

Contents

GUJARAT STATE PETROLEUM CORPORATION LIMITED	05
Directors' Report	08
Report of Comptroller and Auditor General	19
Independent Auditor's Report	20
Annexure to the Independent Auditor's Report	23
Balance Sheet as at 31st March, 2013	26
Profit and Loss Account for the year ended on 31st March 2013	27
Notes to the Financial Statements	28
Statement pursuant to Section 212 related to Subsidiary Companies	70
 GUJARAT STATE PETRONET LIMITED.....	 72
Directors' Report	78
Management Discussion and Analysis	83
Corporate Governance Report	87
CEO & CFO Certification	97
Corporate Governance Compliance Certificate	98
Comments of Comptroller and Auditor General	105
Independent Auditor's Report	108
Balance Sheet	112
Profit and Loss Account	113
Cash Flow Statement	114
Notes of the Accounts Financial Statements	115
 GSPC PIPAVAV POWER COMPANY LIMITED	 143
Directors' Report	145
Independent Auditor's Report	149
Annexure to the Independent Auditor's Report	151
Report of Comptroller and Auditor General	153
Balance Sheet as at 31st March, 2013	154
Profit and Loss Statement for the Financial year 2012-13	155
Cash Flow Statement for the year ended on 31st March 2013	156
Notes to the Financial Statements	157

GSPC (JPDA) LIMITED	179
Directors' Report	181
Report of Comptroller and Auditor General	183
Independent Auditor's Report	184
Annexure to the Independent Auditor's Report	186
Balance Sheet as at 31st March, 2013	188
Profit and Loss Account for the year ended on 31st March 2013	189
Cash Flow Statement for the year ended on 31st March, 2013	190
Notes to the Financial Statements	191
 GSPC LNG LIMITED.....	 201
Directors' Report	203
Independent Auditor's Report	205
Comments of Comptroller and Auditor General	209
Balance Sheet	210
Profit and Loss Account	211
Cash Flow Statement	212
Notes on Financial Statements	213
 GSPC GAS COMPANY LIMITED.....	 227
Directors' Report	232
Independent Auditor's Report	241
Annexure to the Independent Auditor's Report	243
Report of Comptroller and Auditor General	246
Balance Sheet as at 31st March, 2013	248
Profit & Loss Account for the year ended on 31st March 2013	249
Cash Flow Statement for the year ended on 31st March 2013	250
Notes to the Financial Statements	252

GUJ INFO PETRO LIMITED	305
Directors' Report	308
Report of Comptroller and Auditor General	312
Independent Auditor's Report	313
Annexure to the Independent Auditor's Report	315
Balance Sheet as at 31st March 2013	318
Profit and Loss Account for the year ended on 31st March 2013	319
Schedules to the Financial Statements	321
GSPL INDIA TRANSCO LIMITED.....	341
Directors' Report	343
Independent Auditor's Report	345
Comments of Comptroller and Auditor General	351
Balance Sheet	352
Profit and Loss Account	353
Cash Flow Statement	354
Notes on Financial Statements	355
GSPL INDIA GASNET LIMITED.....	371
Directors' Report	374
Comments of Comptroller and Auditor General	378
Independent Auditor's Report	379
Balance Sheet	384
Profit and Loss Account	385
Cash Flow Statement	386
Notes on Financial Statements	387

GSPC MARGINAL FIELDS LIMITED.....	401
Directors' Report	404
Comments of Comptroller and Auditor General	405
Independent Auditor's Report	406
Balance Sheet	410
Profit and Loss Account	411
Cash Flow Statement	412
Notes on Financial Statements	413
GSPC DISTRIBUTION NETWORKS LIMITED.....	419
Directors' Report	424
Comments of Comptroller and Auditor General	426
Independent Auditor's Report	427
Balance Sheet	432
Profit and Loss Account	433
Cash Flow Statement	434
Notes on Financial Statements	435



GUJARAT STATE PETROLEUM CORPORATION LIMITED

34th Annual Report



Board of Directors

Dr. Varesh Sinha, IAS
 Dr. Hasmukh Adhia, IAS w.e.f 21st March, 2013
 Shri D J Pandian, IAS
 Shri M. M. Srivastava, IAS (Retd.)
 Shri K. Kailashnathan, IAS (Retd.)
 Shri Y. B. Sinha
 Dr. N. Ravichandran
 Dr. T. Harinarayana
 Shri Tapan Ray, IAS
 Shri A. K. Joti, IAS (Retd.) (upto 28th February, 2013)
 Shri Urjit Patel (upto 17th January, 2013)
 Shri Suresh Mathur (upto 12th July, 2012)

Chairman

Managing Director

Executives

Shri N. K. Mitra, Chief Operating Officer
 Shri Samir Biswal, Director (Exploration)
 Shri Padam Singh, Director (Operations)
 Shri Manish Verma, ED (F&A)
 Shri Vinay Kumar, ED (HR)
 Shri Alok Chaudhuri, SEVP (E&C),
 Shri Rakesh Johari, President (FS)
 Shri M Y Farooqui, GM (Overseas Operation)
 Shri R N Pandey, GM (R&D)
 Shri Jayesh Dave, GM (Accounts)

Statutory Auditors

Talati & Talati,
 Chartered Accountants.
 Ahmedabad.

Internal Auditors

KPMG

RT & A

Karvy Computer share Pvt. Ltd.

Company Secretary

Shri Sandeep Dave, DGM (S & L)

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	State Bank of Mysore
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 34th Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March 2013.

FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2013 is summarized below:

(₹ In crore)		
Particulars	2012-13	2011-12
Revenue from Operations (Net)	10,250.15	8,489.72
Other Income	53.64	45.08
Total Revenue	10,303.79	8,534.80
Purchases of Stock in Trade	8,052.58	6,735.60
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	224.40	(77.18)
Employee Benefits Expense	12.77	8.42
Finance Cost	93.37	62.97
Depreciation, Amortization, Depletion and Impairment	18.18	109.79
Other Expenses	503.75	414.30
Exploration cost written off	51.60	339.35
Total Expenses	9,056.65	7,593.25
Profit Before Tax and Adjustments	1,247.74	941.71
Prior period Adjustments	0.60	0.16
Profit Before Tax	1,247.14	941.55
Tax Expenses	400.57	333.81
Profit for the Period	846.57	607.74

The global economy during the financial year 2012-13 has experienced a slow down on account of deteriorating financial conditions and sluggish growth prospects. Despite of these constraints, your Company has been able to excel on all performance parameters. Highlights of financial performance of the Company for the current financial year are summarized below:

- Total Income increased from ₹ 8,534.80 crore in previous year to ₹ 10,303.79 crore recording increase of 20.73%.
- PBT increased from ₹ 941.55 crore in previous year to ₹ 1,247.14 crore, recording an increase of 32.46%.
- PAT increased from ₹ 607.74 crore in previous year to ₹ 846.57 crore, recording an increase of 39.30%.

FINANCING

• Equity

During the financial year, paid up share capital of the Company has increased from ₹ 229.61 Crore to ₹ 235.78 Crore on account of infusion of additional equity by the Government of Gujarat.

• Debt

Particulars of issue	Amount (₹ Crores)
Unsecured 9.39%NCDs with 8 years maturity	1,000
Unsecured 9.45%NCDs with 10 years maturity	1,000
Unsecured 10.45%NCDs with 60 years maturity	1,000
Unsecured 9.03%NCDs with 15 years maturity	2,000
Unsecured 9.80%NCDs with 60 years maturity	1,000
Total	6,000

The aforesaid series of NCD are listed on National Stock Exchange.

The CARE has issued AA+ rating to Unsecured NCDs with 8 year,10 year and 15 year maturity and AA rating to unsecured NCDs with 60 years of maturity.

DIVIDEND

Your Directors are pleased to recommend dividend @ 50% for the Financial Year ending on 31st March, 2013. Total outgo on account of dividend payment (including dividend tax) would be ₹ 134.35 crore.

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 grown from operator ship of small onland fields in Gujarat to a large oil and gas exploration entity across India and overseas. The Company has significant growth potential with a diversified portfolio of onland / offshore blocks, both within India and overseas, 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, Aban Offshore, Nabors, 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 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 initiate the development of Deen Dayal field by building production facility in the DDW area which is currently being undertaken through several projects outlined below. 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 is currently under consideration by DGH/MOPNG. After approval of DOC, the development plan is envisaged to be submitted.

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 is accordingly being developed as the first phase of development along with development of additional mining lease area of 20.5 sq.km granted by GoI in January 2012, an area associated with extension of DDW area.

The Company is fully geared up and committed to proceed ahead with the successful implementation of the Deen Dayal West Field Development Project which is the first of its kind offshore HPHT (High Pressure High Temperature) field development in India. Thousands of workers, technicians and engineers are working round the clock amidst tough conditions to ensure completion. Notwithstanding multiple challenges (including agitation by fishermen / local people, delay in statutory clearances, etc), significant progress in project implementation has been achieved.

The Deen Dayal 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).

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.) Ready for Drilling (RFD) status of at Wellhead Platform has been achieved.

B. Process Cum Living Quarter Platform (PLQP)

The Process cum Living Quarter Platform project was awarded to L&T (M/s Larsen & Toubro Ltd). Process Cum Living Quarter Platform has been installed successfully.

C. Submarine Pipeline

The Submarine Pipeline Project was awarded to Punj Lloyd Ltd). The pipeline Project is going on in full swing.

DDWFDP – Pipeline laying by pipe lay barge



D On Shore Gas Terminal

The Company has awarded the Contract for development of Onshore Gas Terminal to EIL. The cumulative actual physical progress for OGT project is 94%

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.

1.2 Other E & P block :

● Overseas Blocks :

● Egypt :

In exploration Block 6 (North Hap'y), acquisition, processing and interpretation of 3D seismic data led to firming up of Six locations for which a semi-submersible floater rig, namely, Noble Paul Romano was mobilized for undertaking the deepwater drilling campaign in the North Hap'y block. Drilling of exploratory wells during the first exploration phase has been completed and based on the drilling results a concept study to analyses the hydrocarbon potential of the Block is in progress.

In exploration block 8 (South Diyur), located onshore in the western desert, the Company has completed acquisition, processing and interpretation (API) of 2D seismic data and drilling operations are going on.

● Yemen

The Consortium of Alkor Petroo Limited ("Alkor"), Western Drilling Contractors Private Limited, and the Company (as operator) has terminated PSAs for three blocks (19, 28 & 57) in Yemen in view of force-majure conditions prevailing in that Country.

● Indonesia

In Indonesian block of South East Tunkal the first phase of exploration involving activity of 2D seismic data acquisition and processing is in progress.

● Australia

In Australia, a scouting for deep water drilling rig is being initiated by the operator and is likely to be finalised shortly.

● Domestic Block

● Operated Blocks

- Subsequent to drilling of two new wells & stimulation in one well, Oil production has been increased by order of 300-350 BOPB - 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 arrest decline of reservoir pressure and to maximize the incremental recovery of oil. As a fulfillment of extended exploration campaign, the Company along with partner GAIL has signed in

June, 2012 Ring-fence 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.
- Field Development Plan (FDP) for Cambay reservoir of Sanand East Field has been approved and a development well is being drilled.
- 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 Ankleswar-21 Oil discovery, have already been approved by Management Committee and Sanand East Oil discovery are presently lined up for Management Committee approval ahead of commencement of commercial production.
- Oilex, the Operator of Cambay Field wherein Company holds 55% participating interest has embarked on drilling of an offset well to test tight hydrocarbon potential. Being part of tight hydrocarbon development, the field has been independently certified by international reserves auditor to hold best case contingent resources of 493 billion cubic feet of natural gas and 84 million barrels of oil and condensate.

Sub surface geo-scientific work on development/redevelopment for oil discoveries at Tarapur-1 and Tarapur-6 was submitted and at PK-1 currently finalized for submission to their respective Joint Ventures. Similarly, work on field development plan was initiated for five marginal oil discoveries of Sanand area of Sanand-Miroli block. One Appraisal well in Ahmedabad Extension area was drilled and found oil bearing in Kalol reservoir.

● Non Operated Blocks -Domestic

In domestic 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 Vadtal-5, two

zones were tested and confirmed presence of hydrocarbons. The discovery is being evaluated for potential commercial interest. 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.

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, one of India's leading gas marketing companies, marketed ≈10 MMSCMD in the FY 2012-13 to cater to demand from various segments, including the critical demand from City Gas Distribution (CGD) companies across the State. It has always been your Company's endeavour to market gas at affordable prices to meet the demand of its customers.

The major achievements in Gas trading business for the current financial year 2012-13 are summarized below:

- The Company has imported 10 LNG cargoes (6 at Dahej and 4 at Hazira) from global markets including Egypt and Qatar.
 - In December 2012, the Company reserved 1.25 MMTPA regassification capacity in PLL's Dahej Terminal
 - In March 2013, the Company has signed a long term SPA with BGIES for supply of up to 2.5 MMTPA for a period of 20 years beginning 2016-17. The signing of Long Term Agreement with BG India, will help the Company to meet the gas requirement of the consumers of gas in Gujarat through its downstream CGD Companies and thereby position itself as an "Integrated Energy Company".
- The Company's persistent efforts of sourcing gas at competitive prices has ensured security of gas supply and also led to effective capacity utilisation of the midstream and downstream infrastructure of GSPC group.
- The Company also commenced marketing of gas outside Gujarat to other States like Maharashtra, Goa, Karnataka.
 - The Company has also entered into Master LNG sales

& purchase contracts with leading global companies for its short/ medium term 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 2163 kms of gas pipelines. GSPL has transported 9966.06 mmstd of gas during the financial year 2012 - 13 as compared to 12430 mmstd during the previous financial year.

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

Highlights of financial performance of GSPL for the financial year under review are summarized below :

- Total Income increased from ₹ 1174.63 crore in previous year to ₹ 1239.25 crore recording increase of 6%.
- PBDITA increased from ₹ 1084.57 crore in previous year to ₹ 1138.02 crore, recording an increase of 5%.

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. British safety council has awarded it prestigious Five Star Certification to GSPL's O&M division.

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 - Vijapur Pipeline Project (MBVPL)	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 said three pipeline projects.

Basic engineering activities have been completed and ROU acquisition is in advanced stage for MBPL and MBVPL. Further, Environmental Clearance has been received for all three projects from MoEF.

2.3 LNG terminal

The Company has incorporated GSPC LNG Limited for developing LNG Receiving, Storage and Regasification Terminal in the State of Gujarat with an initial capacity of 5 MMTPA to ensure energy security. The LNG terminal is designed to have two LNG storage tanks. FEED has been completed. GSPC LNG has initiated process for award of the EPC contract for Tank and Regas facilities through International Competitive Bidding route.

III. Downstream Business activities

3.1 City Gas Distribution

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

• GSPC Gas

GSPC Gas has customer base of 4,20,023 domestic customers, 1793 industrial customers and 1643 commercial establishments as well as 152 CNG stations in various areas in the State of Gujarat. GSPC Gas has achieved remarkable sale of 4.33 MMSCMD of gas, which make it India's largest City Gas Distribution Company in terms of volume of gas sales.

• Gujarat Distribution Network Limited (GDNL)

GDNL was formed as a subsidiary of GSPC Gas to acquire 65.12% stake of BG in GGCL.

GDNL took over the majority stake of BG in Gujarat Gas. 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.

The acquisition of BG stake in GGCL is a strategic move that would benefit the entire GSPC group in terms of synergies of an integrated business model.

- **Sabarmati Gas Limited (SGL)**

SGL has customer base of 71,163 domestic customers, 228 industrial customers and 383 commercial establishment as well as 30 CNG stations in three Districts of North Gujarat. The average daily gas sale from all the segments is approx 0.774752 MMSCMD.

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 Gas based Power Generation :

The existing and new power projects scheduled to commission in the financial year 2012-13 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 351.43MW, 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, is scheduled to commission 702 MW combined cycle power plant at Pipavav. GPPC has successfully completed continuous trial run test (CRT) and has made announcement of successful commercial operation of the Unit-2 (351 M.W).

The commissioning activities with respect to Unit-1 (351 MW) is also going on in full swing and is expected to be commissioned in the financial year 2013-14.

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 as follows :

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 123.9 MW for GSPC Group.

V. Other Operations.

5.1 IT Infrastructure

The Company has promoted GIPL (Guj Info Petro Limited) 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 is also involved in e-mail solution provider, website development, hosting results of HSC, SSC and GUJCET results of GS&HSEB, facilitating e-tendering as well as software development.

GIPL has been awarded the prestigious 7th NTA ICT World Communication award for "Excellence in Innovative Telecom Services".

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 technoeconomically 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 well established and 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.

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 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.

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 financial year under review Shri Suresh Mathur and Shri Urjit Patel have ceased to be the Directors of the Company and Shri A. K. Joti, IAS (Retd.) has ceased to be the Chairman of the Company. Your Directors wish to place on record appreciation of services rendered by Shri Urjit Patel and Shri Suresh Mathur as Directors and Shri A. K. Joti, IAS (Retd.) as Chairman of the Company.

Since the last Directors Report, Dr. Varesh Sinha, IAS has been nominated as Chairman of the Company. Further Dr. Hasmukh Adhia, IAS and Shri M. M. Srivastava, IAS (Retd.) have been appointed as additional Directors on the Board of the Company. It is proposed to appoint Dr. Hasmukh Adhia, IAS and Shri M. M. Srivastava, IAS (Retd.) as regular Directors of the Company.

AUDITORS

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India. Accordingly, M/s Talati & Talati Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company for the financial year 2012-13. The Accounts will be submitted to the CAG office after approval of the Board of Directors of the Company.

The Company has received "NIL" Comment Report from the office of CAG for the Financial Year ended 31st March, 2013 which is annexed herewith and forms part of Directors' Report.

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 of Directors	
Shri Y. B. Sinha	Chairman
Dr. Hasmukh Adhia, IAS	Member
Dr. N. Ravichandran	Member
Dr. T. Harinarayana	Member

Audit Committee has approved and recommended the Annual Accounts for the year ended on 31st March, 2013 for approval of the Board at its meeting held on 12th August, 2013.

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.

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 2011-12. The Cost Audit for the financial year 2012-13 is in process and the Cost Audit Report shall be filed before due date.

The Board of Director has appointed M/s N. D. Birla as Cost auditor for the financial year 2012-13.

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	₹ In Crores
Earnings	-
Outgo	474.12

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

Dr. Varesb Sinha, IAS
Chairman

Date : 25th September, 2013
Place : Gandhinagar.

Annexure - I

Management Discussion & Analysis

The year 2012-13 has been a year of economic adversities affecting many nations, including India. Markets globally were affected by unrest in Middle East amidst other economic factors. As in the previous year, Indian gas markets were also embroiled in uncertainties. Apart from reduced availability of domestic gas and prevailing regulatory regime, the problems were magnified owing to no new gas finds being commercialized.

In spite of falling domestic gas production primarily from RIL's D6 fields, India did not record any significant increase in its LNG imports in FY'13 owing to lower demand in the domestic market, as well as due to volatility in LNG prices in the global markets. Some of the significant factors that contributed to the increase in LNG prices were (a) strong global demand including demand from Asian markets like Japan & Korea, which have an appetite for high priced LNG along with (b) delay / declined production from Angola, Indonesia & Egypt coupled with unplanned outages at major liquefactions facilities including in Nigeria, Tangguh, & Yemen. (in addition to planned maintenance activities at liquefaction facilities of Trinidad, Australia & Qatar)

In fact, as per data published by the Petroleum Planning & Analysis Cell (PPAC), in FY 2012-13 natural gas production from domestic fields significantly reduced by 17% y-o-y owing to substantial decline in gas production from RIL's D6 fields, while the LNG Imports in to India marginally increased from 10.13 MMT in 2011-12 to 10.90 MMT in 2012-13 (i.e. an increase by 8% on y-o-y basis).

Even though analysts project a growth rate of around 5.5% this fiscal, the future prospects for our burgeoning economy are not grim. It is believed that with rising population, India's requirement of energy resources would continue to grow and with investor friendly policies and regulations, the country will be able to increase its self sufficiency in energy. The Government of India has announced the policy for development of Shale Gas reserves and has also announced a shift towards a more market determined gas price. Though there is some ambiguity with regards to the gas pricing policy to be made applicable from April 2014, the move seems to be in the right direction and may attract the required investments in the E&P sector.

GSPC's DDW field is set for commercial production shortly and the same shall play a key role in meeting the rising demand of gas in 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. Your Company awaits further communication from the Government on the same.

Gujarat State Petronet Ltd. (GSPL), a subsidiary of GSPCL, which was awarded Letter of Authorization (LoA) for development of three cross country pipelines of approximately 4900 kms namely, Mehsana-Bhatinda pipeline, Bhatinda-Jammu-Srinagar pipeline and Mallavaram-Bhilwara pipelines traversing across more than 100 cities, has been making significant progress with the development of these cross country infrastructure projects. Gas finds from newly discovered fields may not be sufficient to cater to the demand across the length & breadth of these pipelines and it is expected that connectivity of these pipelines with LNG terminals in Gujarat shall ensure boost in imports of LNG. The commissioning of these pipelines would ensure materialization of latent demand enroute these pipelines.

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. Your Company has taken some significant steps in order to cement its position as a reliable gas supplier in the country by signing a long term gas supply agreement with a global major like BG India for supply of up to 2.5 MMTPA for a period of 20 years beginning 2016-17. Moreover, your Company also reserved access to regassification capacity at existing LNG terminals on a long term basis to ensure availability of regassification services for gas sourced from international markets. 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.

Your Company continues to participate in synergistic businesses which add value and provide growth opportunities. In line with the same, in June 2013, further to receipt of approvals from Reserve Bank of India and Competition Commission of India, your Company successfully completed the acquisition of 65.12% stake in Gujarat Gas Co. Ltd. and has by virtue of such acquisition & through its subsidiaries, become the largest City Gas Distribution company in India marketing natural gas to the tune of around 7 MMSCMD to various customers in industrial, commercial, CNG and PNG segments in Gujarat.

Your Company's sustained efforts towards participating in CGD business (by way of acquisition of Gujarat Gas Co Ltd.) as well as development of LNG terminal are poised to ensure reliable supply of gas across all the user segments at reasonable prices in the State and shall also help in

successfully maintaining itself as an integrated energy company.

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.

Assets under development

The company's primary asset is its KG-OSN-2001/3 block, located offshore in the KG basin, off the east coast of Andhra Pradesh, India, which includes the Deen Dayal Field. The Deen Dayal Field is a high temperature, high pressure (HTHP) tight and deep gas field with a complex structural/stratigraphic trap involving several separate fault blocks associated with rift geology. One fault block (DDW) has been approved for development, while other discovery areas with Six discoveries are in line to become part of a long term plan for developing the greater field. The development strategy for Deen Dayal West consists of a Well Head Platform (WHP) bridge-linked to a Processing and Living Quarter Platform (PLQP). The Company has appointed reputed project management consultants, to co-ordinate the overall construction and development work for DDW Development Project.

GOI has granted additional 20.5 sq. km area towards south of DDW Field beyond the block boundary, associated with extension of DDW area for development (under extended Mining Lease area). Following GOI approval of this extension area, the total development area for DDW has increased to 37.5 sq. k.m.

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.

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

The preparation of financial statements of Gujarat State Petroleum Corporation Limited for the year ended 31 March, 2013 in accordance with the financial reporting frame work prescribed under the Companies Act, 1956 is the responsibility of the management of 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 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 vide their Auditors Report dated 12th August 2013.

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 year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquire 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**

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

**Place : Ahmedabad
Date : 25th September 2013**

AUDITOR'S REPORT

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

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, 2013, 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 :

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 accounting principles generally accepted in India Including Accounting Standards referred to in Section 211(3C) of the Companies Acts, 1956 ("The Act")

The 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 that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 at March 31, 2013;
- (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. 16.12 and 23 regarding non provision of disputed Income tax demands/claims by the Income Tax Authority amounting to ₹ 810.35 crors (P. Y. ₹ 659.13 crors) and disclose by way of a note as contingent liability. We also draw attention to Accounting Policy No. 1(1) 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 1 of Significant Accounting Policies (Note No. 1), 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 (h) 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 ₹ 1350.16 Crores (31st March 2012 : ₹ 988.76 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 Statement. Our opinion is not qualified in respect of this matter.

6. 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 Companies Act 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company. Our comments in the Annexure are restricted to the activities of the Company. Our comments in the Annexure are restricted to the activities of the Company only and exclude matters relating to the Company's Interest in the unincorporated joint ventures, which are not subject to audit under the Companies Act, 1956 and their auditors have not reported on 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, *except for the unaudited financial information relating to Eight unincorporated joint venture for the year ended March 31, 2013 referred to in paragraph 7(b) (ii) and 7(b) (iv) below and read with our comments in paragraph. 5 (b);*
 - (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 and the Statement of Profit and Loss, and the Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in section 211(3C) of the Act read with paragraph 5(b);
 - (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.

7. Other

- (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 ₹ 750.63 crores, other assets aggregating to ₹ 113.38 crores and expenditure aggregating to ₹ 65.44 crores relating to Company's share in Thirteen producing joint ventures, which have been incorporated on the basis of accounts of Thirteen joint ventures, audited by other auditors.
- (ii) The accounts include fixed assets aggregating to ₹ 3.18 crores, other assets aggregation to ₹ Nil, liabilities aggregating to ₹ Nil, income aggregating to ₹ 96.70 crores and expenditure aggregating to ₹ 48.24 crores 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 seven joint ventures which are under exploration and development phase, exploration / development expenditure aggregating to ₹ 13293.02 crores, other assets aggregating to ₹ 124.23 crores and liabilities aggregating to ₹ 458.30 crores have been incorporated on the basis of accounts audited by other auditors.
- (iv) In respect of Seven unincorporated joint ventures which are under exploration and development phase, exploration / development expenditure aggregating to ₹ 94.68 crores, other assets aggregating to ₹ 8.60 crores and liabilities aggregating to ₹ 9.67 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.

**FOR TALATI & TALATI
CHARTERED ACCOUNTS
(Firm Reg. No. : 110758W)**

**Place : Ahmedabad
Date : 12-08-2013**

**Umesh H. Talati
Partner
Membership No. - 34834**

ANNEXURE TO THE AUDITORS 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) The inventories has been physically verified (excluding inventories with joint ventures and materials in transit) during the year by the management. 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 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 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) 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 are not applicable to the company.
- (vii) The Company has appointed a firm of Chartered Accountants as its Internal Auditor for the year under audit. The Internal Audit for the year is therefore carried out by the said firm. 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 :

- (a) 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 to appropriate authorities. According to the information and explanations given to us, no undisputed amount in respect of aforesaid statutory dues were outstanding as at 31st March 2013 for the period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of dues of Income Tax and Service Tax which have 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	Income 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.	32.4	2000-2001	Income Tax Appellate Tribunal
		79.1	2001-2002	
		163.11	2002-2003	
		160.66	2003-2004	
		229.79	2004-2005	
Income Tax Act, 1961	Income Tax including interest and penalty, as applicable.	1.75	2008-2009	Commissioner of Income Tax Appeal
		0.50	2004-2005	
		183.08	2005-2006	
		172.28	2006-2007	
		301.84	2007-2008	
Service Tax Act	Service Tax Including Interest and penalty, as applicable	325.77	2008-2009	Commissioner of Central Excise
		198.12	2009-2010	
		13.01	2002-2003 to 2007-2008	
		0.21	2001-2002 to 2007-2008	

- (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 given guarantee for loans taken by others from bank or financial institutions, and the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the company.
- (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) During the period covered by our audit report, the Company has not issued unsecured debentures which did not require creation of any charge or security.
- (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 reported during the year.

For Talati & Talati
Chartered Accountants
(Firm Reg. No 110758W)

Placce : Ahmedabad
Date : 12-08-2013

Umesh H. Talati
Partner
Membership No.34834

Balance Sheet as at 31st March, 2013

₹ in Crores

	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
<u>EQUITY AND LIABILITIES</u>			
Shareholder's Funds			
Share Capital	2	235.78	229.61
Reserve & Surplus	3	5,836.65	4,603.11
		6,072.43	4,832.72
Share Application Money Pending Allotment	4	400.00	-
Non-Current Liabilities			
Long Term Borrowings	5	10,678.92	5,516.71
Net Deferred Tax Liabilities	6	117.07	91.90
Trade Payables		-	0.02
Other Long Term Liabilities	7	13.21	23.57
Long Term Provisions	8	52.09	52.09
		10,861.29	5,684.29
Current Liabilities			
Short Term borrowings	9	2,748.82	3,790.01
Trade payables	10	646.95	942.39
Other Current Liabilities	11	1,105.93	1,046.23
Short Term provisions	12	192.15	117.82
		4,693.85	5,896.45
TOTAL		22,027.57	16,413.46
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	796.13	880.77
Intangible Assets	13	7.10	7.60
Capital Work in Progress	14	17,243.77	12,380.02
Intangible Assets under development	14	0.29	0.12
Non-Current Investments	15	506.70	459.25
Long Term Loans & Advances	16	1,514.45	1,306.29
Other Non-Current Assets	17	150.99	77.89
		20,219.43	15,111.94
Current Assets			
Inventories	18	6.52	230.05
Trade Receivables	19	734.68	583.37
Cash & Bank	20	631.05	257.98
Short Term loan and Advances	21	427.27	228.40
Other Current Assets	22	8.62	1.72
		1,808.14	1,301.52
TOTAL		22,027.57	16,413.46

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

For Talati & Talati
Chartered Accountants
(Firm Reg. No. 110758W)

Umesh H. Talati
Partner
Membership No. 34834

Date : 12 August 2013
Place : Ahmedabad

For and on behalf of the Board of Directors

Dr. Varesh Sinha, IAS
Chairman

Sandeep Dave
Company Secretary

Date : 12 August 2013
Place : Gandhinagar

Tapan Ray, IAS
Managing Director

Manish Verma
Executive Director - F & A

Statement of Profit & Loss for the period ended 31st March, 2013

₹ in Crores

	Note No.	2012-2013	2011-2012
INCOME			
Revenue from Operations (Gross)	25	10,250.15	8,489.72
Less : Excise Duty		-	-
Revenue from Operations (Net)		10,250.15	8,489.72
Other Income	26	53.64	45.08
Total Revenue		10,303.79	8,534.80
EXPENSES			
Cost of Material Consumed			
Purchase of Stock in Trade	27	8,052.58	6,735.60
Changes in inventories of Finished Goods			
Stock in process and Stock in Trade	28	224.40	(77.18)
Employee Benefits Expense	29	12.77	8.42
Finance Cost	30	93.37	62.97
Depreciation, Amortisation, Depletion and Impairment	13	118.18	109.79
Other Expenses	31	503.15	414.14
Exploration cost written off		51.60	339.35
Total Expenses		9,056.05	7,593.09
Profit Before Tax and Adjustments		1,247.14	941.71
Prior period Adjustments		0.60	0.16
Profit Before Tax		1,247.14	941.55
Tax Expenses			
Current Tax		376.00	304.00
Deferred Tax		25.17	30.55
Short/(Excess) provisional of Tax		(0.60)	(0.74)
Profit for the Period		846.57	607.74
Basic and Diluted Earning per equity share of face value of ₹ 1 each	41	3.69	2.72

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

For Talati & Talati
Chartered Accountants
(Firm Reg. No. 110758W)

Umesh H. Talati
Partner
Membership No. 34834

Date : 12 August 2013
Place : Ahmedabad

For and on behalf of the Board of Directors

Dr. Varesh Sinha, IAS
Chairman

Sandeep Dave
Company Secretary

Date : 12 August 2013
Place : Gandhinagar

Tapan Ray, IAS
Managing Director

Manish Verma
Executive Director - F & A

Cash Flow Statement for the year ended 31st March, 2013
₹ in Crores

Particulars	2012-2013	2011-2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after Tax	846.57	607.74
Add : Income Tax	376.00	304.00
Deferred Tax	25.17	30.55
Less : Excess provision of Tax	(0.60)	(0.74)
	1,247.14	941.55
Add : Depreciation and Amortization being non-cash item		
Depreciation	118.18	109.79
Interest & Finance Charges being financing cash outflow	93.37	62.97
Loss on Sale of Assets	0.03	0.04
Commodity Heading Loss/(gain)	(3.66)	7.11
Misc. Exp. Written Off (net)	3.93	1.72
Exploration Cost Written off	51.60	339.35
Diminution in the value of Investment	10.50	0.26
Provision for Doubtful Advances	1.00	-
	1,522.09	1,462.79
Less : Interest / Dividend Income	(26.16)	(27.98)
Profit on sale of Assets	(0.07)	-
Operating Profit before working capital changes	1,495.86	1,434.81
Add / Less : Working Capital Adjustments		
Increase / Dec in current Assets (-)	(579.07)	(785.03)
Increase / Dec in current Liabilities (+)	(303.69)	720.45
	613.10	1,370.23
Less : Direct Tax Paid	(348.03)	(306.56)
Less : Prior Period Adjustment	(0.60)	(0.16)
Less : Misc. Expenditure Incurred during the year	76.74	(0.14)
Net Cash Flow from Operating Activities (A)	341.21	1,063.37
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for purchase of Assets / CWIP including joint Ventures (Net)	(3,817.78)	(2,569.49)
Sale of Fixed Assets	0.95	0.37
Investments in Subsidiaries	(28.95)	(0.05)
Other Investments	(29.00)	(8.50)
Interest / Dividend Income	26.16	27.98
Net Cash Flow from Investing Activities (B)	(3,848.62)	(2,549.69)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Equity Share issue	500.00	500.00
Equity share issue expenses	(0.50)	-
Proceed from Share Application Money	400.00	(500.00)
Repayment of Debentures	6,000.00	-
Proceed / (Repayment) to Secured Loans (net)	(781.99)	1,809.69
Proceed from of Unsecured Loans (net)	(1,041.19)	653.30
Interest & Financing Charges Paid	(1,197.07)	(847.54)
Dividend Paid (including dividend tax)	(53.37)	(51.07)
Net Cash Flow from Financing Activities (C)	3,825.88	1,564.38
Net Increase /(Decrease) in Cash and Cash equivalents (D) (A+B+C)	318.47	78.06
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	0.04	0.05
Bank Balances	116.29	38.22
	116.33	38.27
Cash and Cash equivalents at the End 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

Notes : (1) 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. (2) 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. (3) Brackets indicate cash outflow / deduction.
As per our report of even date

For Talati & Talati
Chartered Accountants
(Firm Reg. No. 110758W)

Umesh H. Talati
Partner
Membership No. 34834

Date : 12 August 2013
Place : Ahmedabad

For and on behalf of the Board of Directors

Dr. Varesh Sinha, IAS
Chairman

Sandeep Dave
Company Secretary

Date : 12 August 2013
Place : Gandhinagar

Tapan Ray, IAS
Managing Director

Manish Verma
Executive Director - F & A

Notes to financial statements for the year ended 31st March 2013.**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 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 50 of the 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 long term and current investments. Long term 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.
- 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 Mo PNG 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.
- G.9. Interest income is recognized on accrual basis.

H. 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.

I. 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.

J. 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.

- K. 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.

L. 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 loss 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.

M. Employees Benefits

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

M.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.

M.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.

M.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.

M.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.

N. Foreign Currency Transactions

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

O. Derivative Transaction :

O.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".

O.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 under lying hedge item, is charged to Statement of Profit & Loss. Net gains are ignored.

P. Impairment :

As provided in the 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.

Q. 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.

R. Misc./Deferred Revenue Expenditure

R.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.

R.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.

S. 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 out flow 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.

T. 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 31st March, 2013	As at 31st March, 2012
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 : 235,78,19,820 Equity shares of ₹ 1 each (P. Y. 229,60,91,425 Equity shares of ₹1 each)	235.78	229.61
TOTAL	235.78	229.61

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

EQUITY SHARE	2012-13 No. of Shares	₹ in Crores	2011-12 No. of Shares	₹ in Crores
At the beginning of the period	2,296,091,425	229.61	2,234,363,030	223.44
Add : Shares Issued during the year	61,728,395	6.17	61,728,395	6.17
Outstanding at the end of the period	2,357,819,820	235.78	2,296,091,425	229.61

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	2012-13 No. of Shares	₹ in Crores	2011-12 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
	1,056,110,700	105.61	1,056,110,700	105.61

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

Name of Shareholders	2012-13 No. of Shares held	% of Holding ₹ in Crores	2011-12 No. of Shares held	% of Holding ₹ in Crores
Equity shares of Rs 1 each fully paid Government of Gujarat	2,068,949,795	87.75 %	2,007,221,400	87.42 %

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.

During the year ended 31 March 2013 the amount of per share dividend recognized as distributions to equity shareholders is ₹ 0.50 (P.Y ₹ 0.20).

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 :

₹ in crs			
Particulars	As at 31st March, 2013		As at 31st March, 2012
Capital Reserve			
Balance as per last Balance Sheet	13.14		1.28
Addition/utilisation during the year	(11.86)	1.28	11.86
			13.14
Securities Premium Reserve			
Balance as per last Balance Sheet	1,477.48		983.65
Addition during the year	493.83		493.83
	1,971.31		1,477.48
Utilization during the year	0.50		-
		1,970.81	1,477.48
Debenture Redemption Reserve			
Balance as per last Balance Sheet	-		-
Addition/utilization during the year	48.32		-
		48.32	-
General Reserve			
Balance as per last Balance Sheet	2,745.14		2,245.14
Transfer from Statement of Profit & Loss	500.00		500.00
		3,245.14	2,745.14
Foreign Exchange Translation Reserve			
Balance as per last Balance Sheet	18.40		(25.25)
Addition /utilization during the year	39.85		43.65
		58.25	18.40
Surplus in the Statement of Profit & loss			
Balance as per last Balance Sheet	348.95		294.58
Add : Profit for the Year	846.57		607.74
	1,195.52		902.32
Less : Appropriations			
Transferred to Debenture Redemption Reserve	48.32		-
Proposed Dividend on Equity Shares	114.83		45.92
Tax on Dividend	9.52		7.45
Transferred to General Reserve	500.00		500.00
Total Appropriations	682.67		553.37
Net Surplus in the Statement of Profit & Loss		512.85	348.95
	5,836.65		4,603.11

4. SHARE APPLICATION MONEY PENDING ALLOTMENT :

Company had received ₹ 900 crores as share application money during the year out of which the company issued 61,728,395 shares (face value of ₹ 1 each having security premium of ₹ 80 per share) amounting to ₹ 500 crores. The balance amount of Rs. 400 crores have been shown as share application money. Of the ₹ 500 crores issued as share capital to Government of Gujarat the company needs to refund ₹ 5/- which is shown under other current liabilities (Refer Note no 11). For the amount outstanding as share application money amounting to ₹ 400.00 crores, the company has sufficient authorised share capital to issue 49,382,716 shares of face value of ₹ 1 each at security premium of ₹ 80 per share. These shares have been issued to Gujarat State Investments Limited on 2nd April, 2013.

5. LONG TERM BORROWINGS :

Particulars	As at		As at	
	31 st March, 2013		31 st March, 2012	
	Non-current	Current	Non-current	Current
Secured Loans :				
Term Loan From Banks				
Rupee Loan	3,000.00	-	3,094.55	23.04
Foreign Currency Loan	1,678.92	472.91	1,422.16	394.08
(A)	<u>4,678.92</u>	<u>472.91</u>	<u>4,516.71</u>	<u>417.12</u>
Unsecured Loans :				
Non Convertible Debentures	6,000.00	-	-	-
Term Loan From Others				
GSFS	-	-	1,000.00	-
(B)	<u>6,000.00</u>	<u>-</u>	<u>1,000.00</u>	<u>-</u>
TOTAL (A+B)	<u>10,678.92</u>	<u>472.91</u>	<u>5,516.71</u>	<u>417.12</u>

- 5.1 Foreign currency loans (ECB-1) amounting to USD 325 million (Current outstanding USD 219.375 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 Term loan from Dena Bank for 52.50 MW wind mill project at Jakhau was repaid in the month of March, 2013. (P.Y. ₹ 172.19 crores)
- 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 (Rs. 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 Loan Repayment Schedule :

₹ in Crores

Sr. No.	Particulars	Total Outstanding ₹ in Cros.	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	-	975.00	1,425.00	600.00	-	-
B	External Commercial Borrowing -ECB-1	1,064.05	6 m Libor + 300 bps	472.91	591.14	-	-	-	-
C	External Commercial Borrowing - ECB-2	1,087.79	6 m Libor + 340 bps	-	453.06	543.68	91.05	-	-
D	Non Convertible Debentures (refer note no.5.5)	6,000.00	9.39 % 9.45 % 10.45 % 9.03% 9.80%	-	-	-	2,000.00	2,000.00	2,000.00
		11,151.84		472.91	2,019.20	1,968.68	2,691.05	2,000.00	2,000.00

5.7 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, 2013 amounts to USD 219.375 Millions (Previous year USD 300.625 Millions). Category wise break up is given as below:

Currency	Particulars	As at 31st March, 2013			As at 31st March, 2012		
		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	1,064.05	219.375	7	1,458.14	300.625

Foreign Currency loans that are not hedged by derivative instruments as on 31st March 2013 is USD 200 Millions (P. Y USD 70 Million) ₹ 1,087.79 crores (P.Y. ₹ 358.10 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 ₹ 25.17 Crores (P.Y. ₹ 30.55 crores) in the Statement of Profit and Loss, the details of which are as under :

₹ in crores			
Particulars	As on 31-March-2012	For the year 2012-13	As on 31-March-2013
Deferred Tax Liability			
(a) On excess of WDV as per Books over WDV as per I.T.	99.49	4.65	104.14
(b) Others	5.61	25.57	31.18
Total (A)	105.10	30.22	135.32
Deferred Tax Asset			
(a) On excess of WDV as per I.T. over WDV as per Book Value.	10.89	6.49	17.38
(b) Retirement Benefits	0.00	0.87	0.87
(c) Others	2.31	(2.31)	0.00
Total (B)	13.20	5.05	18.25
Net Deferred Tax Liability (A-B)	91.90	25.17	117.07

7. OTHER LONG TERM LIABILITIES :

₹ in crores			
Particulars	As at 31st March, 2013		As at 31st March, 2012
Joint Ventures (Refer Note No 32 & 36)	0.56		11.04
Others*	12.65	13.21	12.53
TOTAL		13.21	23.57

* Includes deposits received from customers

8. LONG TERM PROVISIONS :

₹ in crores		
Particulars	As at 31st March, 2013	As at 31st March, 2012
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 2012-13	Provision for Contingencies 2011-12
1	Opening Balance	52.09	51.99
2	Provision made during the year	-	0.10
3	Paid during the period	-	-
4	Closing Balance	52.09	52.09

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 31st March, 2013	As at 31st March, 2012
Unsecured Loans		
From Banks (Loans Repayable on demand)	2,748.82	3,290.01
From Others :		
GSFS	-	500.00
TOTAL	2,748.82	3,790.01

10. TRADE PAYABLES:
₹ in Crores

Particulars	As at 31st March, 2013	As at 31st March, 2012
- Micro, small and medium Enterprises	-	-
- Others	646.95	942.39
	646.95	942.39
TOTAL	646.95	942.39

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 31st March, 2013		As at 31st March, 2012	
Current Maturities of Long Term Borrowings				
From Bank				
Rupee Term Loan	-		23.04	
Foreign Currency Loans	472.91	472.91	394.08	417.12
Interest accrued but not due on borrowings		105.01		24.08
Share Application Money Due for refund (₹ 10/- (P. Y. ₹ 5/-)) (Refer note no. 4)		0.00		0.00
Other Payables				
Subsidiaries	1.18		5.97	
Joint Ventures (Refer Note No 32 & 36)	427.27		474.90	
Payables for Fixed Assets	2.30		36.87	
Others*	97.26	528.01	87.29	605.03
TOTAL		1,105.93		1,046.23

* Includes statutory dues.

12. SHORT TERM PROVISIONS :

₹ in crores

Particulars	As at 31st March, 2013		As at 31st March, 2012	
Provision for employee benefits				
Provision for Gratuity	2.55		-	
Provision for Leave benefits	1.19		0.13	
		3.74		0.13
Other Provision				
Provision for Proposed Dividend	114.83		45.92	
Provision for Dividend Distribution Tax	19.52		7.45	
Provision for Profit Petroleum	45.12		48.70	
Provision for Commodity Hedging Loss	-		7.11	
Provision for other Expenses	8.94		8.51	
		188.41		117.69
TOTAL		192.15		117.82

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.

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.

13. FIXED ASSETS

Particulars	Gross Block			Depreciation, Depletion, Impairment and Amortisation			Net Block	
	As at 31-March-2012	Additions / Adjustments	Deduction	As at 31-March-2012	During the period*	Deductions	As at 31-March-2013	As at 31-March-2012
Tangible Assets								
Land	123.81	-	0.57	-	-	-	123.24	123.81
Freehold Land	11.11	-	-	0.79	0.37	-	9.95	10.32
Leasehold Land	36.03	2.53	-	11.05	1.32	-	26.19	24.98
Buildings	430.30	0.16	-	324.99	46.84	-	258.74	305.42
Plant & Machinery	1,366.92	23.79	-	972.28	63.11	-	355.32	394.64
Producing Properties (being Company's share in joint Venture)	12.37	1.37	-	7.52	1.02	-	5.20	4.85
Furniture & Fixtures	8.20	3.12	0.97	3.94	1.46	0.68	5.63	4.26
Vehicles	18.45	1.38	-	9.83	1.30	-	8.70	8.62
Office Equipments	21.81	1.05	0.46	17.94	1.70	0.40	3.16	3.87
Computer Equipments	2,029.00	33.40	2.00	1,148.23	117.12	1.08	796.13	880.77
Previous Year	1,815.19	214.99	1.18	1,040.70	108.30	0.77	880.77	774.49
The above includes Company's Share in Unincorporated Joint Venture Assets	1,402.04	25.24	-	989.85	65.71	-	371.72	412.19
Intangible Assets								
Intangibles-(Software)	27.22	2.77	-	19.62	3.27	-	7.10	7.60
Previous Year	27.22	2.77	-	19.62	3.27	-	7.10	7.60
	24.41	2.81	-	15.63	3.99	-	7.60	8.78

* It includes depreciation of ₹ 2.21 crore (P. Y. ₹ 2.51 crore) which has been capitalised during the period as per policy.

14. CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDERDEVELOPMENT.**14.1 CAPITAL WORK IN PROGRESS**

₹ in crores

CAPITAL WORK IN PROGRESS	As at 31st March, 2013	As at 31st March, 2012
<u>Tangible</u>		
Exploration & Development		
Exploration	8,505.82	7,379.24
Development	5,263.97	2,628.35
	13,769.79	10,007.59
Borrowing Cost	3,473.98	2,370.29
	17,243.77	12,377.88
CWIP Building	-	0.76
CWIP Others	-	1.38
TOTAL	17,243.77	12,380.02
14.2 INTANGIBLE ASSETS UNDER DEVELOPMENT.		
Software	0.29	0.12
TOTAL	0.29	0.12

Borrowing Costs and Test Production

- The borrowing costs amounting to ₹ 1,136.24 crores (P. Y ₹ 918.74 crores) and depreciation amounting to ₹ 2.21 crores (P. Y. ₹ 2.51 crores) has been capitalized in the current year to CWIP tangibles Exploration & Development.
- In the current year an amount of ₹ 0.64 crores (P.Y. ₹ 0.96 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 31st March, 2013	As at 31st March, 2012
I. TRADE INVESTMENT (Valued at cost unless stated otherwise)		
INVESTMENT IN EQUITY INSTRUMENTS		
<u>INVESTMENT IN SUBSIDIARY</u>		
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. ₹ 14,224,453,090/-(P.Y. ₹ 16,241,353,155)}	213.31	213.31
<u>Unquoted Equity Investments</u>		
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 crores

Particulars	As at 31st March, 2013	As at 31st March, 2012
In 36,890,436 (P. Y. 36,890,436) shares of GSPC Pipavav Power Co. Ltd at ₹ 10 per share fully paid up	36.89	36.89
In 24,400,000 (P. Y. 1,400,000) shares of GSPC JPDA Ltd at ₹ 10 per share fully paid up	24.40	1.40
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 5,999,940 (P. Y. 50,000) shares of GSPC LNG Ltd at ₹10 per share fully paid up	6.00	0.05
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 10,500,000 (P. Y. 10,500,000) shares of Alcock Ashdown (Gujarat) Ltd at ₹ 10 per share fully paid up	10.50	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
	477.39	448.44
Less : Provision for Diminution in Value of Shares of Alcock Ashdown (Gujarat) Ltd.	(10.50)	-
TOTAL TRADE INVESTMENT (A)	466.89	448.44
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. ₹ 273,947,700 (P. Y. ₹ 341,972,500)}	10.00	10.00
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. 4,033) shares of ONGC Petro Additions Ltd at ₹ 10 per share fully paid up		
(₹ 29,00,40,330/- P.Y. ₹ 40,330)	29.00	0.00
In 575,000 (P.Y. 575,000) shares of Krishna Godavari Gas Network Ltd. at ₹ 10 per share fully paid up	0.57	0.57
Less : Provision for Diminution in the Value of Investments (KGGNL)	40.07	11.07
	(0.26)	(0.26)
TOTAL NON TRADE INVESTMENT (B)	39.81	10.81
TOTAL	506.70	459.25
Total Quoted Investments	223.31	223.31
Total Unquoted Investments	294.15	236.20
Total Provision for Diminution in Value of investment	(10.76)	(0.26)
TOTAL	506.70	459.25
Market Value of Quoted Investments	1,449.84	1,648.70

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 {22,949,969 shares (P. Y. 22,949,969 shares)} of Gujarat State Energy Generation Ltd equivalent to ₹ 22.95 Crores (P.Y. ₹ 22.95 Crores) to various banks/FIs of GSEG.
- The pledged securities have been released during the year.

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 previous year. No further Provision needs to be done in 2012-13.

15.3 The company has made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of ₹ 10.50 crores and ₹ 1.00 crores was given as share application money pending for allotment. As per audited financial statement of the company for FY 2011-12, accumulated losses of the company have 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 has been provided in the current year and against advances - share application money pending for allotment, full provision for doubt full advances has been provided in the current year.

16. LONG TERM LOANS & ADVANCES :

₹ in crores

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good unless otherwise stated		
Sundry deposits		
Sundry deposits	3.61	0.10
Loans & Advances to related parties		
Advances for Investments (Pending Allotment)		
I. Subsidiary Companies**		
i) GSPC (JPDA) Ltd	69.26	89.31
ii) GSPC Pipavav Power Company Ltd	5.38	5.38
iii) GSPC LNG Ltd.	5.43	11.38
	80.07	106.07
II. Associate Companies :		
i) Alcock Ashdown (Gujarat) Ltd.	1.00	1.00
Less : Provision for Doubtful Advances (Refer Note No. 15.3)	(1.00)	-
Advances for Investments (Pending Allotment)	-	1.00
i) ONGC Petro Additions Ltd.	-	29.00
Advances Recoverable in cash or in kind or for value to be received		
Joint Venture (Refer Note No 32 & 36)	1,350.16	1,061.92
Others***	2.57	4.17
Advance Income Tax (Net of Provisions)	69.59	97.56
Advances to Employees*	8.45	6.47
TOTAL	1,514.45	1,306.29

* Out of Total advances to employees ₹ 80,087,836/-
(P. Y. ₹ 58,924,697/-) 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 ₹ 376.00 Crores (P.Y. ₹ 304.00 crores). Provision for Wealth tax included in Rent, Rates & Taxes is of ₹ 0.06 Crores (P.Y. ₹ 0.03 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'able 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 ₹ 810.35 Crores (P. Y. ₹ 659.13 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.

17. OTHER NON CURRENT ASSETS:

₹ in crores		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good unless otherwise stated		
Site Restoration Fund - Deposits with bank*	64.37	57.16
Unamortized Expenses	86.62	20.73
TOTAL	150.99	77.89

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

18. INVENTORIES:

	₹ in crores	
Particulars	As at 31st March, 2013	As at 31st March, 2012
As taken, valued & certified by the Management		
Finished Goods - Crude Oil (Valued at Rate specified in COSA) (Refer note no.3 2)	6.52	7.07
Stock in Trade - Liquified Gas (Valued at Cost)	-	222.98
TOTAL	6.52	230.05

19. TRADERECEIVABLES:

	₹ in crores	
Particulars	As at 31st March, 2013	As at 31st March, 2012
Secured, considered good		
- More than Six Months	0.09	-
- Others	240.87	483.35
	240.96	483.35
Unsecured, considered good		
- More than Six Months	81.89	9.86
- Others	411.83	90.16
	493.72	100.02
TOTAL	734.68	583.37

20. CASH & BANK BALANCES:

	₹ in crores	
Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash & Cash Equivalent		
Balance with Banks - Current accounts	34.76	116.29
Cheques on Hand	400.00	-
Cash on Hand	0.04	0.04
Other Bank Balance		
Fixed Deposits with Bank (More than 3 months but less than 12 months) (Refer note no.42)	196.25	141.65
TOTAL	631.05	257.98

21. SHORT TERM LOANS & ADVANCES :

₹ in crores		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured considered good unless otherwise stated		
<u>Sundry deposits</u>		
Sundry deposits	2.51	1.31
<u>Loans & Advances to related parties*</u>		
I. Subsidiary Companies	1.49	0.92
II. Associates	1.10	1.49
<u>Other Loans & Advances :</u>		
I) Advance to GERMI	0.01	0.01
ii) Krishna Godavari Gas Network Ltd (₹ 31935/- (P.Y. ₹ 31935/-)	0.00	0.00
	0.01	0.01
Advances Recoverable in cash or in kind or for value to be received.		
Advance to Joint Venture (Refer Note No 32 & 36)	406.31	205.07
Others**	14.19	18.22
Advances to Employees	1.66	1.38
TOTAL	427.27	228.40

* Please refer note no.36.

** Includes prepaid expenses.

22. OTHER CURRENT ASSETS :

₹ in crores		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Unamortised Expenses	8.62	1.72
TOTAL	8.62	1.72

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 31st March, 2013	As at 31st March, 2012
Income Tax (Ref. note no.16.1)	810.35	659.13
Joint Ventures	1,244.88	774.57

(ii) Bank Guarantees, Letter of Credit and performance guarantees given by the company.

