-U CCS), Inventory Management(IM) and Plant Maintenance(PM) solutions of SAP to address billing, revenue collection, customer services management, metering management, inventory handling, plant management. This comprehensive solution of SAP now integrates with the existing SAP solutions for financial accounting and procurement and significantly improves the efficiency, effectiveness, reliability and scalability of the aforesaid functions. The Company also uses a Geographical Information System (GIS) to effectively manage its pipeline network.

A process of gaining assurance has been implemented through the Letter of Assurance procedure, which is wide in scope and includes internal control and risk management. The procedure cascades the responsibilities for ensuring compliance to relevant laws through the levels of management.

The Company has implemented a comprehensive compliance matrix for various groups and activities. Compliances by various groups are regularly reviewed by the Internal Audit team with reference to the Compliance Matrix. Review of the compliances made by various groups and periodic update of the Compliance Matrix helps in sustaining a strong compliance environment. The Internal Audit Team carries out reviews of internal controls as a part of an approved audit plan. Regular reviews of audit non-conformities and the findings of investigations carried out by the internal audit team, provides the feedback to the management and the Audit Committee on the status of internal controls in place, and helps in ensuring corrective action.

Risk management is considered to be an effective tool in your Company to deliver its business plan and annual objectives. A register is prepared to capture the risks perceived for the business with inputs from various groups. The same is reviewed by the group heads and by the Executive Committee. The most critical risks are reviewed by the Audit Committee on a quarterly basis.

5.6 Health, Safety, Security and Environment (HSSE)

Duty of care for Health, Safety, Security and the Environment (HSSE) is a core value of the Company, a GSPC Group Company. The management of the Company aims to protect the health, safety and security of its people, to minimize the environmental impact associated with its business and to assure the integrity and safe operation of its assets.

The Company believes that outstanding business performance requires outstanding HSSE performance. The safe delivery of projects and operation of its facilities is a critical success factor for the Company's business. We

We place HSSE concerns ahead of Company's commercial interest. Our HSSE goal is to deliver the company business with zero injuries to our people and to minimize the environmental impact of our activities. We seek to continuously improve our HSSE performance.

The Company believes that every individual has a duty to both themselves and those around them to ensure that safe practice is adhered to at all times. We expect all our personnel to recognize their personal responsibility for supporting outstanding HSSE performance and to accept a duty to intervene when necessary to promote and reinforce compliance with the Company Policy. All our managers are accountable for HSSE within their area of the business and are responsible for ensuring that our team adopts exemplary HSSE behaviour.

The management of the Company supports the following business principles:

- believes that all injuries are preventable;
- provides healthy, safe and secure work environments;
- makes a positive contribution to the protection of the environment; and
- goes beyond compliance with local environmental regulation to meet internationally accepted best practices
- reduces to the minimum practicable any adverse effect of its operations on the environment.

The management sets HSSE goals, develops improvement plans, monitors implementation of plans and regularly reviews HSSE performance using leading and lagging indicators. The Company has strong self-assurance process as well as independent audit process to ensure that controls are in place to manage HSSE risks effectively. The learning culture in the Company ensures the improvement in the HSSE performance through learning from its own incidents including near miss incidents and significant incidents of other organisations.

Total Recordable Case Frequency (TRCF) for year January 2013 to March, 2014 was 0.604 against target of Zero (0).

An excellent HSSE performance is fundamental requirement for excellent business performance. Over past years the safety culture in GGCL has been getting better and matured too. January 2013 to March, 2014 saw ownership and proactive involvement of all concerns which had a significant contribution in HSSE performance. Periodic campaign on safety critical areas helped to enhance the best practices and improve the safety critical process. Celebration of various National Safety events viz. Road Safety Week, National Safety Week etc. during this period supported in raising the awareness and involvement of various stakeholders. Audits, Mock drills

and HSSE tours conducted by Senior Management Team and Managerial cadre assisted in improving site engagement and subsequently improvement in site safety. A comprehensive Safety Culture Survey was conducted for all employees to gather their inputs for continual improvement in HSSE processes and performance. Senior Managers carried out regular HSSE performance review meetings.

We were honoured by Gujarat Safety Council (GSC) with Rotating Shield & Certificate of Honor for lowest Disabling Injury Index (DII).

Contribution to Environment

- Det Norske Veritas M/s DNV approved continuation of the Certificates as per the ISO 14001:2004 & ISO 18001:2007 standards based on the Periodic Assessment audit
- World Environment Day was celebrated on June 5 2013:
 - Communication shared with employees on Do's & Don't to avoid food wastage
- Awareness Session with canteen staff at all locations on importance of food storage / preventing wastage
- Clean Plate In - Clean Plate Out" campaign observed by all employees during the week in canteen
- As a part of developing Energy Management Plan, an Energy Audit was carried out to give an opportunity to identify areas of energy optimization
- Review and awareness activities on Odorant Handling and Spill Management process.

5.7 Contribution to Society

During the year, Your Company continued to work on Corporate Social Responsibility (CSR) initiatives, focusing on environmental, education and skill development. The CSR strategy of your Company addresses the need for supporting various sustainable development projects to benefit the communities in the operational areas of the Company.

Your Company continued to support the Government of Gujarat's initiative "School Enrolment Drive" by providing school bags at Government schools of Bharuch district. This programme is aimed at motivating children to enrol in the schools.

Your Company supported the Uttarakhand Relief activities by supplying relief materials to the victims of the natural calamity.

Your Company has organized "Science is fun 2013" event at Ankleshwar and Surat with the support of Vikram A Sarabhai Community Science Center. The event spanned over 4 days aims at developing students' interest in the

study of pure science and maths. This event got overwhelming response in both the cities. More than 20,000 students visited the exhibition held as a part of the event and participated in various science related competitions. The participating students represented 250 schools.

Your Company also extended support to GRISERVE under Livelihood Project, a programme focussed on providing services on cattle raising as well as supporting various livelihood activities in the tribal villages of Valia and Mangrol Talukas.

6 SUBSIDIARIES

6.1 Gujaratgas Trading Company Limited (GTCL)

Gujaratgas Trading Company Limited (GTCL) is a wholly-owned subsidiary of the Company. The purchase contract for Cairn gas had been re-assigned to GGCL w.e.f. 3rd June 2013 post which there has been no gas purchase or sale by GTCL. During the 15 months period ending March 2014, GTCL achieved sales of Rs. 34.36 crores as against Rs. 115.37 crores during the 12 months of previous year. Total income for the fifteen months ended on 31 March 2014 was Rs. 35.55 Cr as against total income of Rs. 116.36 Cr in the twelve months ended on 31 December 2012.

Profit after tax (PAT) was Rs. 1.00 Cr during the fifteen months ended on 31 March 2014 as against Rs. 1.00 Cr in the 12 months period of the previous year.

The accounts for GTCL are a part of this Annual Report.

6.2 Gujarat Gas Financial Services Limited (GFSL)

Gujarat Gas Financial Services Limited (GFSL), another subsidiary of Your Company, carried out the job of installing gas connections for residential and commercial customers of the Company. With the regulatory impetus, the company connected 71,529 residential connections in the 15 months period against 34,640 residential connections in 12 months of the previous year.

During the 15 months period of the current year, the net total income was Rs. 66.72 crores as compared to Rs. 34.90 crores in the 12 months period of previous year. The Profit after tax was Rs. 4.96 crores for the 15 month period of current year as compared to Rs. 6.40 crores for the previous year.

The accounts of GFSL are a part of this Annual Report.

7 FINANCE

The cash profits of Your Company have increased over the previous year. Investments were made in extension of pipeline network to reach new areas and in reinforcements and up gradation of existing network as required. Substantial investments were also made for connecting Residential customers and augmenting CNG

infrastructure. Investments were also made to upgrade the IT solutions and hardware of Your Company to enhance reliability and enable scalability. A portion of the profits generated during the year has been paid out as interim dividend. Appropriate provisions have been made in the accounts wherever necessary for contingencies, bad debts and diminution in value of investments. During the year under review, Your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

8 STATUTORY INFORMATION

As required under Section 212 of the Companies Act, 1956, the audited accounts for the 15 month period ended on 31 March 2014 and Auditors' Report thereon, along with the Directors' Reports of Gujaratgas Trading Company Limited and Gujarat Gas Financial Services Limited, the subsidiaries of GGCL, are attached to GGCL's Balance Sheet.

8.1 Energy, Technology and Foreign Exchange

Since the Company is not a scheduled industry, the details in respect of Form A pursuant to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be furnished. However, the details in respect of Form B pursuant to Rule 2 are submitted as Annexure-1 and forms part of this report.

8.2 Human Relations and Particulars of Employees

Your Company employed 523 employees as on 31st March 2014. During the year, Your Company continued its focus on building capabilities and developing competencies of its employees through a robust Annual Development Review process. The average training man days for the year was 3.64 per employee.

There was no strike or lock-out during the year under review.

Particulars of employees in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, is provided in the Annexure forming part of this Report. In terms of section 219(1) (b) (iv) of the Act, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. The Annexure is available for inspection by Members at the Registered Office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting, and if any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

8.3 Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP 2008")

The details of the Options granted under the Gujarat Gas Company Limited Employee Stock Option Plan 2008 ("the ESOP") and other disclosures as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are set out in the Annexure to this Report. The Company's Auditors, Manubhai & Shah, Chartered Accountants, have certified to the effect that the ESOP has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the resolutions passed by the members in this regard.

The Company formed the Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Trust") in November 2008, which administers the ESOP of the Company. IDBI Trusteeship Services Limited (ITSL), having its registered office at Asian building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai was appointed as an External Trustee of the Trust w.e.f. 28 April 2011, for providing the trusteeship services to the Trust for an agreed remuneration.

Under the ESOP, Options have been granted, which provide the benefit or right but not an obligation for exercising at a future date, equivalent number of equity shares each of the face value of Rs. 2/- each of Gujarat Gas Company Limited against the Options that have vested under the ESOP. The ESOP provides for graded vesting of Options granted, over a period of 4 years from the date of grant. The Options are to be exercised within a maximum period of 2 years from the date of Vesting. Within the Exercise Period, the Option holder has the option to either purchase the shares from the Trust at the Exercise Price or to give a Mandate of Sale of the shares ("the Mandate") to the Trust in accordance with the terms and conditions of the ESOP.

As per the terms and conditions of the ESOP, the Trust has purchased out of the funds advanced by the Company, shares from the open market at ruling prices, at different points of time in respect of the underlying options. These shares purchased by the Trustee(s) are held in their capacity as the Trustee(s) till the Options are exercised upon Vesting by the Option holders as per the terms of ESOP. The Trust had purchased from the secondary market 1,995,500 equity shares of Rs. 2/- each in the name of the Trustee(s) of the Trust.

Under the ESOP, these Equity Shares are subsequently sold following the Mandate from the Option holders or transferred to the Option holders, as the case may be, at the time of the Exercise of the Options upon Vesting. Accordingly, the Trustee(s) sold equity shares through open market and the difference between the sale price and

the Exercise Price, net of charges and taxes were given to the Option holders as per the ESOP.

The Trustees are authorized to execute the purchase and sale of shares of the Company, on behalf of the Option holders, in accordance with the ESOP.

Your Company has not passed any resolution for buy-back of shares.

8.4 Directors' Responsibility Statement

Your Directors hereby state:

- that in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2014 and of the profit of the Company for the year ended on that date;
- that the Directors have taken 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;
- that the Directors have prepared the annual accounts on a going concern basis.

8.5 Report on Corporate Governance

As stipulated by Clause 49 of the Listing Agreement, the Report on Corporate Governance is given separately in this Annual Report and forms part of this Report. The Certificate regarding compliance with the Corporate Governance Code is enclosed.

9 AUDITORS.

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 had appointed Manubhai & Shah, Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company for the Financial Year 2013 - 14, who will retire at the ensuing Annual General Meeting.

C&AG will appoint the statutory auditors for the current financial year and the Board has recommended the proposal to the shareholders at their ensuing AGM of the Company for the fixing of the remuneration of Statutory Auditors of the Company for Financial Year 2014-15, based on the appointment by CAG.

The Company has received "Nil" Comment Report from the office of CAG for the period of fifteen months ended 31 March 2014, which is annexed herewith and forms part of Directors' Report.

10 COST AUDITOR AND COST AUDITORS' REPORT

Pursuant to the directions of the Central Government for audit of Cost Accounts, Your Company has appointed M/s. Atul Bhatt & Co, as the Cost Auditor for the period from 01.04.2014 to 31.03.2015.

The Central Government had approved the appointment of M/s. Atul Bhatt & Co, as Cost Auditor for Financial Year 2013 - 14 on recommendation by the Company for the said businesses. The Cost Audit Report for the Financial Year 2013 - 14 which is due to be filed in XBRL with the Ministry of Corporate Affairs by 27 September, 2014.

11. DIRECTORS

On 12 June 2013, BGAPH's four Nominee Directors on the Board of GGCL viz. Mr. Hasmukh Shah, Mr. Shaleen Sharma, Mr. Shahram Jahanbani and Mr. Sugata Sircar had resigned and in their place five Nominees of GDNL viz. Dr. Vares Shina, IAS, Dr. Hasmukh Adhia, IAS, Mr. D.J. Pandian, IAS, Mr. Tapan Ray, IAS, and Mr. Sugata Sircar had been appointed as the Promoter-Directors.

Mr. Sudhir Mankad resigned as the Independent Director from the Board of Directors of the Company w.e.f. 7 May 2013.

Mr. Sugata Sircar was re-appointed as the Managing Director upon the nomination by GDNL. As per the provisions of SPA, Mr Sugata Sircar continued as Director/MD for the transition period of 6 months w.e.f. 12th June 2013 till 11th December 2013, in order to ensure smooth transfer of GGCL into the folds of GSPC Group.

Mr. Tapan Ray, IAS, the Director retiring by rotation at the ensuing Annual General Meeting and being eligible is being proposed for re-appointment by the shareholders at the AGM. The Independent Directors of the Company will be appointed at the Annual General Meeting as per the provisions of the Companies Act, 2013.

For perusal of the shareholders, a brief resume of the Director(s) being appointed or re-appointed, nature of their expertise, the status of their shareholding in the Company, the names of the companies in which they hold directorship and the details of membership of the Committees of the Board are given in the Explanatory Statement to the Notice convening the Annual General Meeting of the Company. The Board of Directors recommend their appointment / re-appointment.

12. APPRECIATION

Your Directors appreciate the continued support received from the valued customers and wish to acknowledge the support and assistance received from the State Government, gas suppliers and CNG franchisees.

The Directors also wish to place on record the sincere thanks to various regulatory authorities and the Central Government for the continuous support extended to the Company.

Your Directors place on record their appreciation for the employees for their dedicated performance.

Your Directors appreciate the contribution made by the contractors and vendors of the Company.

Your Directors also thank the Promoters and the Shareholders for their valuable support, trust and confidence in the Company.

For and on behalf of the Board

Dr. Vares Shina, IAS
Chairman

Place: Gandhinagar
Date: August 28, 2014

ANNEXURE - 1
COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988
FORM - B

Sr. No.	Particulars	Action taken
1	Research and Development (R&D)	
A	Specific areas in which R&D carried out by the Company	Nil
B	Benefits derived as a result of the above R&D	NA
C	Future plan of action	Nil
D	Expenditure on R&D	
	a. Capital	Nil
	b. Recurring	Nil
	c. Total	Nil
	d. Total R&D expenditure as a percentage of total turnover	Nil
2	Technology absorption, adaptation and innovation	
A	Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
B	Benefits derived as a result of the above efforts	Nil
C	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
	a. Technology imported	
	b. Year of import	
	c. Has technology been fully absorbed?	
	d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action	
3 Foreign Exchange Earnings & Outgo		
	2013-14 ₹. in Crores	2012-13 ₹. in Crores
Total Foreign Exchange earned	Nil	Nil
Total Foreign Exchange outgo	7.62	2.38

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Place: Gandhinagar
Date: August 28, 2014

ANNEXURE - 2

Statement as at 31 March 2013 pursuant to clause 12 (Disclosures in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

a)	Total number of Options granted	Gujarat Gas Company Limited Employee Stock Option Plan - 2008 14,80,000 Options (2008) 3,40,000 Options(2009) 4,03,000 Options (2010) 84,000 Options (2011)
b)	(I) Pricing Formula	The Pricing Formula as approved by the Shareholders of the Company provides that the Exercise Price for Grants made in November, 2008, shall be calculated at 10% discount of the latest available closing price of the Shares on the Stock Exchange on which there was highest trading volumes on the date of the Board Meeting in which the grant of Options is approved. The Compensation Committee has decided the Exercise Price for all subsequent grants. The Exercise Price has been calculated as rounded off to the nearest integer.
	(ii) Exercise Price	<p>Rs. 95.00, adjusted on allocation of bonus for 13,93,000 Options granted in November, 2008, (Rs. 189.00, calculated at 10% discount of the Rs. 210.00 being the closing price of the Shares on the NSE having highest trading volumes on 23 October 2008).</p> <p>Rs. 115.00, adjusted on allocation of bonus for 2,89,000 Options granted in May 2009, (Rs. 230.00, calculated at 10% discount of the Rs. 255.00 being the closing price of the Shares on the BSE having largest trading volumes on 29th April 2009).</p> <p>Rs. 143.00, adjusted on allocation of bonus for 21,000 Options granted in August 2009, (Rs. 286.00 calculated at 10% discount of the Rs. 317.40 being the closing price of the Shares on the BSE having largest trading volumes on 27 July 2009).</p> <p>Rs. 219.00, for 95,000 Options granted in March 2010, (Rs. 219.00 calculated at 10% discount of the Rs. 242.95 being the closing price of the Shares on the NSE having largest trading volumes on 3 March 2010).</p> <p>Rs. 277.00, for 1,90,000 Options granted in 22 July 2010, (Rs. 277.00 calculated at 10% discount of the Rs. 308.00 being the closing price of the Shares on the NSE, having largest trading volumes on 23 July 2010).</p> <p>Rs. 352.00, for 1,18,000 Options granted in October 2010, (Rs. 352.00 calculated at 10% discount of the Rs. 391.00 being the closing price of the Shares on the NSE having largest trading volumes on 27 October 2010).</p> <p>Rs. 337.00, for 84,000 Options granted in April 2011, (Rs. 337.00 calculated at 10% discount of Rs. 374.45 being the closing price of the Shares on the NSE having largest trading volumes on 27 April 2011).</p>

c) Total number of Options vested	<p>3,38,750 numbers (2010) 7,24,500 numbers (2011) 5,63,000 numbers (2012) 2,07,750 numbers (2013-14)</p>
d) Total number of Options exercised	<p>2,80,000 numbers (2010) 4,34,250 numbers (2011) 8,26,750 numbers (2012) 1,28,500 numbers (Jan'13-Mar'14)</p>
e) The total number of shares arising as a result of exercise of Options	<p>No new equity shares were issued on exercise of options.</p> <p>The first Vesting Date under the ESOP was 1 November 2010 and accordingly, Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 2,70,000 equity shares in December 2010, through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.</p> <p>Also, as per the ESOP, one of the Option holders, upon vesting, had exercised his right by opting to have 10,000 shares transferred in his name instead of giving the Mandate of sale. Therefore, the Trustees had transferred to the concerned Option holder, these 10,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price).</p> <p>Under the ESOP, further options vested on 11 May 2011, 1 August 2011 and 1 November 2011. Accordingly, the Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 6,250 equity shares in March 2011, 91,500 equity shares in August 2011, 5,000 equity shares in September 2011 and 3,31,500 equity shares in December 2011, through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.</p> <p>Under the ESOP, further options vested on 4 March 2012, 11 May 2012, 26 July 2012, 1 August 2012 and 1 November 2012, accordingly, Option holders had exercised their options for the shares vested in them. As per the ESOP, the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 2,59,250 equity shares in March 2012, 1,250 equity shares in May 2012, 34,147 equity shares in June 2012, 16,353 equity shares in August 2012, 77,250 equity shares in September 2012, 3,32,250 Equity shares in November 2012, and 86,250 Equity Shares in December 2012 through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.</p> <p>Also, as per the ESOP, two of the Option holders, upon vesting, had exercised their right by opting to have 20,000 shares transferred in their name instead of giving the Mandate of Sale. Therefore, the Trustees had transferred to the concerned Option holder, these 20,000 equity shares at the pre-determined Exercise Price of Rs. 95.00 per share (at the time of grant in November 2008, the Exercise Price was fixed at 10% discount to the ruling market price).</p>

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	Under the ESOP, further options vested on 4 March 2013 , 11 May 2013, 26 July 2013 and 1 August 2013. As per the ESOP, some of the Options holders had given the "Mandate of Sale", whereby the Trustees had to sell 7,306 equity shares in March 2013 , 52,694 equity shares in June 2013, 500 equity shares in August 2013, 55,500 equity shares in November 2013, 10,000 equity shares in February 2014 through open market and the difference between the sale price and the exercise price, net of charges and taxes were given to the option holders as per ESOP.
f) Total number of Options lapsed	292,750 (till December 2012) 41,000 (During Jan'13 to March'14)
g) Variation of terms of Options	NA
h) Money realised by exercise of Options	R s 17.69 Crores till 31 March 2014
i) Total number of Options in force	2,45,250 as on 31 March 2014
j) Employee wise details of options granted to; (i) senior managerial personnel;	<p>Himanshu Upadhyay - 65,000 (Vested and Exercised - 12,500) - (2010) (Vested and Exercised - 3,750) - (2011) (Vested and Exercised - 45,000) - (2012) (Vested and Exercised - 3,750) - (Jan'13 to March'14)</p> <p>Nitin Patil - 50,000 (Vested and Exercised - 12,500) - (2011) (Vested and Exercised - 37,500) - (2012)</p> <p>Nitesh Bhandari - 50,000 (Vested and Exercised - 30,000) - (2011) (Vested and Exercised - 16,250) - (2012) (Vested and Exercised - 3,750) - (Jan'13 to March'14)</p> <p>Chirag Brahmabhatt - 50,000 (Vested and Exercised - 6,250) - (2010) (Vested and Exercised - 12,500) - (2011) (Vested and Exercised - 7,500) - (2012) (Vested and Exercised - 2,500) - (Jan'13 to March'14) Outstanding as on 31 March 2014 - 21,250</p>
(ii) any other employee who received a grant in any one year of Option amounting to 5% or more of Option granted during that year.	Nil
(iii) identified employees who were granted option, 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.	Nil
k) Diluted Earnings Per Share (EPS) pursuant to issue of equity shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	NA

j)(i)	Method of calculation of employee compensation cost	The employee compensation cost has been calculated based on the Fair Value method of accounting using the Black-Scholes Option Pricing Formula.
(ii)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed.	NA
(iii)	The impact of this difference on profits and on EPS of the company	NA
m)	Weighted-average exercise prices and weighted-average fair values of options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock	The weighted average exercise price per Option is Rs. 303/- of the outstanding options as at 31-March-2014. The weighted average fair value per Option at the grant date is Rs. 114/- of the outstanding options as at 31-March-2014.
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options	NA

Note:

On 22 September 2009, Bonus Options were allocated on unvested Options in the same ratio as bonus shares (i.e. in the ratio of 1 bonus share for every one equity share) and the Exercise Price thereof was halved, in accordance with the ESOP 2008 read with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Place: Gandhinagar
Date: August 28, 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
under Section 619(4) of the Companies Act, 1956 on the accounts of
Gujarat Gas Company Limited for the period from 1 January 2013 to 31 March 2014

The preparation of financial statements of Gujarat Gas Company Limited, for the period from 1 January 2013 to 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and 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 Auditor Report dated 15 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Gujarat Gas Company Limited, for the period from 1 January 2013 to 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit 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: August 01, 2014

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE
To the Members of Gujarat Gas Company Limited

We have examined all relevant records of Gujarat Gas Company 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, National Stock Exchange Of India Limited, Vadodara Stock Exchange Limited and Ahmedabad Stock Exchange Limited for the financial year ended 31st March, 2014. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

The composition of the Board of Directors of the Company was not as per the stipulation regarding the number of independent Directors as the number of Independent Directors had fallen below one - half due to resignation of one Independent Director viz Mr. Sudhir Mankad on 7th May, 2013 as the company has not appointed Independent Director in place of the outgoing Independent Director within 180 days.