Particulars	₹ in crores	
	As at 31st March, 2013	As at 31st March, 2012
Letter of Credits	693.79	1,057.41
Financial Guarantees to Ministry of Petroleum and Natural Gas (MOPNG)	176.82	197.19
Other Bank Guarantees *	1,402.25	1,333.58

* This also includes the counter guarantee given by GSPC to the Banks and bank guarantees given for overseas blocks

iii) The company has provided Corporate Guarantee for the payments to the Fuel Supplier and to the O&M Contractors of GSEG, an associate company. In case of any default by GEB in making payments, the amount paid to the Fuel Supplier and the O&M Contractor, would be recovered from the Government of Gujarat Guarantee provided to GSEG. In addition GSEG has provided Bank Guarantee to the Fuel Supplier to mitigate the risk to that extent.

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 ₹ 129.64 crores (P. Y ₹ 650.90 crores)
 - ii. In respect of others ₹ NIL (P.Y. ₹ 1.18 crores)
- b. Minimum Work Programme Committed under various Production Sharing Contracts in India and Outside India.
 - 1.) In India ₹ 439.28 crores (P.Y. ₹ 976.03 crores)
 - 2.) Outside India ₹ 279.67 crores (P.Y. ₹ 1,993.81 crores)

25. REVENUE FROM OPERATIONS:

Particulars	₹ in crores	
	2012-13	2011-12
Sales of Products		
Natural Gas Trading	9,979.23	8,204.42
Sale of Gas-Joint Ventures (Refer Note No 32)	56.41	60.74
Sale of Oil-Joint Ventures (Refer Note No 32)	159.73	163.45
Sale of Electricity - WIND MILL	44.58	34.59
	10,239.95	8,463.20
Other Operating revenues		
Take or Pay Income	10.20	26.52
TOTAL	10,250.15	8,489.72

26. OTHER INCOME :

₹ in crores

Particulars	2012-13	2011-12
Interest Income :		
Interest on Deposits	14.69	1.83
Other Interest Gross*	2.80	2.00
	17.49	3.83
Income From Long term investments :		
Dividend From Subsidiary Companies	24.90	25.82
Dividend From Other Companies	1.26	4.00
	26.16	29.82
Other Non Operating Income		
Usage Charges	2.96	3.18
Other Income-Joint Ventures	5.84	4.22
Net Profit on Sale of Fixed Assets	0.03	-
Miscellaneous Income	1.16	0.15
	9.99	7.55
Net Foreign Exchange-Gain	-	3.88
TOTAL	53.64	45.08

* Other interest Gross includes interest on share application money amounting to ₹ 0.11 crores from subsidiary company.

27. PURCHASE OF STOCK IN TRADE :

₹ in crores

Particulars	2012-13	2011-12
Purchase of Gas	6,023.21	5,147.87
Import Purchase of Gas	2,029.37	1,587.73
TOTAL	8,052.58	6,735.60

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

₹ in crores

Particulars	2012-13	2011-12
FINISHED GOODS (Refer Note No 32)		
Opening stock of Oil	7.07	5.16
Closing stock of Oil	(6.52)	(7.07)
	0.55	(1.91)
Increase/ decrease in stock of Oil	0.87	0.01
	1.42	(1.90)
STOCK IN TRADE		
Opening stock of Liquified GAS	222.98	147.70
Closing stock of Liquified GAS	-	222.98
	222.98	(75.28)
TOTAL	224.40	(77.18)

29. EMPLOYEE BENEFIT EXPENSES :

	₹ in crores	
Particulars	2012-13	2011-12
Salaries, wages & allowances	10.38	7.61
Contribution to Provident Fund and Other Funds	2.21	0.66
Staff welfare Expenses	0.18	0.15
TOTAL	12.77	8.42

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

	₹ in crores	
Particulars	2012-13	2011-12
Salaries, wages & allowances	36.21	26.85
Contribution to Provident Fund and Other Funds	7.71	2.32
Staff welfare Expenses	0.63	0.54
TOTAL	44.55	29.71
Allocated to Operated E & P Blocks	31.78	21.29
Net Expenditure for Corporate	12.77	8.42

Employee Benefits :**A. Defined Contribution Plans**

- i. Company's contribution to Provident Fund is ₹ 0.62 Crores (P. Y. ₹ 0.52 Crores)
- ii. Company's contribution to Super Annuation fund ₹ 0.16 Crores (P. Y. ₹ 0.14 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, 2013 as required by Accounting Standard (AS) 15 (Revised 2005)

₹ in crores				
Particulars	Gratuity (Funded))		Leave Encashment (Funded)	
	2012-13	2011-12	2012-13	2011-12
I Change in obligation during the year ended 31st March, 2013				
1 Liability at the beginning of the year	2.67	2.99	4.18	3.82
2 Interest cost	0.22	0.24	0.35	0.32
3 Current service cost	0.87	0.41	0.37	0.29
4 Past service cost	0.00	0.00	0.00	0.00
5 Benefit Paid	(0.13)	(0.01)	(0.21)	(0.12)
6 Actuarial (gain) / Losses	2.70	(0.96)	0.82	(0.13)
7 Liability at the end of the year	6.33	2.67	5.51	4.18
II Change in assets during the year ended 31st March, 2013				
1 Plan assets at the beginning of the year	3.11	2.02	4.05	2.77
2 Expected return of plan assets	0.30	0.23	0.37	0.30
3 Contributions	0.51	0.88	0.12	1.09
4 Benefit paid	(0.13)	(0.01)	(0.21)	(0.12)
6 Actuarial gain / (Loss)	(0.01)	(0.01)	0.00	0.01
7 Plan assets at the end of the year	3.78	3.11	4.33	4.05
8 Total Actuarial Gain/(Loss)				
To Be Recognized	(2.71)	0.95	(0.82)	0.14
III Actual Return on plan assets				
1 Expected return of plan assets	0.30	0.23	0.37	0.30
2 Actuarial gain / (loss)	(0.01)	(0.01)	0.00	0.01
3 Actual return on plan assets	0.29	0.22	0.37	0.31
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2013				
1 Liability at the end of the year	6.33	2.67	5.51	4.18
2 Plan assets at the end of the year	3.78	3.11	4.33	4.05
3 Amount recognized in the Balance Sheet Accrued (Pre paid)	2.55	(0.44)	1.18	0.13
V Expenses recognized in the statement of profit & loss account for the year ended 31st March, 2013				
1. Current service cost	0.87	0.41	0.37	0.29
2. Interest cost	0.22	0.24	0.35	0.32
3. Expected return on plan assets	(0.30)	(0.23)	(0.37)	(0.30)
4. Actuarial (gain) / Losses	2.71	(0.95)	0.82	(0.14)
5. Past service cost	0.00	0.00	0.00	0.00
6. Total expenses	3.50	(0.53)	1.17	0.17
VI Balance Sheet reconciliation				
1. Opening net liability	(0.44)	0.97	0.13	1.05
2. Expenses as above	3.50	(0.53)	1.17	0.17
3. Employer contribution	(0.51)	(0.88)	(0.12)	(1.09)
4. Amount recognized in the Balance Sheet	2.55	(0.44)	1.18	0.13
VII Actuarial assumptions: (LIC 1994-96)				
1. Discount rate	8.20%	8.50%	8.20%	8.50%
2. Rate of return on plan assets	9.25%	9.25%	9.25%	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 crores

Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Gratuity (Funded)					
Defined Benefit obligation	6.33	2.67	2.99	2.01	1.14
Plan asset	3.78	3.11	2.02	1.88	0.82
Surplus/(deficit)	(2.55)	0.44	(0.97)	(0.13)	(0.32)
Experience adjustment					
on plan liability	2.45	(0.91)	-	-	-
Experience adjustment					
on plan assets	0.01	(0.00)	-	-	-
Leave Encashment (Funded)					
Defined Benefit obligation	5.51	4.18	3.82	2.70	1.34
Plan asset	4.33	4.05	2.77	2.60	1.03
Surplus/(deficit)	(1.18)	(0.13)	(1.05)	(0.10)	(0.31)
Experience adjustment	0.60	(0.04)	-	-	-
on plan liability					
Experience adjustment	0.00	(0.01)	-	-	-
on plan assets					

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 2012-13.

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

	2012-13	2011-12
Interest on buyers' credit	45.41	22.47
Interest - Wind Mill	17.19	20.27
Interest on Current Income Tax (u/s 234 B & 234C of Income Tax Act, 1961)	2.55	3.71
Other Cost*	28.22	16.52
TO TAL	93.37	62.97

* Includes Bank Guarantee & L C Charges

31. OTHER EXPENSES

₹ in crores

	2012-13	2011-12
Expenses related to Gas Trading		
Gas transmission charges	93.71	102.17
Import Expenses	254.43	181.03
Commodity Hedging and Mark to Market losses (Refer note no.12.1)	(3.66)	17.43
Annuity & Meter Validation Charges	0.95	1.23
Other Expenses	0.25	0.22
TOTAL (A)	345.68	302.08
Expenses related to E&P Activities (Refer Note No 32)		
Production Expenditure	34.43	35.65
Duties & Taxes (includes Profit Petroleum ₹ 46,39,92,161 (P. Y. ₹ 19,08,02,557/-))	60.38	36.21
Other G & A Expenses	18.88	20.93
TOTAL (B)	113.69	92.79
Expenses related to Wind Mills		
Insurance expenses	0.71	0.15
Rebate on Wind Energy Sales	0.41	0.30
Operation (A) Maintenance Expeances	4.31	-
TOTAL (C)	5.43	0.45
Administrative Expenses		
Electricity Expenses	0.70	0.62
Rent, Rates & Taxes (Refer note no. 16. 1.1)	0.34	0.47
Repairs & Maintenance :		
Building Repairs	0.20	0.11
Others	1.94	1.37
Insurance expenses	0.28	0.41
Business Development & Promotion	1.97	2.66
Advertisement & publicity	0.24	0.27
Administration & establishment	2.66	2.58
Travelling Expenses	1.21	0.76
Stationery & Printing	0.73	0.84
Professional & Technical Expenses	10.11	5.52
Telephone, Trunk calls & Postage	0.14	0.11
Vehicle running Expenses	0.11	0.18
Bandwidth Expenses	0.08	0.11
Payment to Auditors		
As Auditor	0.11	0.11
Company Law matter	-	0.12
Other Services	0.48	0.02
For reimbursement of expenses	0.02	0.01

₹ in crores

	2012-13	2011-12
Net Loss on Sale/discarding of Fixed Assets	-	0.04
Net Foreign Exchange Loss	1.22	-
Other Expenses	0.38	0.53
TOTAL (D)	22.92	16.84
Misc. Expenditure W/off during the year (E)	3.93	1.72
Provision for Diminution in the value of Investment (F)	10.50	0.26
Provision for Doubtful Advances (G)	1.00	-
TOTAL (A+B+C+D+E+F+G)	503.15	414.14

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	2012-13	2011-12
Electricity Expenses	1.74	1.47
Rent, Rate & Taxes	1.23	1.06
Repairs & Maintenance :		
Building Repairs	0.20	0.27
Others	3.67	3.26
Insurance expenses	1.10	0.97
Business Development & Promotion	1.97	2.66
Advertisement & Publicity	0.24	0.27
Administration & establishment	13.10	6.12
Traveling Expenses	1.64	1.80
Stationery & Printing	2.33	1.98
Professional & Technical Expenses	8.11	10.77
Telephone, Trunk calls & Postage	0.26	0.26
Vehicle running Expenses	0.35	0.43
Bandwidth Expenses	0.14	0.26
Payment to Auditors :		
As Auditor	0.11	0.11
Company Law matter	-	0.12
Other Services	0.48	0.02
For reimbursement of expenses	0.02	0.01
Net Loss on Sale/discarding of Fixed Assets	-	0.04
Net Foreign Exchange Loss	1.22	-
Other expenses	1.37	1.26
TOTAL (D)	39.28	33.14
Allocated to Operated E&P Blocks	16.36	16.30
Net Expenditure for Corporate	22.92	16.84

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 C)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
13	MB-DWN-2000/2 (Mumbai) (Refer Note c)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			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 C)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
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 C)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
17	AA-ONN-2003/1(Assam)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	10%
			Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%
18	EPP-27 (Australia) (Refer Note e)	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 f)	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)	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	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd.	10%
			Hindustan Petroleum Corporation Limited	10%
22	CY-DWN-2004/2	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	70%
			Corporation Limited (Operator) GAIL (India) Ltd.	10%

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
			Hindustan Petroleum Corporation Limited	10%
24	CY-DWN-2004/4	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
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	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
27	KG-DWN-2004/1	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
28	KG-DWN-2004/2	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	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
30	KG-DWN-2004/5	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	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
			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%
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	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%
37	RJ-ONN-2004/1	22.225% (22.225%)	GAIL (India) Ltd	22.225%
			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%

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
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	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
50	AN-DWN-2009/13	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd.	10%
			NTPC Ltd	10%
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 g)	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) (Refer Note g)	50% (50%)	GAIL (India) Ltd.	50%
54	KG-OSN-2001/3 (Refer Note h)	80% (80%)	Jubilant Enpro Limited	10%
			Geo Global Resources (Barbados) Inc.	10%
55	CB-ONN-2002/3 (Sanand)	55% (55%)	Jubilant Enpro Limited	20%
			Hindustan Petroleum Corporation Limited	15%
			Geo Global Resources (Barbados) Inc.	10%
56	CB-ONN-2003/2 (Ankleshwar)	50% (50%)	GAIL (India) Ltd.	20%
			Jubilant Enpro Private Limited	20%
			Geo Global Resources (Barbados) Inc.	10%
57	South Diyur (Egypt)	80% (80%)	Alkor Petro Ltd.	20%
58	North Hap'y (Egypt)	80% (80%)	Alkor Petro Ltd.	20%
59	MB-OSN-2004/1 (Refer Note d)	20% (20%)	Petrogas E&P LLC	20%
			GAIL (India) Ltd.	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%

SI No.	Joint Venture/ PSCs	GSPC's PI*	Operatorship / Others Partners' PI	PI
60	KG-ONN-2004/2	40% (40%)	GAIL (India) Ltd.	40%
			Petrogas E&P LLC	20%
61	Block No 19 (Yemen) (Refer Note j)	45% (45%)	Western Drilling Contractors Pvt. Ltd.	30%
			Alkor Petroo Ltd.	25%
62	Block No 28 (Yemen) (Refer Note j)	45% (45%)	Western Drilling Contractors Pvt. Ltd.	30%
			Alkor Petroo Ltd.	25%
63	Block No 57 (Yemen) (Refer Note j)	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%
65	South Quseir (Egypt) (Refer Note I)	50% (50%)	Hindustan Petroleum Corporation Limited	25%
			Oil India Ltd.	25%
66	South Sinai (Egypt) (Refer Note I)	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 (Indonasia)	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.

- c. 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.
- d. 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 current 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. Accordingly the company has written off ₹ 0.54 crores in the current year.
- e. 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 (₹ 8.37 crs). 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.
- f. 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.

- g. 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. During the year Company has signed Ring Fence PSC for CB-ONN-2000/1 (Ahmedabad) extension block.
- h. 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 ₹ 1,350.16 Crores (P.Y. ₹ 988.76 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 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.
- i. The Production Sharing Agreement (PSA) for South Quseir and South Sinai in Egypt are in the process of being executed.
- j. 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 year 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. Accordingly, the company has written off an amount of ₹ 42.73 crores as exploration cost written off during the current year.
- k. Of the above, 14 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) and Tarapur 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	1.44	388.67
	(1.49)	(507.91)
Additions	-	76.12
	-	-
Deletions	-	-
	-	-
Production	0.05	98.31
	(0.05)	(119.24)
Closing Balance for the year ended on 31-03-2013	1.39	366.48
	(1.44)	(388.67)

* 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 31-03-2013	As on 31-03-2012
A.	Fixed Assets		
	Gross Block	1,427.28	1,402.04
	Depreciation/Depletion Fund	1,055.56	989.85
	Net Block	371.72	412.19
	CWIP*	13,769.79	10,007.59
B.	Current Assets	180.66	269.73
C.	Current Liabilities and Provisions	499.11	688.90
D.	Contingent Liabilities	1,251.57	774.57

* 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 2013 and 31st March 2012 is given as under

₹ in crores

	2012-13		2011-12	
	Aggregate of all Jvs	GSPC's Share	Aggregate of all Jvs	GSPC's Share
INCOME				
Sale of Crude Oil	298.72	159.73	302.69	163.45
Sale of Gas	105.70	56.41	113.43	60.74
Increase/(Decrease) in Stock	(2.27)	1.42*	3.02	1.90*
Other Income	8.19	5.84	6.35	4.21
Total	410.34	220.56	425.49	230.30
EXPENDITURE				
Production Expenses	57.20	34.43	61.70	35.65
Duties & Taxes	115.13	60.38	51.43	36.21
Administrative exps.	30.93	18.88	30.82	20.93
Total Expenditure before	203.26	113.69	143.95	92.79
Depreciation				
PROFIT BEFORE DEPRECIATION	207.08	106.87	281.54	137.51

* It includes increase/ (decrease) in stock of crude oil of Hazira Field amounting to ₹ (0.87) crore (P.Y. ₹ (0.01) crores). The same is not considered in closing stock of crude oil, in line with Joint Venture Venture's accounting policy where the company's share in net current assets is adjusted in the capital contribution adjustment account.

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

		2012-13					2011-12				
		E & P	Gas Trading	Wind Unallocated	Unallocated	Total	E & P	Gas Trading	Wind Unallocated	Unallocated	Total
1	Revenue										
	External Sales	216.14	9,979.23	44.58	-	10,239.95	224.19	8,204.42	34.59	-	8,463.20
	Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
	Total Revenue	216.14	9,979.23	44.58	-	10,239.95	224.19	8,204.42	34.59	-	8,463.20
2	Results										
	Segment Results										
	Profit(+) / Loss (-)	(16.28)	1,312.58	(25.00)		1,271.30	(271.06)	1,219.55	(22.85)	-	925.64
	Unallocated Exp.	-	-	-	(87.41)	(87.41)	-	-	-	(54.05)	(54.05)
	Operating Profit	(16.28)	1,312.58	(25.00)	(87.41)	1,183.89	(271.06)	1,219.55	(22.85)	(54.05)	871.59
	Interest/Dividend	-	16.75	-	26.90	43.65	-	1.57	-	32.08	33.65
	Other Income	5.84	10.20	-	4.15	20.19	4.22	26.52	-	7.21	37.95
	Provision for Taxation	-	-	-	(401.17)	(401.17)	-	-	-	(334.55)	(334.55)
	Prior Period adjustments	-	-	-	(0.60)	(0.60)	-	-	-	0.16	0.16
	Profit/Loss from Ordinary Activities	(10.44)	1,339.53	(25.00)	(458.12)	845.97	(266.84)	1,247.64	(22.85)	349.47	608.48
	Excess / Short Prov of IT	-	-	-	0.60	0.60	-	-	-	0.74	0.74
	Net Profit/(Loss)	(10.44)	1,339.53	(25.00)	(457.53)	846.57	(266.84)	1,247.64	(22.85)	(350.21)	607.74
3.	Other Information										
	Segment Assets	19,442.85	914.49	268.57	-	20,625.91	14,260.36	777.65	312.25	-	15,350.26
	Unallocated Assets	-	-	-	1,401.67	1,401.67	-	-	-	1,063.20	1,063.20
	Total Assets	19,442.85	914.49	268.57	1,401.67	22,027.57	14,260.36	777.65	312.25	1,063.20	16,413.46
	Segment Liabilities	13,863.83	1,010.61	5.43	-	14,879.87	10,562.35	629.39	135.32	-	11,327.06
	Unallocated Liabilities	-	-	-	675.27	675.27	-	-	-	253.68	253.68
	Total Liabilities	13,863.83	1,010.61	5.43	675.27	15,555.14	10,562.35	629.39	135.32	253.68	11,580.61
	Capital Expenditure	4,888.99	-	-	-	4,888.99	3,050.58	-	105.82	6.95	3,163.35
	Depreciation Non Cash Expenses with than	65.71	-	46.96	4.45	117.12	65.01	-	36.72	8.06	109.79
	Depreciation	51.60	(3.66)	-	15.43	63.37	339.35	7.11	-	1.98	348.44

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 ₹ 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 and year 2012-13 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 and GSPL India Transco Limited, GSPC Distribution Networks Ltd.
- 36.1.2 Associate Companies - Gujarat State Energy Generation Limited, Sabarmati Gas Company Ltd, Alcock Ashdown (Gujarat) Limited.
- 36.1.3 Joint Ventures - As per Note No.32 of Notes forming part of Financial Statements.
- 36.1.4 Key Managerial Personnel:
Shri Tapan Ray, IAS- Managing Director.

Transactions during the year with related parties :

₹ in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures		Key Management personnel		TOTAL	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Income :										
Sale of LNG	3,650.28	2,700.64	436.68	488.63	-	-	-	-	4,086.96	3,189.27
Gujarat Stat Petronet Ltd	12.37	7.45	-	-	-	-	-	-	12.37	7.45
GSPC Gas Company Ltd	3,630.92	2,693.19	-	-	-	-	-	-	3,630.92	2,693.19
GSPC Pipavav Powe Company Ltd.	6.99	-	-	-	-	-	-	-	6.99	-
Sabarmati Gas Company Ltd	-	-	279.92	239.94	-	-	-	-	279.92	239.94
Gujarat State Energy Generation Ltd	-	-	156.76	248.69	-	-	-	-	156.76	248.69
Rent received	0.90	1.88	0.09	0.05	1.93	1.16	-	-	2.92	3.09
Gujarat State Petronet Ltd.	0.79	1.68	-	-	-	-	-	-	0.79	1.68
GSPC Pipavav Power Company Ltd.	0.09	0.09	-	-	-	-	-	-	0.09	0.09
GSPC Gas Ltd	0.01	0.03	-	-	-	-	-	-	0.01	0.03
GSPC LNG Ltd	0.01	0.08	-	-	-	-	-	-	0.01	0.08
Gujarat State Energy Geöneration Ltd	-	-	0.09	0.05	-	-	-	-	0.09	0.05
KG-OSN-2001/3	-	-	-	-	1.19	0.57	-	-	1.19	0.57
CB-ON/2 Tarapur	-	-	-	-	0.14	0.10	-	-	0.14	0.10
Other Joint Ventures	-	-	-	-	0.60	0.49	-	-	0.60	0.49
Dividend Income	24.90	25.82	0.34	3.07	-	-	-	-	25.24	28.89
Gujarat State Petronet Ltd.	21.23	21.23	-	-	-	-	-	-	21.23	21.23
GSPC Gas Company Ltd	3.67	4.59	-	-	-	-	-	-	3.67	4.59
Gujarat State Energy Generation Ltd	-	-	-	2.73	-	-	-	-	-	2.73
Sabarmati Gas Company Ltd.	-	-	0.34	0.34	-	-	-	-	0.34	0.34
Interest Income	0.11	-	-	-	-	-	-	-	0.11	-
GSPC (JPDA) Ltd.	0.11	-	-	-	-	-	-	-	0.11	-
Management Fees	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Others (Joint Ventures)	-	-	-	-	0.16	0.15	-	-	0.16	0.15
Expenses :										
Purchase of Gas	-	-	-	-	9.16	8.43	-	-	9.16	8.43
Joint Ventures-Tarapur	-	-	-	-	1.06	-	-	-	1.06	-
Joint Ventures -										
North Balol	-	-	-	-	8.10	8.43	-	-	8.10	8.43

Transactions during the year with related parties :

₹ in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures		Key Management personnel		TOTAL	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Gas transportation charges	93.71	102.17	-	-	-	-	-	-	93.71	102.17
Gujarat State Petronet Ltd.	93.71	102.17	-	-	-	-	-	-	93.71	120.17
Bandwidth Charges	0.11	0.24	-	-	-	-	-	-	0.11	0.24
Gujarat Info Petro Ltd.	0.11	0.24	-	-	-	-	-	-	0.11	0.24
Outsourcing Service Charges	0.73	0.75	-	-	-	-	-	-	0.73	0.75
Gujarat Info Petro Ltd	0.73	0.75	-	-	-	-	-	-	0.73	0.75
Remuneration to										
Managing Director	-	-	-	-	-	-	0.16	0.15	0.16	0.15
Shri Tapan Ray, IAS	-	-	-	-	-	-	0.16	0.15	0.16	0.15
Current Assets & Liabilities:										
Debtors	244.13	152.60	102.98	91.04	-	-	-	-	347.11	243.64
Gujarat State Petronet Ltd.	0.87	0.57	-	-	-	-	-	-	0.87	0.57
GSPC Gas Company Ltd.	238.70	152.03	-	-	-	-	-	-	238.70	152.03
GSPC Pipavav Power Company Ltd.	4.56	-	-	-	-	-	-	-	4.56	-
Gujarat State Energy Generation Ltd	-	-	84.79	78.97	-	-	-	-	84.79	78.97
Sabarmati Gas Company Ltd.	-	-	18.19	12.07	-	-	-	-	18.19	12.07
Advance/ Receivables	1.49	0.92	1.10	1.49	1626.04	1126.47	-	-	1628.63	1128.88
Gujarat State Petronet Ltd.	-	0.16	-	-	-	-	-	-	-	0.16
GSPC Pipavav Power Company Ltd.	0.30	0.21	-	-	-	-	-	-	0.30	0.21
GSPC LNG Ltd	-	-	-	-	-	-	-	-	-	-
GSPC (JPDA) Ltd.	0.48	0.32	-	-	-	-	-	-	0.48	0.32
Gujarat Info Petro Ltd.	0.32	0.18	-	-	-	-	-	-	0.32	0.18
GSPC Gas Company Ltd.	0.39	0.05	-	-	-	-	-	-	0.39	0.05
GSPC Marginal Fields Ltd (₹ 38,964/- P.Y.38,964)	0.00	0.00	-	-	-	-	-	-	0.00	0.00
Gujarat State Energy Generation Ltd.	-	-	1.10	1.14	-	-	-	-	1.10	1.14

Transactions during the year with related parties :

₹ in crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures		Key Management personnel		TOTAL	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sabarmati Gas Company Ltd.	-	-	-	0.35	-	-	-	-	-	0.35
Others (Joint Ventures)	-	-	-	-	1626.04	1126.47	-	-	1626.04	1126.47
Payable	1.17	5.97	-	-	259.33	164.35	-	-	260.50	170.32
Gujarat State Petronet Ltd.	0.82	5.66	-	-	-	-	-	-	0.82	5.66
GSPC Gas Company Ltd.	0.12	0.03	-	-	-	-	-	-	0.12	0.03
Gujarat Info Petro Ltd.	0.18	0.28	-	-	-	-	-	-	0.18	0.28
GSPC Pipavav Power Company Ltd.	0.05	0.00	-	-	-	-	-	-	0.05	0.00
Gujarat State Energy Generation Ltd. (Rs. 36354 (PY NIL))	-	-	0.00	-	-	-	-	-	0.00	-
Others	-	-	-	-	-	-	-	-	-	-
(Joint Ventures)	-	-	-	-	259.33	164.35	-	-	259.33	164.35
Investment in Share Capital (Allotment)	338.10	309.15	139.29	139.29	-	-	-	-	477.39	448.44
Gujarat State Petronet Ltd.	213.31	213.31	-	-	-	-	-	-	213.31	213.31
GSPC Pipavav Power Company Ltd.	36.89	36.89	-	-	-	-	-	-	36.89	36.89
GSPC LNG Ltd	6.00	0.05	-	-	-	-	-	-	6.00	0.05
GSPC (JPDA) Ltd.	24.40	1.40	-	-	-	-	-	-	24.40	1.40
Gujarat 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	0.05	0.05	-	-	-	-	-	-	0.05	0.05
Gujarat State Energy Generation Ltd.	-	-	119.83	119.83	-	-	-	-	119.83	119.83
Sabarmati Gas Company Ltd.	-	-	8.96	8.96	-	-	-	-	8.96	8.96
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)	-	-	10.50	10.50	-	-	-	-	10.50	10.50
Advance for Investment (Pending Allotment)	80.07	106.07	1.00	1.00	-	-	-	-	81.07	107.07
GSPC (JPDA) Ltd.	69.26	89.31	-	-	-	-	-	-	69.26	89.31
GSPC LNG Ltd.	5.43	11.38	-	-	-	-	-	-	5.43	11.38
GSPC Pipavav Power Company Ltd.	5.38	5.38	-	-	-	-	-	-	5.38	5.38
Alcock Ashdown (Gujarat) Limited (excluding provision for Diminution in value)	-	-	1.00	1.00	-	-	-	-	1.00	1.00

37. Value of Imports on CIF Basis in respect of

₹ in crores

Particulars	2012-13	2011-12
(I) Capital Goods	-	0.27
ii) Traded goods	2,029.37	1,587.73
iii Incurred by Joint ventures (our share)	1.11	0.05
Total	2,030.48	1,588.05

38. EXPENDITURE IN FOREIGN CURRENCY :

₹ in crores

Particulars	2012-13	2011-12
I) Seminar & conference exp.	0.00	0.03
ii) Consultancy & Technical Fees	8.76	2.56
iii) Subscription	0.71	0.35
iv) Payments to Oil & Gas Joint Ventures	58.02	174.51
v) Miscellaneous Expenditure	80.61	214.97
vi) Incurred by Joint ventures (our share)	326.02	533.22
Total	474.12	925.64

INCOME IN FOREIGN CURRENCY :

₹ in crores

Particulars	2012-13	2011-12
I) Take or Pay (Cargo Cancellation Charges)	-	28.22
Total	-	28.22

39. Value of Traded Goods Purchase

₹ in crores

Particulars	2012-13		2011-12	
	₹ in Cr	% of Purchase	₹ in Cr	% of Purchase
I) Imported	2,029.37	25.20%	1,587.73	23.57%
ii) Indigenous	6,023.21	74.80%	5,147.87	76.43%
Total	8,052.58	100%	6,735.60	100%

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		3,12,022		159.73
			(3,42,521)		(163.45)
Gas	Lakh M3		911		56.41
			(1,122)		(60.74)
Gas Trading*	Million MMBTU	Lakh M3	132.08	101.57	9,979.23
			(137.91)	(111.06)	(8,204.42)

* The Company purchases Gas in MMBTU while sale of gas is made in different units of measurements i.e. MMBTU as well as Lakh M3.

b. Opening and Closing Stock of Goods Produced & Traded

Description	Unit		Quantity		Value ₹ In Crores
Opening Stock					
Crude Oil	Barrels		18,793		7.07
			(17,761)		(5.16)
Gas Trading	Million MMBTU		3.10		222.98
			(3.15)		(147.70)
Closing Stock					
Crude Oil	Barrels		14,200		6.52
			(18,793)		(7.07)
Gas Trading	Million MMBTU		-		-
			(3.10)		(222.98)

c. Purchases (Trading)

Description	Unit		Quantity		Value ₹ In Crores
Gas Trading	Million MMBTU	Lakh M3	129.13	101.57	8,052.58
			(137.81)	(110.03)	(6,735.60)

41. EARNING PER SHARE (EPS) :

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

Particulars	2012-13	2011-12
Net Profit After Tax (₹ in Crores)	846.57	607.74
Weighted average number of equity shares	2,296,598,782	2,234,531,687
Basic Earnings Per Share (₹)	3.69	2.72
Diluted Earning Per Share (₹)	3.69	2.72
Nominal Value Per Share (₹)	1	1

42. The Company had filed a complaint dated April 6th 2011 before PNGRB against GAIL, IOCL and BPCL, PNGRB had subsequently passed an order on October 10th 2011 wherein three member panel of Board have unanimously held that GAIL has 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.

However appeals have been filed against the PNGRB Order before Appellate Tribunal for Electricity (APTEL) and the Bench has passed an interim order on January 23rd 2012 and directed GAIL, IOCL and BPCL to give direct connectivity at Dahej Terminal subject to GSPC giving undertaking in respect of the following;

- i. GSPC shall open a separate bank account and deposit an amount of ₹140 crores. Accordingly company has deposited ₹ 140.00 crores in a separate bank account.
- ii. From the date of change of delivery point, GSPC shall open a separate bank account and deposit the Inter connectivity Charges. Accordingly company has deposited ₹42.78 crore in a separate bank account.

The Company has submitted the Undertaking to APTEL in respect of the same on February 18th 2012 and deposited amounts as aforesaid. The APTEL has concluded the final hearing in the matter and the Order is reserved.

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 Talati & Talati
Chartered Accountants
(Firm Reg. No. 110758W)

(Umesh Talati)
Partner
Membership No.34834

Place : Ahmedabad
Date : 12/08/2013

For and on behalf of the Board of
Directors

Varesh Sinha, IAS
Chairman

Sandeep Dave
Company Secretary

Tapan Ray, IAS
Managing Director

Manish Verma
Executive Director - F & A

Place : Gandhinagar
Date : 12/08/2013

Gujarat State Petroleum Corporation Limited 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	GSPL Marginal Field Limited	GSPC Distribution Networks Limited
1.	The financial year of the subsidiary company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
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	21.02.2012	21.02.2012	21.02.2012
3.	Shares of subsidiary company held the Company on above date : A. Number of share held GSPC along with its nominees in the subsidiary at the end of the financial year of the subsidiary company. (Face Value ₹. 10/- Each)	212,305,270	36,890,436	24,400,060	6,000,000	45,987,721	38,647	11,337,633	15,110,548	50,060	27,173
4.	B. Extent of interest in Holding Company at the end of financial year 2011-12-13 in the subsidiary company	37.73%	100%	100%	50%	54.35%	77.20%	23.35%	22.29%	100.00%	54.35%
	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 the Holding Company Accounts										
	(i) For that financial year ended on 31.03.2013	203.03	(8.45)	(0.02)	NIL	21.85	4.94	0.19	0.15	(0.01)	(2.10)
	(ii) For the previous financial of the subsidiary company since it became the Hoarding Company's subsidiary.	565.16	(0.71)	(1.07)	(0.01)	178.62	11.68	0.01	0.00	Nil	Nil
	(b) Dealt with in the Holding Company's Accounts										
	(i) For the financial year ended as on 31.03.2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(ii) For the previous financial years of the subsidiary company since it become 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
Note :		Varesh Sinha, IAS Chairman					Tapan Ray, IAS Managing Director				
* Includes shares held by subsidiary company Gujarat State Petronet Limited		Gujarat State Petroleum Corporation Limited					Manish Verma Executive Director - (F & A)				
* Includes shares held by subsidiary company GSPC Gas Company Limited		Sandeep Dave Company Secretary									
Date : 10th October, 2013											
Place : Gandhinagar.											

34th

ANNUAL REPORT 2012 - 2013



GUJARAT STATE PETRONET LIMITED

15th Annual Report



Board of Directors

Shri M M Srivastava, IAS (Retd.) (w.e.f. 24th August, 2012)
 Dr. Hasmukh Adhia, IAS (w.e.f. 21st March, 2013)
 Shri D J Pandian, IAS
 Dr. R Vaidyanathan
 Prof. Yogesh Singh (w.e.f. 20th May, 2013)
 Shri Yogesh B Sinha (w.e.f. 27th May, 2013)
 Shri Tapan Ray, IAS

Chairman

Managing Director

Shri A K Joti, IAS (upto 24th August, 2012)
 Dr. Varesb Sinha, IAS (upto 21st March, 2013)
 Shri N K Mitra (upto 7th May, 2013)

Company Secretary

Ms. Reena Desai

Statutory Auditors

Jain Seth & Co.,
 Chartered Accountants
 Ahmedabad

Subsidiary Companies

GSPL India Gasnet Limited
 GSPL India Transco Limited

Internal Auditors

KPMG
 Cost Auditors
 R K Patel & Co.,

Cost Accountants

Vadodara

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.
 Hyderabad

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
 State Bank of India
 Corporation Bank
 The South Indian Bank Ltd.
 Dena Bank
 Union Bank of India
 HDFC Bank Ltd.
 UCO Bank
 ICICI Bank Ltd.
 Vijaya Bank
 IDBI Bank Ltd.
 Yes Bank Ltd.



NOTICE

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

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Dr. R Vaidyanathan who retires by rotation and being eligible offers himself for re-appointment.
4. To fix remuneration of Statutory Auditors of the Company in terms of the provisions of Section 224 (8) (aa) of the Companies Act, 1956.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. Hasmukh Adhia, IAS, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 141(a) and 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Prof. Yogesh Singh, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Yogesh B Sinha, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, Listing Agreement and such other approvals as may be necessary, consent of the Company be and is hereby accorded for payment of monthly salary derived on the basis of "last pay drawn minus pension" as stipulated vide Resolution No. GPC-10-2010-110000-E of Govt. of Gujarat dated 10th May, 2013 and Resolution No. GPC-10-2010-110000-E of Govt. of Gujarat dated 22nd August, 2013 to Shri M. M. Srivastava, IAS (Retd.) w.e.f. 27th August, 2012.

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

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

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 23rd August, 2013
Place: Gandhinagar

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

Notes:

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



ANNEXURE TO THE NOTICE

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

Item No. 5

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

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

No other Director except Dr. Hasmukh Adhia, IAS is in any way concerned or interested in the said Resolution.
The Members are requested to approve the Resolution.

Item No. 6

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

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

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

The Members are requested to approve the Resolution.

Item No. 7

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

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

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

The Members are requested to approve the Resolution.

Item No. 8

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

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

- 1) Monthly salary derived on the basis of "Last Pay drawn minus Pension".
- 2) Dearness Allowance on the Last Pay drawn by him immediately before his retirement and shall not be entitled to get any temporary increase on monthly pension.

- 3) Car with driver for discharging official duties.
- 4) Travelling allowance, daily allowance and other allowances received by him at the time of retirement and shall not be entitled for any Transport Allowance.
- 5) Medical facility/ reimbursement, accommodation, perquisites, facilities, allowances as stipulated in the GoG Resolution No. GPC-10-2010-110000-E dated 10th May, 2013.
- 6) He shall also be entitled to other facilities received by him at the time of retirement as ACS to Government of Gujarat, Finance Department.

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

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

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

The Members are requested to approve the Resolution.

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 23rd August, 2013
Place: Gandhinagar

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



DIRECTORS' REPORT

To,
The Members
Gujarat State Petronet Limited

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

FINANCIAL HIGHLIGHTS

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

MAJOR ACHIEVEMENTS

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

- Total Income increased from ₹ 1174.63 crore in previous year to ₹ 1239.25 crore recording increase of 6%.
- PBDITA increased from ₹ 1084.57 crore in previous year to ₹ 1138.02 crore, recording an increase of 5%.
- 100% Pipeline grid availability and "accident free" year of operations.
- PNGRB has granted authorization for High Pressure Gas Pipeline Network of 2239 Kms and Low Pressure Gas Pipeline Network of 57.60 Kms in Gujarat.

- During the year, PNGRB has determined the "Provisional" Initial Unit Natural Gas Pipeline Tariff" (IUNGPT) for GSPL's High Pressure Natural gas Pipeline Network and the zonal tariff apportionment of the same thereof.
- Your Company in Financial Year 2011 - 12 had promoted two new special purpose vehicles i.e. GSPL India Gasnet Limited and GSPL India Transco Limited for execution of the three Cross Country Pipeline Projects viz. Mallavaram - Vijaipur - Bhilwara (approx 1746 Kms) Pipeline Project, Mehsana - Bhatinda (approx 1670 Kms) Pipeline Project and Bhatinda - Jammu - Srinagar (approx 740 Kms) Pipeline Project. The Company has signed Joint Venture Agreements (JVAs) with IOCL, BPCL and HPCL on 30th April, 2012 for the same. As per the JV Agreement, GSPL shall hold 52% stake in the JV with IOCL (26%), BPCL (11%) and HPCL (11%) holding the rest. The Financial closure for the three projects is already achieved.

CAPITAL

During the year, the Board has approved allotment of 19706 Shares to the eligible employees under ESOP - 2005 upon exercise of Options by them, consequent to which the paid up Share Capital of the Company has increased to ₹ 562.71 crore.

DIVIDEND

Keeping in view the fund requirements for expansion projects and subsidiaries, the Board of Directors of the Company is pleased to recommend dividend @ ₹ 1.00 (i.e. 10%) per equity share of the face value of ₹ 10 each for the Financial Year 2012 - 13.

GAS TRANSMISSION SERVICES

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

GAS GRID PROJECT

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

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

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

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

Projects Commissioned

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

Current grid operations account for approx 2163 Kms. Gas is flowing from Hazira / Dahej / Vapi to various industries and City Gas Distribution ("CGD") Networks located in various districts of Gujarat including Surat, Bharuch, Baroda, Anand, Ahmedabad, Gandhinagar, Sabarkantha, Bhavnagar, Mehsana, Banaskantha, Surendranagar, Rajkot, Jamnagar, Navsari, Kutchh, Panchmahal, Kheda, Valsad, Amreli.

Projects Under Execution

Your Directors are pleased to inform that the Company continues to develop pipeline infrastructure in the State of Gujarat. The following pipeline sections are being developed on priority:

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

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

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

WIND POWER PROJECT

Your Company being committed to promote clean and green energy has set up wind power project of 52.5 MW in the areas of Maliya Miyana, Rajkot and Gorsar & Adodar, Porbandar. During the year, the Company has sold 12,39,79,705 KWH of electricity generated through Windmill.

FUTURE PLANS

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

OPERATION & MAINTENANCE ACTIVITIES

The Company has transported 9966.06 mmscm of gas during

the Financial Year 2012 - 13 (Previous Year: 12430 mmscm).

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

SUBSIDIARY COMPANIES

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

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

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

GIGL - PROJECT STATUS

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

GITL - PROJECT STATUS

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



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

CONSOLIDATED FINANCIAL STATEMENTS

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

HEALTH, SAFETY AND ENVIRONMENT

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

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

The Company is re-certified for Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) with validity till 30th October 2014. Effectiveness of these certifications is being assured through planned audits of the system. Continuous improvement is visible in various O&M systems. Preventive maintenance schedules are being adhered to with the updating of records. New accredited ERDMP is being submitted to statutory bodies. All conditions of accreditation letter are being adhered to. Effectiveness of ERDMP is verified through regular mock drills as per intervals identified by respective work bases.

To further enhance the benchmark of Safety Management Systems, your Company was audited by British Safety Council for Five Star safety audit for the second time. British Safety Council has awarded Five Star rating to O&M division after an extensive evaluation by the auditor from British Safety Council. Your Company has also bagged International Safety award for 2013 by British Safety Council for its HSE performance in 2012. Your company has successfully bagged International Safety Awards from British Safety Council for 3 Years continuously, based upon previous years' HSE Performance.

FIXED DEPOSITS

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

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS

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

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

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Dr. R Vaidyanathan, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

A brief resume of the Directors retiring by rotation/seeking appointment at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and details regarding the companies in which they hold directorship,

membership/chairmanship of committees of the Board are given in the Corporate Governance Report forming part of this Directors' Report.

STATUTORY AND C&AG AUDIT

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

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

COST AUDITORS

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

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

AUDIT COMMITTEE

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

of affairs of the Company as at 31st March, 2013 and of profit of the Company for that period.

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

MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE

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

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

GSPL EMPLOYEES STOCK OPTION PLAN ("ESOP")

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

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

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

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



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

PARTICULARS OF EMPLOYEES

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

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

Conservation of Energy

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

Technology Absorption

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

Foreign Exchange Earnings & Outgo

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

ACKNOWLEDGEMENTS

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

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

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

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

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

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date: 23rd August, 2013

Place: Gandhinagar

Annexure - I

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

A. INDUSTRY OVERVIEW

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

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

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

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

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

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

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

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

ROLE OF LNG

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

Last year witnessed the commissioning of yet another LNG receiving terminal in India, at Dabhol Maharashtra, developed

by Petronet LNG on the western coast of India. The Kochi LNG terminal is expected to be commissioned very soon. Further, there are other LNG receiving terminals which are in the process of setting up new capacities at Ennore, Mundra, Gangavaram and Kakinada. The development of such re-gasification capacity / infrastructure shall ensure effective utilization of gas pipelines being developed by your Company.

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

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

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

B. REGULATORY FRAMEWORK

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

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

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

C. OPPORTUNITIES AND CHALLENGES

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



As per ICF's Report on Assessment of Indian Gas Market (January 2013) Gujarat is expected to account for approximately 27% of the total gas demand in India in the year 2012. Given the significant rise in gas demand of India it is expected to grow at, almost a CAGR of 6.4% over the period 2012 - 2036.

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

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

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

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

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

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

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

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

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

In the past year there were several reports / policies at the

Central level regarding gas prices in India. The Rangarajan Committee Report and New Investment Policy (for Fertilizer Sector) supported an increase in gas prices along with advocating for determination of the same through arms - length mechanism.

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

D. OPERATIONS AND FUTURE OUTLOOK

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

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

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

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

Further, augmentation of existing pipeline network would be required due to increase in the gas demand and emergence of Inter-State Pipeline from GSPL gas grid.

E. PERFORMANCE PROFILE

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

The infrastructure put up by the Company enabled the flow of

LNG and domestic gas from various sources including KG Basin to reach various regions of Gujarat.

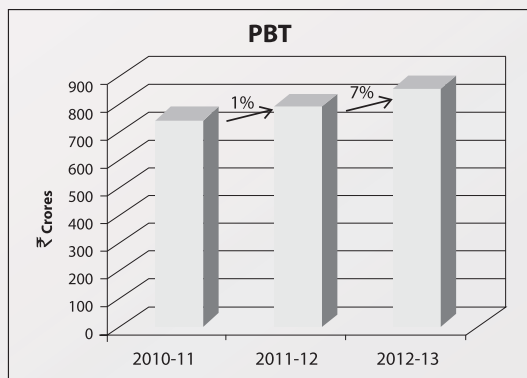
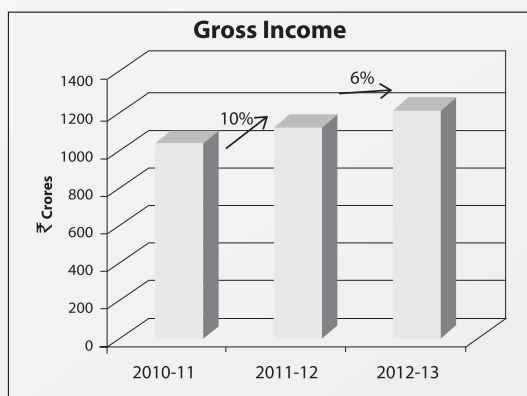
The Company has managed to achieve fast track growth in a short period of time with a lean manpower strength on account of its well thought out strategy of developing major pipeline projects on EPC (Engineering, Procurement and Construction) Model.

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

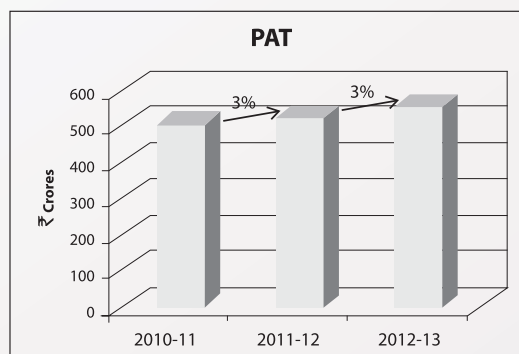
Such decrease in volume may be attributed to decline in gas production from RIL's D6 fields and high LNG prices.

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

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



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



The Net Worth of the Company has increased from ₹ 2466.68 crore to ₹ 2940.58 crore as compared to previous year. During the year, Gross Block of Assets increased from ₹ 4322.46 crore to ₹ 4619.72 crore.

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

Wind Power Project

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

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

The Company has generated 123979705 units of power from the same which resulted in the revenue of approx ₹ 44.14 crores in the year.

F. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

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

The Company has a proper and adequate system of internal controls commensurate with its size of operations and nature of business. The Company's internal control systems are further supplemented by extensive programs of audits, i.e. Internal Audit (by KPMG), Proprietary Audit by the Comptroller & Auditor General of India (C&A) and Statutory



Audit by Statutory Auditors appointed by the Comptroller & Auditor General of India (C&AG). The Internal Control System is designed to ensure that all financials and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets and compliance with statutory requirements.

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

G. HUMAN RESOURCES

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

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

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

The Company believes that training and personnel development is of vital importance to create a climate where people maximize their technical skills and inner potential

which can help the Company in capitalizing the emerging business opportunities through their involvement. During the year, employees were sent for various training programs and seminars in line with the Annual Training Calendar to enhance employee skills/knowledge.

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

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

Forward Looking Statements:

This Annual Report contains forward-looking statements, which may be identified by words like will, believes, plans, expects, intends, estimates or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth and market position are forward-looking statements. 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 two Independent Directors viz. Shri J K Jain & Shri Suresh Mathur w.e.f 24th May, 2012 and 9th July, 2012 respectively, the proportion of Independent Directors had fallen below one - half of the total strength of the Board. Except this, the Composition of the Board is in conformity with the listing requirements. Thereafter, the Company has appointed two Independent Directors viz. Prof. Yogesh Singh and Shri Yogesh B Sinha w.e.f 20th May, 2013 and 27th May, 2013 respectively in place of the outgoing Independent Directors.

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

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

1. Gujarat State Petroleum Corporation Limited.

+ Membership excludes Chairmanship.

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

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

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

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

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

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

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

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

C. Attendance of each Director at the Board Meetings during the year 2012-2013 and at last AGM was as follows:-

Sr. No.	Name of the Director	Number of Board Meetings held during their tenure as Director	Number of Board Meetings attended	Attendance at last AGM held on 25 th September, 2012
1.	Shri A K Joti, IAS (up to 24 th August, 2012)	3	3	NA
2.	Shri M M Srivastava, IAS (Retd.) (upto 31 st July, 2012 & then w.e.f. 24 th August, 2012)	5	5	Yes
3.	Dr. Varesh Sinha, IAS (upto 21 st March, 2013)	3	2	No
4.	Dr. Hasmukh Adhia, IAS (w.e.f. 21 st March, 2013)	0	0	NA
5.	Shri D J Pandian, IAS	6	3	No
6.	Shri Suresh Mathur (up to 9 th July, 2012)	1	1	NA
7.	Dr. R Vaidyanathan	6	5	Yes
8.	Shri J K Jain (upto 24 th May, 2012)	1	0	NA
9.	Shri N K Mitra	6	5	Yes
10.	Shri Tapan Ray, IAS	6	6	Yes

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

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

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

i) Dr. R Vaidyanathan

Dr. R Vaidyanathan is a Science Graduate from the Loyola College, Madras and has done Masters from the Indian Statistical Institute, Calcutta and has also obtained Fellow in Management (Doctorate) from the Indian Institute of Management, Calcutta. He is Professor of Finance and Control at the IIM, Bangalore and UTI Chair Professor in the area of Capital Markets. He was also a visiting Fulbright Fellow at the Georgia State University at Atlanta and International Insurance Foundation at Washington D. C. during 2003 and studied the Pension Systems in the USA. He has been

appointed as a Trustee for the New Pension System by the Pension Fund Regulatory and Development Authority of India. He is known for his commendable contributions in the areas of Corporate Finance, Risk Management, Pensions, etc.

Dr. R Vaidyanathan holds Directorship in following other companies:

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

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

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

ii) Dr. Hasmukh Adhia, IAS

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

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

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

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

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

iii) Prof. Yogesh Singh

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

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

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

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

**iv) Shri Yogesh B Sinha**

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

Shri Yogesh B Sinha holds Directorship in following other company:

1. Gujarat State Petroleum Corporation Limited

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

3. AUDIT COMMITTEE

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

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

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

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

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

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

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

During the year 2012 - 2013, the Audit Committee met 4 (Four) times. Details of these Meetings are as follows:-

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

The attendance of the Members at the Audit Committee Meetings during 2012 - 2013 was as follows:-

Sr. No.	Name of the Audit Committee Members	Number of Audit Committee Meetings held while holding the office	Number of Audit Committee Meetings attended
1.	Shri Suresh Mathur (up to 9 th July, 2012)	1	1
2.	Dr. R Vaidyanathan	4	4
3.	Shri N K Mitra	4	4
4.	Shri M M Srivastava, IAS Retd. (up to 31 st July, 2012)	1	1
5.	Dr. Varesh Sinha, IAS (from 24 th August, 2012 to 21 st March, 2013)	2	1
6.	Shri Tapan Ray, IAS (from 31 st July, 2012 to 25 th September, 2012)	1	1
7.	Dr. Hasmukh Adhia, IAS (w.e.f 21 st March, 2013)	0	0

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

4. REMUNERATION/SITTING FEES TO DIRECTORS

I) Remuneration to Directors:

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

ii) Sitting Fees to Directors:

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

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

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

Stock Options granted to Directors:-

ESOP - 2005:

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

ESOP - 2010:

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

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

Terms of appointment of Managing Director:-

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



5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

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

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

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

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

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

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

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

6 . GENERAL BODY MEETINGS

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

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

B. Postal Ballot :

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

7. DISCLOSURES

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

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

8. MEANS OF COMMUNICATION

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

9. CODE OF CONDUCT

Code of Conduct for Directors and Senior Management:-

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

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

Code of Conduct for Prevention of Insider Trading :-

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

10. GENERAL SHAREHOLDERS INFORMATION

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

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

B. Financial Year and Calendar:-

The Financial Year of the Company starts on 1st April and ends on 31st March every Year. Financial Calendar for 2013-2014 (Tentative Schedule) for adoption of quarterly results for:

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

C. Book Closure Date:-

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

D. Dividend Payment:-

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

**Unclaimed Dividends/Shares**

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

The Unclaimed Dividend in respect of the Financial Year 2005 - 2006 and 2006 - 2007 is due for transfer IEPF on 27th October, 2013 and 20th October, 2014 respectively. In view of this, the Members of the Company, who have not yet encashed their Dividend Warrant(s)/ claimed their Dividend(s) declared by the Company are requested to claim the same from the Company along with necessary documentary proof.

Further, in terms of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), your Company has uploaded the Unclaimed Dividend details in respect of the Dividends declared by the Company for the Financial Years 2005 - 2006 onwards on the Company's website www.guipetronet.com under separate dedicated section 'Investors'. The said details of Unclaimed Dividend are updated by the Company on Company's Website on a Quarterly basis.

In accordance with Clause 5A of the Listing Agreement, the Company has transferred and credited 33391 Equity Shares (Previous Year: 34141 Equity Shares) issued to 129 Shareholders (Previous Year: 132 Shareholders) of the face value of ₹ 10 each remaining unclaimed to the "GSPL Unclaimed Shares Demat Suspense Account". During the year, 750 Shares were transferred from Demat Suspense Account to the respective shareholders' account. The voting rights on the Shares outstanding in the suspense account as on 31st March, 2013 shall remain frozen till the rightful owner of such Shares claims the Shares.

Due Dates for Transfer of Unclaimed Dividend to IEPF:

Year	Dividend rate per share (₹)	Date of Declaration of Dividend by the Shareholders in AGM	Unclaimed Dividend Amount (₹)	Due Date
2005 - 2006	0.25 (i.e. 2.5%)	28 th September, 2006	644544	27 th October, 2013
2006 - 2007	0.50 (i.e. 5 %)	21 st September, 2007	602726	20 th October, 2014
2007 - 2008	0.50 (i.e. 5%)	26 th September, 2008	998369	25 th October, 2015
2008 - 2009	0.75 (i.e. 7.5%)	3 rd December, 2009	1434053	1 st January, 2016
2009 - 2010	1.00 (i.e. 10%)	21 st September, 2010	1155917	20 th October, 2017
2010 - 2011	1.00 (i.e. 10%)	23 rd September, 2011	894884	22 nd October, 2018

E. Listing on Stock Exchanges and Scrip Codes:-

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

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

Note:

1. The necessary listing fees for the year 2013 - 2014 has already been paid to both the Stock Exchanges.

F. Stock Market Data:-

Market Price Data in BSE and NSE is as follows:

Month	BSE Sensex		Company's Share price on BSE		NSE Nifty		Company's Share price on NSE	
	High	Low	High	Low	High	Low	High	Low
April 2012	17664.10	17010.16	79.70	63.10	5378.75	5154.30	79.70	64.90
May	17432.33	15809.71	68.50	62.05	5279.60	4803.95	68.50	62.10
June	17448.48	15748.98	73.80	62.90	5286.25	4770.35	73.90	62.85
July	17631.19	16598.48	74.80	66.50	5348.55	5032.40	74.90	65.10
August	17972.54	17026.97	82.15	70.00	5448.60	5164.65	82.20	68.55
September	18869.94	17250.80	85.50	73.80	5735.15	5215.70	82.50	72.90
October	19137.29	18393.42	84.00	74.15	5815.35	4888.20	86.80	73.75
November	19372.70	18255.69	77.20	70.10	5885.25	5548.35	77.20	70.10
December	19612.18	19149.03	78.65	72.50	5965.15	5823.15	78.50	72.20
January 2013	20203.66	19508.93	81.75	71.45	6111.80	5935.20	81.80	71.30
February	19966.69	18793.97	73.95	63.20	6052.95	5671.90	74.10	62.50
March	19754.66	18568.43	69.50	60.90	5971.20	5604.85	69.50	60.75

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

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

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

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

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

H. Distribution of Shareholding:-

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

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



I. Dematerialization of Shares and its liquidity:-

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

J. Plant Locations:-

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

K. Address for correspondence with the Company:-

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

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

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

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

M. Non-Mandatory Requirements:-

1. The Board

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

2. Training of Board Members

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

3. Mechanism for evaluating Non-Executive Board Members

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

4. Remuneration Committee

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

5. Shareholders' Rights

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

6. Audit Qualifications

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

7. Whistle Blower Policy

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

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Date: 23rd August, 2013
Place: Gandhinagar

CEO & CFO CERTIFICATION

We hereby certify that:-

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

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

Manish Seth
GM (Finance)

Date: 30th May, 2013
Place: Gandhinagar

Tapan Ray, IAS
Managing Director



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

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

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

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

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

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

For MANOJ HURKAT & ASSOCIATES
Company Secretaries

Manoj R Hurkat
Proprietor

Date: 23rd August, 2013
Place: Ahmedabad

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

Annexure - III

DISCLOSURE REGARDING GSPL EMPLOYEES STOCK OPTION PLAN-2005

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



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

Note: 1

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

Note: 2

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

Note: 3

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

Note: 4

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

	Description	2012-2013		2011-2012	
		ESOP - 2005 Part - I	ESOP - 2005 Part - II	ESOP - 2005 Part - I	ESOP - 2005 Part - II
A	Options lapsed/cancelled at the beginning of the respective Financial Year	95000	434719	80000	403748
B	Less: Reversal effect for Options lapsed in earlier years	Nil	Nil	Nil	14020
C	Less: Grant of Options during the respective Financial Year out of A above	Nil	Nil	Nil	Nil
D	Add: Options lapsed during the year	Nil	16816	15000	44991
E	Total Options lapsed/cancelled as on Financial Year (A-B-C+D)	95000	451535	95000	434719

Note: 5

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

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

Note: 6**Vesting Schedule**

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

Note: 7

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



Annexure - IV

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

	Description	2012 - 2013		2011 - 2012	
		Type A	Type B	Type A	Type B
A.	Total Options granted during the year by the Compensation Committee on 27th October, 2010	Nil	Nil	Nil	Nil
B	Exercise Price per Option (in ₹) (Note1)	75	75	75	75
C	Total Option vested during the year	288516	5161	209513	Nil
	Cumulative Option vested up to the respective Financial Year	498029	5161	209513	Nil
D	Total Options exercised during the respective Financial Year	Nil	Nil	12151	Nil
	Cumulative Option exercised up to the respective Financial Year	12151	Nil	12151	Nil
E	Total number of Shares arising as a result of exercise of Options during the respective Financial Year	Nil	Nil	12151	Nil
	Cumulative number of Shares arising as a result of exercise of Options up to the respective Financial Year	12151	Nil	12151	Nil
F	Total Option lapsed/cancelled during the year (Note 2)	147155	9699	20910	15880
	Cumulative Option lapsed/cancelled up to the respective Financial Year(Note 3)	214205	25579	67050	15880
G	Money realized by exercise of Options during the respective Financial Year	Nil	Nil	911325	Nil
H	Total number of Options in force as on 31st March of the respective Financial Year	1812389	64601	1959544	74300
I	Variation in terms of Options	Nil	Nil	Nil	Nil
J	Diluted Earnings Per Share (EPS) pursuant to issue of Shares on exercise of Option (in ₹)	9.56	9.56	9.28	9.28
K	Person-wise details of Options granted to:				
	1. Key managerial employees (please see note 4 below for details of Options granted to key managerial employees)	Note 4	Note 4	Note 4	Note 4
	2. Any other employee who received a grant in any one year of Options amounting to 5% or more of Option granted during that year.	N.A.	N.A.	N.A.	N.A.
	3. Identified employees who are granted Options during any one year equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N.A.	N.A.	N.A.	N.A.
L	Vesting Schedule	Note 5	Note 5	Note 5	Note 5
M	Lock-in	N.A.	N.A.	N.A.	N.A.
N	Method and assumptions for estimation of the fair value of the Options	Note 6	Note 6	Note 6	Note6
	Price of the underlying Shares in the market at the time of grant of Option (₹)	118.05 (NSE)	118.05 (NSE)	118.05 (NSE)	118.05 (NSE)

Note: 1

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

Note: 2

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

Note: 3

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

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

Note: 4

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

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

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

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

Note: 5**Vesting Schedule**

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

**Note: 6**

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

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

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

Fair Value:

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

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

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

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

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

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

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

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

Annexure – V

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

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

I, on behalf of the Comptroller & Auditor General of India, have conducted a Supplementary Audit under Section 619(3) (b) of the Companies Act, 1956 of the Financial Statements of Gujarat State Petronet Limited for the year ended on 31st March 2013. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records.

On the basis of my Audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

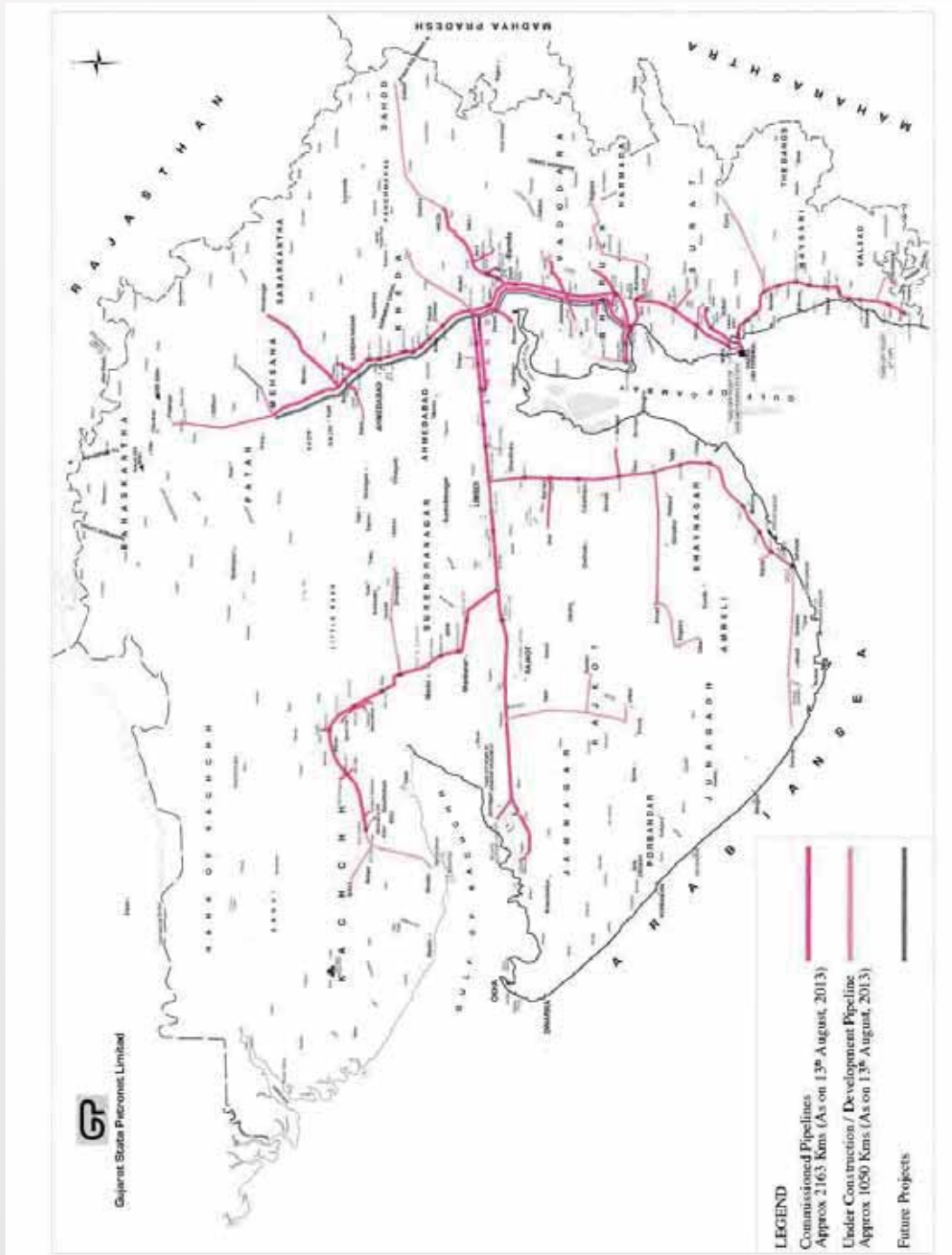
Place: Ahmedabad
Date: 7th August, 2013

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



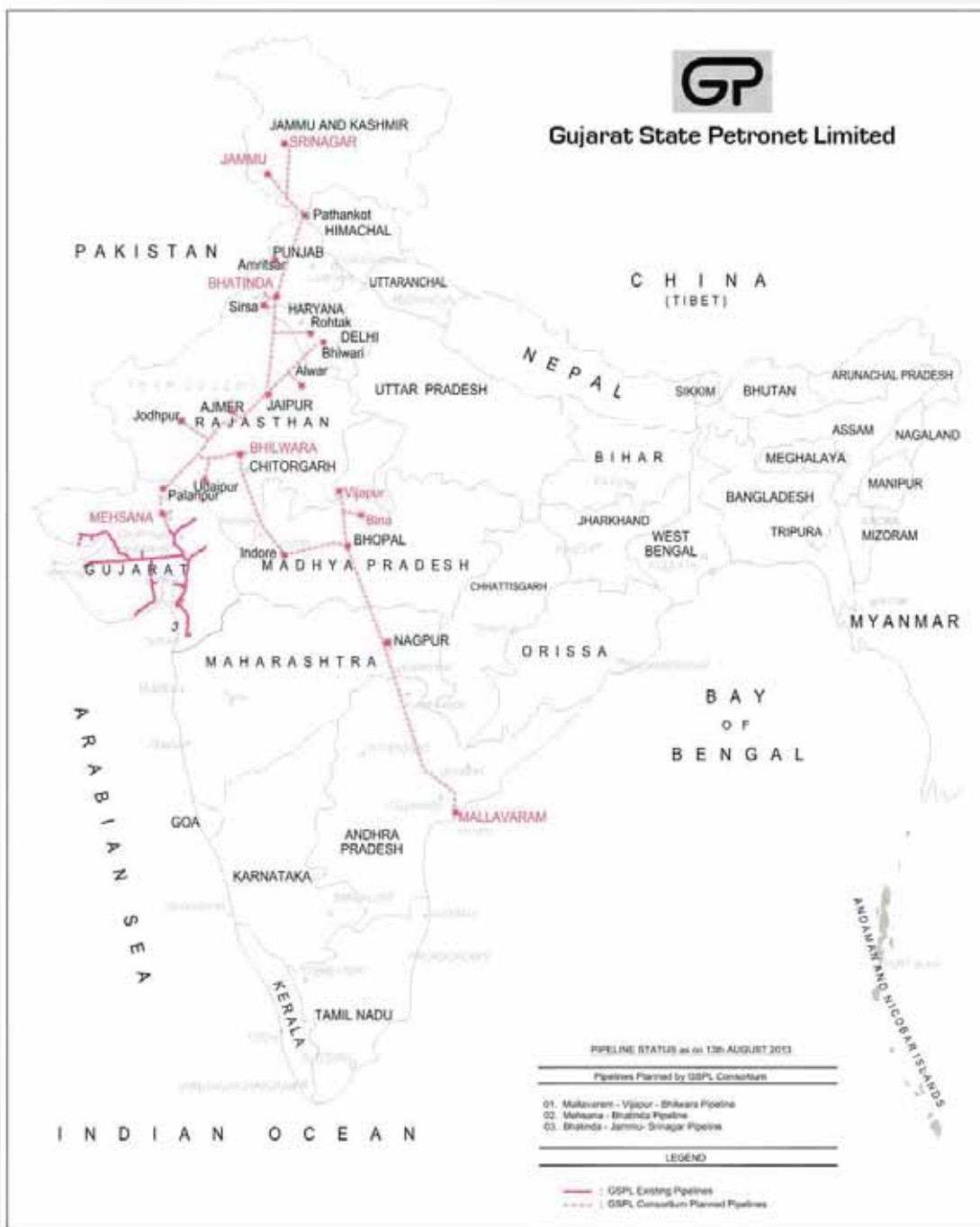
Annexure - VI

GSPL Gas Grid Map



Annexure - VII

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





INDEPENDENT AUDITOR'S REPORT

To,
The Members
Gujarat State Petronet Limited
Gandhinagar

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

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

Place: Ahmedabad
Date : 5th June, 2013

Rajendra Kumar Saini
Partner
M. No. 049913



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Place: Ahmedabad
Date : 5th June, 2013

Rajendra Kumar Saini
Partner
M. No. 049913



GUJARAT STATE PETRONET LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2013

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

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

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

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Gandhinagar
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013

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

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

The accompanying Notes are integral part of the Financial Statements.

As per our Report of even date attached

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

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Gandhinagar
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013



GUJARAT STATE PETRONET LIMITED

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

(₹. in Lacs)		
Particulars	2012-2013	2011-2012
A Cash Flow from Operating Activities		
Profit Before Taxes	82,570.53	76,901.52
<u>Adjustments for:</u>		
Depreciation & Amortisation	18,610.84	18,215.05
ESOP Compensation Expense	158.46	322.63
Provision for diminution in value of Investment in KGGNL	-	25.88
Prior Period Adjustment	-	234.20
Wealth Tax	8.24	9.53
Profit on Sale of Assets	(0.04)	(2.60)
Loss on Sale & retirement of Assets	3.16	243.83
Dividend Income	(257.92)	(312.85)
Interest Income	(6,001.18)	(4,580.68)
Interest & Financial Charges	12,625.60	13,019.48
Operating Profit before Working Capital Changes	1,07,717.69	1,04,075.99
<u>Changes in Current Assets and Current Liabilities</u>		
(Increase)/Decrease in Inventory	(1,096.74)	(392.11)
(Increase)/Decrease in Trade Receivable	(17,266.42)	(1,375.22)
(Increase)/Decrease in Loans, Advances & Other Current Assets	147.31	(945.07)
Increase/(Decrease) in Trade payable, Other current liability & Provisions	1,767.28	(6,522.14)
Increase/(Decrease) in Other Long Term Liability	456.18	724.85
Cash generated from Operations	91,725.30	95,566.30
Taxes paid	(22,460.46)	(16,214.52)
Net Cash Flow from Operating Activities (A)	69,264.84	79,351.78
B Cash Flow from Investing Activities		
(Increase) / Decrease in Investment	(3,000.00)	(4,010.01)
Interest Received	5,708.46	4,032.40
Dividend Received	257.92	312.85
Changes in earmarked Fixed Deposits & Current Account	2,456.71	(20,313.57)
Proceeds from Sale of Assets	11.08	3,981.37
Acquisition of Fixed Assets and Change in Capital Work in Progress	(38,221.58)	(25,812.14)
Net Cash Flow from Investing Activities (B)	(32,787.41)	(41,809.10)
C Cash Flow from Financing Activities		
Proceeds from Issue of Equity Share Capital including Share Premium	2.76	22.34
Proceeds from Share Application Money	-	-
Increase/ (Decrease) in Borrowing	21,382.32	(8,235.35)
Dividend (Including Corporate Dividend Tax) Paid	(6,539.83)	(6,539.36)
Interest & Financial Charges paid	(14,940.05)	(15,523.62)
Net Cash Flow from Financing Activities (C)	(94.80)	(30,275.99)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	36,382.63	7,266.69
Cash and Cash Equivalents at the beginning of the period	13,393.57	6,126.88
Cash and Cash Equivalents at the end of the period	49,776.20	13,393.57
Notes to Cash Flow Statement		
1 Cash and Cash Equivalent includes-		
Cash and Cheques on Hand	2.70	1.23
Balances with Scheduled Banks		
- in Current Accounts	2,273.50	1,392.34
- in Deposit Accounts	47,500.00	12,000.00
	49,776.20	13,393.57

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

As per our Report of even date attached

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

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Gandhinagar
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013

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

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

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

2.1 Significant Accounting Policies

(a) Fixed Assets and Capital Work in Progress

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

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

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

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

(b) Intangible Assets

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

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

(c) Depreciation and Amortisation

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

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

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

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



(d) Investment

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

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

(e) Inventory

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

(f) Employee Benefits

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

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

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

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

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

(g) Borrowing Cost

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

(h) Foreign Currency Transactions

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

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

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

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

(i) Revenue Recognition

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

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

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

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

(j) Taxation

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

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

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

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

(k) Impairment of Assets

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

(l) Earnings Per Share

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

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

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

(m) Provisions, Contingent Liabilities and Contingent Assets

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



Contingent liabilities if material are disclosed by way of Notes to Accounts

Contingent assets are neither recognized nor disclosed in Financial Statements.

(n) Measurement of EBITDA

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

(o) Cash and Cash Equivalent

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

(p) Cash Flow Statement

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

(q) Prior Period Adjustments

Any expenditure / (income) relating to prior period(s) as a result of errors or omission in the preparation of Financial Statements is shown under the head "Prior Period Adjustments Account" in the Statement of Profit & Loss for the year in line with Accounting Standard 5 "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies".

(r) Proposed Dividend

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

(s) Events Occurring after Balance Sheet Date

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

3 SHARE CAPITAL

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

Reconciliation of Number of Shares Outstanding at the beginning and at the end of the year

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

Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2013, the amount of dividend per share recognised as distributions to equity shareholders was ₹ 1 per share. (31st March 2012: ₹ 1 per share.)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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



GUJARAT STATE PETRONET LIMITED

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

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

Detail of Shares reserved for issue under ESOP

For details of shares reserved for issue under the Employees Stock Option Plan (ESOP) 2005 and 2010 of GSPL, please refer Note No. 37.

4 RESERVES & SURPLUS

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

5 LONG TERM BORROWINGS

Particulars	Non Current	Current Maturities	Non Current	Current Maturities
	As at 31 st March 2013 (₹ in Lacs)	As at 31 st March 2013 (₹ in Lacs)	As at 31 st March 2012 (₹ in Lacs)	As at 31 st March 2012 (₹ in Lacs)
Secured Borrowings				
Term Loan from Banks	69,612.44	22,838.38	75,993.98	25,119.15
Term Loan from Financial Institutions	64,274.55	4,241.07	33,515.62	4,955.35
TOTAL	133,886.99	27,079.45	109,509.61	30,074.51
Amount Disclosed under the Head "Other Current Liabilities" (Note No. 10)	-	(27,079.45)	-	(30,074.51)
Net Amount	133,886.99	-	109,509.61	-

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

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



GUJARAT STATE PETRONET LIMITED

Maturity Profile and Rate of Interest of Term Loans

Maturity Profile

(₹ in Lacs)

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

6 DEFERRED TAX LIABILITIES (Net)

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

7 OTHER LONG TERM LIABILITIES

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

8 PROVISIONS

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

9 TRADE PAYABLES

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



10 OTHER CURRENT LIABILITIES

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

11 FIXED ASSETS

(₹ in Lacs)

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Op. Balance As On 1 st April, 2012	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As On 31 st March 2013	Op. Balance As On 1 st April, 2012	Additions During the Year	Deduction During the Year	Cl. Balance As on 31 st March 2013	As On 31 st March 2013
TANGIBLE ASSETS									
Land- Free Hold	7,484.38	720.78	-	8,205.16	-	-	-	-	8,205.16
Land- Lease Hold	2,547.30	-	-	2,547.30	135.54	45.60	-	181.14	2,366.16
Building	13,717.13	2,029.27	-	15,746.40	4,491.14	990.09	-	5,481.23	10,265.17
Plant & Machinery	386,549.28	24,027.94	-	410,577.22	107,830.97	16,574.39	-	124,405.36	286,171.86
Communication Equipments	8,441.90	918.60	5.28	9,355.22	4,141.62	668.49	1.64	4,808.47	4,300.28
Computers	514.89	103.62	10.85	607.66	355.62	81.02	9.84	426.80	180.86
Furniture & Fittings	476.47	13.86	0.69	489.64	210.80	49.71	-	260.51	229.14
Office Equipments	174.21	13.80	-	188.01	89.09	12.95	-	102.04	85.12
Vehicles	430.51	164.39	9.75	585.15	180.09	83.07	0.89	262.27	322.88
Books	4.59	8.53	-	13.12	4.59	8.53	-	13.12	-
Total (A)	420,340.66	28,000.79	26.57	448,314.88	117,439.46	18,513.85	12.37	135,940.93	312,373.95
INTANGIBLE ASSETS									
Computer Software Right of Use / Right of Way	1,011.17	78.97	-	1,090.14	783.92	97.00	-	880.92	209.22
	10,894.10	1,672.94	-	12,567.04	-	-	-	-	12,567.04
Total (B)	11,905.27	1,751.91	-	13,657.18	783.92	97.00	-	880.92	12,776.26
CAPITAL WORK IN PROGRESS									
	-	-	-	-	-	-	-	-	52,602.09
Total (C)	-	-	-	-	-	-	-	-	52,602.09
TOTAL (A+B+C)	432,245.93	29,752.70	26.57	461,972.06	118,223.38	18,610.85	12.37	136,821.85	377,752.30
Previous Year	419,352.78	18,267.68	5,374.53	432,245.93	101,184.95	18,190.36	1,151.93	118,223.38	355,844.04
									351,605.10

**GUJARAT STATE PETRONET LIMITED****12 NON-CURRENT INVESTMENTS**

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

13 LOANS AND ADVANCES

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

14 OTHER ASSETS

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



GUJARAT STATE PETRONET LIMITED

15 INVENTORIES *

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

*(Valued at Moving Average Cost)

16 TRADE RECEIVABLES

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

17 CASH AND BANK BALANCES

Particulars	Non Current		Current	
	As at 31 st March 2013 (₹ in Lacs)	As at 31 st March 2013 (₹ in Lacs)	As at 31 st March 2013 (₹ in Lacs)	As at 31 st March 2013 (₹ in Lacs)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	2,273.5	-	1,392.34
Fixed Deposit with original maturity of less than 3 months	-	47,500.00	-	12,000.00
Cheque on Hand	-	1.94	-	-
Cash on Hand	-	0.76	-	1.23
	-	49,776.20	-	13,393.57
Earmarked Balances with Banks				
Unpaid Dividend Account	-	84.48	-	73.95
IPO Refund Account	-	-	-	40.57
Balance in Escrow A/c-PNGB [Incl. TD]	-	1,932.17	-	679.65
Other Bank Balances				
Fixed Deposit with original maturity of more than 12 months	96.79	-	-	-
Fixed Deposit with original maturity of more than 3 months but less than 12 months	-	33,500.00	-	37,088.73
Margin Money Deposit - Bank Guarantees	557.00	12.75	557.00	200.00
Total	653.79	85,305.60	557.00	51,476.47
Amount disclosed under Other Non-Current Assets (Note No.14)	(653.79)	-	(557.00)	-
TOTAL	-	85,305.60	-	51,476.47

18 REVENUE FROM OPERATIONS

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

19 OTHER INCOME

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

20 EMPLOYEE BENEFIT EXPENSES

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



21 OTHER EXPENSES :

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

22 DEPRECIATION AND AMORTISATION EXPENSES

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

23 FINANCE COSTS

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

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

25 CONTINGENT LIABILITIES

a) Bank Guarantee/Letter of Credit issued and outstanding as on 31st March 2013 is for an amount of ₹ 9,024.00 Lacs (Previous Year ₹ 6,870.00 Lacs)

b) As on 31st March, 2013, the ascertainable claims against the Company:

I. By land owners seeking enhancement of compensation in respect of RoU acquired by the Company is ₹ 2,430.75 Lacs (Previous Year: ₹ 2,544.84 Lacs) and

II. By other parties are ₹ 39.86 Lacs (Previous Year: ₹ 39.86 Lacs)

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

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

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

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

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



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

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

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

26 CAPITAL & OTHER COMMITMENT

Capital Commitment:

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

Other Commitment:

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

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

28 PAYMENT TO AUDITORS

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

29 MANAGERIAL REMUNERATION

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

30 EXPENDITURE / INCOME IN FOREIGN CURRENCY

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

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

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

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

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

32 EARNINGS PER SHARE (EPS)

Particulars	2012-2013 (₹ in Lacs)	2011-2012 (₹ in Lacs)
Profit After Tax	53,812.26	52,206.12
Weighted average number of Equity Shares	56,26,99,509	56,26,48,145
Basic EPS (in ₹)	9.56	9.28
Total weighted average number of Equity Shares including Potential Equity Shares	56,27,52,905	56,28,37,744
Diluted EPS (in ₹)	9.56	9.28
Face value / Nominal value of Share (in ₹)	10.00	10.00

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

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



34 SEGMENT REPORTING

- a. **Business Segments :** The Company has identified and reported business segments taking into account nature of product and services, differing risks and returns and internal business reporting systems. The Company's principal business is transportation of Gas through Pipeline. Other business segment includes generation of electricity through windmill.
- b. **Segment Revenue and Expense :** Revenue and Expenses have been identified to a segment on the basis of operating activities of the segment. Revenue and Expenses which relate to common activities and are not allocable to segment on reasonable basis have been disclosed as "Unallocable".
- c. **Segment Assets and Liabilities :** Segment Assets include all operating Assets in respective segments comprising of net Fixed Assets, Capital Work in Progress, Current Assets, Loans and Advances. Segment Liabilities include Operating Liabilities and Provisions
- d. The Company does not have geographical distribution of revenue hence secondary segmental reporting based on geographical locations of its customers is not applicable to the Company.

SEGMENTAL INFORMATION
Primary Segment (Business Segment)

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

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

**35 RELATED PARTY TRANSACTIONS**

As per the Accounting Standard -18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, transactions* entered into with the related parties of the Company are as follows:

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

(₹ in Lacs)

Particulars	2012 - 2013	2011 - 2012
Gujarat State Energy Generation Limited (Associate)		
Gas Transportation Income	752.80	1,112.84
Expenditure Reimbursement Paid	2.08	1.97
Expenditure Reimbursement Received	0.90	-
Dividend Income	-	0.77
Gujarat Info Petro Limited(Fellow Subsidiary)		
Document Scanning Charges Paid	0.85	3.84
Bandwidth Charges Paid	5.06	6.62
Software Development Expense	0.96	2.15
AMC Charges of Software Expense	22.32	13.37
Gujarat Pipavav Power Company Limited (Fellow Subsidiary)		
Gas Transportation Income	32.38	-
Expenditure Reimbursement Paid	4.53	-
Expenditure Reimbursement Received	3.65	-
GSPC LNG Limited(Fellow Subsidiary)		
Expenditure Reimbursement Received	5.54	14.67

* Above transactions are inclusive of all Taxes.



GUJARAT STATE PETRONET LIMITED

Details of outstanding balance with Related Parties:

(₹ in Lacs)

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

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

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

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

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



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

(₹ in Lacs)

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

37. EMPLOYEE STOCK OPTION PLANS

ESOP 2005 Scheme:

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

ESOP 2010 Scheme:

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

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

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

38. The Company has maintained a separate escrow account as per PNGRB Guidelines for modalities of maintaining and operation of escrow account for charges towards system indiscipline in terms of positive or negative imbalance or overruns. In this regard, since Financial Year 2011-12, amount recovered from customers is deposited in the said account and the amount invoiced (Net of Taxes) is recognized as liability.
39. As at the balance sheet date, Company has reviewed the carrying amounts of its Assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.
40. The 'Petroleum & Natural Gas Regulatory Board' has granted authorization to GSPL's Pipeline Network under Section 18(1) of the 'Petroleum & Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008 during the year. The Authorization Letter for GSPL's High Pressure Natural gas Pipeline Network totalling to 2239 Kms was issued on 27th July, 2012 and Authorization Letter for GSPL's Low Pressure Natural gas Pipeline Network totalling to 57.6 Kms was issued on 19th March, 2013.
41. PNGRB has vide Order No. TO/09/2012 dated 11th September, 2012 determined the "Provisional" Initial Unit Natural Gas Pipeline Tariff (IUNGPT) for GSPL's High Pressure Natural Gas Pipeline Network. Further, PNGRB has vide Order No. TO/02/2013 dated 19th February, 2013 determined the zonal tariff apportionment of the "Provisional" Initial Unit Natural Gas Pipeline Tariff (IUNGPT) for GSPL's High Pressure Natural Gas Pipeline Network.

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

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

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

As per our report of even date attached

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

Rajendra Kumar Saini
Partner
Membership No.049913

Place : Gandhinagar
Date : 5th June, 2013

For and on behalf of the Board of Directors,

M M Srivastava, IAS (Retd.)
Chairman

Manish Seth
GM (Finance)

Tapan Ray, IAS
Managing Director

Reena Desai
Company Secretary

Place : Gandhinagar
Date : 5th June, 2013



GUJARAT STATE PETRONET LIMITED



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

7th Annual Report



BOARD OF DIRECTORS

Shri D. J. Pandian, IAS	:	Chairman
Shri Tapan Ray, IAS	:	Director
Shri D.N. Pandey, IAS	:	Director (up to 29 th December 2012)
Dr. P K Das (Retd.), IAS	:	Director
Shri L. Chuaungo, IAS	:	Director

COMPANY SECRETARY

Kuldeep Jain

STATUTORY AUDITORS

C. R. Shreedalal & Co.
Chartered Accountants, Ahmedabad

INTERNAL AUDITORS

M/s. Kherada & Company,
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 7th Annual Report of the Company together with the Audited Statement of Accounts for the year ended on 31st March, 2013.

1. FINANCIAL RESULTS

₹ in Lakhs

	2012-13	2011-12
Revenues		
Revenue from Operations	1,273.70	101.19
Other Income	1.41	8.50
Gross Revenue	1,275.11	109.69
Expenses		
Employees Benefit Expense	55.56	1.50
Finance Cost	289.13	26.28
Other Expenses	84.32	125.67
Depreciation and Amortization Expense	980.14	26.04
Total Expenses before exceptional items and tax	1409.15	179.50
Loss Before Exceptional Items and Tax	-134.04	-69.80
Exceptional Items	144.14	-
Profit Before Tax (Revenues - Expenses)	-278.18	-69.80
Tax Expense		
Current Tax	-	-
Deferred Tax	566.89	1.27
Loss for the year Carried Forward to Balance Sheet	-845.07	-71.08
Reserve & Surplus	-916.16	-71.08

2. CAPITAL :

- 2.1 During the year, there has been no change in the structure of Equity Share Capital be it authorised/issued/ subscribed/ paid-up Share Capital of the Company.
- 2.2 The process of finding a suitable equity partner for GPPC as per directives of Government of Gujarat is going on by retaining the services of M/s. SBI Capital Markets Limited as financial arranger of the Company.

3. STATUS OF 702 (351X2) MW GAS BASED POWER PROJECT AT VILLAGE KOVAYA, TAL. RAJULA, DISTRICT AMRELI :

- 3.1 On 12th April, 2013, Continuous trial run test (CRT) of 72 hours was successfully completed (started at 00.15 Hrs on 09.04.2013) and ended at 00.15 Hrs on 12.04.2013 of Unit-2 (351 MW) and announcement of successful commercial operation of the Unit-2 of the Project was made to GUVNL.
- 3.2 The commissioning activities with respect to Unit-1 (351 MW) is also going on in full swing and is expected to be commissioned in second half of financial year 2013-14.
- 3.3 As per the Progress Report of June, 2013 submitted by TCE-GPPC's owners Engineer for the Project, BHEL's EPC Progress for the Project is under :

Sr. No.	Details	Weightage (%)	Progress Planned (%)	Progress Achieved (%)
1.0	EPC Progress	100%	100.00%	94.30%
1.1	Design & Engineering	16%	16.00%	15.68%
1.2	Procurement, Manufacturing of Equipments, Transport & Receipt of Equipments	44%	44.00%	42.02%
1.3	Civil Works, Erection, Testing & Commissioning	40%	40.00%	36.60%

- 3.4 GPPC has been pushing tirelessly to BHEL from all possible fronts including CEA, MoHI&PE and MoP, Government of India for early commissioning of Unit-1 of Project.
- 3.5 GPPC is taking utmost care so that the problems faced during the course of commissioning of Unit-2 is avoided while commissioning of Unit-1 and rigorously following-up with concerned unit of BHEL to expedite the various work/activities relating to Unit-1 and resolution of pending issues with BHEL.

3.6 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. Presently, Sea water intake and disposal system is under commissioning / trial.

3.7 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-2 was provided by GSPC and supplied through GSPL's gas pipeline.

3.8 GETCO has already made available transmission lines to evacuate power of both the Units (351X2 MW).

3.9 O&M contractor-M/s. Pipavav O & M Services Private Limited has already mobilized its manpower at Project site and O&M contractor was actively involved in the process of commissioning activities of Unit-2 and presently involved in system commissioning of Unit-1.

4. STATUS OF 5MW SOLAR PHOTOVOLTAIC POWER PROJECT AT GUJARAT SOLAR PARK, AT VILLAGE CHARANAKA, TALUKA SANTALPUR, DISTRICT PATAN :

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 2012-13, GPPC exported total 84, 91,342 units of power to the State Grid and is well above average generation of the other plants in solar park. The said generation of power is in excess of more than 10% in comparison with the generation guaranteed by the EPC/O&M contractor.

5. FIXED DEPOSIT :

During the year under review, the Company did not invite any fixed deposits pursuant to Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

6. DIRECTORS :

During the year, Shri D N Pandey, IAS ceased to be director of the Company. In his place, Shri L. Chuaungo, IAS was nominated by Finance

Department, Government of Gujarat as its Nominee on the Board of the Company.

Further, Shri L. Chuaungo, IAS, retires by rotation, in terms of Articles of Association of the Company and being eligible offers himself for re-appointment.

Shri P.K. Das (Retd.), 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. C.R. Sharedalal & Company, Chartered Accountants, Ahmedabad has been appointed as Statutory Auditors of the Company for the Financial Year 2012-13 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 2012-13 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. Dharmendra Kherada & Company, Ahmedabad, Chartered Accountants, has been appointed as Internal Auditors of the Company 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 2012, 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 2012-13 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 2012-13 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 8th July, 2013 has approved the Annual Accounts for the year ended on 31st March 2013 alongwith statutory auditor's report thereon and recommended the same for the approval of the Board.

12. DIRECTORS' RESPONSIBILITY STATEMENT :

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 2013, the Board of Directors confirms that:

- 11.1 In the preparation of the annual accounts for the financial year ended 31st March, 2013, 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, 2013 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	2011-12 (₹)	2011-12
1.	Foreign Exchange Earned	Nil	Nil
2.	Foreign Exchange used (actual basis) Foreign Travel	Nil	1,57,475/-

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



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

policy taken by BHEL. In addition the company has also taken Industrial All Risk Policy (IAR) for Unit 2, commissioned in April 2013 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, GUVNL, 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 : 26th August, 2013

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, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (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") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit 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. C.R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS,
(Registration No.109943W)

Place : AHMEDABAD
Date : 26th August, 2013

(V. M. VALIYA)
PARTNER
Membership No.132033

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 2013 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

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 2013:

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	3.24	F.Y. 2009-10, A. Y. 2010-11	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 Rs. 44600.00 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. C.R. SHAREDALAL & CO.
CHARTERED ACCOUNTANTS,
(Registration No.109943W)

(V. M. VALIYA)
PARTNER
Membership No.132033

Place : AHMEDABAD
Date : 26th August, 2013

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 OF THE ACCOUNTS
OF GSPC PIPAVAV POWER COMPANY LIMITED FOR THE YEAR ENDED ON 31
MARCH, 2013**

The preparation of financial statements of GSPC Pipavav Power Company Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the company. The Statutory Auditor appointed by the Comptroller 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 21 May 2012.

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 2013. 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: 10th October, 2013**

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



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

		₹ in Lakhs	
Particulars	Note	As at 31 st March 2013	As at 31 st March 2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	3,689.04	3,689.04
Reserves and Surplus	4	-916.16	-71.08
		2772.88	3617.95
Share Application Money pending allotment	5	538.25	538.25
Non-Current Liabilities			
Long Term Borrowings	6	1,49,106.66	1,39,479.37
Deferred Tax Liabilities	7	568.17	1.28
Other Long Term Liabilities	8	4.12	30,735.57
		1,49,678.95	1,70,216.22
Current Liabilities			
Short Term Borrowings	9	44,600.00	36,600.00
Trade Payables	10	2.67	-
Other Current Liabilities	11	54,687.42	7,610.52
Short Term Provisions	12	47.05	7.82
		99,337.14	44,218.35
Total		2,52,327.22	2,18,590.78
Assets			
Non Current Assets			
Fixed Assets			
Tangible Assets	13	5,813.47	6,824.34
Capital Work in Progress	13	2,27,864.72	1,97,097.73
Long Term Loans and Advances	14	17,013.65	13,885.46
		2,50,691.84	2,17,807.54
Current Assets			
Trade Receivables	15	138.60	92.19
Cash and Bank Balances	16	1,362.04	596.66
Short Term Loans and Advances	14	13.21	5.89
Other Current Assets	17	121.53	88.50
		1,635.38	783.24
Total		2,52,327.22	2,18,590.78

Significant Accounting Policies and Notes to Accounts (Note 1-47)

The above referred Notes are integral part of the Balance Sheet.

As per our report of the even date attached

For, C. R. Sharedalal & Co.

Chartered Accountants

FRN No 109943W

V. M. Valiya

Partner

Membership No.: 132033

Place: Ahmedabad

Date : 26th August, 2013

For and on behalf of the Board of Directors

D J Pandian, IAS

Chairman

Tapan Ray, IAS

Director

Manish Verma

ED (F&A)

Kuldeep Jain

Company Secretary

Place : Gandhinagar

Date : 26th August, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

		₹ in Lakhs	
Particulars	Note	As at 31 st March 2013	As at 31 st March 2012
Revenues			
Revenue from Operations	18	1,273.70	101.19
Other Income	19	1.41	8.50
		1,275.11	109.69
Expenses			
Employees Benefit Expense	20	55.56	1.50
Finance Cost	21	289.13	26.28
Other Expenses	22	84.32	125.67
Depreciation and Amortization Expense	23	980.14	26.04
		1409.15	179.50
Loss Before Exceptional Items and Tax		-134.04	-69.80
Exceptional Items	24	144.14	-
Profit Before Tax (Revenues - Expenses)		-278.18	-69.80
Tax Expense			
Current Tax		-	-
Deferred Tax	7	566.89	1.27
Loss for the year		-845.07	-71.08
Earnings Per Share			
Basic and Diluted	43	-2.291	-0.193

Significant Accounting Policies and Notes to Accounts (Note 1-47)

The above referred Notes are integral part of the Balance Sheet.

As per our report of the even date attached

For, C. R. Shredalal & Co.

Chartered Accountants

FRN No 109943W

V. M. Valiya

Partner

Membership No.: 132033

Place: Ahmedabad

Date : 26th August, 2013

For and on behalf of the Board of Directors

D J Pandian, IAS
Chairman

Manish Verma
ED (F&A)

Tapan Ray, IAS
Director

Kuldeep Jain
Company Secretary

Place : Gandhinagar

Date : 26th August, 2013



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013

₹ in Lakhs

Particulars	Note	As at 31 st March 2013	As at Note 31 st March 2012
Cash Flow from Operating Activities			
Net Profit/(Loss) as per Statement of Profit and Loss		-845.07	-71.08
Adjustment for :			
Depreciation	23	980.14	26.04
Preliminary Expense Written off		-	109.96
Finance Cost	21	289.13	26.28
Deferred Tax	7	566.89	1.28
Interest Income	19	-1.41	-0.50
Operating profit before working capital changes		989.69	91.97
(Increase)/Decrease in Trade Receivables		-46.41	-92.19
(Increase)/Decrease in Other Bank Balances		82.37	-
(Increase)/Decrease in Trade Payables		2.67	-
(Increase)/Decrease in Provisions		35.22	5.86
(Increase)/Decrease in Other Current Assets		1.82	-6.74
Net Cash Flow from Operating Activities (A)		1,065.36	-1.10
Cash Flow from Investing Activities			
Investment in Fixed Assets	25	-27.52	-6,530.53
Proceeds from Sale of Fixed Assets		0.06	0.87
Investment in Capital Work in Progress	26	-10,059.07	-32,198.77
Payment of Duties and Taxes	27	-6.81	-2.84
Interest & Other Income	28	18.44	3.02
Net Cash Flow from Investing Activities (B)		-10,074.90	-38,728.25
Cash Flow from Financing Activities			
Repayment of Share Application Money		-	-12,637.53
Proceeds from Long Term Borrowings (Net)		22,335.83	42,160.77
Proceeds from Short Term Borrowings (Net)		8,000.00	22,100.00
Interest Paid	29	-20,478.55	-14,702.58
Net Cash Flow from Financing Activities (C)		9,857.28	36,920.67
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		847.75	-1,808.69
Cash & Cash equivalents at beginning of period		514.29	2,322.97
Cash & Cash Equivalents at end of period	16	<u>1,362.04</u>	<u>514.29</u>

As per our report of the even date attached

For and on behalf of the Board of Directors

For, C. R. Sharsedalal & Co.
Chartered Accountants
FRN No 109943W

D J Pandian, IAS
Chairman

Tapan Ray, IAS
Director

V. M. Valiya
Partner

Manish Verma
ED (F&A)

Kuldeep Jain
Company Secretary

Membership No.: 132033
Place: Ahmedabad
Date : 26th August, 2013

Place : Gandhinagar
Date : 26th August, 2013

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**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 one Unit of 351 MW during FY 13-14 and is in advance stage of commissioning second unit of the 702MW Combined Cycle Power Project 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 Rs. 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

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.

3. SHARE CAPITAL

Particulars	31 st March 2013		31 st March 2012	
	Number in Lakhs	₹ in Lakhs	Number in Lakhs	₹ in Lakhs
Authorized (20,00,00,000 Equity Shares of ₹10 each)	2000.00	20,000.00	2,000.00	20,000.00
Issued (3,68,90,436 Equity Shares of ₹ 10 each) (Previous Year 3,68,90,436 Equity Shares of ₹ 10 each)	368.90	3689.04	368.90	3689.04
Subscribed & Fully Paid-up (3,68,90,436 Equity Shares of ₹ 10 each) (Previous Year 3,68,90,436 Equity Shares of ₹10 each)	368.90	3689.04	368.90	3689.04
Total	368.90	3689.04	368.90	3689.04

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

Particulars	31 st March 2013		31 st March 2012	
	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	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	368.90	3689.04	368.90	3689.04

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 2013		31 st March 2012	
	Number in Lakhs	₹ in Lakhs	Number in Lakhs	₹ in Lakhs
Gujarat State Petroleum Corporation Limited, The Holding Company	368.90	3,689.04	368.90	3689.04
Total	368.90	3689.04	368.90	3689.04



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

Details of shareholders holding more than 5% shares in current and previous year

Name of Shareholder	31 st March 2013		31 st March 2012	
	No. of Shares held (in Lakhs)	% of Holding	No. of Shares held (in Lakhs)	% of Holding
Gujarat State Petroleum Corporation Ltd	368.90	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 2013	31 st March 2012
Surplus in the statement of Profit & Loss a/c		
Opening Balance	(71.08)	
(+) Net Profit/(Net Loss) for the current year	(845.07)	(71.08)
Total	(916.16)	(71.08)

5. SHARE APPLICATION MONEY PENDING ALLOTMENT:

At present the Company does not have any share agreement or term sheet with share applicant/s. The Share application money ₹ 538.25 lakh includes interest on share application money amounting to ₹ 38.25 lakh. The Company has agreed to issue share for the interest portion also. The Company is likely to issue 53.825 lakh equity shares of ₹ 10 each i.e. at par by end of FY 13-14.

The period of allotment is not fixed as there is no agreement or term sheet or share application form or any conditions at the time of acceptance of share application amount.

The Company has received consent from share applicant i.e. Gujarat State Petroleum Corporation Limited to utilize the application money for the project payments.

6. LONG-TERM BORROWINGS :

₹ in Lakhs

Name of Shareholder	Non-current Portion	Current Maturities	Non-current Portion	Current Maturities
	31 st March 2013		31 st March 2012	
Term Loans from Banks	1,49,106.66	13,185.47	1,39,479.37	476.92
Total	1,49,106.66	13,185.47	1,39,479.37	476.92
The amount includes				
Secured Borrowings	1,49,106.66	13,185.47	1,39,479.37	476.92
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	1,49,106.66	13,185.47	1,39,479.37	476.92

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 2013	Maturity Profile			
				2013-14	2014-19	2019-24	2024-29
1	Base rate+1.00%	48	98,553.01	6,250.00	41,666.67	41,666.67	8,969.67
2	Base rate+1.15%	48	19,583.00	1,250.00	8,333.33	8,333.33	1,666.34
3	Base rate+1.25%	48	6,595.98	833.34	4,166.67	1,595.97	-
4	Base rate+1.50%	48	24,800.00	3541.67	13,758.33	7,500.00	-
5	Base rate+1.60%	48	10,000.21	833.54	4,166.67	4,166.67	833.33
6	Base rate+1.00%*	39	2,759.93	476.92	2,283.01	-	-
	Total		1,62,292.13	13185.47	74374.68	63262.64	11469.34

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 and there was a change in the Commercial Operation Date (COD) which was initially estimated at September 2010. As per the restructured sanctions from the banks the repayment of the said loans would commence 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.

7. DEFERRED TAX LIABILITIES :

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Deferred Tax Liability (opening balance)	1.28	-
Add: Deferred Tax Liability	566.89	1.28
Deferred Tax Liability (closing balance)	568.17	1.28
Total	568.17	1.28

8. OTHER LONG-TERM LIABILITIES :

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Creditors for Capital Expenditure	-	30,734.19
Others	4.12	1.38
Total	4.12	30,735.57

9. SHORT-TERM BORROWINGS :

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Unsecured Loan from Gujarat State Financial Services (GSFS)	44,600.00	36,600.00
Total	44,600.00	36,600.00

10. TRADE PAYABLES :

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Trade Payables (Refer note no. 44)	2.67	-
Total	2.67	-

11. OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Current Maturities of Long Term Debt (Note 6)	13,185.47	476.92
Interest accrued but not due on borrowings	793.80	255.45
Creditors for Capital Expenditure	40,298.63	6,463.59
Statutory Dues	67.79	67.03
Earnest Money Deposit	4.20	10.00
Other Payables	337.53	337.53
Total	54,687.42	7,610.52

12. PROVISIONS

₹ in Lakhs

Particulars	31 st March 2013		31 st March 2012	
	Long-term	Short-term	Long-term	Short-term
Provision for Expenses		47.05		7.82
Total	-	47.05	-	7.82

13. FIXED ASSETS :

₹ in Lakhs

Particulars	Gross Block as at 1 st April 2012	Additions during the period	Adjustments during the period	Deductions/ Disposal during the period	Gross Block as at 31 st March 2013	Accumulated Depreciation as at 1 st April 2012	Depreciation /Amortization charge for the year	Adjustment due to change in depreciation method	On disposals	Accumulated Depreciation as at 31 st March 2013	Net Block as at 31 st March 2013	Net Block as at 31 st March 2012

13.1 TANGIBLE ASSETS OWN ASSETS :

Own Assets:-												
Buildings	277.63	0.00	0.00	0.00	277.63	10.08	4.53	0.00	0.00	14.61	263.03	267.55
Building Others - Solar Project	97.68	0.00	0.00	0.00	97.68	0.75	9.69	0.00	0.00	10.44	87.24	96.93
Plant & Equipment -5 M.W. SolarPower Project	6,004.36	7.49	0.00	0.00	6011.85	24.25	909.95	46.16	0.00	980.36	5,031.48	5,980.10
Furniture and Fixtures	26.95	0.59	0.00	0.00	27.54	3.55	3.40	5.08	0.00	12.03	15.51	23.40
Vehicles	78.68	1.40	0.00	0.00	80.07	3.97	17.84	6.86	0.00	28.67	51.40	74.70
Office equipment	28.33	0.00	0.00	0.00	28.33	3.21	2.80	5.04	0.00	11.04	17.29	25.12
Computers	34.16	6.02	0.00	2.14	38.04	16.44	5.02	7.69	1.80	27.34	10.70	17.73
Sub Total	6,547.78	15.50	0.00	2.14	6561.14	62.24	953.22	70.83	1.80	1084.50	5,476.64	6,485.54

13.2 LEASED ASSETS :

Leasehold Land - Solar Project	339.85	12.02	0.00	0.00	351.87	1.04	14.00	0.00	0.00	15.04	336.83	338.81
Total	6,887.63	27.52	0.00	2.14	6913.01	63.28	967.22	70.83	1.80	1099.54	5,813.47	6,824.35
Previous Year	362.64	6,474.46	56.08	5.54	6,887.63	23.35	42.75	0.00	2.82	63.28	6,824.35	339.29



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

13.3 CAPITAL WORK IN PROGRESS

₹ in Lakhs

Particulars	Gross Block as at 1 st April 2012	Additions during the period	Adjustments during the period	Deductions/ Disposal during the period	Gross Block as at 31 st March 2013	Accumulated Depreciation as at 1 st April 2012	Depreciation /Amortization charge for the year	Adjustment due to change in depreciation method	On disposals	Accumulated Depreciation as at 31 st March 2013	Net Block as at 31 st March 2013	Net Block as at 31 st March 2012
Land	746.97	0.00	0.00	0.00	746.97	0.00	0.00	0.00	0.00	0.00	746.97	746.97
EPC Cost- 700 MW CCPP	1,61,068.10	6,143.00	0.00	0.00	1,67,211.10	0.00	0.00	0.00	0.00	0.00	1,67,211.10	1,61,068.10
Non-EPC Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Civil Construction	1,255.08	235.29	0.00	0.00	1,490.37	0.00	0.00	0.00	0.00	0.00	1,490.37	1,255.08
Technical & Engineering Cost	1,279.72	822.38	0.00	0.00	2,102.10	0.00	0.00	0.00	0.00	0.00	2,102.10	1,279.72
Other Non EPC Cost	474.34	565.75	0.00	0.00	1,040.09	0.00	0.00	0.00	0.00	0.00	1,040.09	474.34
Startup fuel cost	0.00	829.23	0.00	0.00	829.23	0.00	0.00	0.00	0.00	0.00	829.23	0.00
Project Development Expenditure	3,064.89	1,407.05	0.00	0.00	4,471.94	0.00	0.00	0.00	0.00	0.00	4,471.94	3,064.89
Interest and Finance Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest During Construction	28,289.75	20,727.77	0.00	0.00	49,017.52	0.00	0.00	0.00	0.00	0.00	49,017.52	28,289.75
Finance Cost	918.88	36.53	0.00	0.00	955.40	0.00	0.00	0.00	0.00	0.00	955.40	918.88
Total	1,97,097.74	30,766.99	0.00	0.00	2,27,864.72	0.00	0.00	0.00	0.00	0.00	2,27,864.72	1,97,097.74
Previous Year	1,26,987.00	70,110.73	0.00	0.00	1,97,097.74	0.00	0.00	0.00	0.00	0.00	1,97,097.74	1,26,987.00

13.4 RATE / METHOD OF DEPRECIATION APPLIED

Type of Asset	Method	Rate / Period
Leasehold Land - Solar Project	Straight Line Method	25 years
Buildings	Straight Line Method	1.63%
Building Others - Solar Project Plant & Machinery -	Written Down Value	10.00%
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%

Additions in Capital Work in Progress includes ₹ 724.32 Lakhs (Net Loss) [Previous Year ₹ 813.17 Lakhs (Net Loss)] on account of exchange difference during the year.