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

For, MANOJ HURKAT & ASSOCIATES
Company Secretaries

Manoj R. Hurkat
Partner

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

Place: Ahmedabad
Date: August 06, 2014

A REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the period from 1st January, 2013 to 31st March, 2014 (i.e. 15 months being the period of financial year).

1. GGCL's philosophy on Corporate Governance

Your Company believes that corporate governance is driven by the core values of the Company. Your company promotes the values of customer orientation, team work, commitment, growth and trust. These reflect the company's approach to all its stakeholders in the course of carrying out its business. The company's values are portrayed in a set of strong Business Principles. These Business Principles are continuously communicated and reinforced with employees and contractors.

Your company ensures appropriate disclosures to transparently communicate significant events and information regarding the performance of the company.

A Whistle Blower Policy is in operation under which a person can raise a complaint. A mechanism exists to address any such complaint in an independent and objective manner.

The Company seeks to comply with all applicable legal, regulatory and license requirements and strives to work constructively with regulatory bodies.

2. Board of Directors

As on 31st March, 2014, the Board comprises of seven Directors of which all are Non-Executive Directors (NED). Out of these seven NED, three are Independent Directors. The composition of the Board of Directors of the Company has undergone change, pursuant to the takeover of control of the Company on 12th June, 2013 by GSPC Distribution Network Limited from BG Asia Pacific Holdings Pte Limited. During the year, one independent director has resigned from the Board w.e.f. 7th May, 2013. Due to this, the proportion of independent director has fallen below one half. As on 31st March, 2014, the Board of Directors of the Company has seven Directors comprising of four Promoter Nominees on the Board of GGCL and three Independent Directors also continue on the Board.

In order to comply with Clause 49 of the Listing Agreement, the Company is required to appoint one Independent Director on the Board of Directors of the Company.

The details of composition of the Board, category of the directors as well as their directorships on Board and memberships in committees of companies, as on 31st March 2014 are given below:

Names of Directors	Category	Number of Directorships held*	Number of Board Committees in which Chairman / Member**	
			Membership*	Chairmanship
Dr. Varesh Sinha, IAS, Chairman	Promoter and Non executive Directors	7	-	-
Mr. D. J. Pandian, IAS		15	2	1
Mr. Tapan Ray, IAS		15	3	3
Dr. Hasmukh Adhia, IAS		11	4	-
Prof. Pradip Khandwalla	Non-executive and Independent Directors	5	3	1
Mr. Jal Patel		6	5	3
Mr. Ajit Kapadia		5	2	1

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

** The above details represent Membership/ Chairmanship of Audit Committee and Shareholder's/ Investor's Grievance Committee as per Clause 49 of the Listing Agreement.

+Membership does not include chairmanship.

The Board Meetings are generally held in Gandhinagar/Ahmedabad. The Board meets at regular intervals to discuss and decide on various issues including strategy related matters pertaining to the business/company. The Board meets at least once a quarter with a gap between two meetings not exceeding four months. It has remained the practice of the Company to place before the Board, all the matters listed in Annexure IA of Clause 49 of the Listing Agreement. The board agenda papers and other explanatory notes are circulated to the Directors in advance. The draft minutes of the meetings of the Board of Directors and its Committees are circulated to the Directors for their comments before being recorded in the Minute Books. Similarly, minutes of the subsidiary companies are circulated to the directors as a part of the Board Agenda. Apart from this, 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. The directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management Personnel are invited to attend the Board Meetings to provide clarifications as and when required.

The Board met 11 (Eleven) times during the reporting period under review. Details of these Meetings are as follows:-

Sr. No.	Date of Meeting
1	21st February, 2013
2	20th April, 2013
3	4th May, 2013
4	12th June, 2013 (10.30 a.m.)
5	12th June, 2013 (12.00 p.m.)
6	28th June, 2013
7	7th August, 2013
8	12th November, 2013
9	6th January, 2014
10	11th February, 2014
11	24th February, 2014

The details of attendance of the Directors at the Board Meetings held during the Reporting period and at the last Annual General Meeting is given below:

Names of the directors	Number of Board Meetings held while holding the office	Number of Board Meetings attended while holding the office	Attendance at the last AGM
Dr. Varesh Sinha, IAS	7	7	Yes
Mr. D. J. Pandian, IAS	7	Nil	No
Dr. Hasmukh Adhia, IAS	7	7	No
Mr. Tapan Ray, IAS	7	7	Yes
Prof. Pradip Khandwalla	11	11	Yes
Mr. Jal Patel	11	8	Yes
Mr. Ajit Kapadia	11	8	Yes
Mr. Hasmukh Shah, resigned w.e.f. 12 June 2013	4	4	NA
Mr. Sudhir Mankad, resigned w.e.f. 7 May 2013	3	3	NA
Mr. Shahram Jahanbani, resigned w.e.f. 12 June 2013	4	3	NA
Mr. Shaleen Sharma, resigned w.e.f. 12 June 2013	4	4	NA
Mr. Sugata Sircar, resigned w.e.f. 12 December 2013	8	8	Yes

Brief resume of Director being appointed/ reappointed at the ensuing Annual General Meeting, nature of expertise in specific functional areas and names of the other companies in which holding Directorship etc. are furnished in the Explanatory Statement annexed to the Notice convening 34th Annual General Meeting.

3. Audit Committee

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

- | | |
|----------------------------|----------|
| 1. Mr. Jal Patel | Chairman |
| 2. Prof. Pradip Khandwalla | Member |
| 3. Dr. Hasmukh Adhia, IAS | Member |

Ms. Rajeshwari Sharma, Company Secretary acts as Secretary of the Audit Committee.

Note: All the members of the Committee are Non-executive Directors. Mr. Jal Patel and Prof. Pradip Khandwalla are Independent Directors. All the members of the Committee are qualified professionals and have accounting or related financial management expertise. The quorum of the Committee is two members. Mr. Jal Patel, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company to answer the queries of shareholders.

The powers and functions of Audit Committee are as follows:

The functions of the Audit Committee of the Company inter alia, include the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance, and effectiveness of audit process, examination of the financial statement and the auditors' report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the company, wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters.

The terms of reference and powers of the Audit Committee are in compliance with the provisions of the Corporate Governance Code of the Listing Agreements and the Companies Act, 2013. The major terms include overseeing the financial reporting process, review of financial statements, ensuring independence of external auditors, review of internal control systems and overseeing of the internal audit department. The Committee reviews internal audit reports and findings of the statutory auditors. The Committee also reviews the risk register recording the key risks, mitigation plan and responsibility assigned for the risks. Also, all relevant information and reports are placed before the Audit Committee in compliance with the provisions of the Corporate Governance Code.

The Committee invites Senior Management Personnel of GGCL as it considers appropriate, to attend the meetings of the Committee. The internal auditor, head of finance and representative of the statutory auditors are permanent invitees at the meetings. The Company Secretary acts as Secretary to the Committee. Minutes of the Audit Committee Meetings are circulated and discussed at the Board Meetings.

The Committee met five times during the FY 2013-14 under review.

Details of meetings of Audit Committee and attendance

Sr. No.	Date of Meeting	Number of Members	Attendance
1	21st February, 2013	4	4
2	4th May, 2013	4	4
3	6th August, 2013	3	3
4	12th November, 2013	3	3
5	11th February, 2014	3	3

4. Remuneration of Directors

The Board of Directors constituted a Remuneration Committee comprising of Mr. Jal Patel (Chairman) and Prof. Pradip Khandwalla. The terms of reference included review of, and decision on the remuneration of the Managing Director, based on the performance and defined assessment criteria and considered such other matters as may be required by the Board of Directors from time to time. The Committee made recommendations for the consideration and approval of the Board of Directors. This Committee has been dissolved w.e.f. 12 June 2013. The Board has constituted the HR Committee w.e.f. 12 June 2013.

The Composition of HR Committee as on 31st March, 2014 is as follows:

1. Dr. Varesh Sinha, IAS, (Chairman)
2. Dr. Hasmukha Adhia, IAS
3. Mr. D J Pandian, IAS
4. Mr. Tapan Ray, IAS
5. Prof. Pradip Khandwalla

The details of managerial remuneration paid to the Managing Director in the financial year 2013-14 are given below.

Details of remuneration package of the former Managing Director.

Elements of remuneration package	Fixed component / Performance linked incentive	Mr. Sugata Sircar (from 1 Jan 2013 to 11 December 2013) Amount Rs.
Basic salary	Fixed	58,59,298
Contribution to provident fund and gratuity fund		9,84,947
Perquisites and Allowances	Value of benefits with upper ceiling	
HRA/Rent free accommodation, Medical and other allowance		19,54,576
Gas, electricity and other expenses		43,231
Expenses on cook, sweeper and servant		85,161
Performance bonus	Performance linked incentive	16,91,692
Total		1,06,18,906

Other Details

Criteria	Mr. Sugata Sircar
Major criteria for performance bonus	Health, safety, security & environment Profit before tax Return on average capital employed Volume throughput Opex / volume Investment (Capex)
Service contract	For a period of five years commencing from 1 July 2012
Notice period	3 months
Severance fees	Nil
Stock option & pension	Nil

Details of sitting fees paid during FY 2013-14

Sitting fees were paid to the Chairman, Non-executive Directors and Independent Directors for attending meetings of the Board of Directors and its Committees. An amount of Rs.20,000/- per meeting was paid as sitting fees for attending Board Meetings and Rs.18,000/- per meeting for attending Committee Meetings. The Managing Director was not paid sitting fees for attending the meetings of the Board of Directors or its Committees. Total sitting fees paid during the financial year 2013-14 amounted to Rs. 23,80,000/-.

5. Shareholders' Grievances Committee

GGCL has a Shareholders' Grievances Committee to approve share transfers, transmissions, consolidation, subdivision, etc. and for redressal of complaints / requests received from the shareholders.

The Composition of Shareholders Grievances Committee as on 31st March, 2014 is as under:

1. Prof. Pradip Khandwalla - Chairman
2. Mr. D J Pandian, IAS - Member
3. Mr. Jal Patel - Member

Ms. Rajeshwari Sharma, Company Secretary acts as the Compliance Officer.

The Committee met six times during the reporting period as under:

Sr. No.	Date of Meeting	Number of Members	Attendance
1	21st February, 2013	3	3
2	4th May, 2013	3	3
3	3rd June, 2013	3	3
4	7th August, 2013	4	3
5	12th November, 2013	4	3
6	11th February, 2014	3	2

The Committee had sub-delegated powers to the Managing Director / In Charge CEO to approve share transfers upto 10,000 shares per folio, name deletions and share transmissions. As the shares of the Company are under compulsory demat trading for all investors, this delegation is considered adequate. To facilitate smooth redressal of the shareholders' requests and complaints, the Committee has prescribed time limits for redressing various types of shareholders' requests and complaints. Share transfers and related requests are placed for approval of the Managing Director / In Charge CEO on a weekly basis. Details of the share transfer requests approved by the Managing Director / In Charge CEO are placed to the Shareholders' Grievances Committee.

The Company received 354 complaints during the financial year 2013-14. All the complaints were resolved to the satisfaction of the shareholders.

6. Compensation Committee

The Composition of Committee as on 31st March, 2014 is as under:

1. Prof. Pradip Khandwalla, - Chairman
2. Mr. D J Pandian, IAS - Member
3. Mr. Jal Patel - Member

The Committee met five times during the reporting period as under.

Sr. No.	Date of Meeting	Number of Members	Attendance
1	21st February, 2013	3	3
2	4th May, 2013	3	3
3	7th August, 2013	3	2
4	12th November, 2013	3	2
5	11th February, 2014	3	2

The Compensation Committee administers and superintends the GGCL - Employee Stock Option Plan 2008 ("the ESOP 2008" or "the Plan"), inter alia including the formulation of the following detailed terms and conditions:

- a. Eligibility and Quantum of options to be granted under the ESOP 2008 per employee and in aggregate;
- b. the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- c. the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- d. the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- e. the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- f. the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- g. the grant, vest and exercise of option in case of employees who are on long leave;
- h. Determine the procedure for cash less exercise of Options;
- i. Constitution of the Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Trust"), to administer the ESOP 2008, through the allocation of the equity shares to be purchased from the market either by the transfer of shares to the employees or by execution of the mandate of sale given by the employee for the sale of equity shares in accordance with the Deed of Gujarat Gas Company Limited Employee Welfare Stock Option Trust ("the Deed of Trust").
- j. direct the trustee(s) of the trust to administer the provisions of the Plan, as and when required, as per the applicable laws and resolve any issue that arises in the administration of the Plan through the Trust;
- k. Any other related or incidental matter.

7. General Body Meetings

Location and time of last three AGMs / EGMs

Date	Time	Venue
22 August 2013 (AGM)	11.00 a.m.	H.T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA, Dr. Vikram Sarabhai Marg, Vastrapur, Ahmedabad-380 015
26 April 2012 (AGM)	10.00 a.m.	
28 April 2011 (AGM)	10.00 a.m.	

In the last three Annual General Meetings, the following special resolutions were passed as per details given below:

Annual General Meeting held on 22 August 2013

- (1) A special resolution for grant of approval to the payment of commission for the financial year 2012 to Mr. Sudhir Mankad, former Independent Director of the Company.

- (2) A special resolution was passed for alterations of Articles of Association of the Company.

Annual General Meeting held on 26 April 2012

No Special Resolution was passed at the Annual General Meeting held on 26 April 2012.

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Annual General Meeting held on 28 April 2011

A resolution for grant of approval to the payment of commission for the period of three financial years effective from the financial year ending 31 December 2010 to the Chairman and Independent Directors of the Company.

Special resolution passed last year through postal ballot - details of voting pattern

Special Resolution for Alteration of Articles of Association of the Company dated 29 January 2013.

545 total number of Ballot Papers were received and 22 Shareholders casted E-Voting for 18020990 shares as detailed under:

Particulars	No. of Postal Ballot forms	No. of Shares	% of total paid up equity capital	% of total Valid Postal ballot
(a) Total Postal Ballot forms received	545	84366266	65.78	
(b) Less; Invalid Postal Ballot forms	36	16396	0.013	
(c) Net Valid Postal Ballot forms	509	84349870	65.77	
(d) Less: Out of valid postal ballot votes not exercised	40	24588	0.019	
(e) Net Valid postal ballots with voting exercised	469	84325282	65.75	
(f) Voting exercised through e-voting	22	18020990	14.05	
(g) Total Valid votes exercised	491	102346272	79.80	100
(h) Physical Postal Ballot with assent (favour) for the resolution	460	84319118	65.75	93.69
(i) Physical Postal Ballot with dissent (against) for the resolution	9	6164	0.00	1.83
j) E-voting ballot with assent (favour) for the resolution	21	18020890	14.05	4.28
k) E-voting ballot with dissent (against) for the resolution	1	100	0.00	0.20

Person who conducted the postal ballot exercise : Mr. Chirag Shah, Partner, Samdani Shah and Associates, Practicing Company Secretaries, was appointed as the Scrutinizer

8. Disclosures

Related Party Transactions

Related Party Transactions are disclosed in the Notes to Accounts forming part of this Annual Report. Transactions entered into by the Company with the related parties during the financial year were placed to the Audit Committee for review. There are no pecuniary relationships or transactions with the non-executive directors. A procedure is in place for disclosure of interest by the senior management team.

Whistle Blower policy

GGCL has implemented a Whistle Blower policy covering the contractors and suppliers besides its employees. The policy provides access to the Managing Director / In Charge CEO and the Chairman of Audit Committee. Persons covered under the policy can lodge their complaints through anonymous e-mails besides usual means of communication like written complaints or over telephone. None of the persons covered under the policy has been denied access to the Audit Committee.

Code of Conduct

GGCL has implemented a Code of Conduct based on its business principles along with implementation framework for its directors and senior management of the Company. The Code of Conduct has also been posted on GGCL website. In compliance with the Code, the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code for the financial year ended 31 March 2014 (from 1st January, 2013 to 31st March, 2014). A declaration to this effect has been received from the CEO (in charge).

Other disclosures

1. There are no non-compliances by the Company on any matter related to capital markets, during the last three years. Similarly, there are no penalties or strictures imposed by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.
2. The Company has a detailed Business Risk Management Process which is periodically reviewed by the Board of Directors for determining its effectiveness.
3. The Board of Directors and the Audit Committee periodically review the status of compliances in respect of applicable laws and report thereon by the Internal Audit team.
4. The Company is not having any material non listed Indian Subsidiary company.
9. Means of Communication

The Company regularly brings out its Quarterly Results for information of its Shareholders through publications thereof in one English language newspaper, having nation wide circulation and in one regional language newspaper. The Company has its own web site - <http://www.gujaratgas.com>, on which the Quarterly Results and Presentations made to the institutional investors and analysts are displayed. The Directors' Report deals with all the matters stipulated under the Management Discussion and Analysis Report. GGCL has not mailed half-yearly results to the shareholders in view of the above-mentioned means of communication adopted by the Company. The documents referred to but not sent to the persons entitled to receive notice of the Annual General Meeting, will be made available for inspection of Shareholders at the Registered Office of the Company during working hours for a period of 21 days before the date of AGM.

10. General Shareholder Information

All the required information has been furnished under the head "Information for Investors".

11. Compliance

GGCL has complied with the mandatory requirements of the Corporate Governance Code. The Board would review implementation of the non-mandatory requirements of the Corporate Governance Code in due course of time. Certificate regarding compliance with the Corporate Governance Code for the financial year 2013-14 is annexed to this report.

For and on behalf of the Board

Dr. Varesh Sinha, IAS
Chairman

Place: Gandhinagar
Date: August 28, 2014

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

To,

The Shareholders,
Gujarat Gas Company Limited

Gujarat Gas Company Limited has in place a Code of Conduct ("the code") for its Board of Directors and Senior Management Personnel. I report that the code has been complied with by the Board of Directors and Senior Management of the Company for FY 2013-2014.

For Gujarat Gas Company Limited
PPG Sarma
In-Charge CEO

Place: Ahmedabad
Date: August 05, 2014

INDEPENDENT AUDITORS' REPORT

To,
The Members of
Gujarat Gas Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gujarat Gas Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the period from January 1, 2013 to March 31, 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the Profit for the period ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the period 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 under provisions of 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;

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- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- 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.

For Manubhai & Shah
Chartered Accountants
Firm Registration No. 106041W

Place: Ahmedabad
Date: May 15, 2014

(G. R. Parmar)
Partner
Membership No. 121462

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items, other than underground gas pipelines which are not physically verifiable, over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during period and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the period.
- (ii) (a) The inventory [excluding stocks with third parties] has been physically verified by the Management during the period. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted/taken any loans, secured or unsecured, to /from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) [(b), (c) and (d) / (f) and (g)] of the said Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, customs duty, excise duty and other material statutory dues, as applicable, with appropriate authorities, except that the service tax on commitment charges was not deposited within the prescribed time limit. The amount of service tax outstanding for a period exceeding six months from the date they become payable was ₹.1.38 Crore. The same has since been paid.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax and customs duty which have not been deposited on account of any dispute.

The particulars of dues of service tax, excise and income tax as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

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Name of Statute	Nature of dues	Amount (₹. In Crores)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax (including interest and penalty)	35.79	2005-2012	CESTAT
Central Excise Act, 1944	Excise Duty (including interest and penalty)	11.86	October 2006	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	0.79	Assessment Year 2010-11	Commissioner of Income Tax (Appeal).
Income Tax Act, 1961	Income Tax and Interest thereon	0.35	Assessment Year 1996-97	Commissioner of Income Tax (Appeal).

- (x) The Company has no accumulated losses as at the period ended March 31, 2014 and it has not incurred any cash losses in the period ended on that date or in the immediately preceding financial year.
- (xi) As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 4(xi) of the Order are not applicable to the Company.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
- (xiii) As the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
- (xvi) The Company has not raised any term loans. Accordingly, the provisions of Clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) 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 during the period. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- (xix) The Company has not issued any debentures during the period and does not have any debentures outstanding as at the beginning and at the period end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the period, nor have we been informed of any such case by the Management.