13.5 Change in depreciation method

During the year company has changed its policy for depreciation from Straight line method to Written down Value method at the rate & manner specified in schedule xiv of the Companies Act, 1956 in respect of following assets:

1. Furniture & Fixtures	4. Vehicle
2. Computer Equipment	5. 5MW Solar Project
3. Office Equipment	

The change in depreciation method has resulted in increase of depreciation charge during the year by ₹ 70,83,301/- Consequently, the Net loss after taxation are higher by ₹ 46,16,465/- and Project development expenditure are higher by ₹ 24,66,836/-

BORROWING COSTS

Particulars	₹ in Lakhs	
	As on 31 st March 2013	As on 31 st March 2012
Interest during construction capitalised in 5 MW Solar Power Project (Included in Adjustments made during the year)	0.00	56.08
Borrowing cost to be capitalised for 702 MW Power Project	49,017.52	28,289.75



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

14. LOANS AND ADVANCES

₹ in Lakhs

Particulars	31 st March 2013		31 st March 2012	
	Long-term	Short-term	Long-term	Short-term
(Unsecured, Considered Good)				
Capital Advances	16,372.62	-	13,266.26	-
Advance Towards other projects	195.88	-	223.93	-
Security Deposits	366.22	-	368.80	-
Other Loans and Advances				
Advance Tax and TDS (Net of provision)	14.66	-	9.99	-
Balance with Statutory Authorities	-	2.13	-	-
Loan to Employees	64.26	11.08	16.48	5.89
Total	17,013.65	13.21	13,885.46	5.89

15. TRADE RECEIVABLES

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Unsecured, Considered Good		
Trade Receivables -Others*	138.60	92.19
Total	138.60	92.19

*Outstanding for a period less than 6 months from the date they are due for payment

16. CASH AND BANK BALANCES

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Cash and Cash Equivalents		
Balances with banks	1,361.14	514.15
Cash on hand	0.89	0.14
Other Bank balance		
Margin money deposit- Bank Guarantees	-	82.36
Total	1,362.04	596.66

17. OTHER ASSETS

₹ in Lakhs

Particulars	31 st March 2013		31 st March 2012	
	Non Current	Current	Non Current	Current
(Unsecured, Considered Good)				
Interest accrued but not due on deposits	-	30.43	-	10.49
Prepaid Expenses	-	56.74	-	63.00
Advance for Employee Benefits	-	18.91	-	15.01
Others	-	15.45	-	-
Total	-	121.53	-	88.50

18. REVENUE FROM OPERATION

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Sale of Electricity	1,273.70	101.19
Total		
	In KWH	In KWH
Generation of Electricity (Net)	8,491,342	674,614
Total	84,91,342	6,74,614

19. OTHER INCOME

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Interest Income	1.41	0.50
Liquidated Damages	-	8.00
Total	1.41	8.50

20. EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Salaries, wages and bonus	49.81	0.89
Provident fund contribution	5.75	0.11
Staff welfare	-	0.49
Total	55.56	1.50

21. FINANCE COSTS

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Interest on term loan	289.13	26.28
Total	289.13	26.28

22. OTHER EXPENSES

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Rebate on sale realization	11.20	0.99
Payment to Auditors	0.06	0.05
Telephone and Postage Expenses	0.26	0.03
Operation & Maintenance Expense	41.33	0.02
Lease rent	1.15	-
Travelling Expenses	0.32	0.27
Legal & Professional Fees	1.30	0.88



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

Particulars	31 st March 2013	31 st March 2012
Vehicle Running & Maintenance	2.44	2.05
Stationery Printing & Other Office expense	1.76	0.70
Security Expense	17.29	2.72
Insurance Expense	7.21	-
Liquidated Damages	-	8.00
Preliminary Expenditure written off	-	109.96
Total	84.32	125.67

23. DEPRECIATION AND AMORTIZATION EXPENSE

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Depreciation of tangible assets	1,024.07	41.71
Less: Transferred to Project Development Expenditure (Note no.47)	57.93	16.71
Depreciation of tangible assets	966.14	25.00
Amortization of Leasehold Land	14.00	1.04
Total	980.14	26.04

24. EXCEPTIONAL ITEMS

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Leasehold Land Development charges	144.14	-
Total	144.14	-

25. INVESTMENT IN FIXED ASSETS

₹ in Lakhs

Particulars	For the Year ended on 31 st March 2013	For the Year ended on 31 st March 2012
Purchase of Fixed Assets		
Leasehold Land - Solar Project	12.02	339.85
5 MW Solar Power Project	7.49	6,004.35
Building Civil - Solar Project	-	97.67
Computer Equipments	6.02	3.08
Furniture & Fixtures	0.59	6.36
Office Equipments	-	0.51
Vehicles	1.40	78.67
Total	27.52	6,530.53

26. INVESTMENT IN CAPITAL WORK IN PROGRESS

₹ in Lakhs		
Particulars	For the Year ended on 31 st March 2013	For the Year ended on 31 st March 2012
Total Addition as per balance sheet	30,766.99	70,110.73
Less:		
Depreciation	57.93	16.70
Loss on transfer of fixed assets	0.27	1.85
Interest During construction	20,727.77	14,878.13
	9,981.02	55,253.26
Add:	-	-
Tender Fees Received	2.60	3.62
Interest Income	38.76	15.36
Changes in Current assets and liabilities		
Changes in Advance Recoverable in Cash or in Kind or for Value to be Received	307.83	-8,971.30
Changes in Sundry Deposits	-2.58	345.20
Changes in Advances to Employees	48.60	5.58
Change in CWIP receivable and payables	-3,100.85	-14,313.85
Changes in Creditors / Expenses Payable	-	-337.53
Changes in Other Liabilities	3.06	249.34
Changes in provisions for expenses	-4.01	-0.73
Changes in Statutory Dues	-0.75	48.45
Changes in Other Assets	14.89	-98.64
Total	(10,059.07)	(32,198.77)

27. PAYMENT OF DUTIES AND TAXES

₹ in Lakhs		
Particulars	For the Year ended on 31 st March 2013	For the Year ended on 31 st March 2012
Advance Income Tax	-	0.76
TDS & Service tax receivable	6.81	2.07
Total	6.81	2.83

28. INTEREST AND OTHER INCOME

₹ in Lakhs		
Particulars	For the Year ended on 31 st March 2013	For the Year ended on 31 st March 2012
Other Interest	40.17	15.87
Interest on Fixed Deposits with Banks having original Maturity over three months	-	-5.70
Tender Fees Received	2.60	3.62
Less : Non cash items	-24.33	-10.76
Total	18.44	3.02

29. INTEREST PAID

₹ in Lakhs

Particulars	For the Year ended on 31 st March 2013	For the Year ended on 31 st March 2012
Changes in CWIP-IDC (Interest During Construction)		
Borrowing Cost for 702MW CCPP	20,727.77	14,838.91
Interest Paid for 5 MW Solar project	289.13	26.29
Less :		
Increase/(Decrease)of Interest Accrued But Not Due on Loans	538.35	162.62
Total	<u>20,478.55</u>	<u>14,702.58</u>

NOTES TO ACCOUNTS

30 The Figures of the Previous year's figures 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 EQUITY SHARE CAPITAL :

Based on Government of Gujarat's directives, presently the company is in process of sourcing fresh equity funding through strategic investment partner.

33 CHANGE IN THE SCOPE OF EPC .

- 1) 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.

34 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) ₹ 155.81 Lakhs upto 31st March, 2013. (P.Y. ₹ 183.85 Lakhs).
 - 2) The Company had commissioned 5 MW Solar Power Project in F.Y 11-12 and generated income of ₹ 12.73 crore approx. during F.Y. 2012-13 from Solar project.
- 35 During the period ended on 31-03-2013, the Company has paid ₹ 5,075.89 Lakhs (P.Y. ₹ 26,733.10 Lakhs) to Bharat Heavy Electricals Ltd towards EPC contract. The above sum includes ₹ 1,620.48 Lakhs (P.Y. ₹ 17,639.44 Lakhs) towards liability in foreign currency amounting to USD 18.48 Lakhs (P.Y. USD 333.68 Lakhs) and EURO 14.23 Lakhs (P.Y. EURO 17.43 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.

36. Foreign currency exposure not hedged by a derivative or otherwise:

Sr. No.	Particulars	Currencies	Amount in Lakhs	
			31 st March 2013	31 st March 2012
a	Creditors for Capital Expenditure and retention monies	USD	199.87	198.94
		EURO	62.99	71.00
b	Unexecuted amount of contracts remaining to be executed	USD	19.46	39.16
		EURO	2.01	2.52

37. FOREIGN CURRENCY TRANSACTIONS

₹ in Lakhs

Particulars	31 st March 2013	31 st March 2012
Foreign Travel	-	1.57
Total	-	1.57

38. CONTINGENT LIABILITY & COMMITMENTS :

A. Commitments

Estimated amount of contracts remaining to be executed on capital accounts not provided for Net of Advance is ₹ 18,827.09 Lakhs (Previous Year ₹ 27,653.04 Lakhs), USD 19.46 Lakhs (Previous Year USD 39.16 Lakhs) and EURO 2.01 Lakhs (Previous Year EURO 2.52 Lakhs).

B. Contingent Liability

- 1) Income tax demand of ₹ 3.24 Lakhs for the F.Y. 2009-10 (A.Y. 2010-11). Appeal is pending before CIT (A).
- 2) Claims not acknowledged as debt of ₹ 10.58 Lakhs.
- 3) The High Court of Gujarat had ordered on 30th March 2012 that the parties i.e. GPPC and Swan Energy Ltd (SEL) may negotiate the interest damages being claimed. Subsequently a committee has been appointed by GPPC to resolve the issue of interest amount on share application money claimed by Swan Energy Ltd. The interest amount cannot be quantified at this stage as the liability would be crystallized as per Government of Gujarat directives.
- 4) 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 would 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 would be receivable by the company.

39. BORROWING COST :

As per AS-16 "Borrowing Cost" issued by Institute of Chartered Accountants of India, the company has incurred during the F.Y. 2012-13 borrowing cost amounting to ₹ 207.64/- Lakhs (Previous year ₹ 148.78/- Lakhs) are transferred to Capital Work in Progress.

40. PAYMENT TO AUDITORS:

Particulars	₹ in Lakhs	
	31 st March 2013	31 st March 2012
As Auditor	1.97	1.97
In other capacity		
Management Services	-	0.39
Out of Pocket Expenses	-	0.08
Total	1.97	2.43

41 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.

42 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.

43. EARNING PER SHARE :

Particulars	31 st March 2013	31 st March 2012
Net Profit/ (loss) after Tax as per Statement of Profit & Loss attributable to Equity Share holders (₹ in Lakhs)	(845.07)	(71.08)
Face value per Equity share (₹)	10.00	10.00
Weighted Average Number of Equity Shares in Calculating Basic & Diluted Earning per Share (₹ in Lakhs)	368.90	368.90
Earning per Share (₹)	(2.291)	(0.193)

44 : There are no micro enterprises and small enterprises/ small scale industries undertaking to whom the company owned any sum as at 31st March 2013, hence there is no balance outstanding as at 31st March 2013, owned to such undertaking.

45 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

- 1) 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.
- 2) Associate Company: Gujarat State Petronet Limited, GSPC LNG Limited, Gujarat State Energy Generation Ltd, GSPC JPDA Limited, Guj Info Petro Limited, 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.

46 EMPLOYEE BENEFITS:

The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:



GSPC
Pipavav Power Company Ltd.

GSPC PIPAVAV POWER COMPANY LIMITED

₹ in Lakhs

Particulars	31st March 2013
Employer's Contribution to Provident Fund	16.26
Employer's Contribution to Superannuation Fund	9.93

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.

Reconciliation of opening and closing balances of Defined

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit obligation at 01-04-12	13.66	8.86	20.11	14.16
Current Service Cost	4.62	3.71	3.72	2.88
Interest Cost	1.16	0.74	1.71	1.19
Actuarial (gain)/loss	1.32	0.34	6.32	1.88
Benefits paid	-	-	-	-
Defined Benefit obligation at 31.03.2013	<u>20.76</u>	<u>13.66</u>	<u>31.86</u>	<u>20.11</u>
Reconciliation of opening and closing balances of fair value of plan assets				
Fair Value of plan assets at 01-04-12	20.60	11.94	28.19	15.18
Expected return on plan assets	2.15	1.41	3.06	1.88
Actuarial gain/(loss)	-0.23	-0.25	-0.41	-0.39
Employer's contribution	6.61	7.50	11.56	11.51
Benefits Paid	-	-	-	-
Fair Value of plan assets at 31.03.2013	<u>29.13</u>	<u>20.60</u>	<u>42.40</u>	<u>28.19</u>
Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at 31st March, 2013	29.13	20.60	42.40	28.19
Present value of obligation as at 31st March 2013	20.76	13.66	31.86	20.11
Amount recognized in Balance Sheet	<u>8.37</u>	<u>6.94</u>	<u>10.54</u>	<u>8.08</u>
Expenses recognized during the year				
Current Service Cost	4.62	3.71	3.72	2.88
Interest Cost	1.16	0.74	1.71	1.19
Expected return on plan assets	-2.15	-1.41	-3.06	-1.88
Net Actuarial (gain)/loss	1.55	0.60	6.73	2.27
Net Cost	<u>5.18</u>	<u>3.63</u>	<u>9.10</u>	<u>4.45</u>
Actuarial assumptions				
Mortality Table (L.I.C.)	2012-13 Ultimate	2011-12 Ultimate	2012-13 Ultimate	2011-12 Ultimate
Discount Rate (per annum)	8.20%	8.50%	8.20%	8.50%
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.

47. PROJECT DEVELOPMENT EXPENDITURE

₹ in Lakhs

Particulars	As at 31 st March 2013	As at 31 st March 2012
Opening Balance	3,064.89	1,502.35
Payments to and provisions for Employees (including personnel on deputation)		
Salaries Wages and Bonus	220.91	231.66
Contribution of Provident Fund, Gratuity Fund, Superannuation Fund, Leave Encashment, etc.	36.36	28.09
Employee welfare and other amenities	23.54	23.76
Sub Total (I)	<u>280.81</u>	<u>283.51</u>
Insurance	68.07	171.81
Rent	22.51	9.65
Travelling Expenses	2.56	4.69
Foreign Travel	0.00	1.57
Legal & Professional Fees	45.05	44.48
Payment to Auditors	1.91	2.88
Sitting Fees	0.71	0.87
Vehicle Running Expenses	40.85	47.16
Telephone & Postage Expenses	17.32	15.99
Stationery, Printing & Other Office Expenses	31.80	24.06
Electricity Expenses	4.39	0.06
Bank Charges	0.30	0.50
Advertisement Expenses	17.81	8.13
Security Expenses	88.13	89.81
Guest House Expenses	42.61	37.87
Business Promotion Expenses	1.02	6.71
Depreciation	57.92	16.71
Forex Fluctuation	724.31	813.71
Loss on transfer of fixed assets	0.27	1.85
Total Expenses (a)	<u>1,448.41</u>	<u>1,581.53</u>
Less:		
Interest on Fixed Deposit	34.38	14.21
Tender Fees Received	2.60	3.62
Other Interest	4.38	1.16
Total Income (b)	<u>41.36</u>	<u>18.99</u>
Net Expenses	<u>1,407.05</u>	<u>1,562.55</u>
Add/ (Less): Other Adjustments	-	-
Provision for Tax	-	-
Income Tax	-	-
Total	-	-
Closing Balance	<u>4,471.94</u>	<u>3,064.89</u>

For and on behalf of the Board of Directors

For, C. R. Sharedalal & Co.
Chartered Accountants
FRN No 109943W

D J Pandian, IAS
Chairman

Tapan Ray, IAS
Director

V. M. Valiya
Partner

Manish Verma
ED (F&A)

Kuldeep Jain
Company Secretary

Membership No.: 132033
Place: Ahmedabad
Date : 26th August, 2013

Place : Gandhinagar
Date : 26th August, 2013

 **GSPC (JPDA) Limited**

GSPC JPDA LIMITED

7th Annual Report



BOARD OF DIRECTORS

Shri Tapan Ray, Director (Till 30th March 2013)

Shri Subhash Dave, Director (Till 25th June 2012)

Shri M. Y. Farooqui, Director (Till 26th Aug 2013)

Shri Manish Verma (from 26th June 2012 onwards)

Shri N. K. Mitra (from 31st March 2013 onwards)

Shri Ujjal Ghosh (from 27th Aug 2013 onwards)

Bankers

IDBI Bank Ltd.

BNP Paribas

Auditor

Lahoti & Lahoti, Chartered Accountant, Ahmedabad.

Registered Office

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

DIRECTORS REPORT

The Members

GSPC (JPDA) Limited

Your Directors have pleasure in presenting the 7th Annual Report together with the Audited Statement of Accounts for the period ended 31st March, 2013.

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 256 of the Companies Act, 1956 Shri Manish Kumar Verma shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re- appointment.

Shri N. K. Mitra has been appointed as Additional Director in place of Shri Tapan Ray, IAS, w.e.f. 30th March, 2013 and Shri Ujjal Ghosh has been appointed as Additional Director in place of Shri M. Y. Farooqui w.e.f. 26th August, 2013. Your Company place on records sincere appreciation of services rendered by Shri Tapan Ray, IAS and Shri M. Y. Farooqui as Director of 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 Lahoti & Lahoti, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the period ended on 31st March 2013.

The company has received "Nil comment report from the office of CAG for the financial year ended 31st March, 2013 which is annexed herewith and forms part of Directors' Report".

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 of Directors	
Shri Manish Verma	Chairman
Shri N. K. Mitra	Member
Shri Ujjal Ghosh	Member

Audit Committee has approved and recommended the Annual Accounts for the year ended on 31st March, 2013 for approval of the Board at its meeting held on 30th August, 2013.

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 loss 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.

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	-	1,581,196
Foreign Exchange Outgo	-	28,447,707

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

N. K. Mitra
Director

Manish Verma
Director

Place: Gandhinagr
Date 24th September, 2013

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, 2013.

The preparation of financial statements of GSPC (JPDA) Limited for the year ended 31st March, 2013 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 Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is 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 Auditors Report dated 30th August 2013.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of GSPC (JPDA) Limited for the year ended 31 March 2013 and as such have no comments to make under Section 619(4) of the Companies act, 1956

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

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

Place : Ahmedabad
Date : 23rd September 2013

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 31st, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial 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 subject to point No. (E) of Note No.1 regarding Accounting Policy for oil and Gas joint ventures and Note No. 25 regarding capital commitments, forming part of financial statements and 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 31st, 2013;
- b) In the case of the Profit and Loss Account, of the 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 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.
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: 30th Aug 2013

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, 2013.

- (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, 2013 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 ₹ 10,747,875/- and it has incurred cash losses during the current financial year is ₹ 180,114.
- (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.

- (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 made an allotment of 2,30,00,000 shares of ₹ 10 each resulting the increase in Share Capital by ₹ 23,00,00,000 .
- (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 : 30th Aug 2013

CA. B R LAHOTI
Partner
Membership No. 09123

BALANCE SHEET AS AT 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	244,000,600	14,000,600
(b) Reserves and surplus	4	213,677,221	110,897,310
(c) Money received against share warrants		-	-
2 Share Application Money Pending Allotment		663,100,000	893,100,000
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	5	-	-
(b) Trade payables	6	19,500,877	54,563,649
(c) Other current liabilities	7	21,359,211	24,365,734
(d) Short-term provisions	8	280,302	5,306,900
TOTAL		1,161,918,211	1,102,234,193
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	9	1,158,172,112	1,040,510,742
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	10	195,632	2,441,763
(e) Other non-current assets		-	-
2 Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	11	3,550,467	50,705,145
(e) Short-term loans and advances		-	-
(f) Other current assets	12	-	8,576,543
TOTAL		1,161,918,211	1,102,234,193

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

CA. B R LAHOTI
Partner
M.No. 09123

Place : Ahmedabad
Date : 30th Aug 2013

Ujjal Ghosh
Director

Manish Verma
Director

Rajesh Sivadasan
AGM (F & A)

Place : Gandhinagar
Date : 30th Aug 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)		-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
2 Other income	13	1,581,196	-
3 Total revenue (1+2)		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	1,761,310	5,675,626
Total expenses		1,761,310	5,675,626
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(180,114)	(5,675,626)
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		(180,114)	(5,675,626)
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 + 8)		(180,114)	(5,675,626)
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)		(180,114)	(5,675,626)
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)		(180,114)	(5,675,626)
15.I Earnings per share (of 10/- each) :			
(a) Basic			
(i) Continuing operations		-0.11	-4.05
(ii) Total operations		-0.11	-4.05
(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

CA. B R LAHOTI
Partner
M.No. 09123

Place : Ahmedabad
Date : 30th Aug 2013

Ujjal Ghosh
Director

Manish Verma
Director

Rajesh Sivadasan
AGM (F & A)

Place : Gandhinagar
Date : 30th Aug 2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH 2013

Particulars	Amount in ₹	
	As at 31st March 2013	As at 31st March 2012
Cash Flow from Operating Activities		
Profit/ (Loss) after Tax	(180,114)	(5,675,626)
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	(180,114)	(5,675,626)
Add / Less : Working Capital Adjustments		
(Increase) / Decrease in other current Assets (-)	8,576,543	(8,573,543)
(Increase) / Decrease in loans & advances (-)	2,246,131	380,587
Increase / (Decrease) in current Liabilities (+)	(43,095,893)	64,853,124
Cash Generated from Operations	(32,453,333)	50,984,542
Inventories		
Add : Prior Period Adjustment / Exceptional Items		
- Pre - Operative Exps.	-	-
Net Cash Flow from Operating Activities (A)	(32,453,333)	50,984,542
Cash Flow from Investing Activities		
Purchase of Assets / CWIP including Joint Ventures	(117,661,370)	(196,988,569)
Reserves and Surplus	102,960,025	130,612,583
Sale of Fixed Assets	-	-
Interest / Dividend Income	-	-
Net Cash Flow from Investing Activities (B)	(14,701,345)	(66,375,986)
Cash Flow from Financing Activities		
Proceeds from Share Capital	230,000,000	-
Proceeds from Advance towards Share Application Money	(230,000,000)	46,000,000
Proceeds from Loans	-	-
Repayment of Loans (Net)	-	-
Interest / Dividend Paid	-	-
Net Cash Flow from Financing Activities (C)	-	46,000,000
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(47,154,678)	30,608,556
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	1,000	1,000
Bank Balances	50,704,145	20,095,588
	50,705,145	20,096,588
Cash and Cash equivalents at the End of the Year		
Cash on hand	6,235	1,000
Bank Balances (including share in joint venture)	3,544,232	50,704,145
	3,550,467	50,705,145

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 : 30th Aug 2013

For, GSPC (JPDA) Limited.

Ujjal Ghosh
Director

Manish Verma
Director

Rajesh Sivadasan
AGM (F & A)

Place : Gandhinagar
Date : 30th Aug 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013.**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 31st March 2013	As at 31st March 2012
Authorised Equity Share Capital :	<u>1,000,000,000</u>	<u>1,000,000,000</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 24400060 Equity Shares of ₹ 10 each	244,000,600	14,000,600
TOTAL	<u>244,000,600</u>	<u>14,000,600</u>

Reconciliation of number of shares:

Particulars	As at 31st March 2013	As at 31st March 2012
Equity Shares:		
Number of Shares at the beginning of the year	1,400,060	1,400,060
Addition/ (Deduction)	23,000,000	-
Number of Shares at the end of the year	24,400,060	1,400,060

Shares held by Holding/ Ultimate Holding Company and/or their Subsidiaries/Associates:

Particulars	As at 31st March 2013		As at 31st March 2012	
GSPC Limited - Holding Company	Percentage (%)	No. of shares	Percentage (%)	No. of shares
	100	1,400,060	100	1,400,060

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 31st March 2013	As at 31st March 2012
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	64,069,367	(66,543,216)
Addition / (Deduction)	102,960,026	130,612,583
Closing Balance	167,029,392	64,069,367
Profit and Loss :		
Opening Balance	(10,747,875)	(5,072,249)
Addition / (Deduction)	(180,114)	(5,675,626)
Closing Balance	(10,927,989)	(10,747,875)
BALANCE CARRIED TO BALANCE SHEET	213,677,221	110,897,310

5 Short Term Borrowing :

Demand Loans and Advances from Related Parties:

Amount in ₹

Particulars	Classification	Rate of Interest	As at 31st March 2013	As at 31st March 2012
	Unsecured	NIL	-	-
TOTAL			-	-

6 Trade Payable :

(in respect of Joint Ventures)

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Opening Balance	54,563,649	2,107,281
Addition / (Deduction)	(35,062,772)	52,456,368
Closing Balance	19,500,877	54,563,649
TOTAL	19,500,877	54,563,649

7 Other Current Liabilities:

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Advance towards Share Application Money	-	-
Unpaid Duties and taxes	136,337	76,585
Other Payables	21,222,875	24,289,149
TOTAL	21,359,212	24,365,734

8 Short Term Provisions :

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Provison for Expenses	280,302	5,306,900
TOTAL	<u>280,302</u>	<u>5,306,900</u>

9 Capital Work in Progress :

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Capital Work in Progress (in respect of Joint Ventures) :		
Opening Balance	1,040,510,742	843,522,173
Addition / (Deduction)	117,661,370	196,988,569
Closing Balance	1,158,172,112	1,040,510,742
TOTAL**	<u>1,158,172,112</u>	<u>1,040,510,742</u>

**includes Rs. 10,83,068 paid towards intrest on share application money

10 Long Term Loans and Advaces:

Amount in ₹

Particulars	Classification	As at 31st March 2013	As at 31st March 2012
Capital Advance			
Recievables from BNP Paribas	Unsecured (considered good)	-	2,246,131
Loans and Advances to Related Parties			
Recievable from GSPC (GST)	Unsecured (considered good)	195,632	195,632
TOTAL		<u>195,632</u>	<u>2,441,763</u>

11 Cash & Cash Equivalents :

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Cash on Hand	6,235	1,000
With Scheduled banks :		
In Current Accounts	1,202,574	1,884,974
Bank Balance's (in respect of Joint Ventures)	2,341,658	48,819,172
TOTAL	<u>3,550,467</u>	<u>50,705,146</u>

12 Other Current Assets :

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Other Current Assets JPDA (in respect of Joint Ventures)	-	8,573,543
Advance recoverable in cash or in kind or for value to be recovered.	-	3,000
TOTAL	-	8,576,543

13 Other Income:

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Foreign Exchange (gain)/ loss*	(1,581,196)	380,588
TOTAL	(1,581,196)	380,588

*foreign exchnage gain loss on account of BNP & GST receivable

14 Operating & other Expenses :

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Auditor's remuneration	84,270	101,124
Bank Charges	12,242	6,815
Directors' Sitting fees	12,000	21,000
Interest on late payment of TDS	35	1,373
Stationery & Printing Exps.	2,765	-
Misc Exp. (w/f)	9,000	-
Legal and professional fees	1,640,999	5,164,726
TOTAL	1,761,310	5,295,038

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%

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 31st March 2013	As at 31st March 2012
Sources of Funds		
Current Liabilities - Joint Venture	19,500,877	54,563,649
Total	19,500,877	54,563,649
Application of Funds		
Capital Work in Progress - Exploration	1,157,089,044	1,035,774,634
Bank Balances	23,41,658	48,819,172
G.S.T. Receivable	-	8,573,543
Other Current Assets	-	-
Total	<u>1,159,430,702</u>	<u>1,093,167,349</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, 2012. However, after 31st December, 2012 and up to Closing of the year i.e. 31st March, 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.2011-12	64,069,368
Add: Foreign Exch. Trans. Reserve (Profit) for F.Y.2012-13	102,960,024
Closing Balance (Net)	167,029,392

(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 2,44,00,000 fully paid up equity shares of ₹ 10 each and contributed ₹ 66,31,00,000/- as Capital Contribution pending for allotment of shares.

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 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	3,165,023	35,586,244	4,535,984	34,215,283
JPDA	Joint Venture	Remittance made	21,124,126	1,169,197,833	1,203,158,395	(12,836,435)
-	Directors	Sitting fees	-	-	12,000	-

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	75,000	40,000
Other Matters	-	40,000
Total	75,000	80,000

24. Expenditure in foreign currency :

Amount in ₹		
Particulars	Current Year	Previous Year
Professional Consultancy Fees	1,518,116	Nil
Cash Call paid to Operator	26,929,591	46,893,439
Other Misc expense :	Nil	Nil
Total	28,447,707	46,893,439

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. 115.71 Cr (shown in CWIP) for the completed work programme. However, in the year 2013-14 the joint venture (JPDA 06-103) would undertake the balance work programme of drilling 1 more exploratory well at the estimated cost of US\$ 18,000,000 (GSPC Share US\$ 3,600,000).

26. 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 LAHOTI & LAHOTI
Chartered Accountants
F.R.No. 112076W

CA. B R LAHOTI
Partner
M.No. 09123

Place : Ahmedabad
Date : 30th Aug 2013

For, GSPC (JPDA) Limited.

Ujjal Ghosh
Director

Manish Verma
Director

Rajesh Sivadasan
AGM (F & A)

Place : Gandhinagar
Date : 30th Aug 2013



GSPC LNG Limited

6th Annual Report





BOARD OF DIRECTORS

Shri D. J. Pandian, IAS, Chairman
Shri Tapan Ray, IAS, Director
Shri L. Chuaungo, IAS, Director
Shri Subhash Dave, Director
Shri M. Y. Farooqui, Director
Shri Pranav Adani, Director
Shri Malay Mahadevia, Director

BANKERS

IDBI Bank Ltd.
Dena Bank Ltd.

STATUTORY AUDITORS

Dharmendra & Khajanchi
Chartered Accountants
Ahmedabad.

REGISTERED OFFICE

GSPC Bhavan
Behind Udhyog Bhavan ,Sector-11.
Gandhinagar -382010.

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, 2013.

BUSINESS ACTIVITIES & PERFORMANCE HIGHLIGHTS

The Company is incorporated with the objective of developing LNG Terminal in the State of Gujarat. The capacity of LNG Terminal is 5 MMTPA. The Company has initiated activities for setting up LNG terminal at Mundra.

PROJECT STATUS

M/s Tractabel, Belgium has carried out detailed Feasibility Study. The Company has completed Front End Engineering Design (FEED) studies.

The Company has also carried out various pre-project studies including Soil investigation, Seismo-tectonic survey, Ship Navigation & simulation, Sea wave simulation and Break water study.

The company has also selected M/s Whessoe Projects Ltd. as Project Management Consultant firm who shall help the company in selection of EPC contractors and supervision of activities at the site. The company is now in process of selecting EPC contractors through International Competitive Bidding route.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the 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) 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.
- (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.

PARTICULARS OF EMPLOYEES

During the period under review, Details of the employees 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 attached herewith.

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:

Foreign Exchange earnings - ₹ 43,93,807

Foreign Exchange Outgo - ₹ 1,27,38,279/-

Health, Safety and Environment

Your Company is taking utmost care for environment while executing the project. Environment clearance is being obtained from Ministry of Environment and Forest (MoEF) and all studies suggested by MoEF are being carried out by your 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 has appointed Dharmendra & Khajanchi, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the Financial Year 2012-13.

C&AG office has given non-review certificate and as such no Comment for the Financial Year 2012-13. The non-review Certificate/Report is annexed herewith.

ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their sincere thanks to the Govt. of Gujarat and Gujarat State Petroleum Corporation Ltd. 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 :17th September 2013

ANNEXURE-I
PARTICULARS OF EMPLOYEES (FOR THE FINANCIAL YEAR 2012-13) 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	6,63,444/- per month	Contractual	Three years contract	Sr. Vice President (Project)	ME (Electrical Engineering) 27 years of Experience in Project Management and Hydrocarbon Sector	1st September, 2012	50 years	Mundra Port & SEZ Ltd.

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial 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, 2013;
- 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 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.
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;



GSPC LNG LIMITED

- 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) In Pursuance to the notification No. GSR 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)

Place : Ahmedabad
Date : 16th August, 2013

Dharmendra L. Solanki
Partner
(Membership No. : 42412)

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 (Auditor 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 is 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 2012-13.
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 2013 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.



GSPC LNG LIMITED

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 : 16th August, 2013

Dharmendra L. Solanki
Partner
(Membership No. : 42412)

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 OF THE ACCOUNTS OF GSPC LNG LIMITED FOR THE YEAR ENDED 31 MARCH, 2013

The preparation of financial statements of GSPC LNG Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the company. The Statutory Auditor appointed by the Comptroller 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 16 August 2013.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditor on the accounts of GSPC LNG Limited for the year ended 31 March, 2013 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

Place: Ahmedabad
Date: 11/9/13

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



GSPC LNG LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	As at 31st March, 2013	As at 31st March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	120,000,000	500,600
(b) Reserves and surplus	4	(233,620)	(233,620)
(c) Money received against share warrants		-	-
		<u>119,766,380</u>	<u>266,980</u>
2 Share Application Money Pending Allotment	5	<u>404,300,600</u>	<u>483,800,000</u>
		<u>404,300,600</u>	<u>483,800,000</u>
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities	6	-	1,098,200
(d) Long-term provisions	7	<u>2,334,494</u>	<u>1,993,354</u>
		<u>2,334,494</u>	<u>3,091,554</u>
4 Current liabilities			
(a) Short-term borrowings	8	202,999,989	212,000,000
(b) Trade payables	9	-	-
(c) Other current liabilities	10	10,592,682	2,671,829
(d) Short-term provisions	11	<u>352,991</u>	<u>-</u>
		<u>213,945,662</u>	<u>214,671,829</u>
TOTAL [(1)+(2)+(3)+(4)]		<u><u>740,347,136</u></u>	<u><u>701,830,363</u></u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	7,197,921	324,917
(ii) Intangible assets	12	222,754	371,256
(iii) Capital work-in-progress	13	632,383,720	634,636,903
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	14	52,474,945	-
(e) Other non-current assets	15	<u>3,240,832</u>	<u>3,240,832</u>
		<u>695,520,172</u>	<u>638,573,908</u>
2 Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	16	44,484,017	63,170,845
(e) Short-term loans and advances	17	235,920	64,762
(f) Other current assets	18	<u>107,027</u>	<u>20,848</u>
		<u>44,826,964</u>	<u>63,256,455</u>
TOTAL [(1)+(2)]		<u><u>740,347,136</u></u>	<u><u>701,830,363</u></u>
See significant accounting policies and accompanying notes forming part of the Financial Statements		1 to 30	

"As per our report of even date attached"

For and on behalf of Board of Directors,

For, M/s Dharmendra & Khajanchi,
Chartered Accountants
Firm Registration No. : 102472W

Dharmendra L. Solanki
Partner
Membership No. : 42412

Place : Ahmedabad
Date : 16th August, 2013

Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 14th August, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	For the period ended 31st March, 2013	For the period ended 31st March, 2012
1 Income			
Other income(Interest from Bank Fixed Deposits)		3,904,810	1,131,611
Total (A)		<u>3,904,810</u>	<u>1,131,611</u>
2 Expenditure			
Provision for Taxation			
Income Tax		<u>1,206,587</u>	<u>349,668</u>
Short/(Excess) provision for Income Tax		(22)	-
Total (B)		<u><u>1,206,565</u></u>	<u><u>349,668</u></u>
Net Total (A-B)		<u><u>2,698,245</u></u>	<u><u>781,943</u></u>
Less : (Deficit)/Surplus Transferred to Pre-Operative Expenditure		2,698,245	781,943
3 Profit/(Loss) for the period		<u><u>-</u></u>	<u><u>-</u></u>
Earning per equity share:	22		
(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. : 42412

Place : Ahmedabad
Date : 16th August, 2013

For and on behalf of Board of Directors,

Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 14th August, 2013



GSPC LNG LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Amount in ₹	
	For the year ended on 31st March, 2013	For the year ended on 31st March, 2012
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	(50,161,350)	(37,678,758)
Increase / (Decrease) in non current Liabilities (+)	(736856)	-
Purchase of Fixed Assets	(7,737,722)	-
Sale of Fixed Assets	-	-
Depreciation	1,013,220	362,409
(Increase) / Decrease in current Assets (-)	(257,337)	(1,044,707)
Increase / (Decrease) in current Liabilities (+)	8253640	(2,999,367)
Net Cash Flow from Investing Activities (B)	(49,626,405)	(41,360,423)
Cash Flow from Financing Activities		
Proceeds from Share Application Money	40,000,000	
Proceeds from Loans (short term borrowings)	(9,000,011)	212,000,000
Repayment of Loans	-	(107,486,090)
Interest Paid	(60,411)	(11,513,711)
Net Cash Flow from Financing Activities (C)	30,939,578	93,000,199
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(18,686,827)	51,639,776
Cash and Cash equivalents at the Beginning of the Period		
Cash on hand	4,288	5,229
Bank Balances	2,771,413	1,241,004
Short Term Fixed Deposits	60,395,144	10,284,836
	63,170,845	11,531,069
Cash and Cash equivalents at the End 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

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. : 42412

Place : Ahmedabad
Date : 16th August, 2013

For and on behalf of Board of Directors,

Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 14th August, 2013

Significant accounting policies and accompanying notes forming part of the Financial Statements for the year ended on 31st March 2013

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 valuation and certification by management.
- 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.

3 Share Capital

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
AUTHORIZED CAPITAL		
10,00,00,000 Equity Shares of ₹ 10/- each.	1,000,000,000	1,000,000,000
(Previous year 10,00,000 Equity shares of ₹ 10/- each)	<u>1,000,000,000</u>	<u>1,000,000,000</u>
ISSUED , SUBSCRIBED & FULLY PAID UP CAPITAL		
1,20,00,000 Equity Shares of ₹ 10/- each with voting rights	<u>120,000,000</u>	<u>500,600</u>
(Previous year 50,060 Equity Shares of ₹ 10/- each with voting rights)		
Total	<u>120,000,000</u>	<u>500,600</u>

3.1 Build up of Equity Share Capital

Particulars	Amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012
Opening Share Capital	500,600	500,600
Issued During the year	<u>119,499,400</u>	<u>-</u>
Equity Shares at the end of Year	<u>120,000,000</u>	<u>500,600</u>

3.2 Distribution of Share holding pattern (with voting rights)

Category	Category of Share Holder	Amount in ₹			
		As at 31st March, 2013		As at 31st March, 2012	
		Number of Share Holder	Total No. of Shares	Number of Share Holder	Total No. of Shares
A	Promoter/Holding Shareholding	3	11,999,940	1	50000
B	Share holding of Nominee of GSPC	6	60	6	60
	Total	<u>9</u>	<u>12,000,000</u>	<u>7</u>	<u>50,060</u>



GSPC LNG LIMITED

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, 2013		As at 31st March, 2012	
	No. of Equity Shares	Percentage Shareholding	No. of Equity Shares	Percentage Shareholding
Gujarat State Petroleum Corporation Limited (Including Nominee Shareholders)	6,000,000	50%	50,060	100%
Adani Enterprise Limited	3,000,000	25%	-	-
Gujarat Industries Power Co. Limited	3,000,000	25%	-	-

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 Rs. 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, 2013	As at 31st March, 2012
(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, 2013	As at 31st March, 2012
Share Application Money Pending Allotment *	404,300,600	483,800,000
Total	<u>404,300,600</u>	<u>483,800,000</u>

Note: The Company has issued shares of ₹ 7,94,99,400 out of share application money pending allotment. 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.

6. Non Current Liabilities : Other Long Term Liabilities

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Institute for Seismological Research	-	1,078,200
Omam Consultant (Retention)	-	20,000
Total	-	1,098,200

7. Non Current Liabilities : Long Term Provisions

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Gratuity	503,329	328,745
Provision for Leave Encashment	569,241	456,644
Provision for Superannuation	1,261,924	1,207,965
Total	2,334,494	1,993,354

8. Current Liabilities : Short term Borrowings

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Unsecured Loan from Dena Bank*	999,989	-
Other Loans and advances	202,000,000	212,000,000
Total	202,999,989	212,000,000

* Payable in one year from 01-Sep-2012. The Loan is borrowed at base rate.

9. Current Liabilities : Trade Payables

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Micro, Small and Medium Enterprises	-	-
Others	-	-
Total	-	-



GSPC LNG LIMITED

- 9.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under:

Amount in ₹		
Particulars	As at 31st March, 2013	As at 31st March, 2012
(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	-	-
	<u>-</u>	<u>-</u>

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.

10. Current Liabilities : Other Current Liabilities

Amount in ₹		
Particulars	As at 31st March, 2013	As at 31st March, 2012
TDS Payable	1,614,500	1,926,279
Other Statutory Liabilities	-	51,478
Other Payables (including payables for Capital Goods and Services)	8,978,182	694,072
Total	<u>10,592,682</u>	<u>2,671,829</u>

11. Current Liabilities : Short term provision

Amount in ₹		
Particulars	As at 31st March, 2013	As at 31st March, 2012
Provision for Gratuity	9,632	-
Provision for Leave Encashment	15,086	-
Provision for Expenses	328,273	-
Total	<u>352,991</u>	<u>-</u>

SCHEDULE - 12 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1 st April-2012	Additions / Adjustments	Deduction	As at 31 st March-2013	As at 1 st April-2012	During the Year 2012-13	Deduction	As at 31 st March-2013	As at 31 st March-2012
Tangible Assets									
1. Office Equipments	200,425	655,415	-	855,840	67,894	65,548	-	133,442	132,531
2. Computer Equipments	573,041	600,574	-	1,173,615	460,464	101,583	-	562,047	112,577
3. Furniture & Fixtures	127,364	6,481,733	-	6,609,097	47,555	697,587	-	745,142	79,809
4. Vehicles	-	-	-	-	-	-	-	-	-
Total Tangible Assets	900,830	7,737,722	-	8,638,552	575,913	864,718	-	1,440,631	324,917
Previous Year (1-04-2011 to 31-03-2012)	900,830	-	-	900,830	461,575	114,338	-	575,913	439,255
Intangible Assets									
Intangible Assets (Includes Computer Software)	1,406,362	-	-	1,406,362	1,035,106	148,502	-	1,183,608	371,256
Total Tangible Assets	1,406,362	-	-	1,406,362	1,035,106	148,502	-	1,183,608	371,256
Previous Year (1-04-2011 to 31-03-2012)	1,406,362	-	-	1,406,362	787,035	248,071	-	1,035,256	619,327
Capital Work In Progress (Including Advances)	634,636,903	(2,253,184)	-	632,383,720	-	-	-	632,383,720	634,636,903
Previous Year (1-04-2011 to 31-03-2012)	585,444,433	49,192,470	-	634,636,903	-	-	-	634,636,903	585,444,433



GSPC LNG LIMITED

13. Non Current Assets: Capital Work in Progress

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
CAPITAL WORK IN PROGRESS		
Site Selection	8,161,036	8,343,670
Detailed Feasibility	16,983,812	18,952,440
Seismological Investigation	107,456,310	117,211,286
Soil Investigation	65,271,782	71,862,393
Clearances	10,192,634	10,867,027
Front End Engineering Design	254,815,063	278,380,823
Land Reclamation	16,171,930	17,677,825
Regasification Facility	2,192,569	-
Tank Facility	4,619,885	-
PROJECT DEVELOPMENT EXPENDITURE (Pre-Operative Expenditure)		
Opening Balance	111,341,438	79,581,318
Transferred to CENVAT Credit (Service Tax) account	(1,858,624)	
Advertisement Expenses	1,766,577	
Salaries Wages and Bonus	12,374,938	7,452,728
Contribution to Provident Fund, Gratuity, Superannuation etc.	1,381,162	770,524
Employee Welfare and other Expenses	1,310	3,000
Insurance Expenses	149,964	163,568
Travelling & Conveyance Expenses-Others	2,691,170	486,668
Travelling & Conveyance Expenses-Directors	20,484	10,000
Legal & Professional Expenses	18,944,059	3,281,999
Roc Fees	3,500	5,400,000
Payment to Auditors	28,090	25,486
Recruitment & Training Expenses	600,234	1,301,738
Rent and Utilities	2,253,188	1,187,653
Sitting Fees	20,484	11,000
Membership Fee	320,000	-
Seminar & Conference	832,080	-
Telephone, Mobile, Internet & Postage Expenses	590,942	216,299
Stationery & Printing Expenses	334,161	61,911
Office Expenses	1,437,964	422,727
Other Expenses	27,441	2,498
(Gain)/Loss on Foreign Exchange Transactions	(2,743)	169,302
Interest on borrowings	60,411	11,513,711
Interest on others	1,314,300	-
Depreciation	1,013,220	44,304,312
Interest Income	(2,698,245)	362,409
(Net of Income tax ₹.12,06,565; {Previous year ₹. 3,49,668} applicable on Interest Income) (Transfer from Profit & Loss Statement)		32,843,221
Tender Fee received	(6,428,807)	(781,943)
TOTAL	632,383,720	634,636,903

14. Non Current Assets: Long term loans and advances

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Service tax credit receivable (inclu. EC and SHEC)#	52,474,945	-
Total	52,474,945	-

#Company has booked credit of service tax paid on input services from its inception to 31.03.2013 which is amounting to ₹ 5,24,74,945.

15. Non Current Assets: Other Non Current Assets

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Advances recoverable in cash or kind or value to be received	2,086,600	2,086,600
Rent Deposit	1,154,232	1,154,232
Total	3,240,832	3,240,832

16. Current Assets: Cash & Cash Equivalent

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Cash-in-Hand (A)	2,016	4,288
Balances with Bank		
In current accounts (B)	3,439,930	2,771,413
In deposit accounts (C)	41,042,071	60,395,144
Total [A + B + C]	44,484,017	63,170,845

17. Current Assets: Short Term Loans and Advances

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Advance Tax & TDS (Net of Income Tax Provision) (F.Y. 2011-12 - ₹ 6787 and F.Y. 2012-13 - ₹ 2942)	9,729	11,973
Other Advance Payment	-	363
Prepaid Expense	226,191	52,426
Total	235,920	64,762



GSPC LNG LIMITED

18. Current Assets: Other Current Assets

Amount in ₹

Particulars	As at 31st March, 2013	As at 31st March, 2012
Interest Accrued but not Due	87,027	20,848
Other Receivables	20,000	-
Total	107,027	20,848

19. Related Party Disclosure (AS18)

Holding Company

Gujarat State Petroleum Corporation Limited

Associate Company

Gujarat State Petronet Limited

GSPC Gas Limited

Sabarmati Gas Company Ltd.

Gujarat State Energy Generation Limited

GSPC Pipavav Power Company Ltd.

Guj Info Petro Limited

GSPC JPDA Limited

Key Managerial Personal

1. Shri D. J. Pandian, IAS, Chairman
2. Shri L. Chuaungo, IAS, Director
3. Shri Tapan Ray, IAS, Director
4. Shri Subhash Dave, Director
5. Shri M. Y. Farooqui, Director

Related Party Transactions is as follows :

Amount in ₹

Relationship	Holding Company		Associate Company		Key Managerial Personal	
Year	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Expenses Incurred on behalf of the Company	107,286	-	553,805	1,551,316	-	-
Expenses Incurred by the Company	-	-	-	114,559	-	-
Share Application Money Received	-	-	-	-	-	-
Rent and utilities Paid	96,694	869,364	-	-	-	-
Bandwidth Charges & AMC Charges paid	-	-	318,823	-	-	-
Assets purchased by Company	-	-	-	-	-	-
Assets sold by company	-	-	-	-	-	-
Sitting Fee	-	-	-	-	1,000	5,000
Travelling Expenses	-	-	-	-	19,000	10,000

Closing Balance of Related Parties are as follows:

Amount in ₹

Closing Balance as on		
Name of Party	As at 31st March, 2013	As at 31st March, 2012
Gujarat State Petroleum Corporation Limited	Nil	393,395
Gujarat State Petronet Limited	133,588	207,248
GSPC Gas Company Limited	-	-
Sabarmati Gas Limited	-	-
Guj Info Petro Limited	-	-

20. Payment to Auditors

Amount in ₹

Particulars	2012-13	2011-12
Audit fees	28,090	22,729
Other Matters	Nil	Nil
Total	28,090	22,729

21. Earnings/Expenditure In Foreign Currency

(a). Expenditures:

Amount in ₹

Particulars	2012-13	2011-12
Capital Expenditure (For Professional Services)	12,550,934	14,412,443
Pre-Operative Expenditure	Nil	Nil
Travelling Expenses	187,345	-
Total	12,738,279	14,412,443

(b). Earning:

Amount in ₹

Particulars	2012-13	2011-12
Earning - Tender Fees	4,393,807	Nil

22. Earnings Per Share (EPS/DPS)

Amount in ₹

Particulars	2012-13	2011-12
Net Profit / (Loss) After Tax	-	-
Numbers of equity shares	12,000,000	50,060
Basic/Diluted Earnings Per Share (EPS)	N.A.	N.A.
Nominal Value per share	10	10


23. Contingent Liabilities and Commitments :

Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for is ₹ 933,143,949/- (Previous year ₹ 50,22,503/-)

24. 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.

25. Foreign currency exposure not hedged by a derivative instrument or otherwise.

Amount in ₹

Particulars	Currencies	As at 31st March, 2013	As at 31st March, 2012
Payables for capital goods and services	USD	68,682	-
Estimated amount of contracts remaining to be executed	EURO	54,763	54,763
	USD	13,498,000	-

26. 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.

27. The Company has adopted AS15 (revised 2005) 'Employee Benefit'. Defined Employee benefit schemes are as follows:

- Provident Fund : Company pays fixed contribution of Provident Fund at pre-determined rates to an EPFO.
- Superannuation : The Company is in process of formulating a Superannuation fund for the employees.
- 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 : ₹ 8,54,897/- (Previous year ₹ 3,32,896/-)

Provision towards Contribution to Superannuation Fund : ₹ 2,66,077/- (Previous Year ₹ 4,16,255/-)

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	
		2012-13	2012-13	2012-13	2011-12
A	Reconciliation of opening and closing balances of Defined Benefit obligation				
	Defined Benefit Obligation at the beginning of the period	328,745	348,766	456,644	372,025
	Current Service Cost	213,770	93,295	87,976	59,294
	Interest Cost	28,765	29,227	35,966	31,176
	Actuarial(gain)/loss	(58,319)	(142,544)	94,949	61,145
	Benefits Paid	Nil	-	(91,208)	(66,996)
	Defined Benefit Obligation at period end	512,961	328,745	584,327	456,644
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	-	-	-	-
	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.	512,961	328,745	584,327	456,644
	Amount recognized in Balance Sheet	512,961	328,745	584,327	456,644
D	Expenses recognized during the period				
	Current Service Cost	213,770	93,295	87,976	59,294
	Interest Cost	28,765	29,227	35,966	31,176
	Expected return on plan assets	-	-	-	-
	Net Actuarial (gain)/loss	(58,319)	(142,544)	94,949	61,145
	Net Cost	184,216	(20,021)	218,891	151,615
E	Actuarial assumptions				
	Mortality Rates(L.L.C.)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)	1994-96 (ultimate)
	Discount rate(per annum)	8.20%	8.75%	8.20%	8.75%
	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%

28. 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".
29. Corresponding figures of the previous year have been regrouped and reclassified wherever considered necessary to compare to this year's figures.
30. 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. : 42412

Place : Ahmedabad
Date : 16th August, 2013

For and on behalf of Board of Directors,

Chairman Director

VP (Fin & Accts)

Place : Gandhinagar
Date : 14th August, 2013



GSPC GAS COMPANY LIMITED

14th Annual Report



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 :

State Bank of India
Dena Bank
Oriental Bank of Commerce
UCO Bank
Corporation Bank
Bank of Maharashtra
The Kalupur Commercial Co-Operative Bank Limited.
HDFC Bank
Gujarat State Financial Services Limited.

Union Bank of India
IDBI Bank Limited
Kotak Mahindra Bank Limited
ICICI Bank Limited
Axis Bank Limited
Bank of Baroda
Standard Chartered Bank
YES Bank Limited

Internal Auditors :

Ashok Chhajer & Associates.
Chartered Accountants
Ahmedabad.

Registered office :

Block No.: 15, 3rd Floor,
Udhyog Bhavan, Sector-11,
Gandhinagar- 382 009.

Corporate office :

101-106, IT Tower-1
Infocity, Gandhinagar - 38 2009

NOTICE

NOTICE is hereby given that **Fourteenth** Annual General Meeting of **GSPC Gas Company Limited** (Formerly known as Gujarat State Fuel Management Company Limited) is scheduled to be held on **30th day of November, 2013 at 12:00 PM** at the **Committee Room, 5th floor, Block No. 5, Energy and Petrochemicals Dept., Government of Gujarat, New Sachivalay, 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 2013, Statement to Profit and Loss for the year ended on 31st March 2013 along with 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 declare dividend on the paid up share capital of the company @ 10% (₹ 1/- per Equity share) for the Financial year 2012-13 as recommended by the Board.
3. To reappoint Shri Tapan Ray, IAS, as Director who retires by rotation, and being eligible, offers himself for reappointment.
4. To fix the remuneration of the Statutory Auditors of the Company for the financial year 2013-14 in terms of the provisions of Section 224(8) (aa) of the Companies Act, 1956.

SPECIAL BUSINESS :

5. **Appointment of Mr. L. Chuaungo, IAS as Director of the Company**

To Consider, and if thought fit, to pass with or without modification, the following resolutions as on **Ordinary Resolution:**

"RESOLVED THAT Shri L. Chaungo, IAS, who was appointed as Director of the Company in place of Ms. S. Aparna, IAS to fill casual vacancy in the Board meeting held on 20.05.2013 and who will hold office up to the date up to which Ms. S. Aparna IAS in whose place he is appointed would have held office if he had not been vacated as aforesaid, is hereby appointed as Director of the Company as per the applicable provision of the Companies Act, 1956".

6. **To Increase the Borrowing Limits of the Company**

To Consider, and if thought fit, to pass with or without modification, the following resolutions as on **Ordinary Resolution:**

"RESOLVED that in modification of the earlier resolution(s) passed by the Company pursuant to the provisions of Section 293(1) (d) of the Companies Act, 1956, and any other applicable provisions of the Companies Act, 1956, the consent of the Company in terms of the aforesaid section of the Act be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time for the purpose of the Company's business any sum or sums of money as it may deem proper notwithstanding that the moneys to be so borrowed together with moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose provided that the total amount of the moneys to be so borrowed by the Board together with moneys already borrowed (apart from temporary loans obtained from the lender(s) / Banker(s)/ Fls / Company's bankers in the ordinary course of business) shall not exceed ₹ 2000 Crores (Rupees Two Thousand Crores only) outstanding at any one time and that for the implementation of this Resolution the Board may act through any member thereof or any other person duly authorized by the Board in this behalf."