For Manubhai & Shah
Chartered Accountants
Firm Registration No. 106041W

Place: Ahmedabad
Date: May 15, 2014

(G. R. Parmar)
Partner
Membership No. 121462

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No.	As at 31-03-2014 Amount in ₹. crores	As at 31-12-2012 Amount in ₹. crores
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	25.65	25.65
Reserves and Surplus	4	1,199.83	916.24
		1,225.48	941.89
Non-current liabilities			
Deferred tax liabilities (Net)	5	119.92	93.25
Other Long term liabilities	6	306.95	268.90
		426.87	362.15
Current liabilities			
Trade payables		123.70	101.64
Other Current liabilities	7	111.29	137.16
Short-term provisions	8	5.70	8.25
		240.69	247.05
Total		1,893.04	1,551.09
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets		863.43	750.98
Intangible assets		42.48	45.90
Capital work-in-progress		56.12	105.01
Intangible assets under development		-	1.36
		962.03	903.25
Non-current investments	10	2.53	2.53
Long-term loans and advances	11	14.32	20.42
Other non-current assets	12	0.75	1.01
		979.63	927.21
Current assets			
Current investments	13	664.64	370.64
Inventories	14	27.72	24.33
Trade receivables	15	176.86	183.45
Cash and cash equivalents	16	30.89	30.02
Short-term loans and advances	17	8.77	3.82
Other current assets	18	4.53	11.62
		913.41	623.88
Total		1,893.04	1,551.09
General Information and Significant Accounting Policies	1 & 2		
The notes are an integral part of these financial statements.			

As per our report of even date

For and on behalf of Board of Directors

For Manubhai & Shah
Chartered Accountants
Firm Registration No. 106041W

Dr. Varesh Sinha, IAS
Chairman

Tapan Ray, IAS
Director

PPG Sarma
CEO

(G. R. Parmar)
Partner
Membership No.121462

Jal Patel
Director

Nitesh Bhandari
Financial Controller

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : 15th May 2014

Place : Gandhinagar
Date : 15th May 2014

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STATEMENT OF PROFIT AND LOSS FOR THE 15 MONTHS PERIOD ENDED 31st MARCH 2014

Particulars	Note No.	15 months ended 31-03-2014 Amount in ₹. crores	12 months ended 31-12-2012 Amount in ₹. crores
Income			
Revenue from operations (Net)	21	3,901.12	3,092.13
Other income	22	88.00	65.43
Total Revenue		3,989.12	3,157.56
Expenses			
Material consumed/ processed		3,018.99	2,483.75
Employee benefits expense	23	78.81	63.51
Finance costs	26	0.52	0.16
Depreciation and amortization expense	9	96.50	65.36
Other expenses	27	182.37	139.94
Total Expenses		3,377.19	2,752.72
Profit Before Tax		611.93	404.84
Tax Expense			
Current Tax		165.41	107.50
Income Tax Provision for earlier years written back		-	(2.52)
Deferred Tax	5	26.67	13.20
Profit for the year		419.85	286.66
Earnings per equity share (EPS):			
Basic Earnings per Share of Rs. 2/- each (Rs.)		32.74	22.33
Diluted Earnings per Share of Rs. 2/- each (Rs.)		32.74	22.33
General Information and Significant Accounting Policies 1 & 2			
The notes are an integral part of these financial statements.			

As per our report of even date

For and on behalf of Board of Directors

For Manubhai & Shah
Chartered Accountants
Firm Registration No. 106041W

Dr. Varesh Sinha, IAS
Chairman

Tapan Ray, IAS
Director

PPG Sarma
CEO

(G. R. Parmar)
Partner
Membership No.121462

Jal Patel
Director

Nitesh Bhandari
Financial Controller

Rajeshwari Sharma
Company Secretary

Place : Ahmedabad
Date : 15th May 2014

Place : Gandhinagar
Date : 15th May 2014

CASH FLOW STATEMENT FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH 2014

Particulars	15 months ended 31-03-2014 Amount in ₹. crores	12 months ended 31-12-2012 Amount in ₹. crores
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	611.93	404.84
Adjustments for:		
Depreciation and Amortisation Expense	96.50	65.36
Provision for Gratuity benefits	-	1.96
Provision for accrued Leave benefits	0.14	0.30
Provision for diminution in value of asset / Capital work in progress	-	1.73
Provision against doubtful capital advances	2.00	3.35
(Profit) / Loss on sale of Tangible Assets (Net)	(1.39)	1.66
Provision for Doubtful Debts	0.95	0.35
Share Based Compensation Expenses	0.48	1.20
Provision for Wealth Tax	0.02	0.04
Provision for Assets write off	0.13	-
Bad debts / Advances written off	0.37	0.11
Provision / write off for inventory obsolescence	3.84	3.70
Deposits from supplier written back	-	(3.87)
Inventory written back	-	(5.00)
Profit on sale of investment (Net)	(25.64)	(8.08)
Provisions / Liabilities no longer required written back	(5.15)	(15.38)
Dividend Income	(36.07)	(21.52)
Operating Profit before working capital changes	<u>648.11</u>	<u>430.75</u>
Adjustments for changes in working capital		
Increase/(Decrease) in other long term liabilities	0.63	0.21
Increase/(Decrease) in trade payables	22.06	(20.03)
Increase/(Decrease) in other current liabilities	(3.19)	17.23
(Increase)/Decrease in inventories	(6.67)	(7.28)
(Increase)/Decrease in trade receivables	5.27	(19.20)
(Increase)/Decrease in long term loans & advances	5.70	10.96
(Increase)/Decrease in short term loans & advances	(1.31)	2.53
(Increase)/Decrease in other non current assets	0.26	0.08
(Increase)/Decrease in other current assets	7.09	(9.02)
Cash generated from operations	<u>677.95</u>	<u>406.23</u>
Taxes paid (Net of refunds & TDS)	(171.08)	(101.22)
Net Cash from Operating Activities	<u><u>506.87</u></u>	<u><u>305.01</u></u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Tangible / Intangible Assets / Capital work in progress including capital advances	(181.87)	(149.97)
Sale of Tangible Assets	5.82	2.80
Purchase of Current Investments	(4,251.78)	(3,475.43)
Sale of Current Investments	3,983.42	3,600.65
Dividends received	36.07	21.52
Net Cash used in Investing Activities	<u><u>(408.34)</u></u>	<u><u>(0.43)</u></u>

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CASH FLOW STATEMENT FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH 2014

Particulars	15 months ended 31-03-2014 Amount in ₹. crores	12 months ended 31-12-2012 Amount in ₹. crores
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Preference Shares redemption	-	(14.40)
Deposits accepted during the year (Net)	37.42	14.37
Dividend Paid (including Corporate Dividend Tax)	(135.08)	(283.79)
Net Cash used in Financing Activities	<u>(97.66)</u>	<u>(283.82)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 0.87	 20.76
Cash and Cash Equivalents at the beginning of the year	<u>30.02</u>	<u>9.26</u>
Cash and Cash Equivalents at the end of the year	<u>30.89</u>	<u>30.02</u>
Closing Cash and Cash Equivalents comprise:		
Balances with Banks :		
- In Current Accounts	27.97	27.28
- In Dividend Accounts	2.92	2.73
Cash in hand	<u>-</u>	<u>0.01</u>
Total Cash and Cash Equivalents as per Cash Flow Statement	<u>30.89</u>	<u>30.02</u>

Notes to Cash Flow Statement:

- a. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- b. Previous Year figures have been regrouped and reclassified wherever considered necessary to conform to current year's classification.
- c. The amounts in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment.
- d. Figures in brackets indicate cash outflows.

As per our report of even date

For and on behalf of Board of Directors

For Manubhai & Shah
Chartered Accountants
Firm Registration No. 106041W

(G. R. Parmar)
Partner
Membership No.121462

Place : Ahmedabad
Date : 15th May 2014

Dr. Varesh Sinha, IAS
Chairman

Jal Patel
Director

Place : Gandhinagar
Date : 15th May 2014

Tapan Ray, IAS
Director

Nitesh Bhandari
Financial Controller

PPG Sarma
CEO

Rajeshwari Sharma
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH 2014

(1) General Information:

Gujarat Gas Company Limited ("Company") is engaged in Natural Gas Business in Gujarat. Natural gas business involves distribution of gas from sources of supply to centers of demand and to the end customers. The Company is listed on the Ahmedabad Stock Exchange, Bombay Stock Exchange, National Stock Exchange and Vadodara Stock Exchange.

(2) Summary of Significant Accounting Policies:

a) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules 2006 as per Section 211(3C) of the Companies Act, 1956 (which, as per clarification issued by the Ministry of Corporate Affairs, continues to apply under section 133 of the Companies Act, 2013) and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

b) Use of Estimates

The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Such estimates and assumptions are based on evaluation of relevant facts and circumstances as on date of the financial statements. Differences between actual results and estimates, if any, are recognized in the periods in which the results are known / materialize.

c) Fixed Assets (Tangible / Intangible assets) :

The Fixed Assets are stated at its acquisition or construction cost and any attributable cost of bringing the asset to its working condition for its intended use and net of accumulated depreciation.

(i) All directly attributable expenditure incurred during the period of construction are carried forward and on completion, are capitalized with the respective fixed assets.

(ii) Gains or losses arising from disposal/retirement of fixed assets, which are carried at cost, are recognized in the Statement of Profit and Loss.

(iii) Capital inventory represents items of capital nature lying in store valued at cost.

d) Depreciation / Amortisation :

(i) Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful lives of the assets, whichever is higher. Assets costing Rs. 5,000 or less are fully depreciated over a period of one year.

(ii) Licenses / Softwares are amortised on a straight line basis over a period of six years from the date of its availability for use by the Company.

(iii) No depreciation is charged on Right of Use of Land being perpetual in nature.

e) Investments :

Current investments are carried at cost or fair value determined category wise, whichever is lower.

Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

f) Inventories :

Stores and Pipes fittings are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

g) Foreign currency transactions :

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of monetary items are recognized in the Statement of Profit and Loss.

h) Employee Benefits :

(i) Post-employment benefit plans

i. Defined Contribution Plan

Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes and deposited with the regulatory authorities. The Company does not carry any other obligation apart from the monthly contribution.

ii. Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972, through an approved Gratuity Fund. The Gratuity Fund is administered through a Trust. Contributions in respect of gratuity are made to the approved Gratuity Fund of the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and is recognized in the Balance sheet as reduced by the fair value of Gratuity Fund. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

(ii) Long term employment benefits

The liability in respect of accrued leave benefits which are expected to be availed or encashed beyond 12 months from the end of the year, is treated as long term employee benefits. The Company's liability is actuarially determined using the Projected Unit Credit method at balance sheet date. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

(iii) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits also include accrued leave benefits, which are expected to be availed or encashed within 12 months from the end of the year.

(iv) Employee Stock Option Plan

Stock Option grants to the employees who accept the grant under the Company's Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and Guidance Note on Accounting for Employee Sharebased Payments issued by the Institute of Chartered Accountants of India. The Company follows the fair value method for option pricing and accordingly the fair value of the option as of the date of the grant of the option is recognized as employee compensation cost which is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option.

i) Revenue Recognition :

- (i) Revenue on sale of natural gas is recognized on transfer of title to customers at delivery point. Sales of natural gas are stated at net of value added tax.
- (ii) Gas transmission income is recognized in the same period in which the related volumes of gas are delivered to the customers.
- (iii) Commitment income from customers for gas sales and gas transmission is recognized on establishment of certainty of receipt of consideration from its customers. Delayed payment charges are recognized on establishment of certainty of receipt of consideration from its customers.
- (iv) The difference between the amounts charged from customers for gas connections and actual consumption of material and labour charges is disclosed as Service and Fitting Income (Net) under Other Operating Revenue.
- (v) Dividend income is recognized when the right to receive dividend is established.

j) Borrowing Costs :

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

k) Leases :

As a lessor:

Operating Leases

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

Finance Leases

The Company has leased certain tangible assets and such leases where the Company has passed on substantially all the risks and rewards of ownership are classified as finance leases.

In respect of assets leased before April 1, 2001, the Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

In respect of assets leased after April 1, 2001, the aggregate of minimum lease payments less unearned finance income is recognized as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

As a lessee:

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

l) Earnings Per Share (EPS) :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable distribution tax thereto for the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of any dilutive potential equity shares.

m) Taxation :

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset is recognized on carried forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. At each reporting date, the unrecognized deferred tax assets is reassessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.

n) Impairment of Assets :

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

o) Provision and Contingencies :

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

p) Segment Reporting

The Company operates in the segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. The other activity of the Company comprised leasing of natural gas fired Cogeneration units, the income from which is not material in financial terms. Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard 17 on Segment Reporting are not relevant to the Company.

q) Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents represent cash on hand and demand deposits with bank. Cash equivalents consist of investments with original maturity of three months or less and which are readily convertible to known amounts of cash

**NOTES TO FINANCIAL STATEMENTS FOR THE
15 MONTHS PERIOD ENDED 31ST MARCH 2014**

3 Share capital

a) Authorized

Particulars	As at 31-03- 2014	As at 31-12- 2012
i Equity Shares		
Number of shares of Rs. 2/- each	14,00,00,000	14,00,00,000
Rs. in Crores	28.00	28.00
ii 7.5% Redeemable Preference Shares		
Number of shares of Rs. 10/- each	1,70,00,000	1,70,00,000
Rs. in Crores	17.00	17.00
Total Authorized Share Capital (Rs. in Crores)	<u>45.00</u>	<u>45.00</u>

b) Issued, Subscribed and Paid up

Particulars	As at 31-03- 2014	As at 31-12- 2012
i Equity Shares		
Number of shares of Rs. 2/- each	12,82,50,000	12,82,50,000
Rs. in Crores	25.65	25.65
Total Paid up Share Capital (Rs. in Crores)	<u>25.65</u>	<u>25.65</u>

c) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares. Each equity shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, is subject to shareholders' approval in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive the residual assets of the Company in proportion to their shareholding.

d) Reconciliation of movement in number of Equity Shares

Particulars	As at 31-03- 2014	As at 31-12-2012
Shares outstanding at the beginning of the period / year	12,82,50,000	12,82,50,000
Shares issued during the period / year	-	-
Shares bought back during the period / year	-	-
Shares outstanding at the end of the period / year	<u>12,82,50,000</u>	<u>12,82,50,000</u>
Paid up Share Capital (Rs. in Crores)	<u>25.65</u>	<u>25.65</u>

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e) Shareholder holding more than 5% equity shares

Name of the Shareholder	As at 31-03- 2014 No. of Shares held (% of shareholding	As at 31-12-2012 No. of Shares held (% of shareholding
GSPC Distribution Networks Limited	9,45,19,080 (73.70%)	-
Aberdeen Global Indian Equity (Mauritius) Limited	1,22,56,000 (9.56%)	-
BG Asia Pacific Holdings Pte. Limited	-	8,35,18,750 (65.12%)
Aberdeen Global Indian Equity Fund Mauritius Limited	-	1,22,56,000 (9.56%)

BG Asia Pacific Holdings Pte. Limited (BGAPH) was the holding company of Gujarat Gas Company Limited. The ultimate holding company being BG Group Plc till 11 June 2013.

GSPC Distribution Networks Limited (GDNL) is the holding company of Gujarat Gas Company Limited w.e.f. 12 June 2013. The ultimate holding company being Gujarat State Petroleum Corporation Limited w.e.f. 12 June 2013.

f) Shareholder holding more than 5% preference shares

The preference shares were fully held by BG Asia Pacific Holdings Pte. Limited (holding company till 11 June 2013). These preference shares were redeemed on 30 March 2012.

g) Reconciliation of movement in number of Preference Shares

Particulars	As at 31-03- 2014	As at 31-12- 2012
Shares outstanding at the beginning of the year	-	1,44,00,000
Shares issued during the year	-	-
Shares redeemed during the year	-	1,44,00,000
Shares outstanding at the end of the year	-	-
Paid up Share Capital (Rs. in Crores)	-	-

- h) The Company had issued bonus equity shares in the ratio of 1:1 in 2009, resulting in an increase in the issued equity share capital from 6,41,25,000 shares of face value Rs 2 each to 12,82,50,000 shares of face value ₹. 2 each. The Company has not bought back any equity shares during the past 5 years. The Company has not allotted any shares as fully paid pursuant to contracts without payment being received in cash, during the past 5 years.

(4) Reserves and Surplus

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12-2012 (₹ in crores)
a) Capital Redemption Reserve		
As per last Balance Sheet	14.40	-
Add : Transferred from Statement of Profit and Loss	-	14.40
Balance at the end of the period / year	<u>14.40</u>	<u>14.40</u>
b) Stock Options Outstanding Account (Net) (Refer Note 25)		
Stock Options Outstanding Account		
As per last Balance Sheet	4.07	7.94

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
Add : Allotment of new options during the period / year	-	-
Less : Exercise of options during the period / year	1.78	6.42
Add : Adjustment to General Reserve on exercise of options during the period / year	1.00	3.36
Less : Lapse of options during the period / year	0.46	0.81
Balance at the end of the period / year	<u>2.83</u>	<u>4.07</u>
Less : Deferred Stock Option Outstanding Account		
As per last Balance Sheet	1.08	3.09
Add : Allotment of new options during the period / year	-	-
Less : Expenses during the period / year	0.82	1.74
Less : Lapse of options during the period / year	0.46	0.81
Add : Amortized portion on lapsed options	0.34	0.54
Balance at the end of the period / year	<u>0.14</u>	<u>1.08</u>
Net balance	<u>2.69</u>	<u>2.99</u>
c) General Reserve		
As per last Balance Sheet	258.42	233.08
Add : Transferred from Statement of Profit and Loss	42.00	28.70
Less : Adjustment to Stock Options Outstanding Account	1.00	3.36
Balance at the end of the period / year	<u>299.42</u>	<u>258.42</u>
d) Surplus from Statement of Profit and Loss		
As per last Balance Sheet	640.43	501.52
Add: Profit for the period / year	419.85	286.66
Less: Appropriations		
Proposed Dividend		
- Preference Shares	-	0.27
- Equity Shares	-	-
Corporate Dividend Tax on Proposed Dividend	-	0.04
Interim Equity Dividend	115.42	89.78
Corporate Dividend Tax on Interim Equity Dividend	19.54	14.56
Transfer to Capital Redemption Reserve	-	14.40
Transfer to General Reserve	42.00	28.70
Balance at the end of the period / year	<u>883.32</u>	<u>640.43</u>
Total	<u>1,199.83</u>	<u>916.24</u>

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(5) Deferred Tax Liabilities (Net)

	As at 31-12- 2012 (₹ in crores)	Movement during the period / year	As at 31-03- 2014 (₹ in crores)
Deferred Tax Liabilities :			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the Income Tax Act.	102.66	24.06	126.72
Total (A)	102.66	24.06	126.72
Deferred Tax Assets :			
Provision for doubtful debts	0.78	(0.44)	0.34
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress / Capital Advances	2.47	(0.64)	1.83
Expenditure under section 43B of the Income Tax Act	6.16	(1.53)	4.63
Total (B)	9.41	(2.61)	6.80
Total (A-B)	93.25	26.67	119.92
Previous year	80.05	13.20	93.25

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing tax laws.

(6) Other Long term liabilities

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
Deposits from customers	304.31	266.89
Dues to Micro, Small and Medium Enterprises	0.05	-
Deposit from collection centres and others	2.49	2.01
Other payables	0.10	-
Total	306.95	268.90

Deposits from customers, considered as a source of long term funds, are refundable, net of outstanding, only on termination/ modification of the gas sale agreement.

(7) Other Current liabilities

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
Dues to Micro, Small and Medium Enterprises	0.55	0.26
Advance From Customers	7.32	12.29
Deposit from collection centres and others	0.68	0.68
Deposit from customers towards Minimum Guarantee offtake	17.57	12.25
Unpaid dividends to equity shareholders (Refer Note below)	2.92	2.73
Dues to subsidiary-Gujarat Gas Financial Services Limited	7.78	3.24
Employee payable	9.74	8.71
Other Payables	47.98	77.74
Other Liabilities for statutory dues	16.75	19.26
Total	111.29	137.16

Note : Unpaid dividend will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment.

(8) Short-term provisions

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
Proposed Dividend (including Corporate Dividend Tax)	-	0.31
Provision for employee		
- Gratuity benefits	-	2.16
- Accrued Leave benefits	5.70	5.56
Provision for Taxation	-	820.13
Less : Advance payment of Tax and Tax deducted at source	-	819.91
	-	0.22
Total	5.70	8.25

(9) FIXED ASSETS	Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK	
		As at 1-1-2013	Additions For the Period /Year	Deduction/ Adjustments For the Period/Year	As at 31-3-2014	For the Period /Year	Deduction/ Adjustments For the Period/Year	As at 31-3-2014	As at 31-12-2012
	Tangible Assets:								
	Land (Refer Note 1 below)	40.90	-	-	40.90	-	-	40.90	40.90
	Buildings	42.37	4.33	0.51	46.19	1.21	0.13	37.55	34.81
	Plant and Machinery	1,005.16	193.06	4.10	1,194.12	76.18	1.69	758.78	644.31
	Office equipment	10.58	1.83	0.60	11.81	0.74	0.38	8.02	7.15
	Computer Hardware	39.95	1.85	5.28	36.52	5.32	5.24	10.27	13.78
	Furniture, Fixtures and Fittings	7.69	0.50	0.26	7.93	0.58	0.23	3.98	4.09
	Vehicles	10.10	0.34	3.56	6.88	1.00	2.20	3.93	5.95
	Assets given on Finance Lease (Prior to April 1, 2001)								
	Plant and Machinery	27.96	-	27.96	-	-	8.58	-	19.38
		<u>1,184.71</u>	<u>201.91</u>	<u>42.27</u>	<u>1,344.35</u>	<u>85.03</u>	<u>18.45</u>	<u>863.43</u>	<u>770.37</u>
	(Less)/Add :								
	Lease Terminal Adjustment	-	-	-	-	-	19.39	-	(19.39)
	TOTAL	<u>1,184.71</u>	<u>201.91</u>	<u>42.27</u>	<u>1,344.35</u>	<u>85.03</u>	<u>37.84</u>	<u>863.43</u>	<u>750.98</u>
	Intangible Assets:								
	Software/License	60.56	8.05	-	68.61	11.47	-	40.08	43.50
	Right of use of Land	2.40	-	-	2.40	-	-	2.40	2.40
		<u>62.96</u>	<u>8.05</u>	<u>-</u>	<u>71.01</u>	<u>11.47</u>	<u>-</u>	<u>42.48</u>	<u>45.90</u>
	Capital Work in Progress (Refer Notes 2,3 and 4 below)							56.12	105.01
	Intangible assets under development								
	TOTAL	<u>1,247.67</u>	<u>209.96</u>	<u>42.27</u>	<u>1,415.36</u>	<u>96.50</u>	<u>37.84</u>	<u>962.03</u>	<u>903.25</u>
	Previous Year								
	Tangible Assets	1,033.67	164.30	13.26	1,184.71	60.80	8.80	750.98	
	Intangible Assets	27.01	35.95	-	62.96	4.56	-	45.90	

NOTES :

1. Land includes leasehold land of Rs.0.02 Crores (Previous year Rs. 0.02 Crores).
2. Capital Work in Progress includes inventory of Capital items of Rs. 33.75 Crores net of provision of Rs. 45.16 Crores).
3. Capital Inventory includes material in transit of Rs. 0.29 Crores (Previous year Rs. 8.43 Crores).
4. Capital Work in Progress is shown net of a provision for diminution in value of asset of Rs. 1.73 Crores (Previous year Rs. 1.73 Crores).