7. To Increase the limit of Mortgaging / Charging Company's Movable and immovable properties of the Company for availing the financial assistance

TO Consider, and if thought fit, to pass with or without modification, the following resolution as a **Ordinary Resolution**:

“Resolved that Consent of the Company be and is hereby accorded pursuant to the section 293(1) (a) of the Companies Act, 1956 and other applicable provisions if any of the Act to the mortgaging and or charging board of Directors of the Company (“the Board”) or its committee of all or any of the movable or Immovable properties of the company whether present or future pertaining to the whole or substantially the whole of the Company’s Business for the availment of Term Loan/Financial Assistance or for issuing any Debt Instrument whether fund based or non fund based or such other credit facilities aggregating to ₹ 2000/- Crore (Rupees Two thousand Crores) together with interest and other rated expenses from any Banks, Financial institutions, Corporate entity (“the Lenders”) as may be applicable from time to time.”

“Resolved further that the board or its Committee be and is hereby authorized to finalize documents creating the aforesaid mortgage / Charge and to do all such acts, matter and thing and deeds as may be necessary to give effect of this resolution.”

“Resolved further that if the Board or its Committee deems fit, the power of creation of charge on the assets of the company & / or finalization and execution of documents may be delegated to any member of the said Committee or any senior officer of the company.”

By Order of the Board
Ahmed Khan
GM(S & L) & Company Secretary

Date : 06.11.2013
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 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 PURSUANT TO SECTION
173 (2) OF THE COMPANIES ACT, 1956**

ITEM NO.5

The Board had appointed **Mr. L. Chuaungo, IAS** as Director of the Company on 20.05.2013 to fill the casual vacancy to on cessation of Ms. S. Aparna, IAS, as a Director of the Company.

Shri **Mr. L. Chuaungo, IAS** will hold office up to the date up to which Ms. S. Aparna IAS, in whose place he is appointed would have held office if he had not been vacated as aforesaid. Ms. S. Aparna, IAS, was lastly re-appointed as Director retiring by rotation at the Annual General Meeting held on 13.12.2012. In view of this, the Directorship of Ms. S. Aparna, IAS would have come for retirement at the ensuing Annual General meeting. Hence, at the ensuing Annual General meeting, Ms. S. Aparna, IAS would retire.

It would be in the interest of the Company to continue the Directorship of **Mr. L. Chuaungo, IAS** as Director of the Company. A casual director retiring by rotation can be appointed as Director of the Company subject to applicable provisions of the Companies Act, 1956. Pursuant to Section 257 of the Companies Act, 1956, a proposal has been received from one of the member of the Company proposing name of **Mr. L. Chuaungo, IAS** as Director of the Company to be considered at the ensuing Annual General meeting.

None of the Directors except **Mr. L. Chuaungo, IAS** is concerned or interested in this resolution. All documents connected with resolution are open for inspection by any members of the Company at the Registered Office of the Company on any working day during normal business hours.

ITEM NO 6 and 7

According to the section 293(1) (d) and 293(1) (a) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the consent of the Company in a general meeting, borrow money apart from the temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and its free reserves that is to say reserves not set apart for the specific purpose and creating necessary charge/ security/ mortgage (or disposal of understanding (either in whole or substantially the whole) on the assets of the Company. The members in their 10th Annual General Meeting had accorded their consent to the Board of Directors for borrowing and creating necessary charge / security/ mortgage upto ₹ 1500 crores.

However taking into consideration of the Growth plan including investment in its subsidiary namely GSPC Distribution Networks Ltd (GDNL) for acquiring the business of Gujarat Gas Company LTD (GGCL), the Board recognizes the need to suitably increase its existing Borrowing Limits of ₹ 1500/- crores (Rupees One Thousands Five hundred Crores Only.) for expansion of its operations. Therefore, in order to enable the Company to approach financial institutions/ banks/ lenders and others in India or outside India for its increasing fund requirements and also to meet the long term fund requirements, it is proposed to increase the limit to ₹ 2000/- Crores (Rupees Two Thousands Crores only) in excess of and in addition to the paid-up capital and free reserves of the Company for the time being, for which Members' approval is required under Section 293 (1) (d) of the Companies Act, 1956 and accordingly the power to the Board for creating necessary charge/ security/ mortgage (or disposal of understanding either in whole or substantially the whole) on the assets of the Company to that extend as per the requirement of lender(s) pursuant to section 293 (1) (a) of the Companies Act, 1956.

None of the Directors is interested in this resolution.

The Directors recommend the resolution to the Members for their approval.

By Order of the Board

Ahmed Khan

GM(S & L) & Company Secretary

Date : 06-11-2013

Place: Gandhinagar

DIRECTORS REPORT

To
The Members,

GSPC GAS COMPANY LIMITED.

Your Directors have pleasure in presenting the 14th Annual Report together with the Audited Accounts of the Company for the financial year ended on 31st March, 2013.

FINANCIAL HIGHLIGHTS:

(Amt. in Lacs)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Revenue from operations (Net)	4,21,167.63	3,23,241.19
Other income	856.25	205.21
Total Revenue	4,22,023.88	3,23,746.40
Expenses:		
Cost of materials consumed	51,752.49	32,859.84
Purchases of Stock-in-Trade	3,33,849.86	2,51,979.33
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	(168.85)	-
Employee benefits expense	2,919.21	2,182.75
Finance costs	5,808.03	4,765.99
Depreciation and amortization expense	5,939.55	4,828.30
Other expenses	12,111.36	9,670.93
Total expenses	4,12,211.65	3,06,287.14
Profit before exceptional and extraordinary items and tax	9,812.22	17,459.27
Less : (a) Prior Period Items	5.69	29.65
(b) Exceptional items	13.87	21.97
Profit before extraordinary items and tax	9,729.66	17,407.65
Extraordinary Items	-	-
Profit Before Tax (PBT)	9,729.66	17,407.65
Tax expense:		
(1) Current tax	1,973.53	3,491.01
(2) Deferred tax	3,798.77	3,310.24
Profit for the period from continuing operations (PAT)	4,020.36	10,606.40

The Financial Year 2012-2013 was full of significant developments of company's business. The two main parameters namely Sales Turnover and the Profit After Tax (PAT) give an immediate insight in to the Company's functioning.

Performance of the Company is summarized as follows:

- Total Revenue / Income increased from ₹ 3,23,746.40 Lacs in previous year 2011-2012 to ₹ 4,22,023.88 Lacs in current year 2012-2013, recording an increase of 30.36%.
- Profit Before Tax (PBT) decreased from ₹ 17,407.65 Lacs in previous year 2011-2012, to ₹ 9,792.66 Lacs in current year 2012-13 a decrease of 43.74%.
- Profit After Tax (PAT) decreased from ₹ 10,606.40 Lacs in previous year 2011-2012 to ₹ 4,020.36 Lacs in current year 2012-2013, a decrease of 62.09%.

SHARE CAPITAL AND SHARE APPLICATION MONEY:

During the year, the Company has made the total allotment of 2,54,10,606 Equity Shares of ₹ 10 each to the various Share applicants on 27th February, 2013. Out of this, Company has made the allotment of 21,684,000 Equity Shares to the various Share applicants on 27th February, 2013 at the price of ₹ 50/- per share (₹ 40/- premium and ₹ 10 face value) and allotment of 37,26,606 Equity shares to the various Share applicants on 27th February, 2013 at the price of ₹ 181.41/- (₹ 171.41/- premium and Rs. 10 face value).

As a result of the above referred fresh allotment, the paid-up capital of the company has increased to ₹ 84,61,96,300 divided into 8,46,19,630 Equity shares of ₹ 10 each.

DIVIDEND:

The members of the Board are pleased to recommend the Dividend of ₹ 1/-per Equity Share i.e. 10% of the Paid up Capital of the Company. The total payout in respect of dividend for the year 2012-2013 would be ₹ 983.47 Lacs with dividend distribution tax.

BUSINESS AND OPERATIONAL OVERVIEW:

The Management of the Company was committed for an inclusive CGD development during the continued Swarnim Gujarat Celebrations. The results were very encouraging. At the beginning of the Financial Year 2012-13, nearly 284 villages of the Gujarat were covered by CNG /PNG Network of the Company which has now increased to 451 villages/locations.

Similar to the last Financial Year, this year also has been active in terms of the operations of the Company. With the overwhelming support and dedication of the Company's employees, consultants, contractors the Company could achieve its targets.

The constraints, reasons and the circumstances leading to a frequent Gas price hike is now been gradually known to the end users. Also the Company is constantly pursuing to get a share in Domestic Gas Allocation which is being allotted by the Central Government. Procurement of Gas at reasonable price and increasing its reach to the every corner of the State continue to be the Key future challenges for the Company.

CNG Segment:

The Management is pleased to inform that Company has established cumulatively 152 CNG Stations up to 31-03-2013, making Swarnim Celebrations memorable. The updated Zone wise CNG Stations presence is given hereunder:

Zones	Mother Station/Online Stations	Daughter Stations	Total
Saurashtra	23	29	52
Central	28	35	63
North	-	6	06
South	12	19	31
Total	63	89	152

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.)
2008-09	25	286,85,054
2009-10	72	569,09,533
2010-11	110	875,33,136
2011-12	135	12,31,98,680
2012-12	152	14,02,96,160

DOMESTIC SEGMENT:

In PNG segment also Company achieved its goals by spreading its network presence in newer locations and connecting 167 new villages/locations in the Financial Year 2012-13. As a result the domestic customer base at the end of this Financial Year 2012-13 has reached to 4,20,023. The enthusiasm and overwhelming response for the domestic PNG customers is 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 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
46,889	1,27,830	2,40,976	3,28,348	4,20,023

INDUSTRIAL SEGMENT:

Demand for green gas is increasing at a fast pace in Gujarat. Gujarat being an Industrial State its Business community spread across states is raising their voice for CGD Network for areas where GSPC GAS has not reached. In Financial Year 2012-2013 company's Industrial Customers have reached to 1779 as against 1547 during last Financial Year 2011-2012.

As of 13th May, 2013, GSPC Gas has reached 460 villages/locations and connected 4,26,779 domestic customers. GSPC Gas is also supplying Gas to around 1793 industrial customers and supplying CNG through 156 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. GSPC Gas has laid 27.63 kms of Steel Network and 934.58 kms of PE network in the Financial Year 2012-13. As on 31st March 2013, GSPC Gas has commissioned total 454.38 kms of Steel Network and 5054.64 kms of PE network.

CHALLENGES:

Like any other business, your company also faces constraints and challenges. Following are the key challenges and constraints dealt by the Company.

- Infrastructure development for CNG station is a long process with many Statutory permissions from Railway, NHAI, Forest Departments, Irrigation Department, Pollution Control Board etc. (including Petroleum and Explosive Safety Organization (PESO)).
- As per PNGRB Act 2006, your company is now required to seek authorization from PNGRB prior to start the Operations of your Company in the new locations where GSPC Gas is not present. PNGRB Board is in the process of processing the Company's authorization applications for existing locations. Out of 10 GAs applied to PNGRB by the Board, 2 GAs namely Halol and Khambat has not been considered, for that your Company is in discussion with PNGRB Board.

- Increased Land prices in City area making difficult to purchase owned land plot or locate land at strategic places. Company is exploring developing new CNG stations on the Franchisee route.
- Availability of cheaper domestic gas from Govt. of India; Company needs allotment of domestic gas to supply the natural gas to customers in affordable manner.

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, GSPC Gas submitted its bids for four (4) Geographical Areas, namely, Bhavnagar District, Jamnagar District, Kutch (East) and Kutch (West). Technical bids of all these Geographical Areas has been opened and GSPC Gas is in lead for Jamnagar District. Price bids for these areas are yet to be opened and final outcome is pending.

SUBSIDIARY OF GSPC GAS COMPANY LIMITED :

GSPC Gas Company Limited created a Special Purpose Vehicle (SPV), GSPC Distribution Networks Limited (GDNL) as a 100% subsidiary of GSPC Gas Co. Ltd. to acquire the business of Gujarat Gas Company Ltd by buying/acquiring 65.12% stake of BG Asia Pacific Holdings Pte. Limited, Singapore in Gujarat Gas Co. Ltd (GGCL). A Share Purchase Agreement (SPA) was signed with BG Asia Pacific Holdings Pte. Limited, Singapore on 3rd October, 2012, which subsequently triggered the provisions of SEBI Takeover Regulations 2011, making mandatory for GDNL to make open offer to the share holders of GGCL to the extent of 26%. GDNL acquired 8.58% shares of GGCL under open offer, and after acquiring 65.12% stake of BG Asia, GDNL shall be holding 73.70% of stake in GGCL. The process of acquiring the business of GGCL has begun by Open Offer Process and acquisition of BG's stake of 65.12% is in the final stage and very soon GDNL shall hold controlling stake in GGCL.

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:

Consequent to the Transfer of your Director vide communication received from Finance Department, Government of Gujarat, dated 18th April, 2013, to appoint Shri L Chuango, IAS in place of Ms. S. Aparna, IAS. Ms. S.

Aparna, IAS was appointed as Director on 28.11.2011 as representative of Finance Department of the Government of Gujarat.

Shri L. Chuango, IAS, Principal Secretary (Expenditure), Finance Department, GoG is being nominated as Director on the Board of GSPC Gas in place of Ms. S. Aparna, IAS.

The Board wishes to place on record its sincere appreciation for Ms. S. Aparna, IAS for her valuable contribution made for the Company during their tenure.

Further, in accordance with the Companies Act, 1956 and pursuant to the Articles of Association of the Company, one of your Director viz. Shri Tapan Ray, IAS, retires by rotation at this ensuing Annual General Meeting. He, however, being eligible offers himself for re-appointment. Your directors recommend his reappointment.

AUDIT COMMITTEE:

During the Financial year the Audit Committee met 2 times on 23rd May, 2012 and 22nd February, 2013. Audit Committee has approved and recommended the Annual Accounts for the year ended on 31st March, 2013 for approval of the Board in the meeting held on 20th May, 2013.

The terms of the reference of the Audit Committee are as provided in the Companies Act, 1956. 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 2012-13.

STATUTORY AUDITOR'S REPORT:

In respect of the observations contained in the report of Statutory Auditors as annexed (Refer point no. (2), (a) and (d) of Report on Other Legal and Regulatory Requirements in Auditor's Report and point no. (i) (a) and (ii) (a) and (c) 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 2012-2013.

INTERNAL CONTROL SYSTEM:

The Company has well established and efficient internal control system and procedure commensurate with its size. Further the 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, 2013 being the end of the financial year 2012-2013 and of the "profit" 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 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) :

Continuing the Industrial Practice world over a health, safety and environment committee has been formed which shall interalia implement monitor HSE Policy, environment audit, monitor and ensure the prime standards of environmental, health and safety norms and compliance with applicable environmental and pollution laws at all locations of the Company. This HSE Committee meets once a month 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.

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 in State of Gujarat.

The Company is also providing cheaper environment friendly fuel to household consumers in form of Piped Natural Gas and has constantly aimed for achieving improved customer service by supplying uninterrupted, economic and environment friendly fuel to its valued customers

ACKNOWLEDGEMENT :

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

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.

The directors convey 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 : 20-05-2013
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, 2013 (₹.)	Year ended 31st March, 2012 (₹)
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

2. Expenditure in Foreign Currency:

Particulars	Year ended 31st March, 2013 (₹)	Year ended 31st March, 2012 (₹)
Travelling Expenses	-	85,500
Sponsorship Expenses (Training)	-	1,26,370
Know -how, Royalty, Professional Consultancy Fees etc.	-	3,00,410

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	₹ 71.96/- Lakhs (annually)	B.E. (Mechanical)	24th April 2006	BG (India) Ltd.

Addendum to the Director's Report

Management Reply to the comments of the Comptroller and Auditor General of India under section 619(4) of the companies act, 1956 for the financial year 2012-13

Com- ment No.	Comments of Comptroller and Auditor General of India	Management reply to the Comments of the Comptroller and Auditor General of India
A. Comment on Profitability		
1	Balance Sheet Capital work in progress ₹ 351.74 Crores - Note 12.3 Interest during construction period ₹ 17.26 Crores <i>As per Para No. 17 of the Accounting Standards -16 Borrowing Cost, Capitalization of Borrowing Costs should be suspended during the extended periods in which active development is interrupted.</i> <i>The Development activities of the City Gas Distribution (PNG) projects for Bhavnagar and Jamnagar Districts worth ₹.21.62 Crores have been suspended by the company due to non authorization by PNGRB. However, the Company continued to capitalize over these projects. The borrowing cost capitalized over these projects during the year 2012-2013 was ₹.1.13 Crores. This has resulted in overstatement of Capital work in progress and Profit by ₹. 1.13 Crores</i>	Authorization process of PNGRB is in progress for GA Jamnagar and Bhavnagar for laying pipeline network and company has already incurred substantial technical and administrative expenditure of laying Gas network in above two locations. Laying of pipeline is qualifying assets which takes substantial period of time to get ready for its intended use or sale. The Company has incurred expenses for Consultancy, ROU & ROW and Steel laying during the year 2012-13 for GA Jamnagar and Bhavnagar and therefore there is no active suspension / interruption of development. In view of the above capitalization of borrowing costs for Jamnagar and Bhavnagar GA was made in accounts.
2	Balance Sheet Capital Work-in-Progress ₹ 351.74 crore - Note- 12.3 Non Provision of Rent to Project Authorities of ₹ 0.36 Crores <i>The Company had paid of ₹ 0.36 crore on account of annual rent for the year 2012-13 to Navsari Nagar Palika on 16th May 2013. The payment has been treated as revenue expense in the FY 2013-14. During the year, the Company made provision of above expenditure. Against ₹.0.36 crore. the Company had made provision of ₹. 0.25 crore and erroneously booked the provision in Capital work-in-progress.</i> <i>This has resulted in overstatement of Capital work-in-progress by ₹ 0.25 crore, understatement of liability on account of provision by ₹ 0.11 crore and understatement of expenditure by ₹ 0.36 crore. Resultantly, profit is overstated by ₹ 0.36 crore.</i>	As regards to provision of CWIP of ₹ 0.25 crores is concerned; the same is reversed on 1st April and therefore will not have further impact on the balance sheet. As regards to non provision of Rent of ₹ 0.36 crores is concerned, the company has otherwise adequate provision of expenses considering the nature and size of business.

3	Balance Sheet Trade Receivables- Note 17 Provision for doubtful debts Rs. 0.17 Crore <i>The Company has made provision of ₹ 0.17 crore for doubtful debts while all the trade receivables are good and there was no doubtful trade receivables. This has resulted in overstatement of provision and understatement of profit by 0.17 Crore.</i>	The company had made provision of ₹ 0.17 Crores against trade receivables from few parties as recommended by auditor. However, the company considered the same as good and therefore classified as trade receivables (considered good).
B. Comments on Financial Position		
4	Balance Sheet Trade Payables (Note-9) – ₹ 219.79 crores Debit Balance receivable from GSPL of ₹ 39.75 Crores <i>This amount includes debit balance of ₹39.29 crore receivable from Gujarat State Petronet Limited. The Company has classified it as Trade Payables. The same should be depicted under Loan & Advances. This has resulted in understatement of Trade Payable and Loans & Advances by ₹ 39.75 crore.</i>	In March, 2013, PNGRB approved the transmission network tariff w.e.f. July 2012 and this required GSPL to reduce transmission network tariff and issued net credit notes totaling to ₹ 45.48 Crores to the company, which were received in May, 2013 and resulted in the debit balance of ₹ 39.75 Crores on the Balance Sheet date. The grouping of debit balance of creditors along with other creditors under the group Trade Payables instead of under the group Loans & Advances is a classification issue and will be re-grouped as Loan & Advances while preparing the financial statement of next year 2013-14.
C. Comments on Disclosure		
5	Cash Flow Statement <i>During the year, the Company paid interest amounting to ₹ 73.73 crore out of which ₹ 59.77 crore has been shown as Cash Outflow from financing activities. The remaining of ₹ 13.96 crore capitalized and included in Cash Outflow from investing activities as acquisition of fixed assets and change in capital work in progress. As provided in the AS, the interest capitalized should have been added with interest and financial charges under Cash flow from financing activities. This has resulted in overstatement of Cash outflow from investing activities and understatement of Cash outflow from financing activities to the tune of ₹ 13.96 crore.</i>	The Company has capitalized interest of ₹ 13.96 crores during the year 2012-13. Since this was in respect of CWIP and fixed assets, and grouped under the head purchase of fixed assets, inadvertently the same was disclosed in cash flow statement as investing activities instead of under the head Cash Flow from the Financing activities. However, considering the total amount of cash flow from financing activities of ₹ 389 crores, the amount of ₹ 13.96 crores of Interest Capitalized and classified as cash flow from investment activities is considered as not material.

6	Statement of Profit and Loss Expenses: Finance cost ₹ 58.08 Crore-Note 27 Interest on share application money- ₹ 2.38 crores <i>A reference is invited to Comments of the CAG on the accounts of the Company for the year ended on 31 March 2012. The management had stated that no obligation was present on the balance sheet date and there is no arrangement or understanding with other applicants, requiring the Company to pay interest on share application money.</i> <i>In the current year, the Company has not disclosed the fact of non provision of interest of ₹ 12.83 crore on share application money to Share Applicants other than Gujarat State Petronet Limited.</i>	There is no arrangement or understanding with share applicants other than GSPL to pay interest on share application money pending allotment. Since there is no obligation present on the balance sheet date on the company, the company has not made provision for interest on share application money pending allotment.
7	SIGNIFICANT ACCOUNTING POLICIES : 1.2(i) Inventories and Note No. 16 Inventories. <i>During the year, the company has changed the accounting policies in respect valuation of natural gas. The Company has not disclosed the change in accounting policies in respect valuation of natural gas in Significant Accounting Policies in the Financial Statements and there is no mention about its implication on Profit or Loss.</i> <i>This has resulted in violation of Accounting standard -1 for disclosure.</i>	Though the Company has not disclosed the change in accounting policy on valuation of inventories, it has disclosed the newly adopted accounting policy on valuation of inventories in the significant accounting policies at Note No. 1. Company has also duly disclosed the change in the accounting policies of inventory during the year 2012-13 at "Note No. 25 - Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade" and its impact on Profit & Loss in the Financial Statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Date: 08-12-2013
Place: Gandhinagar.

D.J. Pandian, IAS
Chairman

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, 2013 and the Statement of Profit and Loss account and the Cash Flow statement for the year 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.

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, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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) 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; *without qualifying our opinion we invite attention to note no. 9.1, 17.3, and 14 of Notes to Financial Statements, the balances mentioned thereat are subject to confirmation.*
- 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. *Except Accounting Standard 21 Consolidated Financial Statements where the associated companies result was included on the basis of unaudited financial statements.*
- 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
F N R : 110540W

PLACE : GANDHINAGAR
DATE : 20 MAY 2013

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 *except land records which are in the process of updating*. 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.
- (b) 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) We have been informed that *except project Inventory issued to projects or to the contractor(s) storage capital inventory*, all other items of the inventory have been physically verified by the Management at the end of the year.
- (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) The Company is maintaining proper records of inventory *except inventory under reconciliation as specified in note no. 12.10 of notes to financial statements and* as explained to us, except above there were no material discrepancies noticed on physical verification of the inventory.
- 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. However in our opinion internal control commensurate with the size and nature of its business needs to be strengthened for purchase of inventory, fixed assets and for sale of goods and services.
- 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 their 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) The Company is generally regular in depositing undisputed dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Custom Duty with appropriate authorities. As informed to us, provisions of Employees State Insurance Act are not applicable to the Company.
- (b) 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, 2013 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 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.	Income Tax Appellate Tribunal (ITAT), Ahmedabad	F.Y. 2006-2007	59.60
3	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Income Tax Appellate Tribunal (ITAT), Ahmedabad	F.Y. 2007-2008	845.42
4	Income Tax Act, 1961	Income Tax Assessment order under section 143(3) of the Income Tax Act.	Income Tax Appellate Tribunal (ITAT), Ahmedabad	F.Y. 2008-2009	1031.82
5	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. 2006-2007	74.28
6	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	1221.94

- x. The Company has not incurred any cash losses in the financial year ended on March 31, 2013 and in the immediately preceding financial year. 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 year ended on March 31, 2013.
- 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 fund 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 and therefore paragraph 4 (xv) of the order is not applicable.
- xvi. The term loans availed by the Company were applied for the purpose for which the said loans were obtained.
- 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.
- 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. To the best of our knowledge and according to the information and explanations given to us, one fraud of cash embezzlement amounting to ₹ 33 lacs was reported on Company. We invite the attention towards note no. 22.2 which deals with a case of cash embezzlement by the employees of the company.

For A. R. SULAKHE & CO.,
CHARTED ACCOUNTANT
F N R : 110540W

PLACE : GANDHINAGAR
DATE : 20 MAY 2013

ANAND SULAKHE
PARTNER
M. No. 33451

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

REPORT 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 31 MARCH 2013

The preparation of financial statements of GSPC Gas Company Limited, Gandhinagar for the year ended 31 March, 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller 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 2013.

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, Gandhinagar for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. 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 statement and the related Audit Report :

A. Comments on profitability

1. Balance Sheet

Capital work-in-progress ₹ 351.74 crore – Note 12.3
Interest during construction period ₹ 17.26 crore

As per Para No. 17 of Accounting Standard-16 "Borrowing Cost", Capitalization of borrowing costs should be suspended during extended periods in which active development is interrupted." The development activities of City Gas Distribution (PNG) Projects for Bhavnagar and Jamnagar Districts worth ₹ 21.62 crore have been suspended by the Company due to non authorization by PNGRB. However, the Company continued to capitalize borrowing cost over these projects. The borrowing cost capitalized over these projects during the year 2012-13 was ₹ 1.13 crore. This has resulted in overstatement of Capital Work in Progress and understatement of Finance costs by ₹ 1.13 crore. Consequently, profit for the year is overstated by ₹ 1.13 crore.

2. Balance Sheet

Capital work-in-progress ₹ 351.74 crore – Note 12.3

The Company had paid of ₹ 0.36 crore on account of annual rent for the year 2010-13 to Navsari Nagar Palika on 16 May 2013. The payment has been treated as revenue expense in the FY 2013-14. During the year, the Company made provision of above expenditure. Against ₹ 0.36 crore, the Company had made provision of ₹ 0.25 crore and erroneously booked the provision in Capital work-in-progress.

This has resulted in overstatement of Capital work-in-progress by ₹ 0.25 crore, understatement of liability on account of provision by ₹ 0.11 crore and understatement of expenditure by ₹ 0.36 crore. Resultantly, profit is overstated by ₹ 0.36 crore.

3. **Balance Sheet****Trade Receivables – Note-17 ₹ 239.92 crore****Provision for doubtful debts ₹ 0.17 crore**

The Company has made provision of ₹ 0.17 crore for doubtful debts while all the trade receivables are good and there was no doubtful trade receivables.

This has resulted in overstatement of provision and understatement of profit by ₹ 0.17 crore.

B. **Comments on Financial position**4. **Balance Sheet****Trade Payables (Note-9) – ₹ 219.79 crore**

This amount includes debit balance of ₹ 39.29 crore receivable from Gujarat State Petronet Limited. The Company has classified it as Trade Payables. The same should be depicted under Loans & Advances. This has resulted in understatement of Trade Payable and Loans & Advances by ₹ 39.75 crore.

C. **Comments on Disclosure**5. **Cash flow Statement**

During the year, the Company paid interest amounting to ₹ 73.73 crore out of which ₹ 59.77 crore has been shown as Cash Outflow from financing activities. The remaining ₹ 13.96 crore capitalized and included in Cash Outflow from investing activities as acquisition of fixed assets and change in capital work in progress. As provided in the AS-3, the interest capitalized should have been added with interest and financial charges under Cash flow from financing activities. This has resulted in overstatement of Cash outflow from investing activities and understatement of Cash outflow from financing activities to the tune of ₹ 13.96 crore.

6. **Statement of Profit and Loss****Expenses : Finance costs ₹ 58.08 crore – Note 27****Interest on Share Application Money – ₹ 2.38 crore**

A reference is invited to Comments of the Comptroller and Auditor General of India on the accounts of the Company for the year ended on 31 March 2012. The management had stated that no obligation was present on the balance sheet date and there is no arrangement or understanding with other applicants, requiring the Company to pay interest on share application money.

In the current year, the Company has not disclosed the fact regarding non provision of interest of ₹ 12.83 crore on share application money to Share Applicants other than Gujarat State Petronet Limited.

7. **SIGNIFICANT ACCOUNTING POLICIES****1.2(i) Inventories and Note No. 16 Inventories**

During the year, the company has changed the accounting policies in respect of valuation of natural gas. The Company has not disclosed the change in accounting policies in respect of valuation of natural gas in Significant Accounting Policies in the Financial Statements, and there is no mention about its implication on Profit or loss.

This has resulted in violation of Accounting Standard – 1 for disclosure.

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

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

Place: Ahmedabad
Date: 30-11- 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	846,196,300	592,090,240
(b) Reserves and surplus	3	5,781,671,197	3,971,845,078
Share application money pending allotment	4	-	1,760,243,751
Non-current liabilities			
(a) Long-term borrowings	5	3,652,912,626	3,908,521,570
(b) Deferred tax liabilities (Net)	6	1,372,978,094	993,101,029
(c) Other Long term liabilities	-	-	-
(d) Long-term provisions	7	29,357,925	15,545,384
Current liabilities			
(a) Short-term borrowings	8	108,299,127	-
(b) Trade payables	9	2,197,864,941	1,719,660,345
(c) Other current liabilities	10	9,155,533,672	3,596,540,217
(d) Short-term provisions	11	518,175,599	268,005,010
TOTAL		23,662,989,481	16,825,552,625
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		12,573,145,725	10,571,066,578
(ii) Intangible assets		987,296,520	793,648,181
(iii) Capital work-in-progress		3,517,430,181	2,814,200,986
(iv) Intangible assets under development		2,024,268	2,024,268
(b) Non-current investments	13	1,580,000	1,080,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	14	3,729,549,232	217,285,907
(e) Other non-current assets	15	90,000	190,000
Current assets			
(a) Current investments		-	-
(b) Inventories	16	66,158,758	31,020,588
(c) Trade receivables	17	2,399,158,618	2,060,545,560
(d) Cash and cash equivalents	18	45,228,639	146,948,210
(e) Short-term loans and advances	19	181,775,095	85,144,422
(f) Other current assets	20	159,552,445	102,397,927
TOTAL		23,662,989,481	16,825,552,625
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: 20th May, 2013

P. P. G. Sarma
Chief Executive Officer

For and on behalf of Board of Directors

D. J. Pandian, IAS
Chairman

Tapan Ray, IAS
Director

Rahul Devi
GM (F&A)

Ahmed Khan
GM (L&S)
Company Secretary

Place: Gandhinagar
Date: 20th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
Revenue from operations (Gross)	21	42,862,073,474	32,880,324,652
Less: Excise Duty		745,310,365	526,205,353
Revenue from operations (Net)		<u>42,116,763,109</u>	<u>32,354,119,300</u>
Other income	22	85,624,781	20,521,164
Total Revenue		<u>42,202,387,890</u>	<u>32,374,640,463</u>
Expenses:			
Cost of materials consumed	23	5,175,248,549	3,285,984,114
Purchases of Stock-in-Trade	24	33,384,986,494	25,197,932,960
Changes in inventories of finished goods and Stock-in-Trade	25	(16,884,778)	-
Employee benefits expense	26	291,921,013	218,274,548
Finance costs	27	580,803,480	475,507,449
Depreciation and amortization expense	12	593,954,624	482,830,087
Other expenses	28	1,211,136,026	968,184,494
Total expenses		<u>41,221,165,408</u>	<u>30,628,713,653</u>
Profit before exceptional and extraordinary items and tax		981,222,482	1,745,926,811
(a) Prior period items	29	568,941	2,964,844
(b) Exceptional items	30	1,387,382	2,196,801
Profit before extraordinary items and tax		<u>979,266,159</u>	<u>1,740,765,166</u>
Extraordinary items		-	-
Profit Before Tax (PBT)		<u>979,266,159</u>	<u>1,740,765,166</u>
Tax expense:			
(a) Current tax	31	197,353,461	349,100,873
(b) Deferred tax	6	379,877,065	331,024,476
Profit (Loss) for the period from continuing operations		<u>402,035,633</u>	<u>1,060,639,817</u>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit (Loss) for the period		<u>402,035,633</u>	<u>1,060,639,817</u>
Earnings per equity share:			
(a) Basic	32	6.54	17.91
(b) Diluted	32	6.54	17.91

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: 20th May, 2013

P. P. G. Sarma
Chief Executive Officer

For and on behalf of Board of Directors

D. J. Pandian, IAS
Chairman

Tapan Ray, IAS
Director

Rahul Devi
GM (F&A)

Ahmed Khan
GM (L&S)
Company Secretary

Place: Gandhinagar
Date: 20th May, 2013

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

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	979,266,159	1,740,765,166
Adjustments for:		
Depreciation	593,954,624	482,830,087
Loss on sale of Fixed Assets	8,182,609	470,339
Profit on sale of Fixed Assets	(36,396,200)	(390,515)
Loss of Material (Capital Inventory)	1,387,382	2,099,370
Prior period adjustment account on depreciation	(99,011)	(104,746)
Provision for Wealth Tax	21,170	24,550
Provision Diminution in Investment	-	675,000
Doubtful Debts (Trade Receivables)	1,017,023	721,766
Doubtful Advances	-	16,984
Interest Expense on payment of Income tax	6,520,625	1,888,627
Interest Expense	573,380,752	474,668,652
Dividend Income	(750)	(100)
Interest Income	(14,884,054)	(9,482,204)
Operating Profit before Working Capital Changes	2,112,350,329	2,694,182,975
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	(339,630,081)	(728,558,419)
(Increase)/Decrease in Security Deposit	(55,687,376)	(46,240,550)
(Increase)/Decrease in Staff Loan and Advance	(72,733)	(1,526,996)
(Increase)/Decrease in Advance against Exp.	(49,536,816)	(22,162,516)
(Increase)/Decrease in Pre-paid Exp.	(5,500,996)	(5,783,977)
(Increase)/Decrease in Cenvat Rece & PLA A/c.	199,303	11,433,314
(Increase)/Decrease in Balance with Govt. Authorities	132,794	(599,844)
(Increase)/Decrease in Claim Recoverable A/c.	40,061,774	(1,851,190)
(Increase)/Decrease in Other Current Assets	(37,722,387)	(33,766,907)
(Increase)/Decrease in Inventories	(35,138,170)	(10,324,248)
Changes in Trade and Other Receivables	(482,894,688)	(839,381,334)
Increase/(Decrease) in Trade Payables	478,204,596	730,304,185
Increase/(Decrease) in Duties and Taxes	16,061,164	2,593,905
Increase/(Decrease) in Advance from Customers	38,851,636	(63,212,564)
Increase/(Decrease) in Deposit from Suppliers	5,087,149	1,996,765
Increase/(Decrease) in Deposits from Customers	535,999,262	457,036,415
Increase/(Decrease) in Employee Benefit Provisions	15,437,054	6,470,664
Increase/(Decrease) in Provision for Revenue Expenses	18,356,450	3,454,011
Changes in Trade and Other Payables	1,107,997,311	1,138,643,380
Cash Generated from Operations	2,737,452,953	2,993,445,022
Extra Ordinary Items and Other Adjustments	-	-
Taxes Refund	-	-
Taxes Paid	(227,951,909)	(438,178,094)
Net Cash from Operating Activities	2,509,501,043	2,555,266,928
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.	(3,273,920,013)	(3,491,602,587)
Investment in shares	(500,000)	-
Advances for Investment in Shares	(3,480,000,000)	-
Proceeds from Margin Money Deposit	100,000	-
Interest Received	10,422,799	7,751,410
Sale / Transfer of Fixed Assets	245,900,825	14,156,157
Dividend Income	750	100
Net Cash used in Investing Activities	(6,497,995,639)	(3,469,694,920)

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

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	-	500,000,000
Repayment of Share Application Money	(156)	-
Proceeds from Long-term borrowings	859,000,000	1,353,500,000
Proceeds from Short-term borrowings	6,508,299,127	2,099,999,897
Repayment of Long-term borrowings	(697,306,935)	(1,691,597,875)
Repayment of Short-term borrowings	(2,116,683,180)	(666,666,667)
Interest Paid	(597,719,622)	(531,328,139)
Dividend Paid (including tax thereon)	(68,814,209)	(86,017,760)
Net Cash from Financing Activities	3,886,775,025	977,889,456
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(101,719,571)	63,461,464
Cash and Cash Equivalents at the beginning of the year	146,948,210	83,486,746
Cash and Cash Equivalents at the end of the year	45,228,639	146,948,210
Closing Cash and Cash Equivalents comprise:		
Cash in hand	16,548,981	7,817,048
Balances with Scheduled Banks	28,679,659	89,131,162
Balances in Fixed Deposits	-	50,000,000

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: 20th May, 2013

P. P. G. Sarma
Chief Executive Officer

For and on behalf of Board of Directors

D. J. Pandian, IAS Tapan Ray, IAS
Chairman Director

Rahul Devi
GM (F&A)

Ahmed Khan
GM (L&S)
Company Secretary

Place: Gandhinagar
Date: 20th May, 2013

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

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. 45/2/2011-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 2013		As at 31st March 2012	
	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 Equity Shares of ₹ 10 each fully paid up"	84,619,630	846,196,300	59,209,024	592,090,240
Total	84,619,630	846,196,300	59,209,024	592,090,240

2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	As at 31st March 2013 Equity Shares of ₹ 10 each fully paid		As at 31st March 2012 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	59,209,024	592,090,240	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	59,209,024	592,090,240

- 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 issued and allotted 2,54,10,606 equity shares to the various share applicants as per following details.

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 2013 Equity Shares of ₹ 10 each fully paid		As at 31st March 2012 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	59,209,024	59,209,024
Amount of dividend per share distributed to equity shareholders		1.00		1.00

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 2013		As at 31st March 2012	
	No. of Equity Shares of ₹ 10 each fully paid	Amt. of Equity Shares Fully Paid	No. of Equity Shares of ₹ 10 each fully paid	Amt. of Equity Shares Fully Paid
(i) Gujarat State Petroleum 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	21,666,666	216,666,660
(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 2013		As at 31st March 2012	
	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	61.97%
Gujarat State Petronet Limited, (Subsidiary Company of Holding Company)	24,637,085	29.12%	21,666,666	36.59%
Government of Gujarat	8,440,187	9.97%	-	-
Gujarat State Fertilizers & Chemicals Limited	5,100,000	6.03%	100,000	0.17%
Gujarat Industrial Development Corporation	5,000,000	5.91%	-	-

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)				
	2012-13	2011-12	2010-11	2009-10	2008-09
(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).

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 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.

2.8 CALLS UNPAID BY DIRECTORS AND OFFICERS

(Disclosure pursuant to Note no. 6(A) (k) of Part I of Schedule VI to the Companies Act, 1956)

Unpaid Calls	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	Amount (In ₹)	No. of Shares held	Amount (In ₹)
By Directors	-	-	-	-
By Officers	-	-	-	-

2.9 FORFEITED SHARES

(Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956)

Forfeited Shares	As at 31st March 2013		As at 31st March 2012	
	No. of Shares held	Amount (In ₹)	No. of Shares held	Amount (In ₹)
Forfeited Shares	-	-	-	-
Originally Paid up	-	-	-	-

Note 3 RESERVES AND SURPLUS

Amount in ₹

Reserves and Surplus	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012	As at 31st March 2012
Securities Premium Account				
Opening Balance	340,570,870		340,570,870	
Add : Securities premium received during the year (Refer note no. 3.1)	1,506,137,535		-	
Less : Premium utilised	-		-	
Premium on Redemption of Debentures	-		-	
For Issuing Bonus Shares	-		-	
Closing Balance		1,846,708,405		340,570,870
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		2,602,660,181	
Add: Profit for the year as per Statement of Profit and Loss	402,035,633		1,060,639,817	
Less : Appropriations:				
Proposed Dividend	84,619,630		59,209,024	
Corporate Tax on Proposed Dividend	13,727,419		9,605,185	
Transfer to General Reserves	-		-	
Total Appropriations	98,347,049		68,814,209	
Closing Balance		3,898,174,372		3,594,485,788
Total		5,781,671,197		3,971,845,078

- 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 @ ₹ 40 per share "	" Total Consideration (Amt. in ₹)"
Government of Gujarat	2,756,187	27,561,870	472,438,014	499,999,884
Gujarat State Petronet Limited (GSPL)	970,419	9,704,190	166,339,521	176,043,711
(B)	3,726,606	37,266,060	638,777,534	676,043,594
TOTAL (A+B)	25,410,606	254,106,060	1,506,137,534	1,760,243,594

*The company has refunded ₹ 156/- (₹ 40/- to GSPL and ₹ 116/- to Government of Gujarat) on 31.03.2013

Note 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

- 4.1 The Company has received the share application money from the following applicants:

Sr. No.	Name of applicants	Amount in ₹	
		As at 31st March 2013	As at 31st March 2012
1	Gujarat State Fertilizers and Chemicals Limited	-	250,000,000
2	Gujarat State Petronet Limited (Refer Note 4.1.1 and 4.1.2)	-	276,043,751
3	Government of Gujarat*	-	784,200,000
4	Gujarat Industrial Development Corporation	-	250,000,000
5	Gujarat Alkalies and Chemicals Limited	-	200,000,000
	Total	-	1,760,243,751

- 4.1.1 The Company has acquired assets of ₹ 17,60,43,751/- comprising 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/-.
- 4.1.2 As per the understanding between the company and GSPL, the company has paid interest on share application money to GSPL @ 9.50% p.a. till the date of allotment of shares.
- 4.2 **Terms and Conditions**
- The Company does not have any share agreement or term sheet with Share Applicant(s).
- 4.3 **Authorised Share Capital**
- At present, the Authorised share capital of the company is ₹ 200,00,00,000/- divided into 20,00,00,000 equity shares of ₹ 10/- each. In the opinion of the management, the Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money received.
- 4.4 **Interest Accrued on Amount due for refund**
- Not applicable as there is no amount due to be refunded to share applicant(s).
- 4.5 **Period for Allotment**
- The period of allotment is not fixed as there is no agreement or term sheet or Share application form or any conditions at the time of acceptance of the share application amount. (Refer Note No. 3.1)

Note 5 LONG TERM BORROWINGS

Amount in ₹

Long Term Borrowings	As at 31st March 2013	As at 31st March 2012
LONG TERM LOAN		
Secured		
(a) Term loans		
from banks	2,619,581,419	2,658,521,674
(Refer detailed Note 5.1)		
"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]	2,619,581,419	2,658,521,674
MEDIUM TERM LOAN		
Unsecured		
(a) Term loans		
from banks	-	99,999,897
(Refer detailed Note 5.2)		
Unsecured		
(a) Term loans		
from other parties	1,033,331,207	1,149,999,999
(Refer detailed Note 5.2)		
	1,033,331,207	1,249,999,896
"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]	1,033,331,207	1,249,999,896
Total - [A + B]	3,652,912,626	3,908,521,570

5.1 LONG TERM BORROWINGS

SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012 in ₹	Repayment Terms				Non-Current Portion		Current Maturities ^{***}	
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2013	Total Number of Installments along with interest	Number of Installments payable within one year from 31.03.2013	Rate of interest as on 31.03.2013 in %	Amount of Installments not due within one year from 31.03.2013 in ₹	Amount of Installments not due within one year from 31.03.2012 in ₹	Amount of Installments not due within one year from 31.03.2013 in ₹
State Bank of India	134,735,950	340,508,559	Monthly installment along with interest from December 2010	Nov-13	9	9	12.20%	-	135,292,203	134,735,950
Dena Bank TL India	647,687,368	699,070,973	Quarterly Installment from December 2012	Sep-19	26	4	11.00%	547,687,368	649,070,975	100,000,000
IDBI Bank	60,199,471	141,102,367	Quarterly Installment from December 2012	Dec-13	10	10	11.25%	-	61,286,095	60,199,471
The Kalupur Commercial Co-op.	100,275,613	142,208,184	Monthly installment along with interest from December 2010 or from the date of loan	Aug-15	29	12	10.90%	58,608,946	100,541,520	41,666,667
The Kalupur Commercial Co-op.	299,548,285	-	Quarterly Installment from September 2013	Jun-19	24	3	10.90%	262,048,285	-	37,500,000
Oriental Bank of Commerce TL - I	235,519,827	311,323,298	Monthly instalment along with interest from December 2010 or after moratorium period of one year from the	May-16	38	12	11.25%	160,519,827	236,323,298	75,000,000
Oriental Bank of Commerce TL - II	98,964,385	124,302,532	Monthly instalment along with interest from started from December 2010 or after moratorium period of	Mar-17	48	12	11.25%	73,964,377	99,302,524	25,000,008
Oriental Bank of Commerce TL - II	278,217,037	346,297,482	Monthly instalment along with interest from December 2010 or after moratorium period of one year from	Mar-17	50	12	11.25%	211,080,901	279,161,346	67,136,136
Bank of Maharashtra	574,002,795	599,282,455	Quarterly Installment from December 2012	Sep-19	26	4	11.75%	526,002,795	556,425,313	48,000,000
										42,857,142

SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012 in ₹	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2013	Total Number of Installments along with interest	Number of Installments payable within one year from 31.03.2013	Rate of Interest as on 31.03.2013 in %	Amount of Installments not due within one year from 31.03.2013 in ₹	Amount of Installments not due within one year from 31.03.2012 in ₹	Amount of Installments not due within one year from 31.03.2013 in ₹	Amount of Installments not due within one year from 31.03.2012 in ₹
Corporation Bank	201,385,624	242,117,142	Quarterly Installment from December 2012	Sep-19	26	4	11.75%	121,385,624	224,795,718	80,000,000	17,321,424
UCO Bank	718,283,295	340,679,826	Quarterly Installment from December 2012	Sep-19	26	4	11.70%	658,283,295	316,322,682	60,000,000	24,357,144
Bank of Baroda	99,766,233	-	Quarterly Installment from December 2012	Sep-19	26	4	11.75%	-	-	99,766,233	-
Total	3,448,585,882	340,679,826						2,619,581,418	2,658,521,674	829,004,464	628,371,144
The above amount includes :											
Secured Borrowings											
Unsecured Borrowings											
Total Secured and Unsecured Borrowings											
** Less : Amount disclosed under the head "other Current Liabilities" (Note No. 10)											
Net Amount								2,619,581,418	2,658,521,674	-	-

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2013	As at 31st March 2012
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)

5.2 MEDIUM TERM LOAN BORROWINGS

UN - SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012 in ₹	Repayment Terms					Non-Current Portion		Current Maturities **	
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2013	Total Number of Installments along with interest	Number of Installments payable within one year from 31.03.2013	Rate of interest as on 31.03.2013 in %	Amount of Installments not due within one year from 31.03.2013 in ₹	Amount of Installments not due within one year from 31.03.2012 in ₹		
Medium Term Loans from Financial Institutions											
Gujarat State Financial Services Ltd I	-	183,333,333	In 6 Equal Half Yearly Installments along with interest	Mar-13	N.A.	N.A.	-	-	-	183,333,333	-
Gujarat State Financial Services Ltd II	150,000,000	300,000,000	In 6 Equal Half Yearly Installments along with interest	Oct-13	2	2	9.25%	-	150,000,000	150,000,000	150,000,000
Gujarat State Financial Services Ltd III	1,000,000,001	1,666,666,667	In 6 Equal Half Yearly Installments along with interest	Jul-14	3	2	9.25%	333,333,335	999,999,999	666,666,666	666,666,668
Gujarat State Financial Services Ltd IV	833,333,332	-	In 6 Equal Half Yearly Installments along with interest	Aug-15	5	2	9.25%	499,999,997	-	333,333,335	-
Gujarat State Financial Services Ltd V	300,000,000	-	In 6 Equal Half Yearly Installments along with interest	Mar-16	6	2	9.25%	200,000,000	-	100,000,000	-
Total (A)	2,283,333,333	2,150,000,000						1,033,333,332	1,149,999,999	1,250,000,001	1,000,000,001
Medium Term Loans from Banks											
Dena Bank *** Financial Services Ltd V	4,249,985,509	99,999,897	Bullet Payment from first Disbursement not exceeding 18 Months from the date of first disbursement	Sep-13	1	1	10.25%	-	99,999,897	4,249,985,509	-
Total (B)	4,249,985,509	99,999,897						-	99,999,897	4,249,985,509	-
Total (A+B)	6,533,318,842	2,249,999,897						1,033,333,332	1,249,999,896	5,499,985,510	1,000,000,001
** Less : Amount disclosed under the head "Other Current Liabilities" (Note No. 10)											
Net Amount											
								1,033,333,332	1,249,999,896	-	-

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2013	As at 31st March 2012
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).

*** Out of the said Loan, amount of ₹. 348 Crores have been utilized for investment in same nature of business and hence it is expected to be converted into Long Term Loan in 2013-14. The repayment of the said loan will be spread over seven to ten years.

Note 6 DEFERRED TAX LIABILITY (NET)

Major components of deferred tax liability and assets are as follows:

Amount in ₹

Component	Deferred Tax Asset as at 31st March 2013	Deferred Tax Liability As at 31st March 2013	Deferred Tax Asset as at 31st March 2012	Deferred Tax Liability As at 31st March 2012
Depreciation	-	1,384,711,523	-	998,936,237
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	11,733,429	-	5,835,208	-
TOTAL	11,733,429	1,384,711,523	5,835,208	998,936,237
Net Amount Recognised in the Balance sheet		<u>1,372,978,094</u>		<u>993,101,029</u>
Increasing/(Decreasing) during the year and recognised in Profit and Loss Statement		<u>379,877,065</u>		<u>331,024,476</u>

Note 7 LONG TERM PROVISIONS

Amount in ₹

Long Term Provisions	As at 31st March 2013	As at 31st March 2012
Provision for employee benefits		
Gratuity (unfunded) (Refer note 7.1)	1,244,817	1,408,679
Leave Encashment (unfunded) (Refer note 7.1)	28,113,108	14,136,705
Other Provisions	-	-
Total	<u>29,357,925</u>	<u>15,545,384</u>

7.1 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 ₹ 1,46,87,069 /- (Previous year ₹ 1,05,86,442/-)."

(b) Gratuity and Leave Encashment - Defined Benefit Plans (payable in future)

Provision has been made for the year ended 31.03.2013 for gratuity and leave encashment as per actuarial valuation. The principal assumptions used in actuarial valuation and necessary disclosures are as below:

Assumptions	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	For the year ended 31st March 2013	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2012
A. Discount rate	8.10%	8.10%	8.50%	8.50%
Rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
Salary Escalation	7%	7%	7%	7%
Amount in ₹.				
B. Change in Defined Benefit Obligations				
Liability at the beginning of the year	1,441,142	14,586,581	591,929	8,965,130
Interest Cost	122,497	1,124,422	50,314	762,036
Current Service Cost	211,358	6,419,779	233,174	3,188,950
Benefits Paid	-	(2,716,165)	(275,394)	(2,266,125)
Actuarial (Gain) / Loss on obligations	96,203	10,178,960	841,119	3,936,590
Liability at the end of the year - Total	1,871,200	29,593,577	1,441,142	14,586,581
C. Expenses Recognised in the Profit and Loss Statement				
Current Service Cost	211,358	6,419,779	233,174	3,188,950
Interest Cost	122,497	1,124,422	50,314	762,036
Actuarial (Gain) / Loss	96,203	10,178,960	841,119	3,936,590
Exps. charged to Statement of Profit & Loss	430,058	17,723,161	1,124,607	7,887,576
D. Balance Sheet Reconciliation				
Opening Net Liability	1,441,142	14,586,581	591,929	8,965,130
Expenses Charged to Profit and Loss Statement	430,058	17,723,161	1,124,607	7,887,576
Benefits Paid	-	(2,716,165)	(275,394)	(2,266,125)
Closing Liability	1,871,200	29,593,577	1,441,142	14,586,581
E. Current/Non-Current Liability :				
Current	626,383	1,480,469	32,463	449,876
Non-Current	1,244,817	28,113,108	1,408,679	14,136,705

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 8 SHORT TERM BORROWINGS

Amount in ₹

Short Term Borrowings	As at 31st March 2013	As at 31st March 2012
Unsecured		
(a) Loans repayable on demand from banks (Refer detailed Note 8.1)	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	108,299,127	-

8.1 SHORT TERM LOAN BORROWINGS

UN - SECURED LOANS *	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2013 in ₹	TOTAL OUTSTANDING AMOUNT AS ON 31.03.2012 in ₹	Repayment Terms					Non-Current Portion		Current Maturities ^{as on}	
			Terms of repayment of term loans	Period of Maturity with respect to 31.03.2013	Total Number of Installments along with interest	Number of Installments payable within one year from 31.03.2013	Rate of interest as on 31.03.2013 in %	Amount of Installments not due within one year from 31.03.2013 in ₹	Amount of Installments not due within one year from 31.03.2012 in ₹		
Short Term Loans from Banks											
Kotak Mahindra Bank Limited	108,299,127	-	Repayable on Demand	N.A.	1	1	11.00%	-	-	108,299,127	-
Total	108,299,127	-	-	-	-	-	-	-	-	108,299,127	-

The details of security given and other information for all loans are as under :

Particulars	As at 31st March 2013	As at 31st March 2012
Unsecured Loan	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.	-
Loan from related party	None of the loan has been taken from the related party(ies).	-

Note 9 TRADE PAYABLES

Amount in ₹

Trade Payables	As at 31st March 2013	As at 31st March 2012
Sundry Creditors - Gas Purchase / Transmission	2,043,080,573	1,649,121,558
Sundry Creditors - Others (Refer Note 10.1 for details of dues to micro and small enterprises)	154,784,368	70,538,787
Total	2,197,864,941	1,719,660,345

9.1 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 10 OTHER CURRENT LIABILITIES

Amount in ₹

Other Current Liabilities	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012	As at 31st March 2012
Other Current Liabilities :				
"Current maturities of long-term debt (Term Loans)"				
From Banks (Secured)	829,004,464		628,371,144	
From Banks (Unsecured)	4,249,985,509		-	
From Other Parties (Unsecured) (Refer Note No. 5.1 and 5.2)	<u>1,250,000,001</u>	6,328,989,974	<u>1,000,000,001</u>	1,628,371,145
Interest accrued but not due on borrowings		36,205,266		42,778,082
Interest accrued and due on Share Application Money		-		17,766,054
Other Payables :				
Sundry Creditors for Capital Goods and Services (Refer Note 10.1 for details of dues to micro, small and medium enterprises)		842,424,665		553,395,318
PF Payable		3,908,063		-
Duties and Taxes		127,041,936		117,203,897
Advances Received from Customers		223,753,084		184,901,448
Security Deposit received from Suppliers		21,976,948		16,889,800
Security Deposits received from Customers		1,571,233,735		1,035,234,473
Total		9,155,533,672		3,596,540,217

10.1 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 shown the same separately."