(10) Non-current Investments

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
(At cost less provision for other than temporary diminution in value of investments)		
Equity Shares		
Trade - Unquoted	2.53	2.53
Total	<u>2.53</u>	<u>2.53</u>
Details of investment are:		
(a) In equity shares of Subsidiary companies		
13,97,500 shares (Previous year 13,97,500 shares) of Rs 10 each fully paid-up in Gujarat Gas Financial Services Limited	1.40	1.40
9,000 shares (Previous year 9,000 shares) of Rs 100 each fully paid-up in Gujaratgas Trading Company Limited	0.13	0.13
(b) In equity shares of Ultimate Holding company		
2,00,00,000 shares (Previous year 2,00,00,000 shares) of Re 1 each fully paid-up in Gujarat State Petroleum Corporation limited	1.00	1.00
Aggregate cost of Unquoted Investments	2.53	2.53

(11) Long-term loans and advances

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
(Unsecured - considered good, unless otherwise stated)		
Capital Advance - Considered good	4.20	4.60
Capital Advance - Considered doubtful	3.66	5.89
Less: Provision against doubtful advances	<u>3.66</u>	<u>5.89</u>
	-	-
Deposits	1.20	1.40
Balances with government authorities	0.06	0.09
Amount recoverable from ESOP Trust	7.33	12.65
Loans to employees	1.53	1.68
Total	<u>14.32</u>	<u>20.42</u>

(12) Other non-current assets

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
Prepayments for services - Unsecured - considered good	0.75	1.01
Other Receivable	0.36	0.36
Less : Provision for Doubtful	<u>0.36</u>	<u>0.36</u>
	-	-
Total	<u>0.75</u>	<u>1.01</u>

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(13) Current Investments

Particulars	As at 31-03- 2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
(At cost or fair market value whichever is lower, determined categorywise)		
In Units of Mutual Funds (Unquoted)	664.64	370.64
Aggregate cost of Unquoted Investments	664.64	370.64

(13) Current Investments-Details of investment in Mutual Funds

	As at 31-03-2014		As at 31-12- 2012	
	No. of Units	(₹ in crores)	No. of Units	(₹ in crores)
Baroda Pioneer Liquid Fund Plan - B - Direct - Dividend	3,31,541	33.17	-	-
Birla Sunlife Cash Plus Plan - Dividend	-	-	3,56,992	3.58
Birla Sunlife Floating Rate Fund - Short Term Plan				
Direct - Dividend	42,39,220	42.40	-	-
Birla Sunlife Floating Rate Long Term - Direct - Dividend	42,82,059	42.92	-	-
Birla Sunlife Savings Fund Institutional - Growth	-	-	5,86,160	10.09
Birla Sunlife Dynamic Bond Fund - Retail Plan Dividend	-	-	31,50,955	3.25
Birla Sunlife Short Tem Fund - Dividend	-	-	2,10,28,737	24.50
DSP BlackRock Liquidity Fund - Institutional Plan - Dividend	-	-	1,80,388	18.04
DSP BlackRock Liquidity Fund - Direct - Dividend	62,641	6.27	-	-
DWS Cash Opportunities Fund - Regular Plan - Dividend	-	-	2,01,58,418	20.21
DWS Insta Cash Plus Fund - Direct - Dividend	15,34,226	15.39	-	-
DWS Treasury Fund Investment - Direct - Dividend	78,65,194	8.04	-	-
DWS Treasury Fund - Cash Regular Plan- Dividend	-	-	9,60,274	9.64
DWS Ultra Short Term Fund - Direct - Dividend	2,94,68,555	29.52	-	-
HDFC Cash Management Fund - Savings Plan				
Direct - Dividend	2,08,65,235	22.19	-	-
HDFC Cash Management Fund - Savings Plan - Dividend	-	-	66,71,789	7.10
HDFC High Interest Fund -Short Term Plan -Dividend	-	-	72,03,170	7.63
ICICI Prudential Flexible Income Plan Premium - Growth	-	-	5,99,938	10.12
ICICI Prudential Liquid - Direct - Dividend	5,04,404	5.05	-	-
JM High Liquid Fund - Dividend	-	-	1,80,20,121	18.80
JM High Liquidity Fund - Direct - Dividend	4,64,73,436	48.47	-	-
JM Money Manager Fund - Super Plus - Direct - Dividend	3,24,27,171	32.45	-	-
JM Money Manager - Super Plus Plan - Dividend	-	-	50,51,791	5.05
JM Short Term Fund - Dividend	-	-	2,01,14,789	20.21
JP MORGAN India Liquid Fund - Direct Plan - Dividend	8,38,80,698	83.97	-	-
JP MORGAN India Liquid Fund -				
Super Institutional - Dividend	-	-	1,68,78,170	16.89
Kotak Liquid Institutional Premium - Dividend	-	-	1,60,21,830	19.59
Kotak Banking & PSU Debt Fund - Direct - Dividend	1,29,90,840	13.07	-	-
Kotak Flexi Debt Scheme Institutional - Growth	-	-	1,35,60,374	15.13
Kotak FMP Series 100 Direct Plan - Growth	25,00,000	2.50	-	-
Kotak FMP Series 82 - Growth	-	-	20,00,000	2.00
Kotak Liquid Scheme Plan A - Direct - Dividend	80,283	9.82	-	-
L & T Cash Fund Direct - Dividend	46,915	5.00	-	-
L & T Liquid Fund Direct - Dividend	19,800	2.00	-	-
L & T Liquid Super Institutional - Dividend	-	-	2,14,632	21.71
L & T Ultra Short Term Fund Direct - Dividend	63,84,603	6.65	-	-
LIC Nomura MF Liquid Fund - Direct - Dividend	39,267	4.31	-	-
Principal Cash Management Fund - Direct - Dividend	1,12,955	11.30	-	-

	As at 31-03-2014		As at 31-12- 2012	
	No. of Units	(₹ in crores)	No. of Units	(₹ in crores)
Principal Cash Management Fund - Dividend	-	-	2,01,172	20.12
Reliance FHF- XXI- Series 6 - Growth	-	-	50,05,606	5.01
Reliance Fixed Horizon Fund - XXI -Series 18 - Growth	-	-	55,07,250	5.51
Reliance Fixed Horizon Fund - XXIII Series 5 -				
Direct - Growth	1,00,00,000	10.00	-	-
Reliance liquid Fund - Treasury Plan - Direct - Dividend	1,98,559	30.35	-	-
Reliance Liquid Fund- Treasury Plan -				
Institutional - Dividend	-	-	95,777	14.64
Reliance Liquid Fund-Cash Plan - Direct- Dividend	1,35,191	15.06	-	-
Reliance Money Manager Fund -				
Institutional Option - Growth	-	-	1,22,338	15.12
Reliance Short term Fund- Retail - Dividend	-	-	30,91,611	3.33
Religare FMP series XIII Plan F - Growth	-	-	20,00,000	2.00
Religare Invesco Liquid Fund - Direct - Dividend	3,46,303	34.66	-	-
Religare Liquid Fund- Super Institutional - Dividend	-	-	43,484	4.35
Religare Short Term Plan- Plan A - Dividend	-	-	1,51,20,442	15.14
Religare Invesco Ultra Short Term Fund - Direct - Dividend	2,00,076	20.13	-	-
SBI Debt Fund Series - 13 months - 13 - Growth	-	-	20,00,000	2.00
SBI Debt Fund Series - 367 Days -16 -Growth	-	-	30,00,000	3.00
SBI Premier Liquid Fund - Direct - Dividend	4,16,740	41.81	-	-
SBI Premier Liquid Fund - Institutional - Dividend	-	-	1,00,187	10.05
SBI SHDF- Short Term - Institutional - Dividend	-	-	47,97,540	5.05
Sundaram BNP Money Fund Institutional - Dividend	-	-	1,59,24,693	16.08
Sundaram Fixed Term Plan DH 378 days Direct - Growth	25,00,000	2.50	-	-
Sundaram Money Fund - Direct - Dividend	1,25,33,286	12.66	-	-
Sundaram Ultra Short Term Fund Direct - Dividend	99,97,442	10.04	-	-
Tata Liquid Super High Institutional - Dividend	-	-	41,953	4.68
Tata Money Market Fund Direct - Dividend	1,50,208	15.04	-	-
Templeton India Low Duration Fund - Direct - Dividend	32,98,816	3.46	-	-
Templeton India Treasury Management Account				
Institutional - Dividend	-	-	37,230	3.73
Templeton India Treasury Management Account Super				
Institutional Direct - Dividend	2,57,992	25.83	-	-
Templeton Ultra Short Bond Fund Super Institutional				
Direct - Dividend	46,68,084	4.68	-	-
UTI Floating Rate Fund-STP-Regular Plan Direct-Dividend	52,100	5.61	-	-
UTI Money Market Fund - Dividend	-	-	49,114	4.93
UTI Money Market Fund - Institutional Plan				
Direct - Dividend	82,936	8.32	-	-
UTI Short Term Income Fund-Institutional				
Income - Dividend	-	-	23,10,548	2.36
TOTAL	29,89,46,776	664.64	21,22,07,471	370.64

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(14) Inventories

Particulars	As at 31-03-2014 (₹ in crores)	As at 31-12-2012 (₹ in crores)
Stores and Pipe Fittings (valued at cost or net realisable value whichever is lower)	27.72	24.33

(15) Trade receivables

Particulars	As at 31-03-2014 (₹ in crores)	As at 31-12-2012 (₹ in crores)
Secured - Considered Good*		
- Exceeding Six Months	0.68	0.15
- Others	108.53	157.69
Unsecured - Considered Good including those covered by bank guarantees Rs. 57.15 crores (Previous period Rs. 51.91 crores)		
- Exceeding Six Months	0.18	0.29
- Others	112.39	65.84
Unsecured - Considered Doubtful		
Exceeding Six Months	0.63	2.04
Less: Provision for Doubtful Debt	0.63	2.04
	-	-
Less: Advance From Customers towards MGO	44.92	40.52
Total	176.86	183.45

* Secured against Security Deposit received from the customers and disclosed under Note 6 Other Long term liabilities

(16) Cash and cash equivalents

Particulars	As at 31-03-2014 (₹ in crores)	As at 31-12-2012 (₹ in crores)
Balances with Banks in Current Accounts	27.97	27.28
Balances with Banks in Dividend Accounts	2.92	2.73
Cash on hand	-	0.01
Total	30.89	30.02

The balances in dividend accounts are not available for use by the Company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date they became due for payment.

(17) Short-term loans and advances

Particulars	As at 31-03-2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
(Unsecured - considered good, unless otherwise stated)		
Finance lease receivable	-	0.88
Deposits	0.02	1.52
Balances with government authorities	1.24	0.14
Amount recoverable from ESOP Trust	1.30	0.10
Loans to employees	1.17	1.18
Advance payment of Tax and Tax deducted at source	990.63	-
Less : Provision for Taxation	985.59	-
	<u>5.04</u>	<u>-</u>
Total	<u>8.77</u>	<u>3.82</u>

(18) Other current assets

Particulars	As at 31-03-2014 (₹ in crores)	As at 31-12- 2012 (₹ in crores)
(Unsecured - considered good, unless otherwise stated)		
Receivable for sale of asset	-	8.02
Insurance claim receivable	0.14	-
Balance with gratuity trust fund	1.19	-
Prepayments for goods	1.37	2.45
Prepayments for services	1.83	1.15
Total	<u>4.53</u>	<u>11.62</u>

(19) Contingent Liabilities:

- Claims against the Company not acknowledged as debts Rs. 5.08 Crores (Previous year Rs. 2.60 Crores).
- Claims of Rs. 2.17 Crores (Previous year Rs. 2.17 Crores) against the Company have been disputed by the Company. The Company is, however, indemnified by an insurance policy.
- Income tax related exposures Rs. 10.68 Crores (Previous year Rs. 7.95 Crores)
- Service tax related exposures Rs 36.36 Crores (Previous year Rs. 30.67 Crores)
- Excise related exposures Rs 0.12 Crores (Previous year Rs 0.18 Crores)

- (20) Estimated amount of contracts net of advances remaining to be executed on capital account and not provided for Rs. 28.59 Crores (Previous year Rs. 33.26 Crores).

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(21) Revenue from operations

Particulars	15 Months ended 31-03-2014 ₹.in crores	12 Months ended 31-12-2012 ₹.in crores
Sales of natural gas (Gross)	3,960.53	3,121.84
Less : Excise Duty	81.23	54.93
Sales of natural gas (Net)	3,879.30	3,066.91
Other Operating Revenue :		
Gas transmission income	17.91	14.68
Service and fitting income (Net)	3.72	10.10
Lease Income	0.11	0.09
Income from Finance Lease	0.08	0.35
Total	3,901.12	3,092.13

(22) Other income

Particulars	15 Months ended 31-03-2014 ₹.in crores	12 Months ended 31-12-2012 ₹.in crores
Interest on Others (Customers and Staff advances)	9.45	3.94
Dividend from subsidiaries	0.42	0.42
Dividend from trade investments	1.00	0.40
Dividend from Mutual Funds	34.65	20.70
Profit on Sale of Current Investments (Net)	25.64	8.08
Profit on Sale of Fixed assets (Net)	1.39	
Liabilities no longer required written back	5.15	15.38
Other miscellaneous income	10.30	16.51
Total	88.00	65.43

(23) Employee benefits expense

Particulars	15 Months ended 31-03-2014 ₹.in crores	12 Months ended 31-12-2012 ₹.in crores
Salaries and Wages	70.15	53.41
Share based compensation	0.48	1.20
Contribution to Provident and other funds	3.51	4.83
Welfare Expenses	4.67	4.07
Total	78.81	63.51

(24) Disclosures as per AS -15 (Revised) 'Employee Benefits' for year ended 31 March, 2014 :

Particulars	15 Months ended 31-03-2014 ₹.in crores	12 Months ended 31-12-2012 ₹.in crores
a) Disclosures for Defined Contribution Plans		
Employer's contribution to Provident Fund	3.51	2.87
b) Disclosures for Defined Benefit Plans - Gratuity (Funded)		
Change in the defined benefit obligations		
Defined benefit obligation as at beginning of the year	12.79	10.15
Service cost	1.04	1.01
Interest cost	1.30	0.88
Actuarial loss/(gain)	(1.36)	1.24
Benefits paid	(1.06)	(0.49)
Defined benefit obligation as at year end	12.71	12.79
Change in plan assets		
Fair value of plan assets as at beginning of the year	10.63	7.82
Expected return on plan assets	1.32	0.78
Contributions by employer	3.35	2.13
Actuarial (loss)/gain	(0.34)	0.39
Benefits paid	(1.06)	(0.49)
Fair value of plan assets as at year end	13.90	10.63
Present value of unfunded obligations	(1.19)	2.16
The Net amount recognized in the Statement of Profit & Loss is as follows		
Current Service cost	1.04	1.01
Interest cost	1.30	0.88
Expected return on plan assets	(1.32)	(0.78)
Net actuarial loss/(gain) recognised	(1.02)	0.85
Net amount recognised	-	1.96
Actual return on Plan Assets	0.98	1.17
The major categories of plan assets as a percentage of total plan assets as at year end are as follows:		
Government of India Securities	-	-
Insurer Managed Funds	100%	100%
The principal actuarial assumptions used are as follows:		
Mortality	Indian Assured Lives Mortality (2006-08) Ult	LIC (1994-96) published table of mortality rate
Discount Rate	9.13%	8.16%
Expected rate of return on Plan Assets	9.00%	9.00%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%
Note: The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
c) Disclosures for Defined Benefit Plans - Accrued Leave Benefits (Unfunded)		
<u>Change in the defined benefit obligations</u>		

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Particulars	15 Months ended 31-03-2014 ₹.in crores	12 Months ended 31-12-2012 ₹.in crores
Defined benefit obligation as at beginning of the year	4.97	4.99
Service cost	1.00	0.50
Interest cost	0.47	0.43
Actuarial loss/(gain)	(0.59)	(0.95)
Benefits paid	(0.29)	0.00
Defined benefit obligation as at year end	5.56	4.97
The Net amount recognized in the Statement of Profit & Loss is as follows		
Current Service cost	1.00	0.50
Interest cost	0.47	0.43
Net actuarial loss/(gain) recognised	(0.59)	(0.95)
Net amount recognised	0.88	(0.02)
The principal actuarial assumptions used are as follows:		
	Indian Assured Lives Mortality (2006-08) Ult	LIC (1994-96) published table of mortality rate
Discount Rate	9.13%	8.16%
Rate of increase in Compensation Levels (Refer Note below)	7.00%	7.00%

Note: The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

d) Additional Disclosures as per AS- 15

Change in the defined benefit obligations - Gratuity (Funded)

(₹.in Crores)

	15 Months ended 31-03-2014	12 Months ended 31-12-2012	12 Months ended 31-12-2011	12 Months ended 31-12-2010	12 Months ended 31-12-2009
Present Value of defined benefit obligation as at beginning of the year	12.79	10.15	7.92	6.48	5.23
Current Service cost	1.04	1.01	0.84	0.69	0.59
Interest Cost	1.30	0.88	0.69	0.55	0.43
Actuarial (Gains)/Loss	(1.36)	1.24	0.80	0.27	0.35
Benefits Paid	(1.06)	(0.49)	(0.10)	(0.07)	(0.12)
Present Value of defined benefit obligation as at end of the year	12.71	12.79	10.15	7.92	6.48

Change in plan assets - Gratuity (Funded)

(₹.in Crores)

	15 Months ended 31-03-2014	12 Months ended 31-12-2012	12 Months ended 31-12-2011	12 Months ended 31-12-2010	12 Months ended 31-12-2009
Fair value of plan assets as at beginning of the year	10.63	7.82	6.98	5.51	3.73
Expected return on plan assets	1.32	0.78	0.66	0.56	0.42
Contributions by employer	3.35	2.13	1.16	0.97	1.05
Actuarial (loss)/gain	(0.34)	0.39	(0.88)	-	0.43
Benefits paid	(1.06)	(0.49)	(0.10)	(0.06)	(0.12)
Fair value of plan assets as at year end	13.90	10.63	7.82	6.98	5.51
Present value of unfunded obligations	(1.19)	2.16	2.33	0.94	0.97

Change in the defined benefit obligations - Accrued Leave Benefits (Unfunded)

(₹.in Crores)

	15 Months ended 31-03-2014	12 Months ended 31-12-2012	12 Months ended 31-12-2011	12 Months ended 31-12-2010	12 Months ended 31-12-2009
Present value of defined benefit obligation as at beginning of the year	4.97	4.99	3.99	3.26	2.69
Current Service cost	1.00	0.50	0.36	0.37	0.23
Interest Cost	0.47	0.43	0.35	0.27	0.22
Actuarial (Gains)/Loss	(0.59)	(0.95)	0.38	0.15	0.22
Benefits Paid	(0.29)	-	(0.09)	(0.06)	(0.10)
Present value of defined benefit obligation as at end of the year	5.56	4.97	4.99	3.99	3.26

(25) Employee Stock Option Plan 2008:

The Company implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2/- each to eligible employees of the Company and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Company, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme. For the 15 months period ended on 31st March 2014, there are no purchases from the market.

Pursuant to the above scheme, the Company has granted options, as mentioned here below, convertible into equity shares of Rs. 2/- each to employees of the Company and its subsidiaries. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.

% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ("First Vesting Date")
50%	75%	on expiry of three years from their Grant date ("Second Vesting Date")
25%	100%	on expiry of four years from their Grant date ("Third Vesting Date")

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

Details of movement under the Stock option plan for the year ended 31 March, 2014 is as follows:

	15 Months ended 31-03-2014		12 Months ended 31-12-2012	
	Number of options	Weighted average exercise price (in Rs.)	Number of options	Weighted average exercise price (in Rs.)
Options outstanding at the beginning of the year	4,14,750	257	13,28,750	162
Add: Options granted during the year	-	-	-	-
Less: Options forfeited during the year	41,000	297	87,250	242
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	1,28,500	158	8,26,750	106
Options outstanding at end of the year	2,45,250	303	4,14,750	257

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In accordance with the approval granted by the members of the Company, to the issue of Bonus Shares in the ratio of one equity share of the Company of Rs. 2/- each for every one equity share of the Company held by the Shareholders of the Company as on September 19, 2009, being the Record Date, the Compensation Committee of the Board of Directors of the Company, on September 22, 2009, had approved adjustments to the Options granted and unvested as on September 19, 2009, under the Gujarat Gas Company Ltd - Employee Stock Option Plan 2008, whereby each option had been doubled and the Exercise Price thereof been halved with effect from September 22, 2009.

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average remaining contractual life of options outstanding as on 31 March 2014 is 1.67 years. (Previous year 2.67 years) In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of Rs. 0.48 Crores (Previous year Rs. 1.20 Crores) has been recognised as an expense in Employee Benefits Expenses (Note 23) and corresponding liability has been disclosed as Stock Options Outstanding Account (Note 4). The balance of Rs. 2.69 Crores (Previous year Rs. 2.99 Crores) in Stock Options Outstanding Account (Note 4) represents the amortised cost of stock options outstanding. As on 31 March 2014, the amount recoverable from ESOP trust is Rs. 8.63 Crores (Previous year Rs. 12.75 Crores).

The Company has adjusted loss of Rs.1.00 Crores (Previous year loss of Rs. 3.36 Crores) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.

26 FINANCE COSTS

Particulars	15 Months ended 31-03-2014 (Rs. in Crore)	12 Months ended 31-12-2012 (Rs. in Crore)
Interest and other financial charges	0.52	0.16
Total	<u>0.52</u>	<u>0.16</u>

27 OTHER EXPENSES

Particulars	15 Months ended 31-03-2014 (Rs. in Crore)	12 Months ended 31-12-2012 (Rs. in Crore)
Stores and Chemicals consumed	3.10	2.84
Power and Fuel	32.03	24.77
Rent	13.12	9.66
Rates and Taxes	1.09	0.27
Repairs:		
- To Buildings	1.28	0.51
- To Plant and Machinery	39.20	24.42
- To Others	14.43	10.77
Total Repairs	<u>54.91</u>	<u>35.70</u>
Insurance	1.99	1.66
Stationery and Printing	1.00	0.87
Advertisement Expenses	2.51	1.99
Communication Expenses	2.47	2.26
Vehicle Hire Charges	9.84	7.03
Travelling Expenses	1.75	2.17
Donation	0.68	0.31
Legal, Professional and Consultancy	8.70	11.99
Loss on Sale of Fixed assets (Net)	-	1.66
Bad debts / Advances written off	0.37	0.11
Wealth Tax	0.02	0.04
Provision for Doubtful Debts	0.95	0.35
Provision for diminution in value of asset / Capital work in progress	-	1.73
Provision for Assets write off	0.13	-
Provision against doubtful capital advances	2.00	3.35
Provision / write off for inventory obsolescence	3.84	3.70
Service Charges	19.60	12.65
Foreign exchange fluctuations loss (net)	0.08	0.01
Agency & Contract Staff Expenses	12.23	6.33
Miscellaneous Expenses	9.96	8.49
Total	<u>182.37</u>	<u>139.94</u>

The Company has taken premises for business and residential use for its employees under cancelable operating lease agreements. The total lease rentals recognized as an expense during the year under the above lease agreements aggregates to Rs. 1.03 Crores (Previous year Rs. 1.10 Crores). The lease agreement typically ranges from 1 to 9 years

28 Related Party Transactions:

The following related party transactions were carried out during the period January 2013 to March 2014 in the ordinary course of business:

Name of the Related Party	Nature of Relationship	Nature of Transaction	15 Months ended 31-03-2014 (Rs. in Crore)	12 Months ended 31-12-2012 (Rs. in Crore)
Gujarat State Petroleum Corporation Ltd.	Ultimate Holding Company (w.e.f. 12-6-2013)	Expenses: Purchase of Natural Gas (Net of VAT) Amount Receivable written-off Amount payable at period end Investment at period end	1153.08 1.58 85.74 1.00	- - - -
GSPC Gas Company Limited.	Under common control (w.e.f. 12-6-2013)	Expenses: Cost of Seconded Employees Reimbursement of Rent Income: Income from Secondment of Employees Amount Receivable at period end	0.01 0.04 - 0.09 0.07	- - - - -
Gujarat State Petronet Limited	Under common control (w.e.f. 12-6-2013)	Expenses: Transmission expenses (Net of Service Tax) Amount Payable at period end (Net)	11.30 2.43	- -
GSPC Distribution Networks Limited	Holding Company (w.e.f. 12-6-2013)	Equity Dividend paid (including distribution tax) Equity Share Capital held at period end	85.07 18.90	- -
Gujarat Gas Financial Services Limited (Refer Note 2)	Subsidiary	Income: Service Charges for domestic gas connections Dividend received Expense : Cost of gas connections Alteration charges Amount payable at period end Investment at period end	- 0.42 - 67.25 7.45 7.78 1.40	0.25 0.42 - 31.25 4.16 3.24 1.40
Gujaratgas Trading Company Limited (Refer Note 2)	Subsidiary	Income: Service charges (including service tax)	0.04	0.03

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Name of the Related Party	Nature of Relationship	Nature of Transaction	15 Months ended 31-03-2014 (Rs. in Crore)	12 Months ended 31-12-2012 (Rs. in Crore)
		Expenses:		
		Purchase of Natural Gas (Net of VAT)	34.36	115.37
		Amount payable at period end	-	9.34
		Investment at period end	0.13	0.13
Gujarat Gas Company Limited Employee Stock Option Welfare Trust	Enterprise controlled by the Company	Amount Received for options exercised (Excluding adjustment of Rs. 1.79 Crores (Previous year Rs. 6.42 Crores) on account of exercise of option during the year)	2.33	11.08
		Amount Receivable at period end	8.63	12.75
Gujarat Gas Company Limited Employees Gratuity Trust Fund	Enterprise controlled by the Company	Contribution paid	3.35	2.13
BG International Limited	Under common control (up to 11-6-2013)	Expense :		
		Reimbursement of salary for seconded personnel (Paid) (including Tax Deducted at Source)	-	0.04
		Reimbursement of Software License charges	-	0.85
		Reimbursement of Expenses (Paid)	-	0.02
		Income:		
		Service charges for secondment of employees	-	1.23
		Reimbursement of Expenses (Received)	0.14	0.08
		Provision no longer required written back	0.65	7.87
		Amount payable at period end	-	6.82
BG Asia Pacific Holdings Pte. Limited	Holding company (up to 11-6-2013)	Dividend paid		
		- Equity	-	158.67
		- Preference (Refer Note 5 below)	-	1.08
		Share Capital held at period end	-	16.70
BG India Energy Solutions Private Limited	Under common control (up to 11-6-2013)	Purchase of Natural Gas (Net of VAT)	87.03	1,568.01
BG Exploration and Production India Limited	Under common control (up to 11-6-2013)	Amount payable at period end	5.21	46.51
		Income:		
		Liability no longer required	2.92	-
		Service charges for secondment of employees	-	0.07
		Reimbursement of Expenses (Received)	-	0.06
		Expenses:		
		Legal and Professional	1.84	5.50
		Reimbursement of Expenses (Paid)	0.05	0.54
		Amount payable at period end	0.13	3.82
Shaleen Sharma	Key Management Personnel (upto 30-6-2012)	Remuneration as Managing Director	-	0.96
Sugata Sircar	Key Management Personnel (upto 11-12-2013)	Remuneration as Managing Director	1.06	0.69

Notes :

- 1). The Company was controlled by BG Asia Pacific Holdings Pte. Limited till 11 June 2013, the ultimate parent being BG Group plc. W.e.f 12 June 2013 GSPC Distribution Networks Limited (GDNL) has acquired 9,45,19,080 (73.70%) equity shares of Gujarat Gas Company Limited. Hence, GDNL has become the holding company of Gujarat Gas Company Limited w.e.f. 12 June 2013.
- 2). Gujarat Gas Financial Services Limited and Gujaratgas Trading Company Limited have been using software packages implemented by Gujarat Gas Company Limited being "SAP" and "Gas Distribution and Billing System" since August 2003 and August 2004 respectively without payment of any consideration.
- 3). The above do not include BG North Sea Holdings Ltd and BG Energy Holdings Ltd, who are holding company of BG Asia Pacific Holding Pte Ltd but with whom no transaction have occurred up to 11th June 2013.
- 4). Mr. PPG Sarma was appointed as In-charge CEO of GGCL w.e.f 12 December 2013. There are no transactions between the Company and Mr. PPG Sarma. Mr. Tapan Ray, IAS was appointed director on board of GGCL w.e.f. 12 June 2013. There are no transactions between the Company and Mr. Tapan Ray, IAS. The sitting fees which become payable to him are directly deposited in Government Treasury Account.
- 5). Preference dividend accrued to BG Asia Pacific Holdings Pte. Limited for the period January 2012 to March 2012 amounting to Rs. 0.27 Crores was paid on 29 August 2013, after it ceased to be related party.

(29) Assets given on lease

Leasing operations of the company mainly involved leasing of gas based generator sets.

Under finance lease arrangements, the lease agreements had been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

(Rs. in Crore)

	15 Months ended 31st March 2014				12 Months ended 31st December 2012			
	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of Minimum lease Payment receivable	Gross Investment in the lease	Unearned Finance Income	Taxes	Present Value of Minimum Lease Payment receivable
Total	-	-	-	-	0.98	0.08	0.01	0.89
Out of the above, receivable:								
Not Later than 1 year	-	-	-	-	0.98	-	-	0.89
Later than 1 year and not later than 5 years	-	-	-	-	-	-	-	-
Later than 5 years	-	-	-	-	-	-	-	-

30. Payments to Auditors (Excluding Service Tax)

Particulars	15 Months ended 31st March 2014 (Rs. in Crore)	12 Months ended 31st Dec 2012 (Rs. in Crore)
- Audit Fees	0.39	0.53
- Certification Fees	0.13	-
- Reimbursement of Expenses	0.03	0.03
	<u>0.55</u>	<u>0.56</u>
Note: The figures for 15 months ended on 31st March 2014 include payment to previous auditors		
- Audit Fees	Rs. 0.21 crores	
- Certification Fees	Rs. 0.12 crores	
- Reimbursement of Expenses	Rs. 0.03 crores	

31. Value of Imports calculated on C.I.F. Basis

Particulars	15 Months ended 31st March 2014 (Rs. in Crore)	12 Months ended 31st Dec 2012 (Rs. in Crore)
Capital Goods	6.84	-
Spare parts	0.57	0.71
	<u>7.41</u>	<u>0.71</u>

32. Earnings per Share

Particulars	15 Months ended 31st March 2014	12 Months ended 31st Dec 2012
Net Profit after tax (Rs. in Crores)	419.85	286.66
Less: Preference Dividend and corporate dividend tax on preference dividend (Rs. in Crores)	-	0.31
Net Profit attributable to Equity Shareholders (Rs. in Crores)	419.85	286.35
Weighted average number of equity shares outstanding during the year (No. in Crores)	12.83	12.83
Basic earnings per share of Rs. 2/- each (in Rs.)	32.74	22.33

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.

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33. Value of Imported and Indigenous Raw Material and Stores and spares and percentage thereof to the total consumption

Particulars	Percentage	15 Months ended 31st March 2014 (Rs. in Crore)	Percentage	12 Months ended 31st Dec 2012 (Rs. in Crore)
(a) Raw Materials - Natural Gas				
- Indigenous	100%	3,018.99	100%	2,483.75
(b) Stores and spares (includes consumption towards repairs and maintenance)				
- Imported	3%	0.31	3%	0.46
- Indigenous	97%	11.45	97%	15.19
TOTAL	100%	11.76	100%	15.65

34. Purchases, Production / Processed and Sales :

Natural Gas	Qty (in LSCM)	15 Months ended 31st March 2014	Qty (in LSCM)	12 Months ended 31st Dec 2012
Purchased / Processed	12,049.30	3,018.99	11,820.07	2,483.75
Sales*	11,943.80	3,879.30	11,573.83	3,066.91

* Excluding line loss and internal consumption of 105.50 LSCM (Previous year 246.24 LSCM)

35. Expenditure in foreign currency

Particulars	15 Months ended 31st March 2014 (Rs. in Crore)	12 Months ended 31st Dec 2012 (Rs. in Crore)
(i) Travelling expenses	0.03	0.04
(ii) Subscription	0.02	0.03
(iii) Training	-	0.09
(iv) Legal & Professional	0.16	0.41
(v) Repairs	-	0.95
(vi) Telecommunication	-	0.15

36. Dividends proposed/declared by the Company (excluding dividend distribution tax)

Particulars	Rs. per Share	Rs. in Crore	Date/Period Year Ended
Equity			
- Interim Dividend	9.00	115.42	Nov. 12, 2013
	(7.00)	(89.78)	Sept. 25, 2012
Preference Dividend	0.00%	-	March 31, 2014
	(7.50%)	(0.27)	Dec. 31, 2012

Previous year figures are in brackets

Dividends remitted by Company in foreign currency during the year

Particulars	Rs. (in Crore)	No. of Non Resident Shareholders	No. of Shares	Period/ Year ended
Equity				
- Final Dividend	-	-	-	-
	(100.21)	(1)	(8,35,11,750)	Dec. 31, 2011
- Interim Dividend	-	-	-	-
	(58.46)	(1)	(8,35,11,750)	Sept. 25, 2012
Preference Dividend	0.27	1	1,44,00,000	August 29, 2013
	(1.08)	(1)	(1,44,00,000)	Dec. 31, 2011

Previous year figures are in brackets

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37. Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under :

Particulars	15 Months ended 31st March 2014 (Rs. in Crore)	12 Months ended 31st Dec 2012 (Rs. in Crore)
Principal amount remaining unpaid as at the end of accounting year [including Interest due thereon - Nil (Previous year - Nil)]	0.60	0.26
Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting 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 the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	-	-
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, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

38. The amount of foreign currency expense payables that are not hedged by a derivative instrument as on March 31, 2014 are as under :

Particulars	As at 31-03-2014	As at 31-12-2012
Value in Rs. Crores	0.05	-
	(Includes EURO 2,884 USD 4,723)	(Includes EURO 565)

39. The provision for income tax has been calculated based on income earned during the 15 months period ended 31 March 2014. However the tax year end of the Company being 31 March 2014 the ultimate liability for the Assessment Year 2014-15 will be determined based on the total income of the Company for the 12 months period ending 31 March 2014.
40. The Board of Directors in its meeting held on 21 April 2014 has considered and approved the scheme of amalgamation and arrangement between the Company, GSPC Gas Company Limited, Gujaratgas Trading Company Limited, Gujarat Gas Financial Services Limited and GSPC Distribution Networks Limited. The scheme is subject to relevant statutory approvals.
41. The current Financial Year that began on 1 January 2013 has been extended by a period of three months, to close on 31 March 2014, such that the Financial Statements giving effect to such extension are compiled for a period of fifteen months from 1 January 2013 to 31 March 2014. Hence, the current year's Statement of Profit and Loss, Cash Flow Statement and related Notes are not comparable with those of previous period.
42. Previous year figures have also been regrouped/reclassified wherever considered necessary to conform to current year's classification.

For, Manubhai & Shah.
Chartered Accountants
Firm Regn. No. : 106041W

G.R.Parmar
Partner
M. No. : 121462

Place: Ahmedabad
Date: 15th May, 2014

For and on behalf of the Directors

Dr. Varesh Sinha, IAS
Chairman

Jal Patel
Director

Place: Gandhinagar
Date: 15th May, 2014

Tapan Ray, IAS
Director

Nitesh Bhandari
Financial Controller

PPG Sarma
CEO

Rajeshwari Sharma
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,
1956 RELATING TO SUBSIDIARY COMPANY

Name of the subsidiary		Gujarat Gas Financial Services Limited
1.	The financial year of the Subsidiary Company ended on	31st March 2014
2.	(a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st March, 2014	13,97,500 Equity Shares of Rs.10/- each fully paid up (Previous year 13,97,500)
	(b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	69.88% (Previous year 69.88%)
3.	Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Ltd., and is not dealt with in the Company's accounts	
	(a) Profit for the financial year ended on 31st March, 2014 of the subsidiary.	Rs. 3.46 crores (Previous year Rs. 4.40 crores)
	(b) Profit for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 20.38 crores (Previous year Rs. 16.40 crores)
4.	Net Aggregate amount of Profit / (Loss) of the subsidiary so far as dealt with or provision is made for those profits / (Loss) in Gujarat Gas Company Limited's accounts.	
	(a) For the subsidiary's Financial year ended on 31st March, 2014	Rs. 0.42 crores (Previous year Rs. 0.42 crores)
	(b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Ltd.	Rs. 7.53 crores (Previous year Rs. 7.11 crores)

For and on behalf of the Directors

Dr. Varesh Sinha, IAS
Chairman

Tapan Ray, IAS
Director

PPG Sarma
CEO

Jal Patel
Director

Nitesh Bhandari
Financial Controller

Rajeshwari Sharma
Company Secretary

Place: Gandhinagar
Date: 15th May, 2014

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,
1956 RELATING TO SUBSIDIARY COMPANY

Name of the subsidiary	Gujarat Gas Trading Company Limited
1. The financial year of the Subsidiary Company ended on	31st March 2014
2. (a) No. of Equity Shares held by Gujarat Gas Company Limited in the subsidiary as on 31st March, 2014	9000 Equity Shares of Rs.100/- each fully paid up (Previous year 9000)
(b) Extent of interest of Gujarat Gas Company Limited in the capital of the subsidiary	100% (Previous year 100%)
3. Net Aggregate amount of profits of the subsidiary so far as it concerns the members of Gujarat Gas Company Ltd., and is not dealt with in the Company's accounts	
(a) Profit for the financial year ended on 31st March, 2014 of the subsidiary.	Rs. 0.99 crores (Previous year Rs. 1.00 crores)
(b) Profit for the previous financial years of the subsidiary since it became subsidiary of Gujarat Gas Company Limited.	Rs. 13.29 crores (Previous year Rs. 12.29 crores)
4. Net Aggregate amount of Profit / (Loss) of the subsidiary so far as dealt with or provision is made for those profits / (Loss) in Gujarat Gas Company Limited's accounts.	
(a) For the subsidiary's Financial year ended on 31st March, 2014	Nil (Previous year Nil)
(b) For its previous financial years since it became the subsidiary of Gujarat Gas Company Ltd.	Rs. 13.75 crores (Previous year Rs. 13.75 crores)

For and on behalf of the Directors

Dr. Varesh Sinha, IAS
Chairman

Tapan Ray, IAS
Director

PPG Sarma
CEO

Jal Patel
Director

Nitesh Bhandari
Financial Controller

Rajeshwari Sharma
Company Secretary

Place: Gandhinagar
Date: 15th May, 2014

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2013-2014**



GUJARAT GAS TRADING COMPANY LIMITED



BOARD OF DIRECTORS

Prof. Pradip Khandwalla

Mr. PPG Sarma, (w.e.f. 20 January 2014)

Mr. Manish Verma, (w.e.f. 21 April, 2014)

Mr. Manu Verma (Upto 9 July 2013)

Mr. Sugata Sircar (Upto 11 December, 2013)

Mr. Tapan Ray, IAS (resigned w.e.f 27 March 2014)

BANKERS

HDFC Bank Limited

AUDITORS

Talati & Talati

Ambica Chambers,

Near Old High Court, Navrangpura,

Ahmedabad-380009.

CORPORATE OFFICE

2, Shanti Sadan Society,

Near Parimal Garden, Ellisbridge,

Ahmedabad - 380 006.

DIRECTORS REPORT

Dear Shareholders,

Your Directors are glad in presenting the 33rd Annual Report together with the audited accounts of Gujarat Gas Trading Company Limited for the financial year 2013-14.

FINANCIAL HIGHLIGHTS:

(₹. in Lacs)

Particulars	15 Months ended on 31-03-2014	12 Months ended on 31-12-2012
Total income	3,554.77	11,635.70
Profit before tax	99.54	100.18
Tax (Current)	0.08	0.15
Profit after tax	99.46	100.03
Add: Profit brought forward from previous year	1062.69	962.66
Profit available for appropriation	1162.15	1062.69
Surplus retained	1162.15	1062.69

DIVIDEND

Your directors do not recommend any dividend for the year under review.

CHANGE IN CONTROL OF GUJARAT GAS COMPANY LIMITED.

Your Company is the wholly-owned subsidiary of Gujarat Gas Company Limited.

GSPC Distribution Networks Limited (GDNL) as per the Share Purchase Agreement (SPA) with BG Asia Pacific Holdings Pte Limited (BGAPH), the erstwhile promoter of GGCL and BG Energy Holdings Limited, the holding company of BGAPH, and acting as the guarantor for the BGAPH's obligations under the SPA, acquired 83,518,750 Equity Shares constituting 65.12% of the paid up Equity Share capital of GGCL.

In compliance with the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, (SAST Regulations), GDNL further made a mandatory Open Offer along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC GAS) to acquire at the price of ₹.314.17/- per equity share, up to 33,345,000 equity shares representing 26% of equity shares from the shareholders of GGCL.

COMPOSITE SCHEME OF AMALAGAMATION

The Board at its meeting dated 21 April 2014, granted its approval to the consolidation by way of amalgamation of the Company,

GSPC Gas Company Limited ("GSPC Gas"), GSPC Distribution Networks Limited ("GDNL"), Gujarat Gas Company Limited ("GGCL") and Gujarat Gas Financial Services Limited ("GFSL") through a High Court approved Composite Scheme of Amalgamation and Arrangement. In consideration of the amalgamation, GDNL to issue and allot the shares as per the following swap ratio:

- 1 (one) equity share of ₹.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of ₹.2/- each held by equity shareholders of the GGCL;
- 1 (one) equity share of ₹.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of ₹.10/- each held by equity shareholders of GFSL;
- 81 (eighty one) equity shares of ₹.10/- each, credited as fully-paid up of GDNL, for every 76 (seventy six) equity shares of ₹.10/- each held by equity shareholders of GSPC Gas.

On the above share swap ratios, SBI Capital Markets Ltd has also provided its fairness certificate.

Your Company has initiated the process of Amalgamation as per the relevant provisions of Companies Act 1956/ or Companies Act 2013, the SEBI requirements including the provisions under the listing agreements with the stock exchanges.

OPERATIONS

Your Company, the wholly-owned subsidiary of Gujarat Gas Company Limited is engaged in the business of selling natural gas. During the fifteen months ended on 31 March 2014 under review, your Company achieved sales of ₹. 3,436.24 lacs as against ₹.11,536.57 lacs during the twelve months ended on 31 December 2012. The total income for the fifteen months ended on 31 March 2014 was ₹. 3,554.77 lacs including other income of ₹.118.53 lacs as against total income of ₹. 11,365.70 lacs including other income of ₹. 99.13 lacs in the twelve months ended on 31 December 2012. The Profit before tax (PBT) was ₹. 99.54 lacs during the fifteen months ended on 31 March 2014 as against ₹.100.18 lacs in the twelve months ended on 31 December 2012.

STATUTORY INFORMATION

Energy, Technology and Foreign Exchange

The particulars under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not required to be reported as your Company is a trading company. During the year under review, there were



no foreign exchange earnings whereas foreign exchange outgo was to the extent of ₹. 64.35 lacs.

Particulars of Employees

Since no employee of the Company, whether employed throughout the year or any part thereof, is in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, no particulars are being provided thereunder.

Fixed Deposits

During the year under review, your Company has not invited any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

Directors' Responsibility Statement

Your directors hereby state

- I. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31 March 2014 and of the profit of the company for the year ended on that date;
- iii. that the directors have taken 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;
- iv. that the directors have prepared the annual accounts on a going concern basis.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

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 had appointed Talati & Talati, Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company for the Financial Year 2013 - 14. C&AG has given NIL comment report for the Financial Year 2013 - 14. The NIL comment report is enclosed herewith.