Note 11 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 2013	As at 31st March 2013	As at 31st March 2012	As at 31st March 2012
Provision for Income Tax				
Total Income Tax Payable	197,438,401		349,120,437	
Less: MAT Credit Utilization	-		-	
Less: Advance Tax Paid and TDS	123,683,609		341,501,141	
Net Provision for Income Tax		73,754,791		7,619,296
Provision for Interest on Income Tax		6,520,625		1,888,627
Provision for Wealth Tax		21,170		24,550
Provision for Proposed Dividend	84,619,630		59,209,024	
Provision for Dividend Distribution Tax	13,727,419	98,347,049	9,605,185	68,814,209
Provision for Expenditures				
For Revenue Expenditures	31,733,385		13,376,935	
For Capital Expenditures	305,691,725	337,425,111	175,799,054	189,175,989
Provision for employee benefits				
Gratuity (unfunded)	626,383		32,463	
Leave Encashment (unfunded) (Refer note no. : 7.1)	1,480,469	2,106,852	449,876	482,339
Total		518,175,599		268,005,010

Note 12 FIXED ASSETS

(Disclosure pursuant to Note no. 1 (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)

12.1 TANGIBLE ASSETS

Particulars	Land		Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipments	Total	
	Freehold	Under Lease	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Grand Total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(1)+(3)+(4)+(5)+(6)+(7)+(8)	(11)=(9)+(10)
Gross Block										
As at 1st April 2011	233,856,930	90,242,410	336,296,091	8,620,226,727	41,825,495	32,195,010	44,447,260	74,410,090	9,383,257,603	9,473,500,013
(a) Additions	90,907,136	9,393,664	109,870,159	2,107,474,501	10,575,515	26,703,903	7,702,508	13,786,704	2,367,020,426	2,376,414,090
(b) Acquired through business combinations	-	-	-	-	-	-	-	-	-	-
(c) Disposals	-	12,475,050	-	1,491,778	386,712	1,461,481	90,510	-	3,430,481	15,905,531
(d) Other adjustments	-	-	-	(5,718,104)	-	-	-	-	(5,718,104)	(5,718,104)
(e) Borrowing costs	-	-	4,702,005	45,806,070	-	-	-	-	50,508,075	50,508,075
As at 1st April 2012	324,764,066	87,161,024	450,868,255	10,766,297,416	52,014,298	57,437,432	52,059,258	88,196,794	11,791,637,519	11,878,798,543
(a) Additions	143,593,148	52,369,023	78,833,174	2,371,134,822	9,484,972	519,500	18,398,691	14,447,809	2,636,412,116	2,688,781,139
(b) Acquired through business combinations	-	-	-	-	-	-	-	-	-	-
(c) Disposals	4,437,830	26,500,000	66,512,447	140,297,921	-	-	-	-	211,248,198	237,748,198
(d) Other adjustments	-	-	(137,233)	(11,358,584)	-	-	-	-	(11,495,817)	(11,495,817)
(e) Borrowing costs	-	-	2,422,068	61,262,663	-	-	-	-	63,684,731	63,684,731
As at 31st March 2013	463,919,384	113,030,047	465,473,817	13,047,038,396	61,499,270	57,956,932	70,457,949	102,644,603	14,268,990,351	14,382,020,398
Depreciation										
As at 1st April 2011	-	-	-	-	-	-	-	-	-	-
(a) Charge for the year	-	4,594,740	13,048,427	833,642,049	5,550,272	9,323,556	7,027,751	11,807,633	880,399,688	884,994,428
(b) Disposals	-	1,818,763	6,464,123	392,799,737	3,183,767	4,886,038	2,380,310	12,762,869	422,476,844	424,295,607
As at 1st April 2012	-	511,168	-	374,616	101,437	559,446	11,403	-	1,046,902	1,558,070
(a) Charge for the year	-	5,902,335	19,512,550	1,226,067,170	8,632,602	13,650,148	9,396,658	24,570,502	1,301,829,630	1,307,731,965
(Refer Note No. 12.13)	-	-	-	-	-	-	-	-	-	-
(b) Disposals	-	1,633,600	7,197,252	485,814,713	3,621,122	6,290,958	2,782,466	14,652,037	520,358,548	521,992,148
As at 31st March 2013	-	2,072,285	2,277,793	16,499,362	-	-	-	-	18,777,155	20,849,440
As at 31st March 2013	-	5,463,650	24,432,009	1,695,382,521	12,253,724	19,941,106	12,179,124	39,222,539	1,803,411,023	1,808,874,673
Net Block										
As at 31st March 2013	463,919,384	107,566,397	441,041,808	11,351,655,875	49,245,546	38,015,826	58,278,825	63,422,064	12,465,579,328	12,573,145,725
As at 31st March 2012	324,764,066	81,258,689	431,355,705	9,540,230,246	43,381,696	43,787,284	42,662,600	63,626,292	10,489,807,889	10,571,066,578

12.2 INTANGIBLE ASSETS

Amount in ₹				
Particulars	ROW Permissions (1)	ROU (2)	Software and other Intangibles (3)	Total (4)=(1)+(2)+(3)
Gross Block				
As at 1st April 2011	553,977,838	36,062,108	191,235,466	781,275,412
(a) Purchase	110,825,447	12,708,042	35,161,223	158,694,712
(b) Acquired through business combinations	-	-	-	-
(c) Disposals	1,191,900	-	-	1,191,900
(d) Other adjustments	-	-	-	-
(e) Borrowing costs	774,760	15,172	-	789,932
As at 1st April 2012	664,386,145	48,785,322	226,396,689	939,568,156
(a) Purchase	236,996,897	1,541,038	26,744,740	265,282,675
(b) Acquired through business combinations	-	-	-	-
(c) Disposals	1,753,325	-	-	1,753,325
(d) Other adjustments	-	-	-	-
(e) Borrowing costs	1,972,303	-	-	1,972,303
As at 31st March 2013	901,602,020	50,326,360	253,141,429	1,205,069,809
Amortization				
As at 1st April 2011	60,904,899	-	26,551,651	87,456,550
(a) Charge for the year (Refer Note no. 13.14)	20,154,879	-	38,379,601	58,534,480
(b) Disposals	71,055	-	-	71,055
As at 1st April 2012	80,988,723	-	64,931,252	145,919,975
(a) Charge for the year (Refer Note no. 13.14)	25,643,594	-	46,318,882	71,962,476
(b) Disposals	109,162	-	-	109,162
As at 31st March 2013	106,523,155	-	111,250,134	217,773,289
Net Block				
As at 31st March 2013	795,078,865	50,326,360	141,891,295	987,296,520
As at 31st March 2012	583,397,422	48,785,322	161,465,437	793,648,181

12.3 CAPITAL WORK IN PROGRESS

(Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956)

Amount in ₹

Capital Work-in-Progress	As at 31st March 2013	As at 31st March 2012
Capital Inventory (CNG and PNG Projects) (Refer Note No. 12.10)	1,161,254,571	1,088,898,983
Capital Work-in-Progress (CNG and PNG Projects) (Refer Note No. 12.15)	2,161,256,811	1,595,193,372
Interest during the construction period	172,634,164	98,687,575
Loan Syndication Expenses	22,284,635	31,421,056
Total	3,517,430,181	2,814,200,986

12.4 INTANGIBLE ASSETS UNDER DEVELOPMENT

(Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956)

Amount in ₹

Intangible Assets under development	As at 31st March 2013 (₹)	As at 31st March 2012 (₹)
Software Assets under Development	2,024,268	2,024,268
Total	2,024,268	2,024,268

12.5 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				
	2008-09	2009-10	2010-11	2011-12	2012-13
Asset details:					
Balance as at 1 April	-	-	-	-	-
a. Impairment	-	-	-	-	-
b. Revaluation	-	-	-	-	-
Balance as at 31 March	-	-	-	-	-

12.6 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.

12.7 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."

12.8 Capital Work in Progress includes ₹ 17,26,34,164/- (Previous year ₹ 9,86,87,575/-) of borrowing cost capitalised pertaining to borrowings for qualifying assets as per AS-16.

- 12.9 Additions to the fixed assets during the current period includes borrowing costs capitalized ₹ 6,56,57,033 /- (Previous Year ₹ 5,12,98,007/-) pertaining to borrowings for qualifying assets as per the requirements of AS-16 "Borrowing Costs" issued by the Institute of Chartered Accountants of India.
- 12.10 At the end of the financial year 2010-11, for initial uploading of inventory in new SAP system, the Company had reconciled the inventory of project material (Capital Inventory) and store, spares and consumables as on 31.01.2011. The company had passed the accounting entry towards inventory value of quantity mismatch (shortage) between physical list and financial books of accounts as on 31.01.2011 and at the close of Financial Year 2010-11 in the books of accounts of the company, a shortage of ₹ 3,41,29,706/- was shown under a "Inventory under Reconciliation Account" under Capital Inventory - Capital Work in Progress in the Balance sheet.
- The management, as remedial measure has undertaken the reconciliation during Financial Year 2011-12 and 2012-13 as well, and all the capital inventory of the Company (including the inventory issued to the contractors) was verified by independent agency except project inventory which was either issued to the project or contractor(s) storage capital inventory which was in the process of various stages of the project execution. The outcome of the exercise resulted into the excess inventory balance of ₹ 36,08,492/- (Previous Year - ₹ 70,31,866). The reason of excess inventory balance can only be ascertained when the project capital inventory under various stages of project is verified and till then the Company has not passed any debit/credit entry into Profit and Loss Statement of the Company. Once such activity is completed, the balance amount of shortage/excess, if any, shall be provided in the Statement of Profit and Loss in next year. Till the time, amount of excess inventory of ₹ 36,08,492/- is shown as "Inventory under Reconciliation Account" under Capital Inventory - Capital Work in Progress in the Balance sheet, and not dealt in Profit and Loss Statement of the current year. "
- 12.11 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, 2013.
- 12.12 Buildings have been constructed on Freehold Land as well as Leasehold Land acquired on lease.
- 12.13 Depreciation on Plant and Machinery - Gas 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. 45/2/2011-CL-III dated 1st September, 2011.
- 12.14 Amortization on Right of Way permissions (ROW) is provided on Straight-Line Method (SLM) considering useful life of 30 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. 45/2/2011-CL-III dated 1st September, 2011.
- 12.15 GSPC Gas Company Limited and Gujarat Gas Company Limited (GGCL) have signed the Assets Exchange Agreement (AEA) on 25th April, 2012 and have agreed on the basis of PNGRB request to evaluate the option to exchange/swap their respective interest viz. GGCL interest in Valsad District and GSPC Gas interest in Bharuch Districts.

With reference to the said assets swapping agreement, Company has sold its Land, Building and Plant & Machinery located in Bharuch district at the total consideration of ₹ 217.64 Millions. The detailed head wise break up of the same is mentioned below:

Summary of Specified Tangible Fixed Assets transferred from GSPC Gas Company Limited to GGCL

					Amount in ₹
Sr. No.	Location	Asset Type	Gross Block	Net Block as on 09.08.2012	Consideration
1	Kelod	Land	1,024,831	1,024,831	3,010,000
		Building	26,752,896	26,043,233	27,020,000
		Plant & Machinery	40,864,067	37,752,730	42,310,000
2	Sajod	Land	3,412,999	3,412,999	4,120,000
		Building	24,952,532	24,062,191	26,440,000
		Plant & Machinery	42,365,026	38,452,747	45,170,000
3	Bharuch GNFC Site	Building	14,807,020	14,129,230	11,890,000
		Plant & Machinery	52,876,995	44,092,093	55,950,000
4	Jamusal BPCL Station	Plant & Machinery	1,963,961	1,794,352	1,730,000
Gross Total			209,020,327	190,764,406	217,640,000

Summary of Specified Tangible Fixed Assets transferred from GGCL to GSPC Gas Company Limited

					Amount in ₹
Sr. No.	Location	Asset Type	Gross Block	Net Block as on 09.08.2012	Consideration
1	Vapi	Lease Hold Land	30,710,000	Not Capitalized	49,930,000
		Building	14,880,000	Not Capitalized	17,570,000
		Plant & Machinery	207,280,000	Not Capitalized	230,317,000
Gross Total			252,870,000		297,817,000
Net Swap Value					80,177,000

GSPC Gas and GGCL has signed the Addendum Agreement dated 03.08.2012 to the original agreement dated 25.04.2012 and agreed to make necessary entries in their respective books of accounts to effect the transfer of the assets with effect from 09.08.2012 for GGCL to commence operation of CNG Stations / CNG equipment at Bharuch Districts and GSPC Gas Company to commence operation of the CGS and pipeline infrastructure at Vapi and Sarigam and book revenue and expenditure with effect from 09.08.2012.

Note 13 NON-CURRENT INVESTMENTS

(Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956)

			Amount in ₹
Non-Current Investments		As at 31st March 2013	As at 31st March 2012
Other Investments			
Investment in Equity instruments (Refer Note 13.2)		2,255,000	1,755,000
Total		2,255,000	1,755,000
Less : Aggregate Provision for diminution in the value of Investments (Krishna Godavari Gas Network Limited)		(675,000)	(675,000)
Total		1,580,000	1,080,000

13.1 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 2013	As at 31st March 2012
Aggregate amount of quoted investments (Market value of ₹ N.A. (Previous Year ₹ N.A.))	-	-
Aggregate amount of unquoted investments	2,255,000	1,755,000
Aggregate amount of Provision for diminution in the value of Unquoted Investments	(675,000)	(675,000)

13.2 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 2013	As at 31 st March 2012			As at 31 st March 2013	As at 31 st March 2012	As at 31 st March 2013	As at 31 st March 2012		
(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 (Refer below Note)	Subsidiary	50,000	-	Unquoted	10	100.00%	-	500,000	-	Yes	-
Total									2,255,000	1,755,000		

Note : In Last Financial year 2011-12, the Company has promoted SPV in the name and style of "GSPC Distributions Network Limited" and has been incorporated in February, 2012 for keeping in view of acquisition of 65% stake of BG Group in Gujarat Gas Company Limited. During the year company has invested ₹ 5,00,000/- (50,000 equity shares of ₹ 10 each) in form of equity shares.

Note 14 LONG TERM LOANS AND ADVANCES - NON CURRENT ASSETS*(Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956)*

Amount in ₹

Long Term Loans and Advances	As at 31st March 2013		As at 31st March 2012	
Capital Advances				
To Others [Unsecured, considered good]	46,353,376		67,713,318	
To related parties [Unsecured, considered good] (Refer Note No. 14.1)	3,480,000,000	3,526,353,376	-	67,713,318
Security Deposits				
To Others [Unsecured, considered good] (Refer Note No. 14.3)	178,843,175		126,555,799	
To related parties [Unsecured, considered good] (Refer Note No. 14.1)	13,600,000	192,443,175	10,200,000	136,755,799
Loan to Employees				
To Employees [Unsecured, considered good]		1,781,388		1,514,645
Prepaid Expenses				
For Rent CPRS/MRS		7,145,392		5,480,597
Advance against Expenses				
For Advance against Expenses [Unsecured, considered good]		1,825,901		1,806,128
CENVAT Credit				
CENVAT Credit Account		-		4,015,420
Total		3,729,549,232		217,285,907

14.1 Loans and advances to related parties pertain to:

Particulars	As at 31st March 2013	As at 31st March 2012
Gujarat State Petronet Limited (Subsidiary Company of Holding Company)	13,200,000	9,800,000
Gujarat State Energy Generation Limited (Associate Company of Holding Company)	400,000	400,000
GSPC Distribution Networks Limited (Subsidiary Company) (Share Application Money)	3,480,000,000	-
Total	3,493,600,000	10,200,000

14.2 Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31st March 2013	As at 31st March 2012
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

14.3 The Company has given refundable security deposit in form of fixed deposit (FDR) 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 (FDR) amounting ₹ 6,44,33,334/- (Previous Year ₹ 3,06,90,694 /-), 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 15 OTHER NON-CURRENT ASSETS

Other non-current assets	As at 31st March 2013	As at 31st March 2012
Non-Current Bank Balances	90,000	190,000
Total	90,000	190,000

Note 16 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 2013	As at 31st March 2012
Stores and spares (Valued at Cost on moving weighted average basis)	48,304,227	31,020,588
Goods-in transit	-	-
Natural Gas in Pipeline (Refer Note 1.2.i)	10,159,728	-
CNG in Cascades (Refer Note 1.2.i)	7,694,802	-
Total	66,158,758	31,020,588

Note 17 TRADE RECEIVABLES - CURRENT ASSETS

Trade Receivables	As at 31st March 2013	As at 31st March 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment (Refer Note 17.1)		
Secured, considered good	1,849,483,088	1,629,561,243
Unsecured, considered good	527,206,067	406,804,580
Doubtful	-	-
Total (A)	2,376,689,155	2,036,365,823
Trade receivables outstanding for a period exceeding six months from the date they are due for payment (Refer Note 17.1)		
Secured, considered good	10,050,731	376,263
Unsecured, considered good	14,157,520	24,525,240
Doubtful	-	-
Total (B)	24,208,252	24,901,503
Total (A+B)	2,400,897,407	2,061,267,326
Less: Provision for doubtful debts	1,738,789	721,766
Total	2,399,158,618	2,060,545,560

17.1 Trade Receivables of ₹ 1,85,95,33,820/- (Previous Year ₹ 1,62,99,37,506/-) are backed by security in form of Bank Guarantees/Security Deposits.

17.2 Trade Receivable stated above include debts due from:

Particulars	As at 31st March 2013	As at 31st March 2012
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

17.3 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.

Note 18 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 2013	As at 31st March 2012
Cash and cash equivalents		
Balances with banks		
(a) In Current Accounts - including Sweep-in Facility Accounts"	28,679,659	89,131,162
(b) Deposits with Original Maturity of less than three months"	-	50,000,000
(c) In unpaid Dividend Account	-	139,131,162
Cheques/Drafts on Hand	-	-
Unpaid Matured Deposits	-	-
Cash on Hand	16,548,981	7,817,048
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	-	100,000
	90,000	190,000
Less : Non-current Deposits with original maturity of more than twelve months <i>(Disclosed under other non-current assets)"</i>	90,000	-
Total	45,228,639	146,948,210

Note 19 SHORT TERM LOANS AND ADVANCES

	Amount in ₹	
Short-term loans and advances	As at 31st March 2013	As at 31st March 2012
Loans and advances to related parties (Refer notes 19.1 and 41.1)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful recovery	-	-
	-	-
Advance Against Expenses		
Unsecured, considered good	16,892,748	22,408,354
Loan To Employees		
Unsecured, considered good	508,387	538,818
Staff Advance		
Unsecured, considered good	104,802	285,365
Less: Provision for doubtful recovery	-	-
	104,802	16,984
Advance Tax and TDS		
Unsecured, considered good	111,184,925	16,339,608
Pre Paid Expenses		
Unsecured, considered good	17,793,022	13,956,821
CENVAT Credit Account		
Unsecured, considered good	31,841,975	29,739,282
Balances with PLA Account		
Unsecured, considered good	3,006,736	1,293,312
Balances with Stamp Duty Authorities		
Unsecured, considered good	442,500	322,400
Balances with PF Account		
Unsecured, considered good	-	277,444
Total	181,775,095	85,144,422

19.1 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 2013	As at 31st March 2012
Directors	-	-
Other officers of the Company	-	-
Firm in which director is a partner	-	-
Private Company in which director is a member	-	-
Total	-	-

Note 20 OTHER CURRENT ASSETS

Amount in ₹

Other current assets	As at 31st March 2013	As at 31st March 2012
Interest Accrued But Not Due on Fixed Deposits	6,132,400	2,335,572
Interest Accrued But Not Due on Security Deposits	1,428,206	763,778
Unbilled Revenue	93,944,672	56,222,285
Claims Recoverable - Insurance (Refer Note 20.1 and 20.2)	3,014,518	43,076,292
Expense Recoverable against GGCL acquisition	55,032,650	-
Total	159,552,445	102,397,927

20.1 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 ₹ 4,17,39,221 (Carrying Cost or Insurance value whichever is lower) and transferred the same under the head "Claim Receivable" in Balance Sheet. During the current financial year 2012-13, company has received ₹ 3,92,72,900/- from insurance company and balance claim amount transfer to Scrap Sale (₹11,36,388) and Loss of Material (₹ 16,94,315) respectively.

The fire incident which took place at CNG station on 13.03.2012 in last financial wherein, assets were damaged and for which company had filed a claim of ₹ 9,72,689/- and transferred the same under the head "Claim Receivable" in balance sheet. During the current financial year 2012-13, company has received ₹ 10,13,469/- from insurance company and balance claim amount is transferred as Profit on sale of asset.

Summary of Claim Receivable

Sr. No.	Particulars	Book Value	Claim Receivable	Received from Insurance	Short / (Excess) Claim Received	Remarks
1	Capex Material & Spare Parts	44,300,403	42,103,602	39,272,900	2,830,702	11,36,388/- Scrap Sale & 16,94,315/- Loss on Sale of Assets
2	CNG-Dispenser	972,689	972,689	1,013,469	(40,780)	Profit on Sale of Assets
Total		45,273,092	43,076,291	40,286,369	2,789,922	

- 20.2 During the financial year 2012-13, one incident has taken place pertaining to embezzlement of cash amounting to approximately ₹ 33 lacs of the company by one of its employee handling cash counter at one of its local office. Legal action including FIR has been filed against that employee. Insurance claim has also been filed with the insurance company under company's fidelity insurance policy which has been admitted by the insurance company.

Note 21 REVENUE FROM OPERATIONS

Amount in ₹				
Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
Sale of products				
- Finished Goods (CNG)	5,899,669,701		4,169,187,685	
- Traded Goods (CNG)	261,046,831		156,492,630	
- Traded Goods (PNG)	<u>36,318,546,194</u>	42,479,262,727	<u>28,053,477,078</u>	32,379,157,393
Other operating revenues				
Initial Connection Charges Income (<i>Refer sub-Note 21.1</i>)	101,920,844		263,039,877	
Registration Charges Income from Domestic, Comm-Non Commercial Connections (<i>Refer sub-Note 21.1</i>)	55,098,440		83,496,113	
Contract Renewal Charges Income	54,029,075		46,356,438	
Late Payment Charges Income	70,282,743		40,433,673	
Take or Pay Charges Income	34,439,156		16,276,218	
Alteration, Modification and Extra Connection Charges Income	60,930,229		49,366,981	
Other Operating Income	<u>6,110,260</u>	382,810,747	<u>2,197,959</u>	501,167,259
Revenue from Operations (Gross)		42,862,073,474		32,880,324,652
Less:				
Excise duty		<u>745,310,365</u>		<u>526,205,353</u>
Revenue from Operations (Net)		<u>42,116,763,109</u>		<u>32,354,119,300</u>

- 21.1 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

Note 22 OTHER INCOME

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest Income	14,884,054	9,482,204
Dividend Income	750	100
Liquidated Damages Income	4,082,930	5,231,802
Exchange Rate Fluctuation	-	1,134
Profit on sale of Assets	36,396,200	390,515
Commission Income	117,908	250,288
Tender / EOI Income	240,400	141,800
Provision Liability No Longer Required	2,350,180	575,000
Income from sharing of resources for database	15,600,000	-
Other non-operating income (net of expenses directly attributable to such income)	11,952,359	4,448,320
Total	85,624,781	20,521,164

Note 23 COST OF MATERIAL CONSUMED

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Purchases of Natural Gas for CNG	5,003,969,699	3,101,978,210
Add: Gas Transportation Charges	171,278,849	184,005,904
Cost of Raw Material Consumed	5,175,248,549	3,285,984,114

Note 24 PURCHASE OF STOCK-IN-TRADE

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Purchases of Natural Gas	36,445,987,766	26,083,684,376
Less: Transfer for CNG Conversion	5,003,969,699	3,101,978,210
Add: Gas Transportation Charges	1,661,156,931	2,052,453,252
	<u>33,103,174,997</u>	<u>25,034,159,417</u>
Purchases of CNG	281,811,497	163,773,543
Total	33,384,986,494	25,197,932,960

Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Stock-in-Trade		
Natural Gas in Pipeline and in CNG Cascades		
Inventory at the beginning of the year	-	-
Less: Inventory at the end of year (Refer Note No. 25.1)	16,884,778	-
Changes in Inventories - (-)Increase/(+)Decrease	(16,884,778)	-

- 25.1 In Financial year 2012-13, management has decided to value the closing stock of natural gas in pipelines and CNG cascades which is estimated on volumetric basis

Due to the above change, there is an increase in closing stock of Natural Gas in Pipeline of ₹ 1,01,59,728 and in CNG Cascades of ₹ 67,25,050 totalling to ₹ 1,68,84,778. The same amount as at the end of previous year is estimated at Rs. 1,21,32,394. Since in the previous years, the closing stock was not accounted as per the consistent practice, the actual profit for the year has increased by ₹ 47,52,384.

Note 26 EMPLOYEE BENEFITS EXPENSE

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries and incentives	248,317,179	189,022,706
Contributions to -		
(i) Provident fund	14,687,069	10,586,442
(ii) Leave Encashment	19,965,731	9,520,906
Gratuity fund contributions	430,058	1,124,607
Staff welfare expenses	8,520,977	8,019,887
Total	291,921,013	218,274,548

Note 27 FINANCE COSTS

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
I. Interest expense		
Interest on Term Loan	674,206,538	531,576,450
Interest on Share Application Money	23,799,222	26,278,139
Interest on Working capital Loan	4,370,434	3,531,425
Interest on Security Deposits	10,636,071	4,822,570
(a) Total Interest Expense	713,012,265	566,208,584
(b) Less: Interest Capitalised as per AS 16	139,631,513	93,428,559
Net Interest Expense [(a)-(b)]	573,380,752	472,780,025
II. Interest on current income tax (under section 234B and 234C of the Income Tax)	6,520,625	1,888,627
III. Other borrowing costs	902,103	838,797
IV. Applicable net gain/loss on foreign currency transactions and translation	-	-
Total	580,803,480	475,507,449

Note 28 OTHER EXPENSES

		Amount in ₹	
Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012	
Consumption of Stores and Spare Parts	34,804,887		39,327,000
Power and Fuel			
Electricity Expenses - CNG Stations	173,676,701	140,917,257	
Electricity Expenses - PNG	5,682,548	4,454,092	
Electricity Expenses - Others	3,790,352	3,100,366	148,471,715
Rent			
Rent - Office / Store	30,913,185	26,897,459	
Rent - Govt. Authorities			
(Refer Note 28.1)	38,428,603	19,439,156	46,336,615
Repair and Maintenance Expenses			
Repairs to Buildings	1,308,974	1,198,319	
Repairs to Machinery - CNG	9,988,883	6,998,105	
Repairs to Machinery - PNG	5,678,291	9,244,141	
Repairs and Maintenance Others	8,280,508	9,067,702	26,508,268
Operation and Maintenance Expense			
Operation and Maintenance			
Expense - CNG	157,563,288	127,467,981	
Operation and Maintenance			
Expense - PNG	242,945,860	161,140,248	288,608,229
LCV/HCV Hiring, Operating and			
Maintenance Charges	187,098,593		151,716,316
Lease (Wet) Machinery Expense	10,644,945		8,743,155
Instrument Testing Expenses	8,645,349		6,071,482
Franchisee, Commission and Profit			
Margin Exp.			
DMA Agency Commission			
Expenses	17,099,351	19,217,406	
Franchisee Commission and			
Profit Margin Exp.	27,112,574	20,429,141	39,646,548
Software Operation and Maintenance			
Charges	24,210,715		41,807,228
Business Promotion and Marketing			
Expenses	8,662,745		1,633,057
Advertisement and Publicity	19,324,168		11,067,452
Legal, Professional and Technical			
Consultancy Exp.	24,156,377		24,953,157
Insurance	22,308,011		14,693,447
Rates and Taxes (Excluding			
taxes on Incomes)			
Rate, taxes and duties	4,213,195	2,507,649	
Provision for Wealth Tax	21,170	24,550	2,532,199
Administration and Establishment			
Expenses	893,686		767,093
Office Expenses	10,439,228		8,566,709
Safety and Environment Expenses	8,533,789		5,226,626
Director Sitting Fees and out of pocket			
Expenses	80,539		23,500
Security Service Expenses	38,461,313		28,355,056
Stationery and Printing Expenses	9,183,467		12,036,979

Note 28 OTHER EXPENSES

Particulars	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Telephone and Communication Expenses	19,182,415	18,649,990
Mobile Instrument Exp.	2,108,038	1,154,444
Conveyance and Travailing Expenses	8,735,413	6,413,772
Vehicle Hiring and Running Expenses	25,401,855	20,776,332
Audit Fees (Refer Note 28.2)	674,160	505,620
Cost Audit Fees	138,596	112,360
Donations	200,000	-
Penalties	95,310	20,000
Bank Charges	4,696,833	2,628,046
Loss of sale of Assets	8,182,609	470,339
Doubtful Debts (Trade Receivables)	1,017,023	721,766
Doubtful Advances	-	16,984
Provision Diminution in Investment	-	675,000
Other Interest Cost	109,818	1,091,674
Miscellaneous Expenses	6,442,661	7,856,336
Total	1,211,136,026	968,184,494

28.1 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.

28.2 PAYMENTS TO AUDITOR

Payments to auditor	Amount in ₹	
	For the year ended 31st March 2013	For the year ended 31st March 2012
For Statutory Audit	674,160	505,620
For taxation matters	-	-
For company law matters	-	-
For management services	-	-
For other services	140,450	-
Total	814,610	505,620

Note 29 PRIOR PERIOD ITEMS

Amount in ₹

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
Administrative and Establishment Expense	4,203	-
Operational and Maintenance Expense - CNG	293,421	-
Operational and Maintenance Expense - PNG	387,814	9,924
Agency Commission to DMA - PNG	6,856	-
Rent Expenses	12,630	-
Repairs and Maintenance Expense	-	6,872
Legal, Professional and Technical Consultancy Expenses	(42,798)	511,919
Telephone and Communication Expenses	5,171	10,330
LCV / HCV Hiring, Operating and Maintenance Charges	-	427,136
Rates and Taxes (Excluding taxes on Incomes)	-	(10,463)
Salary Exps.	-	(61,085)
Sale of PNG(Traded)	-	2,220,071
Store and Consumables	-	(21,606)
Conveyance and Travelling Expenses	-	(23,508)
Stationery and Printing Exp	655	-
Depreciation	(99,011)	(104,746)
Total	568,941	2,964,844

Note 30 EXCEPTIONAL ITEMS

Amount in ₹

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
Loss of Material (<i>Refer Note 30.1</i>)	1,387,382	2,196,801
Total	1,387,382	2,196,801

- 30.1 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 ₹ 4,17,39,221 (Carrying Cost or Insurance value whichever is lower) and transferred the same under the head "Claim Receivable" in Balance Sheet. During the current financial year 2012-13, company has received ₹ 3,92,72,900/- from insurance company and balance claim amount transfer to Scrap Sale (₹ 11,36,388) and Loss of Material (₹ 16,94,315) respectively.

Note 31 CURRENT TAX

Amount in ₹

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
Current Tax Payable including Interest on such tax	203,959,026	351,009,064
Less: Interest on Tax Payable	6,520,625	1,888,627
Current Tax Payable	197,438,401	349,120,437
Less: MAT Credit entitlement	-	-
Net Current Tax Liability for the year	197,438,401	349,120,437
Add: Short / (Excess) Provision of Tax made in earlier years	(84,940)	(19,564)
Net Current Tax Liability	197,353,461	349,100,873

Note 32 EARNINGS PER SHARE (EPS)

Particulars		For the year ended 31st March 2013	For the year ended 31st March 2012
Profit attributable to equity shareholders	₹	402,035,633	1,060,639,817
Weighted average number of ordinary equity shares for Basic EPS	Nos.	61,506,421	59,209,024
Nominal Value of equity share	₹	10	10
Basic EPS	₹	6.54	17.91
Diluted EPS	₹	6.54	17.91

Particular	As at	Period of Holding (In Days)	No. of Shares	Weighted Average No. of Shares
Equity Shares at the Beginning of the year	4/1/2012	365	59,209,024	59,209,024
Equity Shares Issued During the year	2/27/2013	33	25,410,606	2,297,397
Total			84,619,630	61,506,421

Note 33 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	For the year ended 31st March 2013		For the year ended 31st March 2012	
	% of Total Consumption	Amt. in ₹	% of Total Consumption	Amt. in ₹
Raw Materials				
Natural Gas				
- Imported	-	-	-	-
- Indigenous	13.41%	5,175,248,549	11.52%	3,285,984,114
Purchase of stock in Trade				
- Imported	-	-	-	-
- Indigenous	86.50%	33,384,986,494	88.34%	25,197,932,960
Stores and Spare Parts				
- Imported	-	-	-	-
- Indigenous	0.09%	34,804,887	0.14%	39,327,000
Total	100%	38,595,039,930	100%	28,523,244,075

Note 34 DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

34.1 MANUFACTURED GOODS

Particulars	Amount in ₹			
	Sales For the year ended 31st March 2013	Sales For the year ended 31st March 2012	Closing Inventory as at 31st March 2013	Closing Inventory as at 31st March 2012
Manufactured Goods				-
Compressed Natural Gas (CNG)	5,154,359,337	3,642,982,332	6,725,050	-
Total	5,154,359,337	3,642,982,332	6,725,050	-

Note 34 DETAILS OF MANUFACTURED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

34.2 TRADED GOODS

Amount in ₹

Particulars	Sales For the year ended 31st March 2013	Sales For the year ended 31st March 2012	Closing Inventory as at 31st March 2013	Closing Inventory as at 31st March 2012
Traded Goods				
- Natural Gas (PNG)	36,318,546,194	28,053,477,078	10,159,728	-
- CNG	261,046,831	156,492,630	-	-
Total	36,579,593,025	28,209,969,708	10,159,728	-

34.3 WORK IN PROGRESS

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Work-in-progress		
- Natural Gas	-	-
- Other	-	-
Total	-	-

34.4 QUANTITATIVE DETAILS

Particulars	Unit of Measurements	For the year ended 31st March 2013	For the year ended 31st March 2012
Purchase Goods			
Purchase of Natural Gas	SCM at various Calorific values	1,382,027,317	1,324,618,052
Purchase of CNG	KGS	6,018,961	4,357,086
Traded Goods (PNG)			
Sale of Natural Gas - PNG	SCM	1,231,268,476	1,217,110,742
Sale of CNG	KGS	6,018,961	4,357,086
Manufactured Goods (CNG)			
Sale of Natural Gas - CNG	KGS	134,277,199	118,841,594
Closing Inventory			
Natural Gas	SCM	353,595	-
CNG	SCM	202,067	-

34.4.1 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 35 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 2013	As at 31st March 2012
Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	653,835	653,835
(b) Guarantees	29,368,496	6,100,000
(c) Other Contingent Liabilities (Refer Note 35.1)	220,522,936	179,368,656
Sub Total (A)	250,545,267	186,122,491
Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2,991,585,926	3,456,832,730
(b) Estimated amount of contracts remaining to be executed on Revenue account and not provided for	1,616,283,287	1,404,401,625
(c) Other commitments (specify nature)	-	500,000
The Company has committed to pay ₹ 5,00,000/- towards investments in Equity shares in GSPC Distribution Networks Limited (GDNL).		
Sub Total (B)	4,607,869,213	4,861,734,354
TOTAL (A+B)	4,858,414,479	5,047,856,845

35.1 Other Money for which Company is contingently liable

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
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 on account of assessment order u/s.143 (3) of the Income Tax Act against which appeal has been filed with ITAT, Ahmedabad.	5,959,740	5,959,740
(c) Income Tax - related to the financial year 2006-07 on account of assessment order u/s.143 (3) r.w.s. 148 of the Income Tax Act against which appeal has been filed with CIT (A), Gandhinagar.	74,28,870	-
(d) Income Tax - related to the financial year 2007-08 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before ITAT,Ahmedabad. (Refer Note 35.2)	84,541,610	84,541,610
(e) Income Tax - related to the financial year 2008-09 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before ITAT, Ahmedabad. (Refer Note 35.3 and 35.4).	10,31,81,970	85,726,570
(f) Income Tax - related to the financial year 2009-10 on account of assessment order u/s.143 (3) of the Income Tax Act and appeal is pending before CIT (A).	122,194,850	-
2 Civil Petition applications filed before the various District Consumer Forums against Co., alleging delay in giving Gas connection etc. praying for compensation.	5,461,000	775,000
TOTAL	220,522,936	179,368,656

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.

- 35.2 During the year company has paid ₹ 3.48 Lacs against the demand raised by ACIT, Gandhinagar in respect to Financial Year 2007-08.
- 35.3 The company has received the order from Jt. Comm. of Income Tax, Gandhinagar Range for stay of demand for Financial Year 2008-09 vide order no. Jt. CIT/GNR/Stay/11-12 subject to payment of eight installment of ₹ 50 Lakhs each, starting from April 2012. Company has paid all the eight installment without any default in repayment.
- 35.4 The company has received the order from ITAT, Ahmedabad pertaining to F Y 2008-09 in the matter of stay of demand vide order no. ITA No. 239/Ahd/2013, subject to payment of ₹ 2 crores in two installment of ₹ 1 crore each. The company has paid both installment without any default in repayment.

Note 36 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, 2013 under the above license agreements aggregate to ₹ 2,98,73,206 /- (Previous year ₹ 2,68,43,427/-). The future minimum lease payment obligations are as under:

Future Minimum Lease Payments	Amount in ₹	
	As at 31st March 2013	As at 31st March 2012
Not Later than one year	13,736,035	13,715,415
Later than One year and not later than five year	15,490,311	17,216,376
More than five years	12,930,270	12,632,668

Note 37 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	Amount in ₹	
	As at 31st March 2013	As at 31st March 2012
Raw Materials	-	-
Components and Spare Parts	-	-
Capital goods	-	-

Note 38 EXPENDITURE IN FOREIGN CURRENCIES

Particulars	Amount in ₹	
	As at 31st March 2013	As at 31st March 2012
Know -how, Royalty	-	-
"Professional, Technical and Consultancy Fees etc."	-	300,410
Sponsorship Expenses (Training)	-	126,370
Interest Expense	-	-
"Other Expenses: - Travelling Expenses"	-	85,500

Note 39 EARNINGS IN FOREIGN CURRENCIES

Particulars	Amount in ₹	
	As at 31st March 2013	As at 31st March 2012
Export of Goods on FOB Basis	-	-
Interest and Dividends	-	-
Know-how, Royalty	-	-
Professional and Consultancy Fees	-	-
Other Income, if any	-	-

Note 40 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 41 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 41.1*)

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

Key Managerial Personnel:

Sr. No.	Name of Related Parties	Relationship
i	Mr. Tapan Ray, IAS	Director
ii	Mr. PPG Sarma	Chief Executive Officer

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 : ₹ 2,70,000) for hiring residential premises from Ms. P Subbalakshmi.

41.1 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 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	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 Assets Purchase / (Sale) Dividend Paid Rent Paid Administration Expenses Software Maintenance Received	41,753,245,693 3,520,166 2,494,122 - 36,692,358 164,832 128,983 2,150,817	29,838,099,364 11,049,183 143,320 9,841,175 45,865,448 278,761 117,617 -		
2	Gujarat State Petronet Ltd. Gas Transportation Charges Interest paid on Share Application Money Supervision Charges ROW Charges Sale of Capital Goods Reimbursement of Exp (Paid) Bank Guarantee Given Deposit Given (Assets) Dividend Paid Rent Paid Rent paid in advance Reimbursement of Exp (Received)			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	2,248,434,231 26,278,139 2,206,000 5,735,600 1,111,255 104,760 79,200,000 4,000,000 27,083,333 2,542,497 - 306,761
3	Sabarmati Gas Ltd. Gas Transportation Charges paid CNG Purchase PNG Sales Gas Transportation Charges Received Initial Connection Charges Received Supervision Charges Received Deposit Received				
4	Guj Info Petro Ltd. Bandwidth Charges Outsource Service Exps Consultancy Fees Software Maintenance Charge Allowances Recovered Software Assets Charges			732,868 - - - 79,151 -	882,400 2,606,515 731,758 22,887 - 275,750
5	Gujarat State Energy Generation Ltd. Supervision Charges Paid Dividend Paid Deposit (Assets) Administration Expenses				
6	GSPC LNG Ltd. Salary Paid			-	114,559
7	GSPC Pipavav Power Company Ltd. Bank Charges Recovered			-	55,150
8	GSPC Distribution Network Ltd. Investment (Share capital aquired) Bank Guarantee Charges Paid Preliminary Exp Recovered Legal & Professional Fees Recovered Share Application Money Paid				
9	Key Managerial Personnel Shri PPG Sarma Remuneration Paid				
	Total Transactions **	41,798,396,971	29,905,394,868	1,983,725,916	2,401,691,595

Transactions with Associates of Holding Company		Transactions with Subsidiary Company		Key Managerial Personnel		Value of Total Transactions **	
For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012	For the year ended 31st March 2013	For the year ended 31st March 2012
						41,753,245,693	29,838,099,364
						3,520,166	11,049,183
						2,494,122	143,320
						-	9,841,175
						36,692,358	45,865,448
						164,832	278,761
						128,983	117,617
						2,150,817	-
						-	-
						1,843,768,804	2,248,434,231
						23,799,222	26,278,139
						2,584,280	2,206,000
						69,824,998	5,735,600
						5,237,969	1,111,255
						355,607	104,760
						-	79,200,000
						3,400,000	4,000,000
						21,666,666	27,083,333
						3,668,305	2,542,497
						8,516,721	306,761
						-	-
4,512,936	4,767,626					4,512,936	4,767,626
321,107,396	175,782,730					321,107,396	175,782,730
235,811,171	70,353,478					235,811,171	70,353,478
419,355	-					419,355	-
-	7,000,000					-	7,000,000
-	110,300					-	110,300
-	200,000					-	200,000
						-	-
						732,868	882,400
						-	2,606,515
						-	731,758
						-	22,887
						79,151	-
						-	275,750
						-	-
-	200,000					-	200,000
-	312,500					-	312,500
-	400,000					-	400,000
3,400	-					3,400	-
						-	-
						-	114,559
						-	-
						-	55,150
						-	-
		500,000	-			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	-
						-	-
						-	-
				7,196,850	5,737,435	7,196,850	5,737,435
561,854,258	259,126,634	3,485,850,318	-	7,196,850	5,737,435	47,836,932,988	32,572,257,292

41.1 Related Party Disclosures

Sr. No.	Balances outstanding	Balances outstanding with Holding Company		Balances outstanding with Subsidiary of Holding Company	
	Financial Year	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
1	Gujarat State Petroleum Corporation Ltd. Accounts Payable Accounts Receivable Deposits (Liability))	2,389,621,306 66,617 4,000	1,520,329,692 - -		
2	Gujarat State Petronet Ltd. Accounts Payable Accounts Receivable Deposits (Assets) Share Application Money			- 405,142,250 13,200,000 -	116,031,551 - 9,800,000 276,043,751
3	Sabarmati Gas Ltd. Accounts Payable Accounts Receivable Deposits (Liability)				
4	Guj Info Petro Ltd. Accounts Payable			13,355	419,853
5	Gujarat State Energy Generation Ltd Accounts Payable Deposit Assets Accounts Receivable Deposit-Liability				
6	GSPC LNG Ltd. Accounts Payable Accounts Receivable			- -	- -
7	GSPC Pipavav Power Company Ltd. Accounts Payable Accounts Receivable			- -	- -
8	GSPC Distribution Network Ltd. Accounts Payable Accounts Receivable Share Application Money Paid				
9	Key Management Personnel Accounts Payable Accounts Receivable				

303

Note 42 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 43 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 44 GSPC GAS Company Limited has 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 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 45 GSPC Gas has incurred certain capital expenditure amounting to ₹ 17.61 crore in Jamnagar and Bhavnagar area for which authorization from PNGRB is still pending. Till date PNGRB has not authorized any of the bidders and is yet to award the authorization

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 and on behalf of Board of Directors

For, A. R. Sulakhe & Co.
Chartered Accountants
Firm Regn. No. : 110540W

D. J. Pandian, IAS
Chairman

Tapan Ray, IAS
Director

Anand Sulakhe
Partner
M. No. : 33451

P. P. G. Sarma
Chief Executive Officer

Rahul Devi
GM (F&A)

Ahmed Khan
GM (L&S)
Company Secretary

Place: Gandhinagar
Date: 20th May, 2013

Place: Gandhinagar
Date: 20th May, 2013



Guj Infopetro Ltd

12th Annual Report

BOARD OF DIRECTORS

Shri Sudeep Kumar Nanda, IAS
Shri Tapan Ray, IAS
Shri J. P. Gupta, IAS
Prof. T.P. Rama Rao
Shri V.K. Sharma, CEO

BANKERS

IDBI Bank Ltd.
ICICI Bank Ltd.
Bank of Baroda
Corporation Bank

AUDITORS

M/s. R S P H & Associates
204 Wall Street No. : 1,
Nr. Gujarat College,
Opp. Orient Club, Ellisbridge,
Ahmedabad - 380 006.

REGISTERED OFFICE

4-5, 2nd Floor, I.T.Tower No.2,
Infocity, Nr. Indroda Circle,
Airport Road,
Gandhinagar - 382 009.

DIRECTORS' REPORT

To
The Members,
Guj Infopetro Ltd.

The Directors are pleased to present the 12th Annual Report on the business and operations of the Company together with the Audited Financial Statements & Accounts for the year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

Your company in the current financial year has posted yet another year of stellar performance with an impressive top line growth of 39 % reflecting the farsightedness of its corporate strategy of creating multiple divers of growth.

Your company is proud to present the following financial highlights:

(₹ in Lacs)

Particulars	2012-13	2011-12
Income from Operations	2817.62	2024.02
Other Income	273.07	255.71
Total Income	3090.69	2279.73
Less : Dep.	39.94	49.37
Other exps.	2115.67	1425.96
Total Expenditure	2155.61	1475.33
Tax	295.52	261.37
Net Profit	639.56	543.03

DIVIDEND

Keeping in view to the fund requirements for some ambitious expansion projects envisioned in the near future, Directors do not recommend any dividend.

Government Resolution

GIPL with its diligent efforts in conjunction with its Government Resolution (GR) has been able to is now eligible to undertake all IT/ITES ITeS projects of Government /Departments / Boards /Department/Boards/Corporations/Society or any Agency/entity of State Government has cemented its way in establishing itself in this particular field.

BUSINESS ACTIVITIES

ISP Business

Your Company is having a Category-'A' ISP License and provides internet bandwidth and other IT / ITeS services to Corporates, Educational Institutions/Universities, Government Organizations /Departments, Group companies and various other Clients across Gujarat.

Your company is sourcing internet bandwidth from multiple vendors which enables the company to provide redundancy to its customers.

Your company has its Points of Presence (PoP) at Ahmedabad, Baroda, Mora and Gandhinagar and has been able to sustain, in the market inspite of tough competition faced from the national players.

Data-Centre Services

Your company being a leading provider of data center infrastructure for Corporates and government organizations with mission-critical IT operations has its state of the art 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.

Your 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

Your company is currently acting as an e-mail solution provider also for various corporate and government departments.

Website Development

Your company is also delivering services of website development and maintenance to its group companies and different government departments.

Apex Consultancy for End-to-End IT Solutions

Your 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

Your 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 work closely with the clients to ensure best, feasible and cost effective services.

Result Hosting

GIPL has been hosting the HSC, SSC and GUJCET results of GS&HSEB successfully for ninth consecutive years managing more than 1 crore hits every year by distributed architecture of servers in India and abroad.

E-Tendering

E-tendering work has been carried out by your company for the various government departments/ organizations.

Software Development

Your company has developed the following software for various corporates, government departments / organizations/universities.

- a) Management Information System
- b) PDA based surveillance and Tracking system
- c) Village Pond Subsidy Management System.
- d) University Management System along with Choice Based Credit System (CBCS)
- e) Software for Education Board
- f) Pipeline Asset Management System (PAMS)
- g) Online Examination
- h) GIS based Tourist Information System
- i) Mobile application for information dissemination
- j) Integrated system for call centre activities

- k) Web based MIS and Android based application
- l) Online subsidy application and approval process for different schemes in agriculture sector
- m) Application Integration with Payment Gateway
- n) Purchase order generation along with the Inventory Management Software Vehicle Tracking System
- o) e-filing system
- p) HR Payroll system
- q) Document Management System
- r) P.O. Tracking System
- s) Invoicing Software
- t) Online Subsidy Management system.

Facility Management Services

Your Company not only provides IT/ITeS solutions but also provides trained personnel to its group companies, various government departments / organizations & PSUs etc. under Facility Management Services to support their IT and software requirements.

Quality Initiatives

Your Company has got its ISO 9001:2008 certification for services like customized software development, providing services for LAN & WAN networking projects, ISP services & maintenance and IT consultancy & Project Management and is valid till 26th November, 2013.

Your 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 and ISP services. This certification will enable your company to establish itself in line with 'A' league service providers.

Awards

Your Company has been conferred with the National Telecom Award for "Innovative Telecom Application Services" category for the 'Mobile based Surveillance & Tracking System' application developed by GIPL at the 6th National Telecom Awards 2012 ceremony hosted by Communication Multimedia And Infrastructure (CMAI) Association of India. The coveted award was presented by Dr Hamadoun Touré, Secretary General - International Telecommunication Union (ITU), Geneva.

Memorandum of Association

Your company has inked following Memorandum of Associations at Vibrat Gujarat Summit -2013

- **Bharat Sanchar Nigam Ltd.** for providing IPTV / Digital TV & VAS across Gujarat
- **Cason Engineering PLC** for Gas network monitoring, Leak Detection & Field data acquisition solutions
- **eProcurement Services Pvt. Ltd.** for providing electronic bidding & auction management services.

FIXED DEPOSITS

Your 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.

DIRECTORS

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Shri S K Nanda, IAS and Shri J. P. Gupta, IAS shall retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

STATUTORY & C&AG AUDIT

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India (C&AG). Accordingly, M/s. RSPH & Associates. of Ahmedabad was appointed as Statutory Auditors for the financial year 2012-13 by C&AG.

C&AG have decided not to review the report of the Statutory Auditors on the accounts of Guj Info Petro Ltd. for the year ended 31 March 2013 and as such have no comments to make under Section 619 (4) read with Section 619(B) of the Companies Act, 1956. The NO Comment Report is annexed herewith

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, the applicable Accounting Standards have 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.

HUMAN RESOURCES

Your 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.

Your company works continuously for maintaining healthy working relationship with the employees. The underlying principle being that employees 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

Your Company is established for providing I.T. related services. During the period under report, there is no consumption of energy requiring disclosure.

Technology Absorption

Your Company has not imported any technology.

Foreign Exchange Earnings & Outgo

Foreign Exchange earnings : NIL

Foreign Exchange Outgo : 1.91 lacs

ACKNOWLEDGEMENTS

Yours Directors wish to place on record their deep sense of appreciation for the committed services by every employee, without which the Company would not have been able to make a mark in its journey towards fulfilling its vision.

Your Directors are pleased to place on record their sincere thanks to the shareholders for their valuable support, trust and confidence in the Company

Your 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

V. K. Sharma
Director

Date : 6th July , 2013
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 2013

The preparation of financial statements of Guj Info Petro Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory 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 03 June 2013.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Guj Info Petro Limited for the year ended 31 March 2013 and as such have no comments to make 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:- 25-6-2013

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

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Guj InfoPetro Limited

We have audited the accompanying financial statements of Guj InfoPetro Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit 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) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- 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, RSPH & Associates
Chartered Accountants
FRN : 003013N

Place : Ahmedabad
Date : June 3rd 2013

(CA Vikashkumar Jain)
Partner
M. No. 115545

ANNEXURE TO AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the 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, 2013.

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 furnitures & 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, no substantial fixed asset has been disposed during the year and therefore 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, 2013 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:

Name of the statute	Nature of Dues	Amount	Period to which amount relates	Forum where dispute is pending
Income Tax	Regular Assessment Due	₹ 214.01	F. Y. 2007-2008	Appeal is being preferred to ITAT
Income Tax	Regular Assessment Due	₹ 1.08	F. Y. 2008-2009	Appeal is being preferred to CIT (Appeals)
Income Tax	Regular Assessment Due	₹ 38.50	F. Y. 2009-2010	Appeal is being preferred to CIT (Appeals)

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, 2013, 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.

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, RSPH & Associates
Chartered Accountants
FRN : 003013N

Place : Ahmedabad
Date : June 3rd, 2013

(CA Vikashkumar Jain)
Partner
M. No. 115545

BALANCE SHEET AS AT 31ST MARCH, 2013

(Amount in ₹)			
Particulars	Note No.	As at 31 st March 2013	As at 31 st March 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	500,600	500,600
(b) Reserves and surplus	2	236,177,979	172,222,088
2 Non-current liabilities			
(a) Other non current liabilities	3	174,720	174,720
(b) Long Term Provision	4	2,156,028	1,629,418
3 Current liabilities			
(a) Trade payables		27,953,752	17,457,323
(b) Other current liabilities	5	160,264,693	207,779,904
(c) Short-term provisions	6	370,231	4,667,561
TOTAL		427,598,003	404,431,614
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	7		
(a) Tangible assets		15,489,814	17,759,372
(b) Intangible assets		495,384	823,488
(c) Capital work-in-progress		-	1,500,000
(b) Deferred tax asset (Net)	8	1,918,617	1,470,154
(c) Long-term loans and advances	9	5,329,987	157,500
(d) Other non-current assets	10	9,048,672	5,632,078
2 Current assets			
(a) Trade receivables	11	44,230,632	37,818,337
(b) Cash and Bank Balance	12		
Cash and cash equivalents		136,408,555	326,271,855
Other Cash and bank balance		341,429	318,232
(c) Short-term loans and advances	13	5,227,059	5,196,504
(d) Other current assets	14	209,107,854	7,484,094
TOTAL		427,598,003	404,431,614

As per our report of even date

R S P H & Associates
Chartered Accountants
F.R.No. 003013N

Vikashkumar Jain
Partner
M. No. 115545

Date : June 3, 2013
Place : Ahmedabad

For and on behalf of the Board
Guj Info Petro Limited
Tapan Ray, IAS **V. K. Sharma**
Director Director

Date : June 3, 2013
Place : Gandhinagar

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)			
Particulars	Note No.	For the year ended on 31 st March 2013	For the year ended on 31 st March 2012
Revenue from operations	15	281,761,854	201,777,632
Other income	16	27,306,763	25,570,950
Total Revenue		309,068,617	227,348,582
Expenses:			
Purchase of Computer Hardwares & Electronic Items	17	69,394,260	32,835,520
Network Operating & Project Expenses	18	46,292,230	26,004,624
Employee benefits expense	19	84,811,457	68,075,428
Finance costs	20	74,428	335,870
Depreciation and amortization expense	7	3,994,305	4,936,806
Other expenses	21	12,835,340	15,344,674
Total Expenses		217,402,020	147,532,921
Prior Period Adjustment		(1,840,831)	(624,411)
Profit Before Tax		93,507,428	80,440,072
Tax Expenses:			
Current Tax		30,000,000	26,900,000
Deferred Tax		(448,463)	(532,910)
Income Tax of earlier year		-	(230,007)
Profit / (Loss) for the period		63,955,891	54,302,989
Earnings per equity share:			
Basic and Diluted		1,277.58	1,084.76
As per our report of even date			

R S P H & Associates
Chartered Accountants
F.R.No. 003013N

Vikashkumar Jain
Partner
M. No. 115545

Date : June 3, 2013
Place : Ahmedabad

For and on behalf of the Board
Guj Info Petro Limited

Tapan Ray, IAS
Director

V. K. Sharma
Director

Date : June 3, 2013
Place : Gandhinagar

STATEMENT OF ADJUSTED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

(Amount in ₹)

Particulars	2012-13	2011-12
A Cash Flow from Operating Activities		
Profit after Tax and prior period adjustment	63,955,891	54,302,989
Add : Income Tax	30,000,000	26,900,000
Less: Excess provision of tax previous year/s	-	(230,007)
Less: Deferred Tax	(448,463)	(532,910)
Profit Before tax	93,507,428	80,440,072
Adjustments for		
Add :		
Depreciation	3,994,305	4,936,806
Interest & Finance Charges being financing cash outflow	74,428	335,870
Loss on Sale / disposal / Write off of Assets	1,552,753	203,204
Less :		
Interest / Dividend Income	(26,982,477)	(25,370,336)
Operating profit before working capital changes	72,146,438	60,545,616
Adjustment for		
Increase / Dec in Trade / Other receivables and Loans and Advances	(211,483,204)	(8,037,297)
Increase / Dec in Trade and Other Payables	(36,282,611)	70,295,703
Cash generated / (used in) operations	(175,619,377)	122,804,022
Less : Direct Tax Paid (Including TDS)	(39,679,379)	(17,919,174)
Net Cash from / (used in) Operating Activities (A)	(215,298,756)	104,884,848
B Cash Flow from Investing Activities		
Cash Paid for Purchase of Assets / CWIP including Joint Ventures (Net)	(1,489,591)	(1,197,476)
Sale of Fixed Assets	40,194	291,850
Interest / Dividend Income	26,982,477	25,370,336
Net Cash Flow from Investing Activities (B)	25,533,080	24,464,710
C Cash Flow from Financing Activities		
Interest Paid & Finance charges paid	(74,428)	(335,870)
Net Cash Flow from Financing Activities (C)	(74,428)	(335,870)
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	(189,840,104)	129,013,688
Total Cash and Cash equivalents at the Beginning of the Year - Note 1	326,590,087	197,576,398
Total Cash and Cash equivalents at the End of the Year - Note 2	136,749,984	326,590,087
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	169,369	183,332
Bank Balances		
In Current Accounts	10,297,701	10,668,986
In Fixed deposits	316,123,017	186,724,081
Total Cash and Cash equivalents at the Beginning of the Year	326,590,087	197,576,398
Note 2: Cash and Cash equivalents at the End of the Year		
Cash 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 End of the Year	136,749,984	326,590,087

Note 3: The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**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 is 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 written off at a rate higher than that prescribed in The Companies Act, 1956. Assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.

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 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.

NOTE TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2013

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**

(Amount in ₹)

Share Capital	As at 31 st March 2013		As at 31 st March 2012	
	Number	(₹)	Number	(₹)
Authorized				
Equity Share Capital				
Equity Share of Rs. 10 Each	50,000,000	500,000,000	50,000,000	500,000,000
	<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-2013 and name of persons holding more than 5% shares.

Name of Shareholder/Company	No. of Shares held			
	As at 31 st March 2013	%	As at 31 st March 2012	%
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>

2. Reserves & Surplus

(Amount in ₹)

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
General Reserves		
Opening Balance	150,000,000	-
Appropriated from Surplus	50,000,000	150,000,000
Closing Balance	200,000,000	150,000,000
Surplus/(Deficit)		
Opening Balance	22,222,088	117,919,100
Add: Net Profit For the current year	63,955,891	54,302,988
Total	86,177,979	172,222,088
Less: Appropriated to General Reserve	50,000,000	150,000,000
Closing Balance	36,177,979	22,222,088
Total	236,177,979	172,222,088

3. Other Non Current Liabilities

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Lease Hold Premium	174,720	174,720
Total	174,720	174,720

4. Long term provisions

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Provision for employee benefits		
Leave Encashment	2,156,028	1,629,418
Total	2,156,028	1,629,418

5. Other Current liability

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Other payables		
Expense payable	11,434,528	12,244,097
Other Statutory Liabilities	1,920,167	2,255,758
Advance Billing	4,476,254	13,155,767
Advance Received from Customers	141,320,744	172,019,283
Deposits	1,113,000	8,105,000
Total	160,264,693	207,779,904

6. Short term provisions

(Amount in ₹)

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Provision for employee benefits		
Leave Encashment	196,759	160,669
Gratuity	173,472	-
Others		
Provision Income Tax (Net of Advance Tax Paid)	-	4,506,892
Total	370,231	4,667,561

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

(Amount in ₹)

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 2012 (₹)	Depre. charge for the year (₹)	Adj-during the year (₹)	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
a	Tangible Assets								
	Freehold Land	-	-	-	-	-	-	-	-
	Buildings	2,550,085	-	-	742,559	90,376	-	1,717,150	1,807,526
	Plant and Equipment	10,742,479	428,700	136,194	4,621,334	875,504	43,247	5,581,394	6,121,145
	Furniture and Fixtures	11,312,203	-	-	5,262,976	1,094,910	-	4,954,316	6,049,226
	Vehicles	218,076	-	-	175,204	10,754	-	32,117	42,872
	Office equipment	1,244,495	289,141	-	558,107	259,961	-	715,568	686,388
	Computers	10,304,496	771,750	-	7,409,224	1,272,121	-	2,394,901	2,895,272
	Lease Hold Improvements	1,224,447	-	-	1,067,504	62,576	-	94,367	156,943
	Total	37,596,279	1,489,591	136,194	19,836,908	3,666,202	43,247	15,489,814	17,759,372
	Tangible Assets Previous Year	37,693,741	1,197,475	1,294,935	16,248,975	4,387,814	799,881	17,759,373	21,444,766
b	Intangible Assets								
	Computer software	2,413,414	-	-	1,589,926	328,104	-	495,384	823,488
	Total	2,413,414	-	-	1,589,926	328,104	-	495,384	823,488
	Intangible Assets Previous Year	2,413,414	-	-	1,040,934	548,992	-	823,488	1,372,480
c	Capital Work In Progress								
		40,009,693	1,489,591	136,194	21,426,834	3,994,305	43,247	15,985,198	18,582,860
	Total	1,500,000	-	-	1,500,000	-	1,500,000	-	1,500,000
	Capital Work In Progress Previous Year	1,500,000	-	-	-	-	-	1,500,000	1,500,000
	Previous Year figures	41,607,155	1,197,475	1,294,935	17,289,909	4,936,806	799,881	20,082,861	24,317,246

Notes: Capital work in progress ₹ 15,00,000/- has been charged to Profit & Loss Account.

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

(Amount in ₹)

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Deferred Tax Liability		
Provision for Gratuity disallowable u/s. 40A(7) of I Tax Act	-	45,874
Total DTL	-	45,874
Deferred Tax Asset		
Difference of Depreciation	280,791	83,637
Provision for Leave disallowable u/s. 43B of I Tax Act	763,362	594,667
Provision for Gratuity disallowable u/s. 40A(7) of I Tax Act	56,283	-
Provision Doubtful Debts - Advances	818,181	837,725
Total DTA	1,918,617	1,516,028
Net Deferred Tax (Liability)/Asset	1,918,617	1,470,154

9. Long Term Loans and Advances

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Advance Income Tax		
Advance Income Tax (Net Provision)	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	5,415,661	243,174
Less: Provision for doubtful advances	85,674	85,674
Total	5,329,987	157,500

10. Other Non Current Assets

(Amount in ₹)

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	7,049,525	4,082,062
Doubtful	2,521,748	2,521,748
Total	9,571,273	6,603,810
Less: Provision for doubtful advances	2,521,748	2,521,748
Long term trade receivables	7,049,525	4,082,062
Other Advances		
Unsecured, considered good	128,772	28,764
Other Security Deposits		
Unsecured, considered good	1,870,375	1,521,252
Total	9,048,672	5,632,078

11. Trade Receivable

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Outstanding for a period less than six months from the date they are due		
Unsecured, considered good	44,230,632	37,818,337
Total	44,230,632	37,818,337

Details of amount due from the directors and other officers of the company.

Due From

	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Directors	-	-
Other officer of the company.	-	-
Firm in which officer or Director is a Partner	-	-
Company in which officer or Director is a Director	4,959,951	2,109,853
Total	4,959,951	2,109,853

12. Cash and Bank Balance

Cash and cash Equivalent

(Amount in ₹)

Cash and cash Equivalent	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Balances with banks		
- In Current Accounts	14,347,936	10,297,701
- In Fixed Deposits (Having Maturity of less then or eugalto three months)	121,935,322	315,804,785
Cash on hand	125,296	169,369
Total	136,408,555	326,271,855

Other Cash Balance

Other Cash Balance	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
- In Bank Deposits (Having Maturity of more than three Months or less than or equal to twelve months)	341,429	318,232
Total	341,429	318,232

13. Short-term loans and advances

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Deposits		
Unsecured, considered good	727,663	493,714
Prepaid Exps.		
Unsecured, considered good	2,783,963	4,409,216
Gratuity		
Secured, considered good	-	138,092
Advance to Employee		
Unsecured, considered good	300,966	155,482
Service Tax		
Unsecured, considered good	1,365,488	-
Advance to Others		
Unsecured, considered good	48,979	-
Total	5,227,059	5,196,504

14. Other Current Assets

a Details of Other current assets

Particulars	As at 31 st March 2013 (₹)	As at 31 st March 2012 (₹)
Deposits		
Unsecured, considered good	195,210,375	-
Accrued interest on deposit		
Unsecured, considered good	5,096,479	2,172,026
Income accrued on bandwidth supplies		
Unsecured, considered good	8,801,000	5,312,068
Total	209,107,854	7,484,094

The accounting policy relating to Revenue Recognition is given at para No. 4 of statement of "Significant Accounting Policies.

15. Revenue

(Amount in ₹)

Particulars	For the year ended on 31-Mar-2013 (₹)	For the year ended on 31-Mar-2012 (₹)
Sale of Trading Goods	77,919,417	36,673,220
Revenue from Services		
ISP Income	42,782,750	39,621,948
Project, Software & Consultancy Income	93,090,736	83,919,148
Facility Management Service Income	56,394,038	39,698,367
Others	11,574,913	1,864,949
Total	281,761,854	201,777,633

16. Other Income

Particulars	For the year ended on 31-Mar-2013 (₹)	For the year ended on 31-Mar-2012 (₹)
Interest Income (other than a finance company)	26,982,477	25,370,336
Misc. Income	324,286	200,614
Total	27,306,763	25,570,950

17. Purchase of Computer Hardware & Electronics items

Particulars	For the year ended on 31-Mar-2013 (₹)	For the year ended on 31-Mar-2012 (₹)
Stock at the beginning of the financial year	-	-
Purchase during the year	69,394,260	32,835,520
Total	69,394,260	32,835,520

18. Network Operating & Project Expenses

(Amount in ₹)

	For the year ended on 31-Mar-2013 (₹)	For the year ended on 31-Mar-2012 (₹)
A. Network Operating Expenses		
Bandwidth Charges	4,509,159	3,313,459
Cable Network Charges	126,794	165,673
Connectivity Charges	4,014,358	3,166,677
Domain Registration Exps.	20,000	47,418
Installation Charges	1,438,657	1,310,204
Loading & unloading & Octroi	3,980	7,500
Website Development	-	269,828
Website Maint.Exps.	1,584,378	-
Operation & Maint.	847,263	686,239
Vat Exps. A/c	35,512	-
AGR Exps.	1,217,332	2,337,739
Total -A	13,797,433	11,304,736
B. Project Expenses		
Software Develop.Exps.	593,808	5,530,899
Isms Project Exps.	8,637,363	4,822,541
Weighbridge Maint.Exps.	7,294,761	2,545,666
BRTS O&M & Project Exps.	3,119,822	143,746
Data Entry Work Charges	-	435,036
Wifi Solution Project Exps.	1,216,872	1,222,000
Bulk SMS Solution Project	13,734	-
Call Centre Project Exps.	-	-
Consultancy Exps.	6,080,400	-
Hosting Environment Exps.	45,763	-
Video Conferencing Exp.	285,000	-
RTO Check Post O&M & Project Exps.	3,373,224	-
Web casting Exps.	1,834,050	-
Total - B	32,494,797	14,699,888
Total (A+B)	46,292,230	26,004,624

19. Employee benefits expense

(Amount in ₹)

Particulars	For the year ended on 31-Mar-2013 (₹)	For the year ended on 31-Mar-2012 (₹)
Salaries and incentives	44,751,342	44,047,367
Contributions to Provident Fund	2,851,590	2,850,386
Gratuity fund contributions	311,564	118,484
Leave Encashment expenses	656,626	522,203
Outsourced Manpower charges	182,532	165,375
Facility Management & Call centre charges	33,023,225	16,790,984
Staff Welfare expenses	3,034,578	3,580,629
Total	84,811,457	68,075,428

Details of Employee Benefits
Employees Benefit

The Accounting Standard - 15 "Employee Benefit" is issued under Companies Accounting Rule, 2006. In accordance with the above standard, the obligations of the Company, on account of employee benefits, based on independent actuarial valuation, is accounted for in the books of account. Acturial Valuation is carried out by applying projected unit method.

I Defined Contribution Plans :
Provident Fund/ Employees' Pension Fund:

During the year, the Company has recognized ₹ 25.44 lacs (P.Y. ₹ 25.32 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, 2013.

(Amount in ₹)

Sr.No.	PARTICULARS	GRATUITIY FUNDED		LEAVE ENCASHMENT NON FUNDED	
		2012-13	2011-12	2012-13	2011-12
A	ASSUMPTIONS :				
	Discount Rate [Previous]	8.75%	8.25%	8.75%	8.25%
	Rate Of Return On Plan Assets [Previous]	8.75%	8.25%	-	-
	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]	8.25%	8.75%	8.25%	8.75%
	Rate Of Return On Plan Assets [Current]	8.70%	8.75%	-	-
	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	1,108,219	892,619	1,790,087	1,267,884
	Interest Cost	96,969	73,641	156,633	104,600
	Current Service Cost	193,146	186,652	122,607	86,275
	(Benefit Paid)	-	-	(93,927)	-
	Actuarial (Gains)/Losses On Obligations	121,154	44,693	377,387	331,328
	Present Value Of Benefit Obligation As At The End Of The Current Period	1,519,488	1,108,219	2,352,787	1,790,087
C	TABLE OF FAIR VALUE OF PLAN ASSETS :				
	Fair Value Of Plan Assets At The Beginning Of The Period	1,246,311	973,401	-	-
	Expected Return On Plan Assets	109,052	80,306	-	-
	Contributions	-	175,794	-	-
	Actuarial Gains/(Losses) On Plan Assets	(9,347)	16,810	-	-
	Fair Value Of Plan Assets At The End Of The Period	1,346,016	1,246,311	-	-
D	TABLE OF RECOGNITION OF ACTUARIAL GAINS/LOSSES :				
	Actuarial (Gains)/Losses On Obligation For The Period	121,154	(44,693)	377,387	331,328
	Actuarial (Gains)/Losses On Asset For The Period Subtotal	9,347	(16,810)		
		130,501	(61,503)	377,387	331,328
	Actuarial (Gains)/Losses Recognized In Income & Expenses Statement	130,501	(61,503)	377,387	331,328
E	ACTUAL RETURN ON PLAN ASSETS :				
	Expected Return On Plan Assets	109,052	80,306	-	-
	Actuarial Gains/(Losses) (On Plan Assets)	(9,347)	16,810	-	-
	Actual Return On Plan Assets	99,705	97,116	-	-

(Amount in ₹)

Sr.No.	PARTICULARS	GRATUITIY FUNDED		LEAVE ENCASHMENT NON FUNDED	
		2012-13	2011-12	2012-13	2011-12
F	AMOUNT RECOGNIZED IN THE BALANCE SHEET:				
	Fair Value Of Plan Assets At The End Of The Period	1,346,016	1,246,311	-	-
	(Present Value Of Benefit Obligation As At The End Of The Period)	(1,519,488)	(1,108,219)	(2,352,787)	(1,790,087)
	Funded Status Unrecognized Past Service Cost At The End Of The Period	(173,472)	118,092	(2,352,787)	(1,790,087)
	Net (Liability)/Asset Recognized In The Balance Sheet	(173,472)	138,092	(2,352,787)	(1,790,087)
G	EXPENSES RECOGNIZED IN THE INCOME STATEMENT:				
	Current Service Cost	193,146	186,652	122,607	86,275
	Interest Cost	96,969	73,641	156,633	104,600
	(Expected Return On Plan Assets)	(109,052)	(80,306)	-	-
	Actuarial (Gains)/Losses	130,501	(61,503)	377,387	331,328
	Expense Recognized In P&L	311,564	118,484	56,627	522,203
H	BALANCE SHEET RECONCILIATION :				
	Opening Net Liability		(80,782)	1,790,087	1,267,884
	Expense As Above	311,564	118,484	656,627	522,203
	Benefit Paid	-	-	(93,927)	-
	(Employer'S Contribution)	-	(175,794)	-	-
	Net Liability/(Asset) Recognized In The Balance Sheet	173,472	(138,092)	2,352,787	1,790,087
I	OTHER DETAILS :				
	No Of Memebers	16	17	16	17
	Salary PM	470,385	447,204	470,385	447,204
	Prescribed Contribution For Next Year (12 Months)	394,332	55,054	-	-
J	CATEGORY OF ASSETS :				
	Government Of India Assets Corporate Bonds Special Deposits Scheme Equity Shares Of Listed Companies Property Insurer Managed Funds Other Total	1,346,016	1,246,311	-	-
K	EXPERIENCE ADJUSTMENT :				
	On Plan Liability (Gains)/Losses On Plan Assets (Losses)/Gains	23,959 (9,347)	34717 16810	239,715	449,106

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

(Amount in ₹)

Particulars	For the year ended on 31-Mar-2013 (₹)	For the year ended on 31-Mar-2012 (₹)
Interest expense	74,428	335,870
Total	<u>74,428</u>	<u>335,870</u>

21. Other Expenses

Particulars	For the year ended on 31-Mar-2013 (₹)	For the year ended on 31-Mar-2012 (₹)
Godown/ Office Rent	4,056,723	3,934,272
Electricity Exps.	2,185,326	2,123,847
Telephone Expenses	198,945	1,360,538
Professional Fees	602,587	913,796
Auditors Remuneration	270,000	270,000
Stationery and Printings	368,957	268,327
Travelling/Conveyance Expenses	280,985	622,324
Insurance	188,368	520,483
Donation	-	6,600
Membership Fees	176,774	148,184
Repair and Maintenance - Others	657,549	526,349
Security Services	675,782	604,440
Vehicle Running-Repair Expense	1,340,284	816,033
Insurance Claim Written Off	-	89,963
Other Financial Charges	141,885	127,882
Provision for doubtful debts	-	1,085,674
Loss on sale of fixed assets/ Asset W.off, net	52,753	203,204
Written off	250,000	-
Other Admin Expenses	526,811	832,681
Total Administrative Expenses	<u>11,973,729</u>	<u>14,454,598</u>
Selling and Distribution Expenses		
Advertisement Expenses	473,072	9,472
Sales Promotion Expenses	388,539	880,604
Total Selling and Distribution Expenses	<u>861,611</u>	<u>890,076</u>
Total Other Expenses	<u>12,835,340</u>	<u>15,344,674</u>

22. Notes to the accounts

(Amount in ₹)

22.1.1 <i>Contingencies and Commitments:</i> <i>Contingent Liabilities</i> <i>Out standing demand against regular</i>	2012-13	2011-12
<i>Income Tax Assessment</i>	11,023,355	7,173,495

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. In view of above, the Company has not made provision for demand for ₹ 70.65 Lacs raised.

Moreover, the Company has also received Income Tax assessment order for Asst. Year 2009-10 raising demand of ₹ 1.08 Lacs by not allowing claim of deduction u/s 80IA .The Company has filed appeal before CIT (A) which is pending. The Company has not made provision for demand for ₹ 1.08 Lacs raised.

Further, the Company has also received Income Tax assessment order for Asst. Year 2010-11 raising demand of ₹ 38.50 Lacs by not allowing claim of deduction u/s 80IA .The Company has filed appeal before CIT (A) .which is pending. The Company has not made provision for demand for ₹ 38.50 Lacs raised.

22.1.2 Bank Guarantees, Corporate Guarantee, Letter of Credit and performance Guarantees given by the company

Particulars	2012-13	2011-12
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	2,096,153	2,016,518
Corporate Guarantee to Others	4,389,780	4,136,347

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. Recently, 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 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 ₹ 3.22 Crore without interest till 31st March, 2013.

22.3 Earnings Per Share

The policy of Earning Per Share is given in Para No.10 of the Significant Accounting Policy Statement

(Amount in ₹)

Basic & Diluted Earnings Per Share	2012-13	2011-12
Net Profit after adjustment attributable to the equity shareholders	63,955,891	54,302,989
Weighted average number of equity shares of Rs. 10 each outstanding during the year	50,060	50,060
Basic & Diluted earnings per equity share	1277.58	1084.76
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 & Director

Transaction during the year (Amount in ₹)

Particulars	GSPC Ltd		GSPL		GSPC Gas Co. Ltd.		GSEG Ltd.		Perfect IT Solution Pvt. Ltd		Cyber soft Network Pvt. Ltd	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Income Received :												
-Value of Services Rendered	11,006,115	11,164,982	3,114,074	4,518,338	730,340	5,038,198	252,625	573,743	506	-	506	-
Expenses/ Payments made by GIPL :												
- Expenses Reimbursed	3,797,284	550,927	-	-	71,236	-	28,876	32,769	287,236	274,205	2,448,656	2,288,368
Balance as on 31st March 2013 & 2012												
-Amt. Receivable	3,758,106	997,123	1,201,845	299,378	-	751,252	-	62,100	-	-	-	-
-Amt. Payable	193,610	4,146,928	-	-	4,288	-	4,086	2,019	-	-	-	-

22.5 Remuneration paid to key personnel

(Amount in ₹)

	2012-13	2011-12
Salary & Allowances	2,456,390	2,659,750

22.6 Segment Reporting

The Company is providing single service namely internet and I.T. related services, further organisation set up is unified and is not organised segment wise. Therefore, segment wise information as required by AS - 17 on segment reporting is not applicable.

22.7 Movement in Provisions for Leave Encashment

The policy for provisions is given in Para No.7 of the Significant Accounting Policy Statement

Provision for leave encashment	2012-13	2011-12
Opening Balance	1,790,087	1,267,884
Provided during the year	650,364	522,203
Less : Utilized during the year	87,664	NIL
Closing Balance	2,352,787	1,790,087

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:

	2012-13	2011-12
Lease payments debited to the profit and loss account		
- Cancellable operating leases	3,993,229	3,870,800
	3,993,229	3,870,800

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.

22.9

Directors' remuneration	2012-13	2011-12
Salaries and allowances *	2,456,390	2,686,407
	2,456,390	2,686,407

*Directors' remuneration represents amount reimbursed to GSPC towards services rendered by the Director.

22.10 Sundry Debtors includes ₹ 4,959, 951/- (P.Y. ₹ 2,109,853/-) due from Companies under the same management.

22.11 The Income or expenses of ₹ 1,840,831/- (P.Y. ₹ 624,411/-) under the various head pertains to previous year.

22.12 In terms of section 22 of Micro, small and medium enterprise Development Act, 2006, the outstanding from these enterprises are required to be displayed. However, these enterprises are required to be registered under the Act. As the Company has not received any intimation from Suppliers regarding their status i.e. about the registration of the enterprises under the Act, the required disclosure regarding:

A) Amount due and outstanding to suppliers as at the end of the accounting period.

B) Interest paid during the period.

C) Interest payable at the end of the accounting period.

D) Interest accrued and unpaid at the end of the accounting period have not been furnished.

In the view of the above and in absence of relevant information, the Auditors have relied on the same.

22.13 Balances of debtors, creditors and loans and advances are subject to confirmation.

22.14 **Expenditure in foreign currency**

(Amount in ₹)

	2012-13	2011-12
Membership charges	191,248	138,526

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 **Prior year comparatives**

Previous year's figures have been re-grouped and reclassified wherever necessary to confirm to the current year's presentation.

For R S P H & Associates
 Chartered Accountants
 F.R.No. 003013N

CA Vikashkumar Jain
 Partner
 M. No. 115545

Date : June 3, 2013
 Place : Ahmedabad

For and on behalf of the Board

Tapan Ray, IAS
 Director

V. K. Sharma
 Director

Date : June 3, 2013
 Place: Gandhinagar



GSPL INDIA TRANSCO LIMITED

2nd Annual Report



Board of Directors

Shri Tapan Ray, IAS Chairman
Shri A. K. Marchanda (w.e.f. 13th June 2012)
Shri V. K. Khurana (w.e.f. 13th June 2012)
Shri I. S. Rao (w.e.f. 13th June 2012)
Shri Y. K. Gawali (w.e.f. 13th June 2012)
Shri Manish Verma (w.e.f. 13th June 2012)
Shri Ravindra Agarwal
Shri Bose Babu Nallapaneni

Statutory Auditors

Bhupendra S. Shah & Co.
Chartered Accountants
Ahmedabad

Internal Auditors

Pandya & Mehta
Chartered Accountants

Registered Office

GSPC Bhavan, B/h Udyog Bhavan
Sector-11, Gandhinagar - 382010

Bankers

Allahabad Bank
Bank of India
Canara Bank
Corporation Bank
Dena Bank
Indian Bank
Punjab & Sind Bank
Punjab National Bank
State Bank of Mysore
State Bank of India
Syndicate Bank
The Federal Bank Limited
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank

DIRECTORS REPORT

To,
The Members
GSPL India Transco Limited

Your Directors have pleasure in presenting the 2nd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIALS

₹ in Lacs

Particulars	2012-13	2011-12
Total Income	123.38	14.51
Total Expenses	-	6.08
Profit Before Tax	123.38	8.43
Tax including	39.94	2.60
Profit After Tax	83.44	5.83

FINANCIAL CLOSURE

Your Company has tied up equity funds and has also signed Term Loan Agreement with the consortium of Banks for the development of the Project. With this, the Company has achieved financial closure for the project.

SHARE CAPITAL

Since the date of last Report, the Company has allotted 4,57,08,581 equity shares of ₹ 10 each aggregating to ₹ 45.70 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	3,64,00,000	52
Indian Oil Corporation Limited	1,82,00,000	26
Bharat Petroleum Corporation Limited	77,00,000	11
Hindustan Petroleum Corporation Limited	77,00,000	11
Total	7,00,00,000	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**.

Status of various project activities carried out by the Company is as stated below:

- Basic engineering activities completed
- Environmental Clearance received from Ministry of Environment & Forest
- Approval from National Wild Life Board received for 2 sanctuaries out of 7 wild life sanctuaries within the 10 Kms radius of Pipeline
- Competent Authority has been appointed by all the State Governments
- ROU acquisition is in advanced state

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year.

DIRECTORS

Shri N. Bose Babu, Shri A. K. Marchanda and Shri I. S. Rao 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.

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 2012- 2013.

C&AG has given NIL Comment Report for the year ended on 31st March, 2013. 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 Audit Committee constitutes of the following Directors:

Shri Tapan Ray, IAS	Chairman
Shri Ravindra Agrawal	Member
Shri N Bose Babu	Member

The Audit Committee of Directors of the Company at its Meeting held on 2nd May, 2013 approved the Annual Accounts for the period ended on 31st March, 2013 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.

(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.

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	-	Nil
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, 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

Place : Gandhinagar
Date : 27th June, 2013

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

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

- c. the Balance Sheet, Statement of Profit 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

Place : Ahmedabad
Date : 09th May 2013

Bhupendra Shah
Proprietor
Membership No. : 017605

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 2013

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 2013.

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 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, 2013 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 2013, 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

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. FRAUD

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

Place : Ahmedabad
Date : 09th May 2013

Bhupendra Shah
Proprietor
Membership No. : 017605

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 2013.

The preparation of financial statements of GSPL India Transco Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller 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 9th May 2013.

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 2013. 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 : 18-06-2013

BALANCE SHEET AS AT 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	485,578,080	200,500,600
Reserves and surplus	4	8,926,924	582,495
		494,505,004	201,083,095
Share Application Money Pending Allotment		34,586,410	-
Non-current liabilities			
Long-term provisions	7	19,023	-
		19,023	-
Current liabilities			
Other current liabilities	5	59,917,102	7,592,455
Short-term provisions	7	21,132	-
		59,938,234	7,592,455
TOTAL		589,048,671	208,675,550
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	1,979,380	-
Intangible assets	9	3,365,926	36,074
Capital work-in-progress	9	395,665,740	28,517,040
Deferred tax assets (net)	6	197,305	187,909
Long-term loans and advances	10	2,254,305	-
		403,462,656	28,741,023
Current assets			
Cash and cash equivalents	12	184,200,207	178,803,050
Short-term loans and advances	10	371,992	22,170
Other current assets	11	1,013,816	1,109,307
		185,586,015	179,934,527
TOTAL		589,048,671	208,675,550
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For and on behalf of Board of Directors,

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Place : Ahmedabad
Date : 09th May 2013

Tapan Ray, IAS N. Bose Babu Ravindra Agrawal
Chairman Director Director

Place : Gandhinagar
Date : 07th May 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

		Amount in ₹	
Particulars	Note No.	For the Year ended 31st March 2013	For the Year ended 31st March 2012
Income			
Other income	13	12,338,143	1,451,106
Total Revenue (A)		<u>12,338,143</u>	<u>1,451,106</u>
Expense			
Other expenses - Preliminary expenses written off	14	<u>-</u>	<u>608,120</u>
Total Expense (B)		<u>-</u>	<u>608,120</u>
Profit/(Loss) Before Tax [A - B]		<u>12,338,143</u>	<u>842,986</u>
Tax Expenses			
Current tax		4,003,110	448,400
Deferred tax		(9,396)	(187,909)
Profit/(Loss) After Tax carried to Balance Sheet		<u>8,344,429</u>	<u>582,495</u>
"Earning per equity share (EPS) (Nominal value of share ₹ 10)"			
Basic Earning per share (₹)		0.28	0.14
Diluted Earning per share (₹)		0.28	0.14
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

As per our report of even date attached

For and on behalf of Board of Directors,

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Tapan Ray, IAS N. Bose Babu Ravindra Agrawal
Chairman Director Director

Place : Ahmedabad
Date : 09th May 2013

Place : Gandhinagar
Date : 07th May 2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013

Particulars	Amount in ₹	
	For the Year ended 31st March 2013	For the Year ended 31st March 2012
Cash Flow from Operating Activities :		
Profit before Taxes and Extraordinary Items	12,338,143	842,986
Adjustments for:		
Interest Income	(12,338,143)	(1,451,106)
Operating Profit before Working Capital Changes	-	(608,120)
Changes in Current Assets and Current Liabilities	-	-
Cash generated from Operations	-	(608,120)
Net Cash Flow from Operating Activities (A)	-	(608,120)
Cash Flow from Investing Activities:		
Interest Received	12,533,119	341,799
Acquisition of Fixed Assets and Change in CWIP	(322,789,607)	(20,960,659)
Direct taxes paid	(4,010,245)	(470,570)
Net Cash Flow from Investing Activities (B)	(314,266,733)	(21,089,430)
Cash Flow from Financing Activities :		
Proceeds from issue of Equity Share Capital	285,077,480	200,500,600
Share Application money received	34,586,410	-
Net Cash Flow from Financing Activities (C)	319,663,890	200,500,600
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	5,397,157	178,803,050
Cash and Cash Equivalents at the beginning of the period		
Cash on hand	-	-
Bank Balances	8,803,050	-
Short term fixed deposits	170,000,000	-
	178,803,050	-
Cash and Cash Equivalents at the end of the period		
Cash on hand	62,975	-
Bank Balances	37,137,232	8,803,050
Short term fixed deposits	147,000,000	170,000,000
	184,200,207	178,803,050

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.

For and on behalf of Board of Directors,

For Bhupendra S. Shah & Co.
Chartered Accountants
Firm Regn No. : 101453W

Bhupendra Shah
Proprietor
Membership No. : 017605

Place : Ahmedabad
Date : 09th May 2013

Tapan Ray, IAS N. Bose Babu Ravindra Agrawal
Chairman Director Director

Place : Gandhinagar
Date : 07th May 2013

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

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 it's 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.

(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 2013	No. of Shares	As at 31st March 2012
AUTHORISED SHARE CAPITAL 2,20,00,00,000 Equity Shares of ₹ 10 each (Previous Year 2,20,00,00,000 Equity Shares of ₹ 10 each)	2,200,000,000	22,000,000,000	2,200,000,000	22,000,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL 4,85,57,808 Equity Shares of ₹10/- each fully paid up(Previous Year 2,00,50,060 shares of ₹ 10/- each fully paid up)	48,557,808	485,578,080	20,050,060	200,500,600
Total	48,557,808	485,578,080	20,050,060	200,500,600

Reconciliation of Number of Shares Outstanding at the beginning and at the end of the year

Particulars	31st March 2013		31st March 2012	
	No. of Shares	Amount in ₹	No. of Shares	Amount in ₹
Equity Shares				
Equity shares at the beginning of the Year	20,050,060	200,500,600	-	-
Add: Equity Shares allotted during the year	28,507,748	285,077,480	20,050,060	200,500,600
Equity shares at the end of the Year	48,557,808	485,578,080	20,050,060	200,500,600

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 2013		As at 31st March 2012	
	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.	30,050,060	300,500,600	20,050,060	200,500,600

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

Name of the Shareholder	31st March 2013		31st March 2012	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petronet Ltd. (including Nominee Share Holders)	30,050,060	61.89%	20,050,060	100.00%
Indian Oil Corporation Ltd.	10,025,030	20.65%	-	-
Bharat Petroleum Corporation Ltd.	4,241,359	8.73%	-	-
Hindustan Petroleum Corporation Ltd.	4,241,359	8.73%	-	-

4. RESERVE & SURPLUS

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Profit & Loss Account		
Opening Balance	582,495	-
Add: Profit during the Year	8,344,429	582,495
Closing Balance	8,926,924	582,495
TOTAL	8,926,924	582,495

5. OTHER CURRENT LIABILITIES

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Creditors for Capital Expenditure (refer note no.24 for details of due to micro, small and medium enterprises)	55,503,781	5,003,069
Other Statutory Liabilities		
TDS payable	4,391,221	2,589,386
Service Tax payable (Reverse charge)	21,500	-
Professional Tax payable	600	-
TOTAL	59,917,102	7,592,455

6. DEFERRED TAX ASSET (NET)

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Deferred Tax Liability	-	-
Total Deferred Tax Liability (A)	-	-
Deferred Tax Asset:		
Preliminary Expenditure u/s 35 D	197,305	187,909
Total Deferred Tax Liability (B)	-	-
TOTAL (B - A)	197,305.00	187,909.00

7. PROVISIONS

Particulars	Long Term Provision	Short Term Provision	Long Term Provision	Short Term Provision
	As at 31st March 2013 (₹)	As at 31st March 2013 (₹)	As at 31st March 2012 (₹)	As at 31st March 2012 (₹)
Provision for Employee Benefits				
Provision for Gratuity	10,831	20	-	-
Provision for Leave Salary	8,192	4,612	-	-
Provision for Leave Travel Allowance	-	16,500	-	-
TOTAL	19,023	21,132	-	-

8. PROJECT DEVELOPMENT / PRE-OPERATIVE EXPENDITURE

Amount in ₹

Particulars	As at 31st March 2013	As at 31st March 2012
Opening Balance Brought Forward [a]	2,629,686	-
Employee Benefit Expenses		
Salaries and Allowances	15,200,025	-
Leave Salary	12,804	-
Gratuity Expenses	10,851	-
Staff Welfare Expenses	46,003	-
[b]	<u>15,269,683</u>	<u>-</u>
Other Expenses		
Advertisement Expenses	1,167,089	-
Business Promotion	147,300	-
Director Sitting Fees	197,978	48,000
Legal & Professional Expenses	4,191,124	295,106
Miscellaneous Expenses	974,089	6,404
Recruitment & Training	1,435,874	-
RoC Fees	17,403,500	2,250,000
Stationery & Printing	93,344	750
Statutory Audit Fees	60,000	25,000
Travelling Expenses - Directors	410,657	-
Travelling Expenses - Others	2,862,238	-
Insurance Expenses	88,081	-
[c]	<u>29,031,275</u>	<u>2,625,260</u>
Depreciation [d]	<u>1,020,520</u>	<u>4,426</u>
Closing Balance [a+b+c+d]	<u>47,951,165</u>	<u>2,629,686</u>

9. FIXED ASSETS

Amount in ₹.

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT	
	Op. Balance As at 1-Apr-12	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As at 31-Mar-13	Op. Balance As at 1-Apr-12	Additions/ Adjustments During the Year	Deduction During the Year	Cl. Balance As at 31-Mar-13
TANGIBLE ASSETS								
Furniture & Fittings	-	332,883	-	332,883	-	7,091	-	325,792
Computers	-	1,891,463	-	1,891,463	-	345,163	-	1,546,300
Communication Equipments	-	114,138	-	114,138	-	6,850	-	107,288
Total (A)	-	2,338,484	-	2,338,484	-	359,104	-	1,979,380
INTANGIBLE ASSETS								
Computer Software	40,500	2,198,622	40,500	2,198,622	4,426	661,417	8,063	1,540,842
Right of Use / Right of Way	-	1,825,084	-	1,825,084	-	-	-	1,825,084
Total (B)	40,500	4,023,706	40,500	4,023,706	4,426	661,417	8,063	3,365,926
CAPITAL WORK IN PROGRESS	28,517,040	367,148,700	-	395,665,740	-	-	-	395,665,740
Total (C)	28,517,040	367,148,700	-	395,665,740	-	-	-	28,517,040
TOTAL (A+B+C)	28,557,540	373,510,890	40,500	402,027,930	4,426	1,020,520	8,063	401,011,046
Previous Year	-	40,500	-	40,500	-	4,426	-	28,553,114
								N.A.

Note: i) Depreciation amounting to ₹. 10,20,520/- (Previous Year ₹. 4,426/-) 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.8

10. LOANS & ADVANCES

Particulars	Long Term As at 31st March 2013 (₹)	Short Term As at 31st March 2013 (₹)	Long Term As at 31st March 2012 (₹)	Short Term As at 31st March 2012 (₹)
Capital Advances				
Unsecured, considered good	-	-	-	-
Security Deposit Given				
Unsecured, considered good	2,225,000	153,000	-	-
Other Loans & Advances				
Unsecured, considered Good				
Advance Tax and TDS (net of Provision)	29,305	-	-	22,170
Loans & Advances to Employees	-	50,125	-	-
Other Advance Payments	-	95,307	-	-
Prepaid Expenses	-	73,560	-	-
TOTAL	2,254,305	371,992	-	22,170

11. OTHER ASSETS

Particulars	Non-Current As at 31st March 2013 (₹)	Current As at 31st March 2013 (₹)	Non-Current As at 31st March 2012 (₹)	Current As at 31st March 2012 (₹)
Unsecured, considered good				
Others Receivables	-	99,485	-	-
Interest Accrued-But Not Due-Deposits	-	914,331	-	1,109,307
TOTAL	-	1,013,816	-	1,109,307

12. CASH & BANK BALANCE

Particulars	Non-Current As at 31st March 2013 (₹)	Current As at 31st March 2013 (₹)	Non-Current As at 31st March 2012 (₹)	Current As at 31st March 2012 (₹)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	37,137,232	-	8,803,050
Fixed Deposit with original maturity of less than 3 months	-	147,000,000	-	170,000,000
Cash on Hand	-	62,975	-	-
TOTAL		184,200,207		178,803,050

13. OTHER INCOME

Particulars	Amount in ₹	
	For the Year ended 31st March 2013 (₹)	For the Year ended 31st March 2012 (₹)
Interest Income		
Interest on Fixed Deposits with Banks	12,338,143	1,451,106
TOTAL	12,338,143	1,451,106

14. PRELIMINARY EXPENSES WRITTEN OFF

Particulars	Amount in ₹	
	For the Year ended 31st March 2013 (₹)	For the Year ended 31st March 2012 (₹)
RoC Fees & Filing Expenses	-	608,120
TOTAL	-	608,120

15. SHARE APPLICATION MONEY PENDING ALLOTMENT

The company has received ₹3,45,86,410/- as share application money on 30th March, 2013 from Bharat Petroleum Corporation Limited against which 34,58,641 equity shares of ₹10/- each at par have been allotted on 10th April 2013.

The equity shares issued shall rank pari-passu with existing equity shares of the company.

In the opinion of the management, the Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money received.

16. The Company was incorporated on 13th October, 2011. Accordingly, previous year figures are from 13th October, 2011 to 31st March, 2012.

17. CONTINGENT LIABILITY

Bank Guarantee / Letter of Credit issued by the company and outstanding as on 31st March 2013 is NIL. (Previous year ₹ NIL) There are no other contingent liability nor any claim against the company acknowledge as debt as on the balance sheet date.

18. CAPITAL & OTHER COMMITMENT

Capital commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately ₹1,04,80,06,202/- (Previous year ₹ 39,83,63,977/-).

Other Commitment: Nil

19. PAYMENT TO AUDITORS

Particulars	Amount in ₹	
	For the Year ended 31st March 2013 (₹)	For the Year ended 31st March 2012 (₹)
For Statutory Audit	60,000	25,000
For other services	-	-
For reimbursement of expenses	-	-
Total	60,000	25,000

20 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.

21 EXPENDITURE / INCOME IN FOREIGN CURRENCY

There is no expenditure / earnings in foreign currency during the year as well as previous year.

22 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.

23. EARNINGS PER SHARE

Particulars	Amount in ₹	
	For the Year ended 31st March 2013 (₹)	For the Year ended 31st March 2012 (₹)
Net Profit/(Loss) after current and deferred tax	8,344,429	582,495
Weighted average number of equity shares	30,255,432	4,074,450
Basic EPS	0.28	0.14
Total weighted average number of equity shares including Potential equity shares	30,255,432	4,074,450
Diluted EPS	0.28	0.14
Face value / Nominal value of share	10.00	10.00

- 24 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under :

Particulars	Amount in ₹	
	2012-13	2011-12
Principal amount remaining unpaid as on 31st March 2013	-	-
Interest due thereon as on 31st March 2013	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31st March 2013	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

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.

25. EMPLOYEE BENEFITS

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

Particulars	2012-13	
	Gratuity	Leave Salary
Mortality	LIC (1994-96) published table for mortality rate	
Withdrawal rate	5% at younger age reducing to 1% at old age	
Retirement Age	60	
Discount Rate Current Period	8.20%	8.20%
Rate of Return on Plan Assets Current Period	N.A.	N.A.
Salary Escalation Current Period	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".

Amount in ₹

Particulars	2012-13	
	Gratuity	Leave Salary
Table showing change in benefit obligation		
Opening defined benefit obligation	-	-
Interest Cost		
Current Service Cost	10,851	12,804
Benefit Paid	-	-
Actuarial Loss / (gain) on Obligations	-	-
Liability at the end of the period	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	-	-
Actuarial gain / (loss) on Plan Assets	-	-
Net Actuarial (gain) / loss recognised during the period	-	-
Amount recognised in Balance Sheet		
Liability at the end of the period	10,851	12,804
Fair Value of Plan Asset at the end of the period	-	-
Net amount recognised in the Balance Sheet	10,851	12,804
Expense recognised as Preoperative Expenses		
Current Service cost	10,851	12,804
Interest cost	-	-
Expected return on Plan Asset	-	-
Net Actuarial Loss / (gain) to be recognised	-	-
Expense recognised as Preoperative Expenses	10,851	12,804
Current Liability	20	4,612
Non Current Liability	10,831	8,192
Total Liability	10,851	12,804

Note : The company did not have any employee during previous year. Therefore, disclosure under AS15 (revised 2005) 'Employee Benefit' has not been made for the corresponding previous year.

26. 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 ₹	
	2012-13 Amount in ₹	2011-12 Amount in ₹
Gujarat State Petronet Ltd. (Holding Company)		
Expenditure Reimbursement paid	17,410,944	21,389,821
Investment in equity shares by GSPL	100,000,000	200,500,600
Gujarat State Petroleum Corporation Ltd. (Ultimate - Holding Company)		
Expenditure Reimbursement received	262,642	-
Indian Oil Corporation Ltd. (Co - Promoter)		
Expenditure Reimbursement paid	9,058,351	-
Sitting Fee	43,708	-
Investment in equity shares by IOCL	100,250,300	-
Bharat Petroleum Corporation Ltd. (Co - Promoter)		
Sitting Fee	21,854	-
Investment in equity shares by BPCL	42,413,590	-
Equity share application money received & pending allotment	34,586,410	-
Hindustan Petroleum Corporation Ltd. (Co - Promoter)		
Sitting Fee	5,618	-
Investment in equity shares by HPCL	42,413,590	-
GSPL India Gasnet Ltd. (Fellow Subsidiary)		
Expenditure Reimbursement paid	78,905	-
Key Managerial Personnel		
Sitting Fee #	73,708	30,000

* 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

Details of outstanding balance with related parties is as follows:

Name	Amount in ₹	
	2012-13 Amount in ₹.	2012-13 Amount in ₹
Gujarat State Petronet Ltd. (Holding Company)		
Amount payable	3,575,334	364,613
Amount receivable	-	-
Gujarat State Petroleum Corporation Ltd. (Holding Company)		
Amount payable		-
Amount receivable	42,135	-
Indian Oil Corporation Ltd. (Co - Promoter)		
Amount payable	-	-
Amount receivable	-	-
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	-	-

- 27 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.
- 28 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.
- 29 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.
- 30 The figures appearing in financial statements are rounded off to the nearest Rupees.
- 31 Some of the employees working for the company are on the roll of promoter Gujarat State Petronet Ltd. 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.
- 32 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 : 09th May 2013

For and on behalf of Board of Directors,

Tapan Ray, IAS	N. Bose Babu	Ravindra Agrawal
Chairman	Director	Director

Place : Gandhinagar
Date : 07th May 2013



GSPL INDIA GASNET LIMITED

**2nd Annual
Report**





GSPL INDIA GASNET LIMITED

Board of Directors

Shri Tapan Ray, IAS Chairman
Shri A. K. Marchanda (w.e.f. 13th June 2012)
Shri V. K. Khurana (w.e.f. 13th June 2012)
Shri I. S. Rao (w.e.f. 13th June 2012)
Shri Y. K. Gawali (w.e.f. 13th June 2012)
Shri Manish Verma (w.e.f. 13th June 2012)
Shri Ravindra Agarwal
Shri Bose Babu Nallapaneni

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.
Gujarat.

Bankers

Allahabad Bank
Bank of Baroda
Bank of India
Canara Bank
Corporation Bank
Dena Bank
Oriental Bank Of Commerce
Punjab National Bank
Punjab & Sind Bank
Union Bank of India
United Bank of India
Vijaya Bank
Yes Bank
State Bank of India



DIRECTORS REPORT

To,
The Members
GSPL India Gasnet Limited

Your Directors have pleasure in presenting the 2nd Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIALS

₹ in Lacs

Particulars	2012-13	2011-12
Total Income	94.58	8.16
Total Expenses	-	6.08
Profit Before Tax	94.58	2.08
Tax including Deferred Tax	29.13	0.64
Profit After Tax	65.45	1.44

FINANCIAL CLOSURE

Your Company has tied up equity funds and has also signed Term Loan Agreement with the consortium of Banks for the development of the Projects. With this, the Company has achieved financial closure for the projects.

SHARE CAPITAL

Since the date of last Report, the Company has allotted 4,06,12,543 equity shares of ₹ 10 each aggregating to ₹ 40.61 Crores to the Promoters of 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	4,00,50,060	52
Indian Oil Corporation Limited	2,00,25,030	26
Bharat Petroleum Corporation Limited	84,72,128	11
Hindustan Petroleum Corporation Limited	84,72,128	11
Total	7,70,19,346	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 following Natural Gas Pipeline Projects:

Sr. No.	Project	Kms. (approx.)
1	Mehsana-Bhatinda Pipeline Project	1670
2	Bhatinda- Jammu-Srinagar Projects	740

The total length of the pipeline is approximately 2410 Kms and the map showing pipeline route is enclosed herewith as Annexure - I.

Status of various project activities carried out by the Company is as stated below :

Mehsana - Bhatinda Pipeline

- Basic engineering activities completed
- Environmental Clearance received from Ministry of Environment & Forest
- Necessary applications for Wild Life NOC have been made and approval from National Wild Life Board is expected in due course of time
- Competent Authority has been appointed for ROU by all the State Governments, except Haryana
- ROU acquisition is in advanced stage

Bhatinda - Jammu - Srinagar Pipeline

- Basic engineering activities are under progress
- ROU acquisition in Punjab state is under progress
- Environmental Clearance received from Ministry of Environment & Forest

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year.

DIRECTORS

Shri N. Bose Babu, Shri A. K. Marchanda and Shri I. S. Rao 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.

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 2012-2013.

C&AG has given NIL Comment Report for the year ended on 31st March, 2013. 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 Audit Committee constitutes of the following Directors:

Shri Tapan Ray, IAS	Chairman
Shri Ravindra Agrawal	Member
Shri N Bose Babu	Member

The Audit Committee of Directors of the Company at its Meeting held on 2nd May, 2013 approved the Annual Accounts for the period ended on 31st March, 2013 and recommended the same for approval of the Board.

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.

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 : Nil
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 State Governments and Banks.

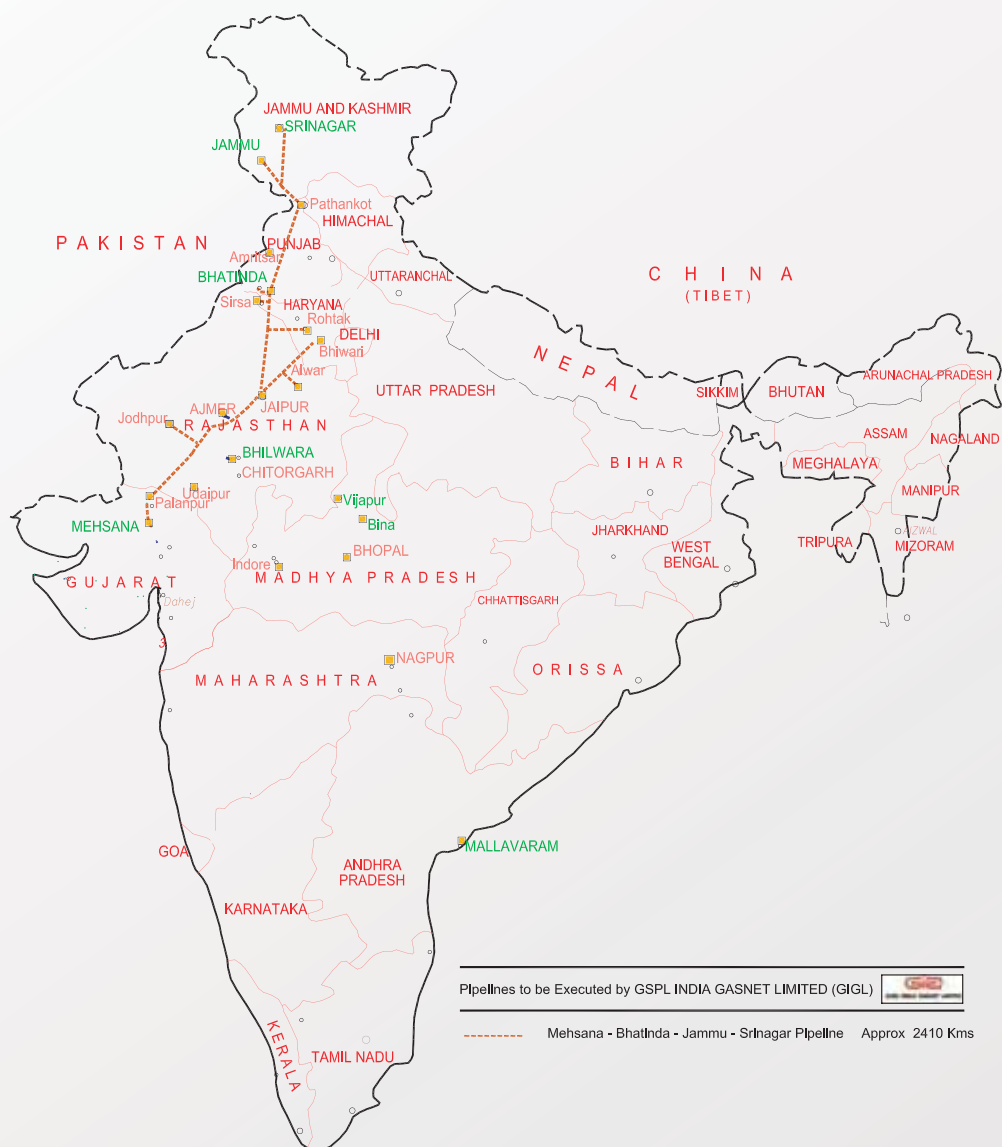
Your Company also place on record sincere appreciation for hardwork, dedicated and unstinted efforts of employees at all levels in implementing the Project.