The Statutory Auditors of the Company for the Financial Year 2013 - 14 will retire at the ensuing Annual General Meeting. C&AG

will appoint the statutory auditors for the current financial year and the Board has recommended the proposal to the shareholders at their ensuing AGM of the Company for the fixing of the remuneration of Statutory Auditors of the Company for Financial Year 2014-15, based on the appointment by CAG.

DIRECTORS

Mr. Tapan Ray, IAS and Mr. Sugata Sircar, have resigned as Director of the Company. Mr. PPG Sarma and Mr. Manish Verma have been appointed as the Additional Directors of the Company.

Prof. Pradip Khandwalla retires by rotation at the for the coming Annual General Meeting and being eligible, is proposed for appointment at the ensuing AGM. Your directors recommend his re-appointment.

APPRECIATION

Your directors hereby place on record their appreciation for the support received from the Central and State Governments and its bankers.

Your directors are grateful to the promoter viz. Gujarat Gas Company Limited for its valuable contribution throughout the year.

For and on behalf of the Board
PPG Sarma
Chairman

Place: Gandhinagar
Date: August 26, 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GUJARAT GAS TRADING COMPANY LIMITED FOR THE PERIOD FROM 1 JANUARY, 2013 TO 31 MARCH 2014

The preparation of financial statements of Gujarat Gas Trading Company Limited, for the period from 1 January 2013 to 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 14 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Gujarat Gas Trading Company Limited for the period from 1 January 2013 to 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

Place: Ahmedabad
Date: July 19, 2014

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

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Gujaratgas Trading Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Gujaratgas Trading Company Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the period from 1st January 2013 to 31st March 2014, 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 gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that gives 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, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. 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 aforesaid financial statements gives the information required by the Act in the manner so required and gives 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 March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the period 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:

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- 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 it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with this Report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.;
- 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 companies affairs, ministry of finance, the clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not applicable.

For Talati & Talati.
Chartered Accountants
Firm Regn No: 110758W

Place: Ahmedabad
Date: May 14, 2014

Aniket Talati
(Partner)
Membership No: 131567



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)

(i) In respect of its fixed assets :

The Company does not hold any fixed assets during the period under audit and hence the provisions of Clause (i) of paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its Inventories:

The Company does not hold any physical inventory during the period. Therefore, the provisions of Clause (ii) of paragraph 4 of the Order are not applicable to the Company.

(iii) (a) During the period the Company has not given any loans secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence Clause (iii) (b), (c) and (d) of paragraph 4 of the Order are not applicable to the Company.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence Clause (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

(v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

(a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹. 5,00,000 in respect of each party during the period have been made at prices which appear reasonable as per information available with the Company.

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public and hence the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act for any of the products of the Company.

(ix) In respect of statutory dues:

(a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

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- (b) The disputed Statutory dues aggregating to ₹. 41,626.32 thousands that have not been deposited on account of disputed statutory matters pending before appropriate authorities are as under:

Name of the statute	Nature of dues	Amt. under dispute not yet deposited As on 31.03.2014 (₹. in Thousands)	Periods to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax including interest as applicable	41,626.32	2011-12	CIT (Appeal)
	Total	41,626.32		

- (x) The Company does not have any accumulated losses during the period ended on that date. The Company has not incurred cash losses during the period ended on that date covered by our audit and in the immediately preceding financial year.
- (xi) The Company does not have any borrowings from any financial institution or bank nor it has issued any debentures during the period under audit. Therefore, the provisions of Clause (xi) of paragraph 4 of the Order are not applicable to the Company.
- (xii) In our opinion and according to explanations given to us and based on the information available, no loans and advances have been granted by Company on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause (xii) of paragraph 4 of the Order are not applicable to the Company.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund/society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (xv) In our opinion, and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the period. Accordingly, the provisions of Clause (xv) of paragraph 4 of the Order are not applicable to the Company.
- (xvi) The Company has not raised any Term Loans during the period covered under audit. Accordingly, the provisions of Clause (xvi) of paragraph 4 of the Order are not applicable to the Company.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company as at March 31, 2014, we are of the opinion that no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) The Company has not made any preferential allotment of shares to any parties and companies covered under the register maintained u/s.301 of the Companies Act, 1956.
- (xix) During the period covered by our audit report, the Company has not issued any debentures. Accordingly, the provisions of Clause (xix) of paragraph 4 of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by way of Public Issues during the period.
- (xxi) Based on the audit procedures performed and representation obtained from management we report that, no case of material fraud on or by the Company has been noticed or reported for the period under audit.

Place: Ahmedabad
Date: May 14, 2014

For Talati & Talati.
Chartered Accountants
Firm Regn No: 110758W

Aniket Talati
(Partner)
Membership No: 131567



BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note	As at 31-03-2014 ₹. In Thousand	As at 31-12-2012 ₹. In Thousand
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	900	900
Reserves and Surplus	4	1,42,865	1,32,919
		<u>1,43,765</u>	<u>1,33,819</u>
Non-current liabilities			
Other Long term liabilities		-	12,325
Current liabilities			
Trade payables	5	-	92,919
Other Current liabilities	6	351	4,785
Short-term provisions	7	-	14,753
		<u>351</u>	<u>1,12,457</u>
Total		<u><u>1,44,116</u></u>	<u><u>2,58,601</u></u>
ASSETS			
Non-current assets			
Long-term loans and advances	8	-	12,325
Current assets			
Current investments	9	1,41,678	1,48,705
Trade receivables	10	-	93,350
Cash & Bank Balances	11	1,074	3,883
Short-term loans and advances	12	1,364	338
		<u>1,44,116</u>	<u>2,46,276</u>
Total		<u><u>1,44,116</u></u>	<u><u>2,58,601</u></u>

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)

Aniket Talati
(Partner)
Membership No:131567

Place : Ahmedabad
Date : 14 May 2014

For and on behalf of the Board

Manish Verma
Director

PPG Sarma
Director

Place : Gandhinagar
Date : 14 May 2014

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STATEMENT OF PROFIT AND LOSS FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH 2014

Particulars	Note	15 months ended 31-03-2014 ₹. In Thousand	12 months ended 31-12-2012 ₹. In Thousand
Income			
Revenue from Operation (Sale of natural gas)		3,43,624	11,53,657
Other income	14	11,853	9,913
Total Revenue		<u>3,55,477</u>	<u>11,63,570</u>
Expenses			
Material Purchase (Natural Gas)		3,43,341	11,52,629
Other expenses	15	2,182	923
Total Expenses		<u>3,45,523</u>	<u>11,53,552</u>
Profit Before Tax		9,954	10,018
Tax Expenses			
Current Tax		8	15
Profit for the year		<u>9,946</u>	<u>10,003</u>
Earnings per equity share (EPS):			
Basic/Diluted Earning per Share			
of ₹.100 each (in ₹.)	15	1,105.11	1,111.44

The accompanying notes form an integral part of these financial statements.

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)

Aniket Talati
(Partner)
Membership No:131567

Place : Ahmedabad
Date : 14 May 2014

For and on behalf of the Board

Manish Verma
Director

PPG Sarma
Director

Place : Gandhinagar
Date : 14 May 2014



CASH FLOW STATEMENT FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH 2014

Particulars	15 months ended 31-03-2014 ₹. In Thousand	12 months ended 31-12-2012 ₹. In Thousand
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before Tax	9,954	10,018
Adjustments for:		
Profit on sale of investment (Net)	(15)	(5)
Dividend Income	(11,458)	(9,784)
Operating Profit before working capital changes	(1,519)	229
Adjustments for changes in working capital		
Increase/(Decrease) in other long term liabilities	(12,325)	-
Increase/(Decrease) in trade payables	(92,919)	(31,337)
Increase/(Decrease) in other current liabilities	(4,434)	(5,015)
(Increase)/Decrease in trade receivable	93,350	39,988
(Increase)/Decrease in long term loans and advances	12,325	-
(Increase)/Decrease in short term loans and advances	338	-
Cash generated from Operations	(5,184)	3,865
Taxes (paid)/refunded (net of TDS)	(16,125)	(1,693)
Net Cash from Operating Activities	(21,309)	2,172
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(26,958)	(55,285)
Sale of Investments	34,000	30,500
Dividend received	11,458	9,784
Net Cash from Investing activities	18,500	(15,001)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,809)	(12,829)
Cash and Cash Equivalents at the beginning of the year	3,883	16,712
Cash and Cash Equivalents at the end of the year	1,074	3,883
Cash and Cash Equivalents comprise		
Cash in hand	-	2
Balances with Banks		
In Current Accounts	1,074	3,881
Total Cash and Cash Equivalents at the end of the year	1,074	3,883

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)

Aniket Talati
(Partner)
Membership No:131567

Place : Ahmedabad
Date : 14 May 2014

For and on behalf of the Board

Manish Verma
Director

PPG Sarma
Director

Place : Gandhinagar
Date : 14 May 2014

NOTES TO THE FINANCIAL STATEMENTS

(1) General Information:

Gujaratgas Trading Company Limited ("Company") is engaged in Natural Gas Business in Gujarat. Natural gas business involves distribution of gas from sources of supply to centres of demand and/or to the end customers. The Board of Directors in its meeting held on 21 April 2014 have considered & approved the amalgamation and arrangement between the Company, GSPC Gas Company Limited, Gujarat Gas Company Limited (holding company), Gujarat Gas Financial Services Limited & GSPC Distribution Networks Limited w.e.f. 1st April 2013. The scheme is subject to relevant statutory approvals.

(2) Summary of Significant Accounting Policies:

a) Use of Estimate

The preparation of financial statements in conformity with Generally Accepted Accounting Policy requires the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, Revenues & Expenses and disclosure of Contingent Liabilities. Such estimation and assumptions are based on management's evaluation of relevant facts and circumstances as on date of the financial statements. Differences between actual results and estimates are recognized in the periods in which the results are known / materialize.

b) Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and relevant provisions of the Companies Act, 1956, read with General Circular No 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. Accounting policies not specifically referred to otherwise, are consistent with those used in the previous years. In applying accounting policies, consideration has been given to prudence, substance over form and materiality. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

c) Investments

Investments that are readily realisable and are materially intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Long Term Investments are valued at cost less provision for diminution other than temporary, in value, if any. Current Investments are valued at cost or fair value determined categorywise, whichever is lower.

d) Foreign currency transactions

Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency & the foreign currency at the date of the transaction.

Subsequent Recognition: As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of monetary items are recognised in the Statement of Profit and Loss.

e) Revenue Recognition

(i) Revenue from sale of natural gas is recognised at delivery point when all risks and rewards connected with ownership have been transferred to the buyer. Sale of natural gas are stated at net of value added tax.

(ii) Commitment income from customers for gas sales is recognized on establishment of certainty of receipt of consideration. Delayed payment charges are recognized on establishment of certainty of receipt of consideration.

(iii) Dividend income is recognized when the right to receive the dividend is established.



f) Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders after tax and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

g) Taxation

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax is recognized subject to consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and laws enacted or substantively enacted at the reporting date. Deferred tax assets are reviewed at each balance sheet date to assess realization. If there is unabsorbed depreciation or carry forward of losses under the tax laws, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty of its realization supported by convincing evidence. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date & writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income tax during the specified period.

h) Provisions, Contingent Liabilities and Contingent Assets

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Company does not recognise & disclose contingent assets.

i) Segment Reporting

The Company operates in a single segment of Natural Gas Business. Natural gas business involves distribution of gas from sources of supply to centres of demand and to the end customers. Hence, disclosures required as per Accounting Standard-17 on Segment Reporting are not applicable to the company.

j) Cashflow Statement

The Cash Flow Statement is prepared under the "Indirect Method" as set out in Accounting Standard 3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the Company. In the Cash Flow Statement, cash represents cash on hand and demand deposits with bank. Cash equivalents consist of short term highly liquid investments which are readily convertible into cash.

(3) Share Capital

a) Authorized Equity Share Capital

Particulars	As at 31-03-2014	As at 31-12-2012
Number of shares of ₹. 100 each	10,000	10,000
₹. In Thousand	1,000	1,000

b) Equity Share Capital - shares issued, subscribed and paid up

Particulars	As at 31-03-2014	As at 31-12-2012
Number of shares of ₹. 100 each	9,000	9,000
₹. In Thousand	900	900

The Company has only one class of Equity shares. Each equity shareholder is eligible for one vote per share held. The Company does not have share application money pending allotment. The dividend proposed by the Board of Directors is subject to shareholders' approval in the ensuing Annual General Meeting.

c) Reconciliation of the number of Equity Shares

Particulars	As at 31-03-2014	As at 31-12-2012
Shares outstanding at the beginning of the year	9,000	9,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	9,000	9,000

d) Shareholder holding more than 5% equity shares and Shares held by holding Company

Name of the shareholder	No. of shares held % of shareholding	No. of shares held % of shareholding
Gujarat Gas Company Limited - Holding Company and its nominees	9,000 100%	9,000 100%

The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. The ultimate parent of the Company was BG Group Plc till 11th June 2013. W.e.f. 12th June 2013, GSPC Distribution Networks Limited has acquired majority shareholding in Gujarat Gas Company Limited.

e) The Company has not issued or bought back any equity shares during the past 5 years. The Company has not allotted any shares as fully paid pursuant to contracts without payment being received in cash, during the past 5 years.



4) Reserves & Surplus

a) General Reserve

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Balance as at the beginning of the year	26,650	26,650
Balance at the end of the year	26,650	26,650

b) Surplus in Statement of Profit & Loss

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Balance as at the beginning of the year	1,06,269	96,266
Add: Profit for the period	9,946	10,003
Balance at the end of the year	1,16,215	1,06,269
Total	1,42,865	1,32,919

5) Trade payables

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Dues to Micro, Small and Medium Enterprises	-	-
Other Creditors	-	92,919
Total	-	92,919

(6) Other Current Liabilities

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Payables to Non-trade creditors	318	4,686
Other Liabilities (includes TDS,VAT & Service Tax)	33	99
Total	351	4,785

(7) Short-term provisions

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Provision for Taxation (Net of Advance Tax & TDS)	-	14,753

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(8) Long term loans & advances

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
(Unsecured - considered good)		
Other receivables	-	12,325
Total	-	12,325

(9) Current Investments

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Investment in Mutual Funds (At cost or fair market value whichever is lower, determined categorywise)		
Units of Mutual Funds (Unquoted)	1,41,678	1,48,705
Total	1,41,678	1,48,705
Aggregate amount of unquoted investments	1,41,678	1,48,705

Details of investments in Mutual Funds

Scheme	31-03-2014		31-12-2012	
	No. of Units	Rs in thousand	No. of Units	Rs. in thousand
Birla SL Savings Fund-Dividend	-	-	5,55,955	55,634
Birla SL Cash Plus Fund Direct-Dividend	4,48,155	44,903	-	-
Reliance Liquidity Fund-Dividend	-	-	53,398	53,426
Reliance Liquidity Fund Direct-Dividend	49,466	49,491	-	-
HDFC Floating Rate Income Fund-Dividend	-	-	39,32,727	39,645
HDFC Cash Management Fund Direct-Dividend	44,45,433	47,284	-	-
Total	49,43,054	1,41,678	45,42,080	1,48,705

(10) Trade receivables

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Unsecured - Considered Good		
Exceeding Six Months	-	-
Others (receivable from Gujarat Gas Company Limited)	-	93,350
Total	-	93,350



(11) Cash & Bank Balances

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
Cash & cash equivalents		
Cash on hand	-	2
Bank Balance in current account	1,074	3,881
Total	1,074	3,883

(12) Short-term loans and advances

Particulars	As at 31-03-2014 ₹. in Thousand	As at 31-12-2012 ₹. in Thousand
(Unsecured - considered good, unless otherwise stated)		
Balance with Government Authorities	-	338
Advance Tax & TDS (Net of Provision for Taxation)	1,364	-
Total	1,364	338

(13) Contingent Liability

Claims not acknowledged as debt

- a) Income Tax matters of ₹.74,029 Thousand (Previous Year ₹. 17,881 Thousand)

(14) Other Income

Particulars	15 Months ended 31-03-2014 ₹. in Thousand	12 Months ended 31-12-2012 ₹. in Thousand
Interest on income tax refund	376	124
Dividend from Mutual Funds (Refer Note 2e (iii))	11,458	9,784
Profit on sale of Current Investments	15	5
Other Miscellaneous income	4	-
Total	11,853	9,913

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(15) Other Expenses

Particulars	15 Months ended 31-03-2014 ₹. in Thousand	12 Months ended 31-12-2012 ₹. in Thousand
Rates and Taxes	341	8
Legal, Professional and Consultancy Expenses	1,418	578
Miscellaneous Expenses	423	337
Total	2,182	923
Payment to Auditors (included in Legal, Professional and Consultancy Expenses)		
As Auditor	169	169
For other services		
- Amalgamation	125	-
- Tax accounts	84	-
- Limited Review certification	27	-
Reimbursement of expenses (including service tax)	-	16
Total	405	185

(16) Earnings per share (EPS)

Particulars	15 Months ended 31-03-2014 ₹. in Thousand	12 Months ended 31-12-2012 ₹. in Thousand
Net Profit/(Loss) attributable to Equity shareholders (₹. In Thousands)	9,946	10,003
Weighted average number of equity shares (of ₹. 100 each) outstanding during the period (No. In Thousands)	9	9
Basic EPS (in ₹.)	1,105.11	1,111.44

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted EPS of the Company remain the same.



(17) Related Party Transactions

The following transactions were carried out during the period January 2013 to March 2014 in ordinary course of business

Name of the related party	Nature of Relationship	Nature of Transactions	15 Months ended 31-03-2014 ₹. in Thousand	12 Months ended 31-12-2012 ₹. in Thousand
Gujarat Gas Company Limited	Holding Company	Expense : Service charges paid (including service tax)	421	335
		Income :		
		Sale of Natural Gas	3,43,624	11,53,657
		Share capital held	900	900
		Balance Receivable	-	93,350
BG Energy Holding Limited	Under Common Control (till 11th June 2013)	Commission on purchases	1,398	4,276
		Commission on corporate guarantee given to supplier	452	1,392
		Balance Payable	-	4,585

Note:

- (1) The Company is controlled by Gujarat Gas Company Limited which is the beneficial owner of 100% shares. The ultimate parent of the Company was BG Group Plc till 11 June 2013. GSPC Distribution Networks Limited ("GDNL") is the holding Company of Gujarat Gas Company Limited w.e.f. 12 June 2013. GDNL is part of the GSPC Group.
- (2) There are no transactions between the Company and Mr. Sugata Sircar, the director of the Company. He was the director of GTCL till 11 December 2013. Mr. PPG Sarma was appointed as director in GTCL w.e.f. 20 January 2014. There are no transactions between the Company and Mr. PPG Sarma.
- (3) The Company is using the ERP software packages implemented by Gujarat Gas Company Limited being "SAP" since August 2003, without payment of any consideration.

(18) Purchase and Sale of Natural Gas

Particulars	15 Months ended 31-03-2014		12 Months ended 31-12-2012	
	Qty in LSCM	₹. In Thousand	Qty in LSCM	₹. In Thousand
Purchases	283.47	3,43,341	1,030.14	11,52,629
Sales	283.47	3,43,624	1,030.14	11,53,657

Note: Material Purchase amount includes loss of ₹. 7,275 thousands (Previous Year gain of ₹. 77 thousands) as foreign exchange fluctuation.

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(19) Expenditure in Foreign currency

Particulars	15 Months ended 31-03-2014 ₹. in Thousand	12 Months ended 31-12-2012 ₹. in Thousand
Material consumed/processed	3,43,341	11,52,629

(20) The amount of foreign currency payable that are not hedged by a derivative instrument as on 31 March 2014:

Particulars	As at 31-03-2014	As at 31-12-2012
Value in Rs. Thousands	Nil	92,919 (includes USD 1,696 thousand)

- (21) The current Financial Year that began on 1 January 2013 has been extended by a period of three months, to close on 31 March 2014, such that the Financial Statements giving effect to such extension are compiled for a period of fifteen months from 1 January 2013 to 31 March 2014. Hence, the current year's Statement of Profit & Loss, Cash Flow Statement and Notes relating to Statement of Profit & Loss and Cash Flow Statement are not comparable with those of previous period.
- (22) Previous year figures have also been regrouped/reclassified wherever considered necessary to conform to current year's figures.

As per our report of even date attached.

For Talati & Talati
Chartered Accountants
(Firm Regn No : 110758W)

Aniket Talati
(Partner)
Membership No:131567

Place : Ahmedabad
Date : May 14, 2014

For and on behalf of the Board

Manish Verma PPG Sarma
Director Director

Place : Gandhinagar
Date : 14 May 2014



GUJARAT GAS TRADING
COMPANY LIMITED

GUJARAT GAS TRADING COMPANY LIMITED

20th
ANNUAL REPORT
2013-2014

Gujarat Gas
Financial
Services
Limited



GUJARAT GAS FINANCIAL SERVICES LIMITED



BOARD OF DIRECTORS

TAPAN RAY, IAS (w.e.f. 9 July 2013)

PPG SARMA (w.e.f. 9 July 2013)

RAVINDRA AGARWAL (w.e.f. 20 January 2014)

SADHAN BANERJEE (Up to 8 July 2013)

MANU VERMA (Up to 8 July 2013)

SUGATA SIRCAR (Resigned w.e.f. 12 December 2013)

AUDITORS

R.S. PATEL & Co.

Chartered Accountants,

801, Popular House,

Near Income Tax Circle,

Ashram Road,

Ahmedabad - 380 009

REGISTERED OFFICE

2, Shantisadan Society,

Near Parimal Garden,

Ellisbridge,

Ahmedabad - 380 006.

OFFICES

SURAT

Plot no. 87-88,

Mahyavanshi Mohlla,

Adajan Garm, Surat - 395 009

ANKLESHWAR

Surti Bhagol, Umarwada Road,

Near Piraman Naka,

Ankleshwar - 393 001

BHARUCH

Son Talavadi

Near Anand Mangal Society,

Bharuch - 392 001

DIRECTORS REPORT

Dear Shareholders

Your Directors have pleasure in presenting the Twentieth Directors' Report together with the audited annual accounts for the Financial year ending on 31 March 2014.

FINANCIAL PERFORMANCE

(Rupees in thousands)

Particulars	2013-14 (15 Months)	2012 (12 Months)
Net Income	85,160	1,01,212
Operating expenditure	(11,778)	(6436)
Profits before depreciation, interest, and tax	73,382	94,776
Less:		
Depreciation	-	-
Interest	-	-
Profit before Tax	73,382	94,776
Less:		
Provision for Tax - current and deferred	(23,751)	(30,793)
Profit after Tax	49,631	63,983
Add: Surplus of earlier years	1,74,038	1,23,427
Amount available for appropriations	2,23,669	1,87,410
Appropriations:		
Transfer to General Reserve	-	6399
Dividend	-	6000
Dividend Distribution		
Tax Surplus	47	973
	2,23,622	1,74,038

During the year under review, the net income was Rs. 8.5 crs as compared to Rs. 10.12 crs in the year 2012 and the profit after tax was Rs. 4.96 crs as compared to Rs. 6.4 crs for the previous year.

CHANGE IN CONTROL OF GUJARAT GAS COMPANY LIMITED.

Your Company is the subsidiary of Gujarat Gas Company Limited.

GSPC Distribution Networks Limited (GDNL) as per the Share Purchase Agreement (SPA) with BG Asia Pacific Holdings Pte Limited (BGAPH), the erstwhile promoter of GGCL and BG Energy Holdings Limited, the holding company of BGAPH, and acting as the guarantor for the BGAPH's obligations under the SPA, acquired 83,518,750 Equity Shares constituting 65.12% of the paid up Equity Share capital of GGCL.

In compliance with the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, (SAST Regulations), GDNL further made a mandatory Open Offer along with Gujarat State Petroleum Corporation Limited (GSPC), Gujarat State Petronet Limited (GSPL) and GSPC Gas Company Limited (GSPC GAS) to acquire at the price of Rs. 314.17/- per equity share, up to 33,345,000 equity shares representing 26% of equity shares from the shareholders of GGCL.

COMPOSITE SCHEME OF AMALAGAMATION

The Board at its meeting dated 21 April 2014, granted its approval to the consolidation by way of amalgamation of the Company, GSPC Gas Company Limited ("GSPC Gas"), GSPC Distribution Networks Limited ("GDNL"), Gujarat Gas Company Limited ("GGCL") and Gujaratgas Trading Company Limited ("GTCL") through a High Court approved Composite Scheme of Amalgamation and Arrangement. In consideration of the amalgamation, GDNL to issue and allot the shares as per the following swap ratio:

- 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 2/- each held by equity shareholders of the GGCL
- 1 (one) equity share of Rs.10/- each, credited as fully-paid up of GDNL, for every 1 (one) equity share of Rs. 10/- each held by equity shareholders of GFSL
- 81 (eighty one) equity shares of Rs.10/- each, credited as fully-paid up of GDNL, for every 76 (seventy six) equity shares of Rs.10/- each held by equity shareholders of GSPC Gas.

On the above share swap ratios, SBI Capital Markets Ltd has also provided its fairness certificate.

Your Company has initiated the process of Amalgamation as per the relevant provisions of Companies Act 1956/or Companies Act 2013, the SEBI requirements including the provisions under the listing agreements with the stock exchanges.

OPERATIONS

Your Company carried out the job of installing gas connections for domestic customers of GGCL and commercial customers of the Company.

INVESTMENTS

During the year, the Company maintained its investments in bank deposits. The total portfolio of investment in bank deposits was Rs. 9.3 crs. as on 31 March 2014.

HEALTH, SAFETY, SECURITY & ENVIRONMENT (HSS&E)

The HSS&E policies are being strictly implemented and progress is monitored on a continual basis. Employees were provided training in behavior based safety and safety interventions. The employees were encouraged to report hazards and "near misses".

FINANCE AND INSURANCE

✍ Your Company remains a zero debt company.

✍ The Company's office assets, stocks, risks are adequately insured.

HUMAN RESOURCES

The number of employees as on 31 March 2014 were four.

STATUTORY INFORMATION

✍ There are no employees, whether employed throughout the year or any part thereof, in receipt of remuneration exceeding the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

✍ Since the Company is not a schedule industry details in respect of conservation of energy, technology absorption is not required to be furnished.

✍ During the period, there were no foreign exchange earnings whereas the foreign exchange outgo was to the extent of Rs. 6.8

✍ crs. Information pursuant to Part II of Schedule VI of the Companies Act, 1956, has been given in the notes to the accounts.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217 (2AA) of the Companies Act, 1956, your directors hereby state that:

1. In the preparation of the annual accounts for financial year 2013-14, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and of the profit or loss of the Company for that period.
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The directors had prepared the annual accounts on a going concern basis.

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 had appointed R. S. Patel & Co., Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company for the Financial Year 2013 - 14. C&AG has given NIL comment report for the Financial Year 2013 - 14. The NIL comment report is enclosed herewith.

The Statutory Auditors of the Company for the Financial Year 2013 - 14 will retire at the ensuing Annual General Meeting. C & AG will appoint the statutory auditors for the current financial year and the Board has recommended the proposal to the shareholders at their ensuing AGM of the Company for the fixing of the remuneration of Statutory Auditors of the Company for Financial Year 2014-15, based on the appointment by CAG.

COST AUDITOR AND COST AUDITORS' REPORT

Pursuant to the directions of the Central Government for audit of Cost Accounts, your Company has maintained the Cost Records prescribed under Section 209 (1) (d) of the Companies Act, 1956 and M/s. V. H. Shah, Cost Accountants have given the Compliance Report.

The Company has maintained the Cost Records prescribed under Section 209 (1) (d) of the Companies Act, 1956 and notified under GSR No. 429 (E) dated 03-06-2011 as amended from time to time in accordance with the Generally Accepted Cost Accounting Principles and Cost Accounting Standards issued by the Institute of Cost Accountants of India for its' product so as to give a true and fair view of the cost of production / operation, cost of sales and margin of the product of the Company and the profit of product has been duly reconciled with the overall profit of the Company as reflected in the audited Profit and Loss Accounts of the Company for the year / period (01-01-2013 to 31-03-2014) ended on 31st March, 2014. The Company has kept detailed unit-wise and product / activity-wise cost statements and schedules thereto in respect of the product groups / activities.

SECRETARIAL COMPLIANCE CERTIFICATE FOR F.Y. 2013-14

GFSL had the practice to appoint Company Secretary, who looked into the compliance requirements of the Company under the Companies Act. The Company Secretary carried out the compliances under the Companies Act. Mr. Chintan Trivedi, the Company Secretary resigned w.e.f. 1st August, 2013.

Consequent to his resignation, as per the provisions of the Companies Act, 1956 and the Companies (Compliance Certificate) Rules, 2001, the Company has obtained the Compliance Certificate dated 14th May, 2014 for the F.Y. 2013-14 from M/s. Manoj Hurkat & Associates - Practising Company Secretaries, which is attached herewith.

DIRECTORS

Mr. Sugata Sircar has resigned as Director of the Company. Mr. Ravindra Agarwal (DIN: 00157236) has been appointed as an Additional Director of the Company.

Mr. PPG Sarma (DIN: 05199653) retires by rotation at the ensuing Annual General Meeting. Being eligible, he has offered himself for re-appointment.

APPRECIATION

Your directors wish to express their sincere appreciation to all the valuable customers for continuing association with the

Company. Your directors express their gratitude to the promoter, Gujarat Gas Company Limited for their valuable contribution throughout the year. Your directors also thank the shareholders for their continuing support to the Company. Your directors express their appreciation of efforts put in by all employees of the Company and also wish to thank government agencies for extending support to the Company's business.

For & on behalf of the Board
Tapan Ray, IAS
Chairman

Place: Gandhinagar
Dated: August 25, 2014

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

under Section 619(4) of the Companies Act, 1956 on the accounts of
Gujarat Gas Financial Services Limited for the period from 1 January 2013 to 31 March 2014

The preparation of financial statements of Gujarat Gas Financial Services Limited, for the period from 1 January 2013 to 31 March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are 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 14 May 2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Gujarat Gas Financial Services Limited for the period from 1 January 2013 to 31 March 2014. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

Place: Ahmedabad
Date: July 07, 2014

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

COMPLIANCE CERTIFICATE

We have examined the registers, records, books and papers of M/s. Gujarat Gas Financial Services Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year starting from the 1st January, 2013 and ending on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being a public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met eight times on 21st January, 2013; 19th February, 2013; 26th April, 2013; 9th July, 2013; 7th August, 2013; 12th November, 2013; 20th January, 2014 and 11th February, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes book maintained for the purpose. The Company has not passed any circular resolution during the year.
5. The Company was not required to close its Register of Members.
6. The Annual General Meeting for the year ended on 31st December, 2012 was held on 21st August, 2013 (extension of three months for holding Annual General Meeting were granted by ROC. Ahmedabad) after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The Company has not held any Extraordinary General Meeting of the Company during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or Companies referred in Section 295 of the Act.
9. As informed by the management, the Company has not entered into any contract falling within the provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there was no instance falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has :
 - i. Has delivered share certificates upon lodgments for transfer/transmission or for any other purpose during the financial year and except these no occasion to deliver Share Certificates as there was no allotment of any securities during the financial year.
 - ii. The Company has declared final dividend for the calendar year ended on 31st December, 2012 in the Annual General Meeting held on 21st August, 2013 and deposited the amount of final dividend declared in a separate bank account within 5 days from the date of declaration of such dividend.
 - iii. Paid dividend to all the members within a period of 30(Thirty) days from the declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with the HDFC Bank during the year under review.

- iv. Not transferred any amounts of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of 7 (seven) years to Investor Education and Protection Fund, as there were no such amounts,
 - v. Duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There were appointments of three additional directors during the year under review. Except this, there was no appointment of any director, alternate director or director to fill casual vacancy during the Financial Year.
 15. The Company has not made any appointment of Managing Director/ Whole time Director or Manager during the year.
 16. The Company has not appointed any sole-selling agents during the financial year.
 17. The Company has obtained approval of the Registrar of Companies, Ahmedabad for extension of time for holding Annual general Meeting during the year under review. Except this the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director or such other authorities as may be prescribed under the various provisions of the Act.
 18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
 19. The Company has not issued any shares/debentures/other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not issued any preference shares/debentures and hence there is no question of redemption of the same.
 22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not accepted or invited any deposit including unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 and hence no comments are offered for the same.
 24. The Company has not borrowed any amount from any Directors, Members, Public, Financial Institutions, Banks and others during the financial year.
 25. During the financial year under report, the Company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate within the meaning of Section 372A of the Act.
 26. The Company has not altered the provisions of Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of Memorandum with respect to situation of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of Memorandum with respect to Share Capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the year under scrutiny.

GUJARAT GAS FINANCIAL SERVICES LIMITED

31. The Company has not received any show cause notice and no prosecutions were initiated against the Company for alleged offences under the Act and no fines and penalties or any other punishment were imposed on the Company during the financial year.
32. The Company has not received any amount as security from its employees during the year under certification and hence the question of deposit of the same as per provisions of Section 417(1) of the Act does not arise.
33. The Company has not constituted any Provident Fund pursuant to Section 418 of the Act and hence no comments are offered.

For, MANOJ HURKAT & ASSOCIATES
Practicing Company Secretaries

Manoj R. Hurkat
Partner

Place: Ahmedabad
Date: May 14, 2014

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

ANNEXURE - A

LIST OF REGISTERS AS MAINTAINED BY THE COMPANY:

1. Register of investment not held in company's name under section 49
2. Register of charges under section 143
3. Register and index of member under Section 150
4. Minutes book of General Meeting under Section 193
5. Minutes book of Board Meeting under Section 193
6. Minutes book of Committee meetings under Section 193
7. Books of accounts under Section 209
8. Register of contracts and general notice of directors under section 301
9. Register of Directors etc. under section 303
10. Register of Directors shareholding under section 307
11. Register of investments etc. under section 372A
12. Register of renewed and duplicate share certificate under Rule 7(2) of the Companies (Issue of Share Certificate) Rules, 1960

ANNEXURE - B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during/in respect of the financial year ending on 31st March, 2014.

A. REGISTRAR OF COMPANIES, GUJARAT:

Sr. No.	Form No.	Under Section/ Rule	Purpose	Date of filling	Whether filed Within time?
1.	61	166(1)	File an application for extension of time for holding Annual General Meeting up to 30th September, 2013 (i.e. for three months)	13-05-2013	Yes
2.	A-XBRL	209(1)(d)	File XBRL document in respect of compliance report and other documents with the central government for the period 1st January, 2012 to 31st December, 2012.	27-06-2013	Yes
3.	32	303(2)	Particulars of Cessation of Mr. Sadhan Banerjee as Director & Mr. Manu Verma as Additional Director w.e.f. 9th July, 2013 and Particulars of Appointment of Mr. Tapan Ray & Mr. Palepuparatparagopala Sarma as Additional Director w.e.f. 9th July, 2013 and Particulars of Cessation of Company Secretary Mr. Chintan Trivedi w.e.f. 31st July, 2013	01-08-2013	Yes
4.	32	303(2)	Particulars of Regularisation of Mr. Tapan Ray and Mr. Palepuparatparagopala Sarma as Director of the Company w.e.f. 21st August, 2013	18-09-2013	Yes
5.	23AC & 23AC A XBRL	220	Balance sheet as on 31st December, 2012 and Profit and Loss Statement for the year ended 31st December, 2012 with the all annexure and attachments	20-09-2013	Yes
6.	20B	159	Annual Return made up to 21st August, 2013 (Original & Revised)	21-10-2013 (SRN No: Q15094139 Status: Paid) (SRN No: Q14902233 Status: Expired)	Yes
7.	5INV	Rule - 3	Statement of unclaimed and unpaid amounts for the financial year ended on 31st December, 2012	04-12-2013 (SRN No: S28394492) 18-12-2013 (SRN No: S28622918)	Yes
8.	32	303(2)	Particulars of Appointment of Mr. Ravindra Kailash Baboo Agarwal as Additional Director w.e.f. 20th January, 2014	21-03-2014	No (Additional Fees Paid)
9.	DIR 12	168 (of Companies Act, 2013)	Particulars of cessation of Mr. Sugata Sircar w.e.f. 12th December, 2013	27-05-2014	No (Additional Fees Paid)

ANNEXURE - B

B. DIRECTOR, CENTRAL GOVERNMENT OR OTHER AUTHORITIES

NIL

For, MANOJ HURKAT & ASSOCIATES
Company Secretaries

Manoj R. Hurkat
Partner

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

Place: Ahmedabad
Date: May 14, 2014

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Gujarat Gas Financial Services Limited ('the Company') which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the 15 months ending 31st March, 2014 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and Presentation 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 & 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the 15 months ending 31st March, 2014; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the 15 months ending 31st March, 2014.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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:

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- 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 and 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 and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
- e. The Company being a Government Company, in the view of Notification No. GSR 829 (E) dated 21st October, 2003 issued by the Government of India; the provisions of clause (g) of sub-section (1) of Section 274 of the act are not applicable to it.

For R. S. Patel & Co.
Chartered Accountants
Firm Registration No. 107758W

(Rajan B. Shah)
Date: May 14, 2014 Partner
Membership No.101998

Place: Ahmedabad
Date: May 14, 2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in our report of even date to the members of Gujarat Gas Financial Services Limited ('the Company') on the Financial Statements as of and for the 15 months ending 31st March 2014)

- 1) The Company does not hold any fixed assets during the 15 months ending 31st March, 2014. Therefore, the provisions of clause 4 (i) of the order are not applicable to the company.
- 2) (a) The inventory has been physically verified by the management during the period of 15 months ending 31st March, 2014.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- 3) (a) The Company has not granted any loans, secured or unsecured, to Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, reporting requirements under clause (iii) (a), (b), (c) & (d) of CARO are not applicable.
(b) The Company has not taken any loans, secured or unsecured, from Companies, Firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, reporting requirements under clause (iii) (e), (f), & (g) of CARO are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of Inventory and fixed assets and sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanation given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weakness in the aforesaid internal control system.
- 5) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under section 301 of the act.
- 6) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the act and rules made there under.
- 7) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- 8) The Central Government has prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been made and maintained by the Company. However, we have 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 explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty which have not been deposited with the appropriate authorities on account of any dispute. The particulars of dues of Income Tax as at March 31, 2014 which have not been deposited by the Company on account of disputes are as follow:

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Name of statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	19,38,254.00 30,52,960.00 6,59,560.00	Assessment Year 1996-97 Assessment Year 2010-11 Assessment Year 2011-12	Assessing Officer CIT(A) CIT(A)
10)	The Company does not have any accumulated losses at the end of the period of 15 months ending 31st March 2014 and has not incurred any cash losses in the period of 15 months ending 31st March 2014 and in the immediately preceding financial year.			
11)	The Company does not have any outstanding dues to any financial institution, banks or debenture holders during the period of 15 months ending 31st March, 2014, the provisions of clause 4(xi) of the order are not applicable to the company.			
12)	The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the provisions of clause 4(xii) of the order are not applicable to the company.			
13)	In our opinion, considering the nature of activities carried on by the Company during the period of 15 months ending 31st March, 2014, the Company is not a chit fund / nidhi / mutual benefit fund / society, the provisions of clause 4(xiii) of the order are not applicable to the company.			
14)	In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.			
15)	According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the order are not applicable to the company.			
16)	The Company did not have any term loans outstanding during the period of 15 months ending 31st March, 2014. Accordingly, the provisions of clause 4(xvi) of the order are not applicable to the company.			
17)	The Company has not raised any funds on short-term basis during the period of 15 months ending 31st March, 2014. Accordingly, the provisions of clause 4(xvii) of the order are not applicable to the company.			
18)	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 during the period of 15 months ending 31st March, 2014. Accordingly, the provisions of clause 4(xviii) of the order are not applicable to the company.			
19)	The Company has not issued any debenture during the period of 15 months ending 31st March, 2014 and does not have any debentures outstanding as at the beginning and end of that period. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.			
20)	The Company has not raised any money by public issues during the period of 15 months ending 31st March, 2014. Accordingly, the provisions of clause 4(xx) of the order are not applicable to the company.			
21)	During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the period of 15 months ending 31st March, 2014, nor have we been informed of any such case by the Management.			

For R. S. Patel & Co.
Chartered Accountants
Firm Registration No. 107758W

Place: Ahmedabad
Date: May 14, 2014

(Rajan B. Shah)
Date: May 14, 2014 Partner
Membership No.101998

GUJARAT GAS FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	20,000	20,000
Reserves and surplus	4	3,33,566	2,83,982
Current liabilities			
Trade payables	5	99,055	35,169
Other current liabilities	6	7,074	5,780
Short-term provisions	7	1,766	8,719
Total		<u>4,61,461</u>	<u>3,53,650</u>
ASSETS			
Non - current assets			
Fixed assets			
Tangible Assets	8	-	-
Non-current investments	9	-	-
Deferred tax assets	10	61,426	72,391
Long-term loans and advances	11	65	225
Current assets			
Inventories	12	1,43,299	63,911
Trade receivables	13	77,801	32,369
Cash and bank balances	14	1,04,560	1,16,158
Short-term loans and advances	15	73,608	67,564
Other current assets	16	702	1,032
Total		<u>4,61,461</u>	<u>3,53,650</u>

The accompanying notes form an integral part of these financial statements

For R. S. Patel & Co.
Chartered Accountants
Firm Registration No. 107758W

For and on behalf of the Board

(Rajan B. Shah)
Date: May 14, 2014 Partner
Membership No.101998

Tapan Ray, IAS
Chairman

PPG Sarma
Director

Place: Ahmedabad
Date: May 14, 2014

Place : Gandhinagar
Date : May 14, 2014

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STATEMENT OF PROFIT & LOSS FOR 15 MONTHS ENDING 31ST MARCH 2014

Particulars	Note	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Revenue from operations	19	6,57,971	3,37,159
Other income	20	9,211	11,828
Total Revenue		6,67,182	3,48,987
Expenses:			
Installation Cost	21	5,82,022	2,47,775
Employee Benefits Expense	22	5,270	4,347
Depreciation	8	-	-
Other Expenses	23	6,508	2,089
Total Expenses		5,93,800	2,54,211
Profit before tax		73,382	94,776
Tax expenses:			
Current tax		15,337	22,915
Less : MAT Credit Entitlement		2,551	1,653
Net Current tax		12,786	21,262
Income Tax Provision for earlier years written back		-	(59)
Deferred tax		10,965	9,590
Profit After Tax		49,631	63,983
Earning per Equity Share (Nominal Value of Rs. 10/- each)	24		
a. Basic		24.82	31.99
b. Diluted		24.82	31.99

The accompanying notes form an integral part of these financial statements

For R. S. Patel & Co.
Chartered Accountants
FRN. 107758W

For and on behalf of the Board

(Rajan B. Shah)
Date: May 14, 2014 Partner
Membership No.101998

Tapan Ray, IAS
Chairman

PPG Sarma
Director

Place: Ahmedabad
Date: May 14, 2014

Place : Gandhinagar
Date : May 14, 2014

CASH FLOW STATEMENT FOR 15 MONTHS ENDING 31ST MARCH 2014

	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Tax	73,382	94,776
Adjustments for:		
Depreciation	-	-
(Profit)/Loss on sale of fixed assets(Net)	-	-
Interest Income on Term Deposits	(4,429)	(6,216)
Provision for SMC deposit	3,561	-
Provision for Doubtful Advances	282	-
Investment written off	116	-
Provision for diminution in value of Investment write back	(116)	-
Provision for Gratuity and Leave encashment	20	258
Operating Profit Before Working Capital Changes	72,816	88,818
Adjustments for changes in working capital		
(Increase)/Decrease In Sundry Debtors	(45,432)	34,007
(Increase)/Decrease In Other Current Assets	433	(4,811)
(Increase)/Decrease In Long - Term Loans And Advances	160	(161)
(Increase)/Decrease In Short - Term Loans And Advances	(2,257)	18,624
(Increase)/Decrease In Inventories	(79,388)	17,122
Increase/(Decrease) In Trade Payables	63,886	6,403
Increase/(Decrease) In Other Current Liabilities	1,093	(21,404)
Cash generated from/(used in) operations	11,311	1,38,598
Taxes Paid (Including TDS)	(20,416)	(54,532)
Net Cash from/(used in) Operating Activities	(9,105)	84,066
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income received on Term Deposits	4,326	5,704
Net Cash from Investing Activities	4,326	5,704
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid (including Corporate Dividend Tax)	(6,819)	(6,739)
Net Cash used in Financing Activities	(6,819)	(6,739)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(11,598)	83,031
Cash & Cash Equivalents at the beginning of the period	1,16,158	33,127
Cash & Cash Equivalents at the end of the period	1,04,560	1,16,158
Closing Cash & Cash Equivalents Comprise of:		
Cash in Hand	-	20
Balance with Scheduled Banks		
- In Current Account	13,193	14,272
- In Dividend Account (Refer Note (b) below)	1,067	866
- In Term Deposit	90,300	1,01,000
Total Cash & Cash Equivalents as per Cash Flow Statement	1,04,560	1,16,158

Notes to Cash Flow Statement:

- (a) The above Cash Flows Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements.
- (b) The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.
- (c) Previous Year figures have been reclassified / regrouped wherever considered necessary to conform to the Current period's figures.
- (d) Figures in brackets indicate cash outflows.

This is the Cash Flow referred to in our report of even date.

For R. S. Patel & Co.
Chartered Accountants
FRN. 107758W

For and on behalf of the Board

(Rajan B. Shah)
Partner
Membership No.101998

Tapan Ray, IAS
Chairman

PPG Sarma
Director

Place: Ahmedabad
Date: May 14, 2014

Place : Gandhinagar
Date : May 14, 2014

NOTES TO THE FINANCIAL STATEMENT

Note No. 1 General Information

The Company is primarily engaged in the business of sale of gas connections in India to its holding company, Gujarat Gas Company and other commercial and non commercial customers within India.

Note No.2 Significant Accounting Policies

I Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

II Revenue recognition

Revenue from installation of gas connection is recognised at the time of commissioning of gas connection at customer's premises. Sales revenue comprises of material used and installation charges collected from customers.

III Other income

- (a) Financial income includes interest income on term deposits. Interest income is accrued evenly over the period of the instrument.
- (b) Delayed payment charges are recognised on the basis of certainty of collection.

IV Tangible Assets and Depreciation

(a) Tangible assets:

- (i) The Fixed Assets are stated at its acquisition or construction cost and any attributable cost of bringing the asset to its working condition for its intended use and net of accumulated depreciation.
- (ii) Items of fixed assets that have been retired from active use & are held for disposal are stated at the lower of their net book value and net realisable value. Any expected loss is recognised immediately in the Statement of Profit and Loss.
- (iii) Gains or losses arising from disposal/retirement of fixed assets, which are carried at cost, are recognised in the Statement of Profit and Loss.

(b) Depreciation

Depreciation is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 or over the estimated useful lives of the assets, whichever is higher. Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

(c) Impairment

Assessment is done at each period end date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

V Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

VI Inventories

Traded goods comprises of meters, regulators and other spares and support items used for providing gas connections. Inventories are valued at lower of cost and net realisable value. Cost is determined on weighted average cost method.

VII Foreign Currency Transactions

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of monetary items are recognised in the Statement of Profit and Loss.

VIII Employee Benefits

(a) Post-employment benefit plans

i Defined Contribution Plan

Contribution towards provident fund for eligible employees are accrued in accordance with applicable statutes and deposited with the regulatory authorities. The Company does not carry any other obligation apart from the monthly contribution.

ii. Defined Benefit Plan

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(b) Long term employment benefits

The liability in respect of Compensated Absences which are expected to be availed or encashed beyond 12 months from the end of the year, is treated as long term employee benefits. The Company's liability is actuarially determined using the Projected Unit Credit method at balance sheet date. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(c) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognised during the period when the employee renders the services. Short term employee benefits also includes Compensated Absences, which are expected to be availed or encashed within 12 months from the end of the year.

IX Taxes on Income

Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred tax reflects the impact of timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available which such deferred tax assets can be realised. Deferred tax asset is recognized on carry forward losses (if any) under tax laws, only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. At each reporting date, the unrecognised deferred tax assets is reassessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against the current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-Tax Act, 1961, the said asset is created by way of credit to the statement of profit and 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 period.

X Provisions and Contingent Liabilities

Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

XI Segment Reporting

The Company is primarily engaged in the business of sale of gas connections. Considering the nature of business, its mode of operations, reporting systems and element of risks and returns for its various activities, the company is engaged in one segment only. The Company is primarily operating in the domestic market and there are no reportable geographical segments. Accordingly, information relating to segmental reporting as per Accounting Standard 17 is not required to be furnished.

XII Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable distribution tax thereto for the period. The weighted average number of equity shares outstanding during the respective periods is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

XIII Cash and Cash Equivalents

In cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks.

XIV Finance Leases

As a Lessor

The Company has leased certain tangible assets and such leases where the Company has passed on substantially all the risks and rewards of ownership are classified as finance leases.

Assets given on Lease before April 1, 2001:

In respect of assets leased before April 1, 2001, the Company follows the recommendation of the Institute of Chartered Accountants of India contained in the Guidance Note on Accounting for Leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management.

Assets given on Lease on or after April 1, 2001:

In respect of assets leased after April 1, 2001, the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of the agreement. Finance Income is recognized over the term of the lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

3 Share Capital

Particulars	As at 31-03-2014		As at 31-12-2012	
	Number	Rs. in thousand	Number	Rs. in thousand
Authorised				
Equity Shares of Rs.10/- each	70,00,000	70,000	70,00,000	70,000
Preference Shares of Rs.10/- each	50,00,000	50,000	50,00,000	50,000
	<u>1,20,00,000</u>	<u>1,20,000</u>	<u>1,20,00,000</u>	<u>1,20,000</u>
Issued, Subscribed and Paid up				
Equity Shares of Rs.10/- each fully paid up	2,00,00,000	20,000	2,00,00,000	20,000
(Refer foot note (a) below)				
Total	<u>2,00,00,000</u>	<u>20,000</u>	<u>2,00,00,000</u>	<u>20,000</u>

Footnote :

- (a) Out of the above 13,97,500 Shares (Previous year 13,97,500 Shares) of Rs.10/- each are held by holding company - Gujarat Gas Company Limited.
- (b) Reconciliation of the number of shares -Equity Shares outstanding at the beginning and at the end of the reporting period:

Particulars	Equity Shares 15 months ending 31-03-2014		Equity Shares Year Ended 31-12-2012	
	Number	Rs. in thousand	Number	Rs. in thousand
Shares outstanding at the beginning of the period	20,00,000	20,000	20,00,000	20,000
Shares Issued during the period	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	20,00,000	20,000	20,00,000	20,000

(c) Shareholder holding more than 5 percent shares:

Particulars	Equity Shares As at 31-03-2014		Equity Shares As at 31-12-2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Gujarat Gas Company Limited	13,97,500	69.88%	13,97,500	69.88%

(d) Rights, preference and restriction attached to share :

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in the proportion of their shareholding.

- (e) No shares have been allotted by way of bonus issue or for consideration other than cash during the 5 years immediately preceding March 31,2014. Further, the company has not bought back any shares during the 5 years preceding March 31,2014.

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4 Reserves And Surplus

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
(a) General Reserve		
Balance as at the beginning of the period	1,09,944	1,03,545
Add: Transferred from Profit & Loss Account	-	6,399
Balance as at the end of the period	<u>1,09,944</u>	<u>1,09,944</u>
(b) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the period	1,74,038	1,23,427
Add: Net Profit for the current period	49,631	63,983
Less: Appropriations		
Proposed Dividends	-	6,000
Corporate Dividend Tax	47	973
Transfer to General Reserves	-	6,399
Balance as at the end of the period	<u>2,23,622</u>	<u>1,74,038</u>
Total	<u>3,33,566</u>	<u>2,83,982</u>

5 Trade Payables

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Trade Payables		
Dues to Micro, Small and Medium Enterprises (Refer Note)	6,055	938
Dues to Others	<u>93,000</u>	<u>34,231</u>
Total	<u>99,055</u>	<u>35,169</u>

6 Other Current Liabilities

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Employee Payable	1,127	1,101
Statutory Dues	3,652	2,666
Unpaid Dividend (Refer Note Below)	1,067	866
Other Payable	<u>1,228</u>	<u>1,147</u>
Total	<u>7,074</u>	<u>5,780</u>

Note: The balance with the bank for unpaid dividend is not available for use by the Company and the money remaining unpaid will be deposited in Investor Protection and Education Fund after the expiry of seven years from the date of declaration of dividend.

7 Short term provisions

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Provision for Employee Benefits : (Refer Note 25)		
For Leave Encashment	462	482
For Gratuity	1,304	1,264
Other Provisions:		
Proposed Dividend (Including Corporate Dividend Tax)	-	6,973
Total	<u>1,766</u>	<u>8,719</u>

8 TANGIBLE FIXED ASSETS

Rs. in thousand

Particulars	Gross Block					Depreciation			Net Block	
	As at 1-01-2013	Additions	Disposals	As at 31-03-2014	As at 1-01-2013	For the period	Disposals	As at 31-03-2014	As at 31-03-2014	As at 31-12-2012
Assets given on Lease Plant and Equipment	5,75,875	-	-	5,75,875	4,39,287	-	-	4,39,287	1,36,588	1,36,588
Less: Lease Equalisation Reserve	5,75,875	-	-	5,75,875	4,39,287	-	-	4,39,287	1,36,588	1,36,588
Net Tangible Assets	-	-	-	-	1,36,588	-	-	1,36,588	(1,36,588)	(1,36,588)
Grand Total	5,75,875	-	-	5,75,875	5,75,875	-	-	5,75,875	-	-
Previous year	5,75,875	-	-	5,75,875	5,75,875	-	-	5,75,875	-	-

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9 Non - current investments (At cost)

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Other Investments		
Unquoted, fully paid-up		
11,600 equity shares of Rs. 10/- each fully paid up	-	116
(Previous Year 11,600 equity shares of Rs. 10/- each) in Prudential Sugar Corporation Limited (formerly Prudential Mouli Sugars Limited)		
Less: Provision for diminution in value of investment	-	116
Total	<u>-</u>	<u>-</u>

10 Deferred Tax Asset

Major components of deferred tax assets arising on account of timing differences are:

Nature of Timing Differences	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Deferred Tax Asset:		
Balance as at the beginning of the period	72,391	81,981
Deferred tax (expense)/income for the period	(10,965)	(9,590)
Balance as at the end of the period	61,426	72,391
In respect of difference in book and tax depreciation	59,541	71,824
In respect of diallowances under Income Tax Act	1,885	567
Net Deferred Tax Asset	<u>61,426</u>	<u>72,391</u>

11 Long - Term Loans And Advances

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Unsecured, considered good		
Loan to employees	65	225
Total	<u>65</u>	<u>225</u>

12 Inventories

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Traded Goods	1,43,299	63,911
Total	<u>1,43,299</u>	<u>63,911</u>

13 Trade Receivables

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Unsecured, considered good		
Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
Others (Receivable from Holding Company-Gujarat Gas Company Limited)	77,801	32,369
Total	<u>77,801</u>	<u>32,369</u>

14 Cash And Bank Balances

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Cash & Cash Equivalents		
Cash on hand	-	20
Bank Balances		
in current accounts	13,193	14,272
Demand deposits (Less then 3 months maturity)	70,300	101,000
Demand deposits (More than 3 months & Less then 12 months maturity)	20,000	-
Other Bank Balances		
Unpaid dividend accounts	1,067	866
Total	<u>1,04,560</u>	<u>1,16,158</u>

Note:

The amounts in dividend accounts are not available for use by the company and the money remaining unpaid will be deposited in the Investor Protection and Education Fund after the expiry of 7 years from the date of declaration of the dividend.

15 Short - term loans and advances

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Unsecured, considered good		
CENVAT Credit Receivable	2,628	616
Prepayment to vendors	1,053	6,580
Other Deposits	12,403	10,429
Loan to employees	517	562
MAT Credit Entitlement	4,204	1,653
Advance payment of Tax and Tax deducted at source	3,26,130	3,05,714
Less : Provision for Taxation	<u>(2,73,327)</u>	<u>(2,57,990)</u>
	73,608	67,564
Doubtful		
Prepayment to vendors	282	-
Less: Provision for doubtful Advances	(282)	-
Other Deposits	3,561	-
Less: Provision for doubtful Deposits	<u>(3,561)</u>	<u>-</u>
	-	-
Total	<u>73,608</u>	<u>67,564</u>

16 Other Current Assets

Particulars	As at 31-03-2014 Rs. in thousand	As at 31-12-2012 Rs. in thousand
Unsecured, considered good		
Interest accrued on term deposits but not due	702	599
Other Receivable	-	433
Total	<u>702</u>	<u>1,032</u>

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17 Contingent Liabilities

Claims against the company not acknowledged as debt
 Income Tax exposures of Rs.1,84,609 Thousands (Previous Year Rs.1,90,563 Thousands)
 Interest Tax exposures of Rs.4,146 Thousands (Previous Year Rs.4,146 Thousands)

18 Proposed Dividend

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
The final dividend proposed for the period is as follows :		
On Equity Shares of Rs. 10 each		
Amount of dividend proposed	-	6,000
Dividend per Equity Share		Rs. 3 per share
Total	<u>-</u>	<u>6,000</u>

19 Revenue From Operations

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Traded Goods		
Sale of Gas Connections (Refer Note Below)	6,57,971	3,36,871
Sale of Services		
Processing Fees	-	288
Total	<u>6,57,971</u>	<u>3,37,159</u>

Note 1. A consolidated amount is charged for material used and Installation Services from the customers, hence separate disclosure regarding amount of sales for each category of material and installation income has not been given.

20 Other Income

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Interest income		
Interest on Term Deposits	4,429	6,216
Interest on Income Tax Refund	-	3,035
Other Non operating Income		
Recovery against balances written off in earlier years	1,049	-
Provision for diminution in value of Investment write back	116	-
Miscellaneous Income	3,617	2,577
Total	<u>9,211</u>	<u>11,828</u>

21 Installation Cost

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Cost of Traded Goods	3,54,341	1,69,051
Labour Charges	2,27,681	76,211
Service Charges	-	2,513
Total	<u>5,82,022</u>	<u>2,47,775</u>

GUJARAT GAS FINANCIAL SERVICES LIMITED

22 Employee Benefits Expenses

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Employee benefit expenses		
Salaries and wages and bonus	4,869	3,783
Employer's Contribution to provident and other funds	279	432
Staff welfare expenses	122	132
Total	<u>5,270</u>	<u>4,347</u>

23 Other Expenses

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Payment to Auditors		
Audit Fees	463	350
Reimbursement of Expenses (including Service Tax)	21	82
For other services	112	-
Legal and professional fees	1,169	514
Travelling and conveyance	21	21
Provision for doubtful Deposit	3,561	-
Provision for Doubtful Advances	282	-
Rates and taxes	7	640
Communication expenses	34	28
Insurance charges	33	160
Advertisement expenses	-	3
Net loss on foreign currency transaction	332	92
Investment written off	116	-
Miscellaneous expenses	357	199
Total	<u>6,508</u>	<u>2,089</u>

24 Earnings Per Equity Share

Particulars	Unit	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Earnings Per Equity Share:			
Net profit after tax		49,631	63,983
Weighted average number of equity shares outstanding during the period	No. of shares	20,00,000	20,00,000
Nominal Value of Equity Shares	Rs.	10.00	10.00
Basic / Diluted Earnings per Share	Rs.	24.82	31.99

Note: The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the company remain the same.

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25 Disclosure as per AS-15 (Revised) 'Employee Benefits' for 15 Months ending March 31, 2014

a) Disclosures for Defined Contribution Plans (Rs. in thousand)		
Particulars	15 months ending 31-03-2014 Rs. in thousand	Year ended 31-12-2012 Rs. in thousand
Employer's contribution to Provident Fund	239	178
Total	239	178

b) Disclosures for Defined Benefit Plans
(i) Present Value of Defined Benefit Obligation (Rs. in thousand)

Particulars	Gratuity		Leave Encashment	
	15 months ending 31-03-2014	Year Ended 31-12-2012	15 months ending 31-03-2014	Year Ended 31-12-2012
Balance at the beginning of the period	1,264	1,010	482	468
Current Service cost	83	68	66	271
Interest Cost	129	87	26	41
Actuarial (Gains) / Losses	(172)	99	(112)	(298)
Balance at the end of the period	1,304	1,264	462	482

(ii) Expense recognised in the Statement of Profit and Loss

Particulars	Gratuity		Leave Encashment	
	15 months ending 31-03-2014	Year Ended 31-12-2012	15 months ending 31-03-2014	Year Ended 31-12-2012
Current Service Cost	83	68	66	271
Interest Cost	129	87	26	41
Actuarial (Gains) / Losses	(172)	99	(112)	(298)
Total Expense	40	254	(20)	14

(iii) Actuarial Assumptions

The principal actuarial assumptions used are as follows

Discount rate	9.13%	8.16%
Rate of increase in Salary Cost (Refer Note below)	7.00%	7.00%

Note: The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(iv) Amounts recognised in current year and previous four years

(Rs. in thousand)

Particulars	15 months Ending 31-03-2014	Year Ended 31-12-2012	Year Ended 31-12-2011	Year Ended 31-12-2010	Year Ended 31-12-2009
Gratuity					
Present Value of defined benefit obligation as at beginning of the period	1,264	1,010	770	664	539
Current Service cost	83	68	57	47	43
Interest Cost	129	87	67	56	44
Actuarial (Gains)/Loss	(172)	99	116	3	38
Present Value of defined benefit obligation as at end of the period	1,304	1,264	1,010	770	664
Leave Encashment					
Present Value of defined benefit obligation as at beginning of the period	482	468	364	309	330
Current Service cost	66	271	20	20	11
Interest Cost	26	41	31	26	27
Actuarial (Gains)/Loss	(112)	(298)	53	9	(59)
Present Value of defined benefit obligation as at end of the period	462	482	468	364	309

26 Related Party Disclosures

- (a) Names of related parties and nature of relationship:
Holding Company: Gujarat Gas Company Limited
Fellow Subsidiary: Gujarat Gas Trading Company Limited

- (b) Expense recognised in the Statement of Profit and Loss

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year Ended 31-12-2012 Rs. in thousand
Transactions with Holding Company		
Revenue		
Sale of gas connections (including service tax and VAT)	7,46,973	3,54,050
Expenses		
Service Charges paid for pre regulatory connections	-	2,513
Dividend Paid	4,193	4,193
Amount receivable at year end	77,801	32,369
Equity Share Capital held	13,975	13,975

Note: The Company is using the "SAP" ERP software packages implemented by Gujarat Gas Company Limited, since August 2003, without payment of any consideration.

27 CIF Value of Imports

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year Ended 31-12-2012 Rs. in thousand
Traded Goods	68,274	24,755
Total	68,274	24,755

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28 The provision for income tax has been calculated based on income earned during the 15 Months ending March 31, 2014. The tax year end of the company being March 31, 2014, the ultimate liability for the A.Y. 2014-15 will be determined on the total income of the company for the 15 Months ending March 31, 2014.

29 Details of Material Consumption

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year Ended 31-12-2012 Rs. in thousand
Value of imported and indigenous materials consumed:		
Imported Traded Goods	84,948	35,655
Percentage of total consumption	24%	21%
Indigenous Traded Goods	2,69,393	1,33,396
Percentage of total consumption	76%	79%

30 Quantitative information for each class of Traded Goods

Particulars	15 months ending 31-03-2014			Year ended 31-12-2012		
	Qty. (Nos.)	Amount Rs. in Thousand	Total Rs. in Thousand	Qty. (Nos.)	Amount Rs. in Thousand	Total Rs. in Thousand
Opening Stock						
Meters	6,816	12,877		8,058	16,328	
Regulators	9,944	10,657		5,465	7,140	
Others (Refer Note below)		40,377	63,911		57,565	81,033
Purchases						
Meters	76,857	91,889		33,804	32,204	
Regulators	47,919	47,217		17,176	17,527	
Others (Refer Note below)		2,94,623	4,33,729		1,02,198	1,51,929
Cost of Traded Goods						
Meters	71,587	84,948		35,046	35,655	
Regulators	39,325	36,577		12,697	14,010	
Others (Refer Note below)		2,32,816	3,54,341		1,19,386	1,69,051
Closing Stock						
Meters	12,086	19,818		6,816	12,877	
Regulators	18,538	21,297		9,944	10,657	
Others (Refer Note below)		1,02,184	1,43,299		40,377	63,911

Note:

(a) Other includes pipe fittings and support spares for gas connection.

(b) Consolidated amount is charged for material used and Installation Services from the customers, hence separate disclosure regarding amount of sales for each category of material and installation income has not been given.

GUJARAT GAS FINANCIAL SERVICES LIMITED

31 Disclosure as required by the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	15 months ending 31-03-2014 Rs. in thousand	Year Ended 31-12-2012 Rs. in thousand
The principal amount remaining unpaid as at the end of accounting period [including Interest due thereon - 132 thousand (Previous Year - 110 thousand)]	6187	1048
Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during accounting period	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting period (Refer Note below)	132	110
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, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note:

No interest has been paid by the Company to the enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006 according to the terms agreed with the enterprises.

- 32 The current Financial Year that began on 1 January 2013 has been extended by a period of three months, to close on 31 March 2014, such that the Financial Statements giving effect to such extension are compiled for a period of fifteen months from 1 January 2013 to 31 March 2014. Hence, the current year's Statement of Profit and Loss, Cash Flow Statement and related Notes are not comparable with those of previous period.

For R. S. Patel & Co.
Chartered Accountants
FRN. 107758W

(Rajan B. Shah)
Date: May 14, 2014 Partner
Membership No.101998

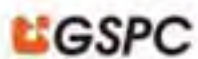
Place: Ahmedabad
Date: May 14, 2014

For and on behalf of the Board

Tapan Ray, IAS
Chairman

PPG Sarma
Director

Place : Gandhinagar
Date : May 14, 2014



GUJARAT STATE PETROLEUM CORPORATION LIMITED

(A Govt. of Gujarat Undertaking)

Regd. Office :

GSPC Bhavan, B/h Udyog Bhavan, Sector - 11,
Gandhinagar - 382 010, Gujarat, INDIA.

Phone : +91-79-66701005

Fax : +91-79-23236375

E-mail : info@gspc.in

Website : www.gspcgroup.com