For and on behalf of Board of Directors,

Tapan Ray, IAS
Chairman

Place : Gandhinagar
Date : 27th June, 2013

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 2013.

The preparation of financial statements of GSPL India Ganet Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller 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 9th May 2013.

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 2013. 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 : 24-06-2013

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance. 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. 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, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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



- c. the Balance Sheet, Statement of Profit 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.

CA Shailesh A. Shah
Proprietor
Membership No. : F032205

For and on behalf of
Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

Place : Ahmedabad
Date : 9th May 2013

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 2013

**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 applicable statutory dues including income tax, Sales tax, wealth tax, custom duty, cess and other material Statutory dues, as applicable with the appropriate authorities.
- (b) According 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, 2013 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. Hence, the clause (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 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 2012, 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

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.

Shailesh A. Shah
Proprietor
Membership No. : 032205

Place : Ahmedabad
Date : 9th May 2013

For Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

**BALANCE SHEET AS AT 31ST MARCH, 2013**

		Amount in ₹	
Particulars	Note No.	As at 31st March 2013	As at 31st March 2012
Equity and Liabilities			
Shareholders' funds			
Share capital	3	677,885,760	200,500,600
Reserves and surplus	4	<u>6,688,411</u>	<u>143,632</u>
		684,574,171	200,644,232
Share application money pending allotment		21,153,850	-
Non-current liabilities			
Long-term provisions	7	<u>196,409</u>	<u>-</u>
		196,409	-
Current liabilities			
Other current liabilities	5	46,231,344	105,655,542
Short-term provisions	7	<u>182,581</u>	<u>-</u>
		46,413,925	105,655,542
TOTAL		<u>752,338,355</u>	<u>306,299,774</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,823,446	-
Intangible assets	9	15,527,344	-
Capital work-in-progress	9	487,212,216	216,442,202
Deferred tax assets (Net)	6	197,305	187,909
Long term loans and advances	10	38,436,057	-
Other non-current assets	11	<u>10,362</u>	<u>-</u>
		543,206,730	216,630,111
Current assets			
Cash and Bank Balances	12	208,174,493	89,117,234
Short term loans and advances	10	404,704	64,715
Other current assets	11	<u>552,428</u>	<u>487,714</u>
		209,131,625	89,669,663
TOTAL		<u>752,338,355</u>	<u>306,299,774</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 and on behalf of Board of Directors,

For Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

Tapan Ray, IAS
Chairman

Ravindra Agrawal
Director

N. Bose Babu
Director

Shailesh A. Shah
Proprietor
Membership No. : 032205

Place : Ahmedabad
Date : 9-5-2013

Place : Gandhinagar
Date : 7-5-2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013

Particulars	Note No.	Amount in ₹	
		For the Year ended 31st March 2013	For the Year ended 31st March 2012
Income			
Other income (Interest on bank fixed deposits)	13	9,457,863	815,983
Total Revenue (A)		9,457,863	815,983
Expenses			
Other expenses - Preliminary expenses written off	14	-	608,120
Total Expenses (B)		-	608,120
Profit/(Loss) Before Tax [A-B]		9,457,863	207,863
Tax Expenses			
Current tax		2,922,480	252,140
Deferred tax		(9,396)	(187,909)
Profit/(Loss) After Tax carried to Balance Sheet		6,544,779	143,632
Earning per equity share (EPS)			
(Nominal value of share ₹ 10)			
Basic Earning per share (₹)		0.15	0.03
Diluted Earning per share (₹)		0.15	0.03
Significant Accounting Policies	2.1		

The accompanying notes are integral part of the financial statements.

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
Chairman

Ravindra Agrawal
Director

N. Bose Babu
Director

Shailesh A. Shah
Proprietor
Membership No. : 032205

Place : Ahmedabad
Date : 9-5-2013

Place : Gandhinagar
Date : 7-5-2013



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013

Particulars	Amount in ₹	
	For the Year ended 31st March 2013	For the Period ended 31st March 2012
Cash Flow from Operating Activities		
Profit before Taxes and Extraordinary Items	9,457,863	207,863
Adjustments for:		
Interest Income	(9,457,863)	(815,983)
Finance Cost	-	-
Operating Profit before Working Capital Changes	-	(608,120)
Changes in Working Capital	-	-
Net Cash Flow from Operating Activities (A)	-	(608,120)
Cash Flow from Investing Activities		
Interest Received	9,581,981	328,269
Taxes paid on Interest Income	(3,066,165)	(316,855)
Investment in Fixed Deposits	(10,000)	-
Acquisition of Fixed Assets and Change in CWIP	(385,987,567)	(110,786,660)
Net Cash Flow from Investing Activities (B)	(379,481,751)	(110,775,246)
Cash Flow from Financing Activities		
Proceeds from issue of Equity Share Capital	477,385,160	200,500,600
Share Application money received	21,153,850	-
Net Cash Flow from Financing Activities (C)	498,539,010	200,500,600
Net Increase / (Decrease) in Cash and Cash Equivalents (A+ B+ C)	119,057,259	89,117,234
Cash and Cash Equivalents at the beginning of the period		
Cash on hand	-	-
Bank Balances	14,117,234	-
Short term fixed deposits	75,000,000	-
	89,117,234	-
Cash and Cash Equivalents at the end of the 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

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 Shailesh Shah & Associates
Chartered Accountants
Firm Registration No. : 109877W

Shailesh A. Shah
Proprietor
Membership No. : 032205

Place : Ahmedabad
Date : 9-5-2013

For and on behalf of Board of Directors,

Tapan Ray, IAS
Chairman

Ravindra Agrawal
Director

N. Bose Babu
Director

Place : Gandhinagar
Date : 7-5-2013

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

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 Rs. 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.

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 2013 (In ₹)	No. of Shares	As at 31st March 2012 (In ₹)
Authorised Equity Share Capital :				
2,00,00,00,000 Equity Shares of ₹ 10 each (Previous Year 2,00,00,00,000 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				
6,77,88,576 Equity Shares of ₹ 10/- each fully paid up (Previous Year 2,00,50,060 shares of ₹ 10/- each fully paid up)	<u>67,788,576</u>	<u>677,885,760</u>	<u>20,050,060</u>	<u>200,500,600</u>
TOTAL	<u>67,788,576</u>	<u>677,885,760</u>	<u>200,500,60</u>	<u>200,500,600</u>

Reconciliation of Number of Shares Outstanding at the beginning and at the end of the year

Particulars	2012-2013		2011-2012	
	No. of Shares	Amount (In ₹)	No. of Shares	Amount (In ₹)
Equity Shares				
Equity shares at the beginning of the Year	20,050,060	200,500,600		
Add: Equity Shares allotted during the year	47,738,516	477,385,160	20,050,060	200,500,600
Equity shares at the end of the Year	<u>67,788,576</u>	<u>677,885,760</u>	<u>20,050,060</u>	<u>200,500,600</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 2013		As at 31st March 2012	
	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.	40,050,060	400,500,600	20,050,060	200,500,600

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

Name of the Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Equity Shares	% Holding in Equity Shares	No. of Equity Shares	% Holding in Equity Shares
Gujarat State Petronet Limited (including Nominee Shareholders)	40,050,060	59.08%	20,050,060	100%
Indian Oil Corporation Limited	15,025,030	22.16%	-	-
Bharat Petroleum Corporation Limited	6,356,743	9.38%	-	-
Hindustan Petroleum Corporation Limited	6,356,743	9.38%	-	-

4 RESERVES & SURPLUS :

Particulars	As at 31st March 2013 (In ₹)	As at 31st March 2012 (In ₹)
Profit & Loss Account :		
Opening Balance	1,43,632	-
Add: Profit during the Year	6,544,779	1,43,632
Closing Balance	<u>6,688,411</u>	<u>1,43,632</u>
TOTAL	<u>6,688,411</u>	<u>1,43,632</u>

5 OTHER CURRENT LIABILITIES :

Particulars	As at 31st March 2013 (In ₹)	As at 31st March 2012 (In ₹)
Other Payables for Capital Expenditure (refer note no.24 for details of due to micro, small and medium enterprises)	41,849,485	89,259,314
Other Statutory Liabilities		
TDS payable	4,320,936	16,396,228
Service tax payable (Reverse Charge)	59,173	-
Professional tax payable	1,750	-
TOTAL	<u>46,231,344</u>	<u>105,655,542</u>

6 DEFERRED TAX ASSET (Net) :

Particulars	As at 31st March 2013 (In ₹)	As at 31st March 2012 (In ₹)
Deferred Tax Liability :		
Total Deferred Tax Liability (A)	<u>-</u>	<u>-</u>
Deferred Tax Asset :		
Preliminary Expenses u/s 35D	1,97,305	1,87,909
Total Deferred Tax Asset (B)	<u>1,97,305</u>	<u>1,87,909</u>
TOTAL	<u>1,97,305</u>	<u>1,87,909</u>



7 PROVISIONS :

Particulars	Long Term As at 31st March 2013 (In ₹)	Short Term As at 31st March 2013 (In ₹)	Long Term As at 31st March 2012 (In ₹)	Short Term As at 31st March 2012 (In ₹)
Provision for employee benefits				
Provision for Gratuity	29,534	82	-	-
Provision for Leave Salary	1,66,875	57,398	-	-
Provision for Leave Travel Allowance	-	57,745	-	-
Provision for Superannuation	-	67,356	-	-
TOTAL	1,96,409	1,82,581	-	-

8 PRE-OPERATIVE EXPENSES / PROJECT DEVELOPMENT EXPENDITURE :

Particulars	As at 31st March 2013 (In ₹)	As at 31st March 2012 (In ₹)
Opening Balance Brought Forward [a]	2,676,950	-
Employee Benefit Expenses		
Salaries and Allowances	24,709,717	-
Leave Salary	2,24,273	-
Superannuation Expenses	67,356	-
Gratuity Expenses	29,616	-
Staff Welfare Expenses	76,666	-
Sub-total [b]	25,107,628	-
Other Expenses		
Advertisement & Publicity Expenses	1,551,704	-
Director Sitting Fees	1,97,978	63,000
Insurance Expenses	87,006	-
Legal & Professional Expenses	67,72,575	50,000
Miscellaneous Expenses	9,26,622	34,200
Payment to Outsourced Persons	1,42,550	-
Recruitment & Training	17,60,394	-
Rent Expenses	6,37,500	-
RoC Fees	17,401,000	2,500,910
Stationery & Printing	97,256	750
Statutory Audit Fees	67,416	28,090
Travelling Expenses - Directors	1,79,913	-
Travelling Expenses - Others	2,340,781	-
Sub-total [c]	32,162,696	2,676,950
Depreciation [d]	1,469,113	-
Closing Balance (a+b+c+d)	61,416,387	2,676,950

9. FIXED ASSETS

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Op. Balance As at 1-Apr-12	Additions/ Adjustments During the Year	Deduction During the Year	CL Balance As at 31-Mar-13	Op. Balance As at 1-Apr-12	Additions During the Year	Deduction During the Year	CL Balance As at 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
TANGIBLE ASSETS										
Communication Equipments	-	60,800	-	60800	-	902	-	902	59,898	-
Computers	-	2,021,322	-	2,021,322	-	262,643	-	262,643	1,758,679	-
Furniture & Fittings	-	5,300	-	5,300	-	431	-	431	4,869	-
Total (A)	-	2,087,422	-	2,087,422	-	263,976	-	263,976	1,823,446	-
INTANGIBLE ASSETS										
Computer Software Right of Use / Right of Way	-	6,732,853 9,999,628	- -	6,732,853 9,999,628	- -	1,205,137 -	- -	1,205,137 -	5,527,716 9,999,628	- -
Total (B)	-	16,732,481	-	16,732,481	-	1,205,137	-	1,205,137	15,527,344	-
CAPITAL WORK IN PROGRESS	216,442,202	270,770,014	-	487,212,216	-	-	-	-	487,212,216	216,442,202
Total (C)	216,442,202	270,770,014	-	487,212,216	-	-	-	-	487,212,216	216,442,202
TOTAL (A+B+C)	216,442,202	289,589,917	-	506,032,119	-	1,469,113	-	1,469,113	504,563,006	216,442,202
Previous Year	-	216,442,202	-	216,442,202	-	-	-	-	216,442,202	N.A.

Note: i) Depreciation amounting to Rs.14,69,113/- (Previous Year Rs. Nil) 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.8.



10 LOANS AND ADVANCES :

Particulars	Long Term As at 31st March 2013 (In ₹)	Short Term As at 31st March 2013 (In ₹)	Long Term As at 31st March 2012 (In ₹)	Short Term As at 31st March 2012 (In ₹)
Capital Advances				
Unsecured, considered good	20,956,057	-	-	-
Security Deposit Given				
Unsecured, considered good	17,271,600	2,25,000	-	-
Other Loans & Advances				
Unsecured, considered Good				
Advance Tax and TDS (net of Provision)	2,08,400	-	-	64,715
Loans & Advances to Employees	-	17,935	-	-
Other Advance Payments	-	93,257	-	-
Prepaid Expenses	-	68,512	-	-
TOTAL	38,436,057	4,04,704	-	64,715

11 OTHER ASSETS :

Particulars	Non-Current As at 31st March 2013 (In ₹)	Current As at 31st March 2013 (In ₹)	Non-Current As at 31st March 2012 (In ₹)	Current As at 31st March 2012 (In ₹)
Unsecured, considered good				
Non-Current Bank Balances (Note No. 12)	10,000	-	-	-
Others				
Others Receivables	-	1,89,194	-	-
Interest Accrued-But Not Due-Deposits	362	3,63,234	-	4,87,714
TOTAL	10,362	5,52,428	-	4,87,714

12 CASH AND BANK BALANCES :

Particulars	Non-Current As at 31st March 2013 (In ₹)	Current As at 31st March 2013 (In ₹)	Non-Current As at 31st March 2012 (In ₹)	Current As at 31st March 2012 (In ₹)
Cash and Cash Equivalents				
Balances with Banks				
In Current Accounts	-	25,646,944	-	14,117,234
Fixed Deposit with original maturity of less than 3 months	-	182,500,000	-	75,000,000
Cash on Hand	-	27,549	-	-
	-	<u>208,174,493</u>	-	<u>89,117,234</u>
Other Bank Balances				
Margin Money Deposit - Bank Guarantees	10,000	-	-	-
Total	<u>10,000</u>	<u>208,174,493</u>	<u>-</u>	<u>89,117,234</u>
Amount disclosed under Other Non-Current Assets (Note No.11)	-10,000	-	-	-
TOTAL	<u>-</u>	<u>208,174,493</u>	<u>-</u>	<u>89,117,234</u>

13 OTHER INCOME :

Particulars	For the Year ended 31st March 2013 (In ₹)	For the Year ended 31st March 2012 (In ₹)
Interest Income		
Interest on Fixed Deposits with Banks	9,457,863	8,15,983
TOTAL	<u>9,457,863</u>	<u>8,15,983</u>

14 PRELIMINARY EXPENSES WRITTEN OFF :

Particulars	For the Year ended 31st March 2013 (In ₹)	For the Year ended 31st March 2012 (In ₹)
RoC Fees & Filing Expenses	-	6,08,120
TOTAL	<u>-</u>	<u>6,08,120</u>

15 SHARE APPLICATION MONEY PENDING ALLOTMENT :

The company has received ₹ 2,11,53,850/- as share application money on 30th March, 2013 from Bharat Petroleum Corporation Limited against which 21,15,385 equity shares of ₹ 10/- each at par have been allotted on 10th April 2013.

The equity shares issued shall rank pari-passu with existing equity shares of the company.

In the opinion of the management, the Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money received.



- 16 The Company was incorporated on 13th October, 2011. Accordingly, previous year figures are from 13th October, 2011 to 31st March, 2012.

17 **CONTINGENT LIABILITY :**

Bank Guarantee/Letter of Credit issued and outstanding as on 31st March 2013 is for an amount of ₹10,000/- (Previous year Rs. NIL). There are no other contingent liability nor any claim against the company acknowledge as debt as on the balance sheet date.

18 **CAPITAL & OTHER COMMITMENT :**

Capital commitment:

Estimated amount of contracts remaining to be executed on capital account and not provided for is approximately ₹ 120,07,47,622 (Previous year ₹110,49,52,411/-).

Other Commitment: Nil

19 **PAYMENT TO AUDITORS :**

Particulars	2012-13	2011-12
For Statutory Audit	67,416	28,090
For other services	-	-
For reimbursement of expenses	-	-
TOTAL	67,416	28,090

- 20 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.

21 **EXPENDITURE / INCOME IN FOREIGN CURRENCY :**

There is no expenditure / earnings in foreign currency during the year as well as previous year.

- 22 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.

23 **EARNINGS PER SHARE :**

Particulars	2012-13	2011-12
Net Profit/(Loss) after current and deferred tax	6,544,779	1,43,632
Weighted average number of equity shares	42,679,035	44,66,824
Basic EPS	0.15	0.03
Total weighted average number of equity shares including Potential equity shares	42,679,035	44,66,824
Diluted EPS	0.15	0.03
Face value / Nominal value of share	10	10

- 24 The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the company is given below.

Particulars	2012-13	2011-12
Principal amount remaining unpaid as on 31st March 2013	73,407	-
Interest due thereon as on 31st March 2013	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Interest accrued and remaining unpaid as at 31st March 2013	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

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.

25 EMPLOYEE BENEFITS :

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

Particulars	2012-13	
	Gratuity	Leave Salary
Mortality	LIC (1994-96) published table for mortality rate	
Withdrawal rate	5% at younger age reducing to 1% at old age	
Retirement Age	60	
Discount Rate Current Period	8.2%	8.2%
Rate of Return on Plan Assets Current Period	N.A.	N.A.
Salary Escalation Current Period	7%	7%



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	2012-13	
	Gratuity	Leave Salary
Table showing change in benefit obligation		
Opening defined benefit obligation	-	-
Interest Cost	-	-
Current Service Cost	29,616	2,24,273
Benefit Paid	-	-
Actuarial Loss / (gain) on Obligations	-	-
Liability at the end of the period	29,616	2,24,273
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	-	-
Actuarial gain / (loss) on Plan Assets	-	-
Net Actuarial (gain) / loss recognised during the period	-	-
Amount recognised in Balance Sheet		
Liability at the end of the period	29,616	2,24,273
Fair Value of Plan Asset at the end of the period	-	-
Net Amount recognised in the Balance Sheet	29,616	2,24,273
Expense recognised as Preoperative Expenses		
Current Service cost	29,616	2,24,273
Interest cost	-	-
Expected return on Plan Asset	-	-
Net Actuarial Loss / (gain) to be recognised	-	-
Expense recognised as Preoperative Expenses	29,616	2,24,273
Current Liability	82	57,398
Non Current Liability	29,534	1,66,875
Total Liability	29,616	2,24,273

Note: The company did not have any employee during previous year. Therefore, disclosure under AS15 (revised 2005) 'Employee Benefit' has not been made.

26 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	2012-13 Amount ₹	2011-12 Amount ₹
Gujarat State Petroleum Corporation Ltd. (Ultimate Holding)		
Expenditure Reimbursement Paid	1,168,384	-
Expenditure Reimbursement Received	40,711	-
Gujarat State Petronet Ltd. (Holding)		
Expenditure Reimbursement Paid	24,695,073	75,924,266
Expenditure Reimbursement Received	1,797,530	-
Investment in Equity Shares by GSPL	200,000,000	200,500,600
Indian Oil Corporation Ltd. (Co-promoter)		
Expenditure Reimbursement Paid	9,058,351	-
Sitting Fees	43,708	-
Investment in Equity Shares by IOCL	150,250,300	-
Bharat Petroleum Corporation Ltd. (Co-promoter)		
Sitting Fees	21,854	-
Investment in Equity Shares by BPCL	63,567,430	-
Equity Share Application Money Received & Pending Allotment	21,153,850	-
Hindustan Petroleum Corporation Ltd. (Co-promoter)		
Sitting Fees	5,618	-
Pipeline Crossing Charges Paid	234,270	-
Refundable Deposit for RoW Given	150,000	-
Investment in equity shares by HPCL	63,567,430	-
GSPL India Transco Limited (Fellow Subsidiary)		
Expenditure Reimbursement Received	78,905	-
Key Managerial Personnel		
Sitting Fees#	73,708	40,000

* 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.



GSPL INDIA GASNET LIMITED

Details of Outstanding Balance with Related Parties :

Name of Related Party	2012-13 Amount ₹	2011-12 Amount ₹
Gujarat State Petroleum Corporation Ltd. (Ultimate Holding)		
Account Receivable	-	-
Account Payable	739,566	-
Gujarat State Petronet Ltd. (Holding)		
Account Receivable	189,194	-
Account Payable	3,926,395	12,767,512
Indian Oil Corporation Ltd. (Co-promoter)		
Account Receivable	-	-
Account Payable	9,000	-
Bharat Petroleum Corporation Ltd. (Co-promoter)		
Account Receivable	-	-
Account Payable	4,500	-
Hindustan Petroleum Corporation Ltd. (Co-promoter)		
Account Receivable - Security Deposit	150,000	-
Account Payable	-	-
GSPL India Transco Limited (Fellow Subsidiary)		
Account Receivable	-	-
Account Payable	-	-
Key Managerial Personnel		
Account Receivable	-	-
Account Payable	-	-

- 27 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.
- 28 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.
- 29 Some of the employees working for the company are on the roll of promoter Gujarat State Petronet Ltd. 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.
- 30 The figures appearing in financial statements are rounded off to the nearest Rupees.
- 31 The previous year figures have been regrouped or reclassified, wherever necessary.

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 : 9-5-2013

For and on behalf of Board of Directors,

Tapan Ray, IAS **Ravindra Agrawal** **N. Bose Babu**
Chairman Director Director

Place : Gandhinagar
Date : 7-5-2013

GSPC MARGINAL FIELDS LIMITED

**1st Annual
Report**

Board of Directors

Shri Tapan Ray, Director (Till 30th March 2013)
Shri Subhash Dave, Director (Till 28th June 2012)
Shri Manish Verma (from 29th June 2012 onwards)
Shri N. K. Mitra (from 31st March 2013 onwards)
Shri Ujjal Ghosh (Till 25th Sep 2013)
Shri Samir Biswal (from 26th Sep 2013 onwards)

Bankers

Corporation Bank

Auditor

Mukesh B Dhruv & Co.,
Chartered Accountant,
Ahmedabad.

Corporate & Registered Office

GSPC Bhavan, B/h. Udyog Bhavan,
Sector-11, Gandhinagar-382011.

DIRECTORS REPORT

The Members

GSPC Marginal Fields Limited

Your Directors have pleasure in presenting the 1st Annual Report together with the Audited Statement of Accounts for the period ended 31st March, 2013.

BUSINESS ACTIVITIES & PERFORMANCE HIGHLIGHTS

The Company was incorporated for operating marginal fields i.e. CB-ONN-2002/3 - Sanand-Miroli Block, CB-ONN-2003/2 - Ankleshwar Block and Unawa field. Till date no commercial activity has been started. Since necessary regulatory approval has not been obtained, the participating interest in the said 3 blocks could not be assigned from Gujarat State Petroleum Corporation Limited (GSPC) to the Company.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits during the year.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 read with sections of Companies Act, 2013 notified by Ministry of Corporate Affairs, Shri N. K. Mitra, Shri Manish Verma and Shri Samir Biswal are proposed to be regularised at the ensuing Annual General Meeting.

Shri Tapan Ray, IAS and Shri Ujjal Ghosh have resigned from the Board of Directors of the Company. Your Directors wish to place on record appreciation of services rendered by Shri Tapan Ray, IAS and Shri Ujjal Ghosh as Director of 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 has appointed M/s Mukesh B Dhruv and Co., Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the period ended on 31st March 2013.

The company has received "Nil comment report from the office of CAG for the financial year ended 31st March, 2013 which is annexed herewith and forms part of Directors' Report".

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 loss 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.

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:

Foreign Exchange earnings - ₹ NIL

Foreign Exchange Outgo - ₹ NIL

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.

For and on behalf of Board of Directors

Samir Biswal
Director

Manish Verma
Director

Date : 14th December, 2013
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 MARGINAL FIELDS LIMITED FOR THE PERIOD FROM 21 FEBRUARY 2012 TO 31 MARCH, 2013.

The preparation of financial statements of GSPC Marginal Fields Limited for the period from 21 february 2012 to 31 March, 2013 in accordance with the financial reporting frame work prescribed under the Companies Act, 1956 is the responsibility of the management of 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 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 Auditors Report dated 08 October 2013.

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 Marginal Fields Limited for the period from 21 february 2012 to 31 March, 2013. 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 & Auditors General of India**

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

**Place : Ahmedabad
Date : 12th December 2013**

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
GSPC Marginal Fields Ltd

Report on the Financial Statement

We have audited the accompanying financial statements of GSPC Marginal Fields Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the period 21/02/2012 to 31/03/2013, 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, 2013;
- b) In the case of the statement of Profit and Loss Account, of the loss for the period 21/02/2012 to 31/03/2013 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.
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 ,Mukesh B.Dhruv & Co.
Chartered Accountants

Place: Ahmedabad
Date: 8th Oct 2013

Sole Proprietor
Membership No. 012962
FRN NO.106606w

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Paragraph 3 of the Auditors' Report of even date to the members of GSPC Marginal Fields Limited, on the Financial Statements for the period ended on 31st March, 2013.

- (I) (a) The Company has not acquired any fixed assets hence no Fixed Assets register is maintained.
- (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. 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, 2013 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 NIL, and it has incurred cash losses during the current financial year is ₹ 70,172.
- (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.
- (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 and 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 made an allotment of 50,060 shares of ₹10 each resulting the increase in Share Capital by ₹ 5,00,600.
- (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, Mukesh B Dhruv & Co.
Chartered Accountants

Place: Ahmedabad
Date: 8th Oct 2013

Sole Proprietor
Membership No. 012962
FRN NO.106606w

GSPC MARGINAL FIELDS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

		Amount in ₹
Particulars	Note No.	As at 31st March 2013
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	3	500,600
(b) Reserves and surplus	4	(70,172)
(c) Money received against share warrants		-
2 Share Application Money Pending Allotment		
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	5	-
(b) Trade payables	6	39,264
(c) Other current liabilities	7	3,933
(d) Short-term provisions	8	35,393
TOTAL		509,018
B ASSETS		
1 Non-current assets		
(a) Fixed assets		
(i) Tangible assets		-
(ii) Intangible assets		-
(iii) Capital work-in-progress	9	-
(iv) Intangible assets under development		-
(b) Non-current investments		-
(c) Deferred tax assets (net)		-
(d) Long-term loans and advances	10	-
(e) Other non-current assets		-
2 Current assets		
(a) Current investments		-
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and cash equivalents	11	473,950
(e) Short-term loans and advances		-
(f) Other current assets	12	35,068
TOTAL		509,018
See accompanying notes forming part of the financial statements		

As per our report of even dated attached herewith

For, GSPC Marginal Fields Limited.

For Mukesh Dhruv & Co.
Chartered Accountants
F.R.No.106606w

CA. Mukesh Dhruv
Sole Proprietor
M.No.012962

Place : Ahmedabad
Date : 8th Oct 2013

Samir Biswal
Director

Rajesh Sivadasan
AGM (F & A)

Manish Verma
Director

Place : Gandhinagar
Date : 8th Oct 2013

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 21.02.2012 TO 31.03.2013

		Amount in ₹
Particulars	Note No.	As at 31st March 2013
A CONTINUING OPERATIONS		
1 Revenue from operations (gross)		-
Less: Excise duty		-
Revenue from operations (net)		-
2 Other income	13	-
3 Total revenue (1+2)		-
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	70,172
Total expenses		70,172
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(70,172)
6 Exceptional items		-
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		(70,172)
8 Extraordinary items		-
9 Profit / (Loss) before tax (7 + 8)		(70,172)
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)		(70,172)
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)		(70,172)
15.I Earnings per share (of 10/- each):		
(a) Basic		
(i) Continuing operations		-1.40
(ii) Total operations		-1.40
(b) Diluted		NA
(i) Continuing operations		
(ii) Total operations		

As per our report of even dated attached herewith

For, GSPC Marginal Fields Limited.

For Mukesh Dhruv & Co.
Chartered Accountants
F.R.No.106606w

CA. Mukesh Dhruv
Sole Proprietor
M.No.012962

Place : Ahmedabad
Date : 8th Oct 2013

Samir Biswal
Director

Rajesh Sivadasan
AGM (F & A)

Manish Verma
Director

Place : Gandhinagar
Date : 8th Oct 2013

GSPC MARGINAL FIELDS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013

Particulars	Amount in ₹
	As at 31st March 2013
Cash Flow from Operating Activities	
Profit/ (Loss) after Tax	(70,172)
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	(70,172)
Add / Less : Working Capital Adjustments	
(Increase) / Decrease in other current Assets (-)	(35,068)
(Increase) / Decrease in loans & advances (-)	-
Increase / (Decrease) in current Liabilities (+)	78,590
Cash Generated from Operations	(26,650)
Inventories	
Add : Prior Period Adjustment / Exceptional Items - Pre - Operative Exps.	
Net Cash Flow from Operating Activities (A)	(26,650)
Cash Flow from Investing Activities	
Purchase of Assets / CWIP including Joint Ventures	
Reserves and Surplus	
Sale of Fixed Assets	
Interest / Dividend Income	
Net Cash Flow from Investing Activities (B)	-
Cash Flow from Financing Activities	
Proceeds from Share Capital	500,600
Proceeds from Advance towards Share Application Money	
Proceeds from Loans	
Repayment of Loans (Net)	
Interest / Dividend Paid	
Net Cash Flow from Financing Activities (C)	500,600
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	473,950
Cash and Cash equivalents at the Beginning of the Year	
Cash on hand	-
Bank Balances	-
Cash and Cash equivalents at the End of the Year	
Cash on hand	-
Bank Balances (including share in joint venture)	473,950
	473,950

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 Mukesh Dhruv & Co.
Chartered Accountants
F.R.No.106606w

CA. Mukesh Dhruv
Sole Proprietor
M.No.012962

Place : Ahmedabad
Date : 8th Oct 2013

For, GSPC Marginal Fields Limited.

Samir Biswal
Director

Manish Verma
Director

Rajesh Sivadasan
AGM (F & A)

Place : Gandhinagar
Date : 8th Oct 2013

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2013.**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 :

There are no foreign currency transactions.

D. Provision :

A provision is recognized when the Company has a present or constructive obligation.

E. Contingent Assets and Contingent Liabilities :

Contingent Assets are neither recognized nor disclosed in the financial statements. Management of the Company does not anticipate any contingent liability which is required to be disclosed under the notes.

F. Cash & Cash Equivalents :

Cash & cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at bank.

G. Revenue Recognition :

Revenue is recognized on accrual basis.

H. 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.

I. Amortisation :

Intangible assets, pre operative expenses has been amortized over a period of ten years and amortized value has been charged to profit and loss account every year.

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 31st March 2013
Authorised Equity Share Capital:	1,000,000
NOTE : Authorised capital was 1,00,000 equity shares of 10 each. Issued Subscribed and Fully Paid up Share Capital 50,060 Equity Shares of Rs. 10 each	500,600
TOTAL	500,600

Reconciliation of number of shares :

Amount in ₹

Particulars	As at 31st March 2013
Equity Shares :	
Number of Shares at the beginning of the year	-
Addition/ (Deduction)	50,060
Number of Shares at the end of the year	50,060

Shares held by Holding/ Ultimate Holding Company and/or their Subsidiaries/Associates:

Amount in ₹

Particulars	As at 31st March 2013
GSPC Limited - Holding Company	Percentage (%) 99.88%
	No. of shares 50,000

Terms and Conditions :

The Company has only one class of equity shares having face value of Rs 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 31st March 2013
Capital Reserve:	
Opening Balance	-
Addition / (Deduction)	
Closing Balance	-
Foreign Exchange Translation Reserve :	
Opening Balance	-
Addition / (Deduction)	-
Closing Balance	-
Profit and Loss:	
Opening Balance	-
Addition / (Deduction)	(70,172)
Closing Balance	(70,172)
BALANCE CARRIED TO BALANCE SHEET	(70,172)

5. Short Term Borrowing:

Amount in ₹			
Particulars	Classification	Rate of Interest	As at 31st March 2013
	Unsecured	NIL	-
Total			

6. Trade Payable :

Amount in ₹	
Particulars	As at 31st March 2013
Opening Balance	-
Addition / (Deduction)	39,264
Closing Balance	39,264
TOTAL	39,264

7. Other Current Liabilities :

Amount in ₹	
Particulars	As at 31st March 2013
Advance towards Share Application Money	-
Unpaid Duties and taxes	3,933
Other Payables	-
TOTAL	3,933

GSPC MARGINAL FIELDS LIMITED

8. Short Term Provisions :		Amount in ₹
Particulars		As at 31st March 2013
Provison for Expenses		35,393
TOTAL		35,393
9. Capital Work in Progress :		Amount in ₹
Particulars		As at 31st March 2013
Capital Work in Progress :		
Opening Balance		-
Addition / (Deduction)		-
Closing Balance		-
TOTAL		-
10. Long Term Loans and Advaces :		Amount in ₹
Particulars		As at 31st March 2013
Opening Balance		
Addition / (Deduction)		-
Closing Balance		-
TOTAL		-
11. Cash & Cash Equivalents :		Amount in ₹
Particulars		As at 31st March 2013
Cash on Hand		-
With Scheduled banks :		
In Current Accounts		473,950
TOTAL		473,950
12. Other Current Assets :		Amount in ₹
Particulars		As at 31st March 2013
Other Current Assets		35,068
Advance recoverable in cash or in kind or for value to be recovered.		-
TOTAL		35,068

13. Other Income :

Amount in ₹	
Particulars	As at 31st March 2013
Foreign Exchange (gain)/ loss	-
TOTAL	-

14. Operating & other Expenses :

Amount in ₹	
Particulars	As at 31st March 2013
Bank Charges	300
Company Roc Fees	300
LEGAL & PROFESSIONAL FEES	64,926
Preliminary Exps W/off	3,896
STATIONARY & PRINTING	750
TOTAL	70,172

15. 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.

16. Foreign Exchange Translation Reserve :

There is no Foreign Exchange Translation Reserve.

17. 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 50,000 fully paid up equity shares of ₹ 10 each and contributed ₹ 5,00,000 towards share capital.

b) Key Managerial Personal :

1. Shri Tapan Ray, Director (Till 30th March 2013)
2. Shri Subhash Dave, Director (Till 28th June 2012)
3. Shri Manish Verma (from 29th June 2012 onwards)
4. Shri N. K. Mitra (from 31st March 2013 onwards)
5. Shri Ujjal Ghosh (Till 25th Sep 2013)
6. Shri Samir Biswal (from 26th Sep 2013 onwards)

GSPC MARGINAL FIELDS LIMITED

c) 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	-	538,964	500,000	38,964
-	Directors	Sitting fees	-	-	-	-

18. 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".

19. Managerial Remuneration : NIL

20. Statutory Auditor's Remuneration :

Amount in ₹

Particulars	Current Year
Audit Fees	35,000
Other Matters	-
Total	35,000

21. Expenditure in foreign currency:

Amount in ₹

Particulars	Current Year
Professional Consultancy Fees	NIL
Cash Call paid to Operator	NIL
Other Misc expense :	NIL
Total	NIL

22. Capital Commitments :

There is no capital commitment's of the company.

23. 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 disclosers, if any, required under the act are not made.

"As per our report of even date"

For Mukesh Dhruv & Co.
Chartered Accountants
F.R.No.106606w

CA. Mukesh Dhruv
Sole Proprietor
M.No.012962

Place : Ahmedabad
Date : 8th Oct 2013

For, GSPC Marginal Fields Limited.

Samir Biswal
Director

Manish Verma
Director

Rajesh Sivadasan
AGM (F & A)

Place : Gandhinagar
Date : 8th Oct 2013

GSPC DISTRIBUTION NETWORKS LIMITED

1st Annual Report



Board of Directors :

Mr. Tapan Ray, IAS
Mr. Manish Kumar Verma
Mr. P.P.G. Sarma
Mr. Ravindra Agrawal
Mr. N. Bose Babu

Chairman.
Additional Director (w.e.f. 20-09-2012)
Additional Director (w.e.f. 20-09-2012)
Director
Director

Financial Institution / Bankers:

Gujarat State Financial Services Limited.
YES Bank Limited.

Statutory Auditors :

M/s. J. S. Maheshwari & Co.
Chartered Accountants
Ahmedabad.

Registered Office :

Block No.: 15, 3rd Floor,
Udyog Bhavan, Sector - 11,
Gandhinagar - 382 009.

NOTICE

NOTICE is hereby given that First Annual General Meeting of GSPC Distribution Networks Limited is scheduled to be held on Friday, 26th July, 2013 at 11:00 am at GSPC Bhavan, 3rd Floor, 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 2013, Statement of Profit and Loss and Cash Flow Statement for the period ended on that date, along with notes forming part of the same and Auditor's Report, Directors reports and Report of Comptroller and Auditor General of India thereon.
2. To fix remuneration of Statutory Auditors of the Company in terms of provisions of section 224(8) (aa) of the Companies Act, 1956 for Financial year 2012-13 and 2013-14.

SPECIAL BUSINESS :

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

"RESOLVED THAT in accordance with provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 Shri Tapan Ray, IAS, who was named as the director in the Article of Association of the Company as First Director and who holds office as such up to the date of this General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director and Chairman of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 Shri Ravindra Agrawal, who was named as the director in the Article of Association of the Company as First Director and who holds office as such up to the date of this General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 Shri N Bose Babu, who was named as the director in the Article of Association of the Company as First Director and who holds office as such up to the date of this General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Shri Manish Verma who was appointed by board as Additional Director to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Shri Manish Verma as a candidate for the office of the Director be and is here by elected and appointed as Director of the Company, liable to retire by rotation."

GSPC DISTRIBUTION NETWORKS LIMITED

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

"RESOLVED THAT Shri P.P.G. Sarma who was appointed by board as Additional Director to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Shri P.P.G. Sarma as a candidate for the office of the Director be and is here by elected and appointed as Director of the Company, liable to retire by rotation.

By order of the Board of the Directors
Authorized Signatory

Date 20/07/2013
Place : Gandhinagar

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPONT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER.
2. THE INSTUMENTS 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 adjustment thereof 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
EXPLANATOR STATEMENT PURSUANT TO SECTION
173 (2) OF THE COMPANIES ACT, 1956

ITEM NO. 3, 4 and 5

Shri Tapan Ray, IAS Shri Ravindra Agrawal and Shri N Bose Babu were named as the First Director of the company under Article 22 of the Articles of Association of the Company and shall hold office up to the date of this Annual General Meeting of the Company. The Company has received notices under section 257 of the Companies Act 1956 proposing their candidature for the office of the Director liable to retire by rotation.

None of the Directors except Shri Tapan Ray, IAS, Shri Ravindra Agrawal and Shri N Bose Babu is connected or interested in this Resolution. All Documents connected with the resolution are open for inspection by any members of the Company at the registered office of the Company on any working day during normal business hours.

ITEM NO. 6 and 7

The Board of Directors had appointed Shri Manish Verma & Shri P.P.G. Sarma as Additional Director of the Company on 20/09/2012 to hold office till the date of this Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing their Appointment for the office of Director of the Company.

None of the Directors except Shri Manish Verma and Shri P.P.G Sarma is connected or interested in this Resolution. All Documents connected with the resolution are open for inspection by any members of the Company at the registered office of the Company on any working day during normal business hours.

By order of the Board of the Directors
Authorized Signatory

Date 20/07/2013
Place : Gandhinagar

DIRECTORS REPORT

To
The Members,
GSPC DISTRIBUTION NETWORKS LIMITED.

Your Directors have pleasure in presenting the 1st Annual Report on the Business and Operations and Audited Accounts of the Company for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013.

PERFORMANCE HIGHLIGHTS :

Amount in ₹

Particulars	For the period from 21-02-2012 to 31-03-2013
Total Income	2,27,28,887
Total Expense	5,45,02,684
Profit / (Loss) Before Tax	(3,17,73,797)
Less : Provision for Taxation	68,67,087
Profit / (Loss) After Tax	(3,86,40,884)

SHARE CAPITAL :

Since incorporation of the Company, the Company has allocated 50,000 Equity Shares of ₹ 10/- each aggregating to ₹. 5,00,000/- to GSPC Gas Company Limited along with its nominee shareholders.

SHARE APPLICATION MONEY :

During the period under review, Company has received the share application money of ₹ 348/- Crores from GSPC GAS Company Limited.

Similarly, the Company has received Share Application money from Gujarat State Petronet Limited of ₹ 350/- Crores and Gujarat State Fertilizers & Chemicals Limited ₹ 150/- Crores on 02-05-2013 and 08-05-2013 respectively.

The Company is in the process of allotment of shares to all these applicants.

AUTHORISED SHARE CAPITAL :

During the period under review, your Company has increased Authorised Share Capital from ₹ 10,00,000/- divided into 1,00,000 equity shares of ₹ 10/- each to ₹ 1500,00,00,000/- divided into 150,00,00,000 equity shares of ₹ 10/- each by passing resolution in the meeting (3rd Extra Ordinary General Meeting) of the members of the company held on 21st March, 2013.

ISSUE OF NON CONVERTIBLE DEBENTURES :

On 1st April, 2013, your Company has floated Redeemable, Unlisted, Non Convertible Debenture (NCD) of ₹ 10,00,000/- (Rupees Ten Lakhs) each aggregating to ₹ 500/- Crores backed by the corporate guarantee of ₹ 500/- Crores of Gujarat State Petronet Limited and GSPC Gas Company Limited in favor of IDBI Trusteeship Services Limited.

The NCD were rated "CARE AA+ (SO)" issued by M/s. Credit Analysis and Research Limited (CARE), Rating Agency. Based on the said rating, the said NCDs are construed to offer high safety for timely servicing of debt obligation and carries very low credit risk. Your Directors are pleased to report that the said issue of NCD was subscribed to the extent of ₹ 500/- Crores.

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.

ACQUISITION OF 65.12% STAKE OF BG ASIA SPECIFIC HOLDINGS PTE. LIMITED, SINGAPORE IN GUJARAT GAS COMPANY LIMITED (GGCL) :

In pursuance to its objective of carrying on City Gas Distribution (CGD) business, your 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 i.e. 8,35,18,750 Equity Shares of ₹ 2/- each in Gujarat Gas Company Limited (GGCL - A Company engaged in CGD business) on 3rd October, 2012 for ₹ 2463.80 Crores. Your Company will get controlling stake 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.

OPEN OFFER TO PUBLIC SHAREHOLDERS OF GGCL:

During the year, your company completed Open Offer Process as per SEBI (SAST) Regulations, 2011 to purchase shares of GGCL from the public shareholders of Gujarat Gas Company Limited. Consequent to the same, your Company purchased 8.58% stake in Gujarat Gas Company Limited through Open Offer. Your Company paid consideration of ₹ 347,68,04,206/- to the shareholders of Gujarat Gas Company Limited under the Open offer on 23rd February, 2013 for purchase of 1,10,00,330 Equity Shares of ₹ 2 each.

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.

DIRECTORS :

Shri Tapan Ray, IAS, Shri Ravindra Agarwal and Shri N Bose Babu were appointed as First Directors on the Board of the Company as per Articles of Association of the Company.

Shri Manish Verma and Shri P.P.G Sarma were appointed as an Additional Directors to hold office till the first Annual General Meeting.

It is proposed to regularize the appointment of the aforesaid Directors at the 1st Annual General Meeting.

AUDITORS :

Your Company being a Government Company/Quasi Government Company, the Statutory Auditors has been 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. J. S. Maheshwari & Co. Chartered Accountants, Ahmedabad as the Statutory Auditors to carry out statutory audit of the Company for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013.

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:-

- That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2013 being the end of the financial year 2012-2013 and of the loss of the company for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013.

- 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.
- 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 :

- Conservation of Energy : NIL
- Technology Absorption : Your Company has not imported any technology.
- 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

Place : Gandhinagar
Date : 20-05-2013

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF GSPC DISTRIBUTION NETWORKS LIMITED, FOR THE YEAR ENDED 31 MARCH 2013.

The preparation of financial statements of GSPC Distribution Networks Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller 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 2013.

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 2013. 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) 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 : 03-07-2013

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, 2013, and the Statement of Profit and Loss for the period from 21st February, 2012 (Date of Incorporation) to 31st March 2013 and the Cash Flow Statement for the period from 21st February, 2012 to 31st March 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement Profit and Loss, of the "Loss" for the period from 21st February, 2012 to 31st March 2013; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period from 21st February, 2012 to 31st March 2013.

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 NETWORKS 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

(Ashish Maheshwari)
Partner
M. No. 412441

Place : Gandhinagar
Date : 20-05-2013

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 period from 21st February, 2012 to 31st March 2013.]

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, 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 does not require to maintain internal audit system as per clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 i.e. on commencement of the financial year, the paid up capital and reserves did not exceed ₹ 50 lacs nor the average turnover for the past three years was exceeding ₹ 500 lacs and accordingly the same is not applicable to the Company.

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, 2013 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 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 Companies (Auditor's Report) Order, 2003 is not applicable.

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

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 the Company has not issued any debentures during the year and hence clause 4(ixx) of the Companies (Auditor's Report) Order, 2003 is not applicable.

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 : 20-05-2013

(Ashish Maheshwari)
Partner
M. No. 412441

GSPC DISTRIBUTION NETWORKS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

		Amount in ₹
Particulars	Note No.	As at 31 st March 2013
I. EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	2	500,000
(b) Reserves and surplus	3	(38,640,884)
(c) Money received against share warrants		-
2 Share application money pending allotment	4	3,480,000,000
3 Non-current liabilities		
(a) Long-term borrowings	5	15,000,000,000
(b) Deferred tax liabilities (Net)	6	-
(c) Other Long term liabilities	7	31,931,506
(d) Long-term provisions		-
4 Current liabilities		
(a) Short-term borrowings		-
(b) Trade payables		-
(c) Other current liabilities		-
(d) Short-term provisions	8	27,852,307
TOTAL		18,501,642,929
II. ASSETS		
1 Non-current assets		
(a) Fixed assets		
(i) Tangible assets		-
(ii) Intangible assets		-
(iii) Capital work-in-progress		-
(iv) Intangible assets under development		-
(b) Non-current investments	9	3,476,804,206
(c) Deferred tax assets (net)		-
(d) Long-term loans and advances		-
(e) Other non-current assets		-
2 Current assets		
(a) Current investments	10	14,999,128,150
(b) Inventories		-
(c) Trade receivables		-
(d) Cash and Cash Equivalents	11	627,826
(e) Short-term loans and advances	12	2,353,860
(f) Other current assets	13	22,728,887
TOTAL		18,501,642,929
Significant Accounting Policies	1	
Notes on Financial Statements	2 to 30	

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, 2013

Tapan Ray, IAS
Director

Manish Kumar Verma
Director

Place : Gandhinagar
Date : 20 May, 2013

P. P. G. Sarma
Director

Ahmed Khan
Authorised Signatory

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2013

		Amount in ₹
Particulars	Note No.	For the period from 21.02.2012 to 31.03.2013
I. Revenue from operations (Gross)		-
Less: Excise Duty		-
Revenue from operations (Net)		-
II. Interest Income	14	22,728,887
III. Total Revenue (I + II)		<u>22,728,887</u>
IV. Expenses:		
Cost of materials consumed		-
Purchases of Stock-in-Trade		-
Changes in inventories		-
Employee benefits expense		-
Finance costs	15	32,415,636
Depreciation and amortization expense		-
Other expenses	16	22,087,048
Total expenses		<u>54,502,684</u>
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(31,773,797)
VI. (a) Prior Period Items		-
(b) Exceptional items		-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		(31,773,797)
VIII. Extraordinary Items		-
IX. Profit/(Loss) Before Tax (PBT) (VII- VIII)		(31,773,797)
X Tax expense:		
(1) Current tax		6,867,087
(2) Deferred tax		-
XI Profit (Loss) for the period from continuing operations (VII-VIII)		<u>(38,640,884)</u>
XII Profit/(loss) from discontinuing operations		-
XIII Tax expense of discontinuing operations		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-
XV Profit (Loss) for the period (XI + XIV)		<u>(38,640,884)</u>
XVI Earnings per equity share:	17	
(1) Basic (Rs.)		(1,106.21)
(2) Diluted (Rs.)		(1.18)
XVII Significant Accounting Policies	1	
Notes on Financial Statements	2 to 30	
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

Tapan Ray, IAS
Director

Manish Kumar Verma
Director

P. P. G. Sarma
Director

Ahmed Khan
Authorised Signatory

Place : Gandhinagar
Date : 20 May, 2013

Place : Gandhinagar
Date : 20 May, 2013

GSPC DISTRIBUTION NETWORKS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2013

		Amount in ₹
Particulars		For the period from 21.02.2012 to 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax		(31,773,797)
Adjustments for:		
Depreciation		-
Interest Expense		32,415,636
Dividend Income		-
Interest Income		(22,728,887)
Operating Profit before Working Capital Changes		(22,087,048)
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables		-
(Increase)/Decrease in Loan and Advance		(2,353,860)
(Increase)/Decrease in Other Current Assets		-
(Increase)/Decrease in Investments		-
Changes in Trade and Other Receivables		(2,353,860)
Increase/(Decrease) in Trade Payables		-
Increase/(Decrease) in Other Liabilities		-
Increase/(Decrease) in Provision for Expenses		20,501,090
Changes in Trade and Other Payables		20,501,090
Cash Generated from Operations		(3,939,818)
Extra Ordinary Items and Other Adjustments		-
Taxes Paid		-
Net Cash from Operating Activities		(3,939,818)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances.		-
Interest Received		-
Investment - Non Current		(3,476,804,206)
Investment - Current		(14,999,128,150)
Dividend Income		-
Net Cash used in Investing Activities		(18,475,932,356)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital		3,480,500,000
/Share Application Money		
Proceeds from Long-term borrowings		15,000,000,000
Proceeds from Short-term borrowings		-
Repayment of Long-term borrowings		-
Repayment of Short-term borrowings		-
Interest Paid		-
Dividend Paid (including tax thereon)		-
Net Cash from Financing Activities		18,480,500,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		627,826
Cash and Cash Equivalents at the beginning of the period		-
Cash and Cash Equivalents at the end of the period		627,826
Closing Cash and Cash Equivalents comprise:		
Cash in hand		-
Balances with Scheduled Banks		627,826
Balances in Fixed Deposits		-

Notes to Cash Flow Statement :

- 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.
- Figures in bracket indicate Cash outflow.

For, J. S. Maheshwari & Co.
Chartered Accountants
Firm Regn. No.: 001318C

(Ashish Maheshwari)
Partner
M. No. 412441

Place : Gandhinagar
Date : 20th May, 2013

For, GSPC Distribution Networks Limited
Tapan Ray, IAS
Director

Manish Kumar Verma
Director

Place : Gandhinagar
Date : 20th May, 2013

P. P. G. Sarma
Director

Ahmed Khan
Authorised Signatory

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 21.02.2012 TO 31.03.2013

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.

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 NETWORKS 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.

Note 2. Share Capital

2.1 AUTHORISED, ISSUED, SUBSCRIBED, FULLY PAID UP SHARE CAPITAL

As at 31 st March 2013		
Share Capital	No. of Shares	(₹)
Authorised Share capital *		
Equity Shares of ₹10 each	<u>1,500,000,000</u>	<u>15,000,000,000</u>
Issued Share capital		
Equity Shares of ₹10 each	50,000	500,000
Subscribed Share capital		
Equity Shares of ₹10 each	50,000	500,000
Fully Paid up Share Capital		
Equity Shares of ₹10 each fully paid	50,000	500,000
Total	<u>50,000</u>	<u>500,000</u>

* The Resolution passed in the meeting of the members of the company held on 21st March, 2013 for increased of authorised share capital from ₹ 10,00,000/- divided into 1,00,000 equity shares of ₹ 10/- each to ₹ 1500,00,00,000/-divided into 150,00,00,000 equity shares of ₹ 10/- each.

2.2 RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

As at 31 st March 2013		
Equity Shares of ₹ 10 each fully paid		
Particulars	No. of Shares	(₹)
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	50,000	500,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	50,000	500,000

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 NETWORKS LIMITED

2.4 PROPOSED DIVIDEND

As at 31 st March 2013		
Equity Shares of ₹ 10 each fully paid		
Particulars	No. of Shares	(₹)
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 :

As at 31 st March 2013			
Share Holder	Nature of Relationship	Equity Shares of ₹ 10 each fully paid (Number)	(₹)
GSPC GAS Company Limited with nominee's.	Holding Company	50,000	500,000

(B) DISTRIBUTION OF SHAREHOLDING PATTERN (With Voting Rights)

As at 31 st March 2013		
Name of Share Holder	No. of Shareholders	Total No. of Equity Shares
Equity Shares of ₹ 10 each fully paid		
GSPC GAS Company Limited , (Holding Company)	1	49,940
Shareholding by Nominees of GSPC GAS Company Limited	6	60
TOTAL	<u>7</u>	<u>50,000</u>

2.6 SHAREHOLDERS HOLDING MORE THAN 5% OF TOTAL SHARE CAPITAL

As at 31 st March 2013		
Name of Share Holder	No. of Shareheld	% of Holding
Equity Shares of ₹ 10 each fully paid		
GSPC GAS Company Limited , (Holding Company) with Nominee's.	50,000	100%

2.7 ALLOTMENT OF SHARES FOR CONSIDERATION OTHER THAN CASH, BONUS SHARES AND BUYBACK OF SHARES

Particulars	As at 31 st March 2013
Equity Shares:	(Aggregate No. of Shares)
Fully paid pursuant to contract(s) without payment being received in	-
Fully paid up by way of bonus shares	-
Shares bought back	-

2.8 CALLS UNPAID BY DIRECTORS AND OFFICERS

Unpaid Calls	No. of Shares held	As at 31 st March 2013 (₹)
By Directors	-	-
By Officers	-	-

2.9 FORFEITED SHARES

Forfeited Shares	No. of Shares held	As at 31 st March 2013 (₹)
Forfeited Shares	-	-
Originally Paid up	-	-

Note 3 RESERVES AND SURPLUS

Reserves and Surplus	(₹)	As at 31 st March 2013 (₹)
Surplus in Statement of Profit and Loss		
Opening balance	-	
(+) Net Profit/(Net Loss) For the current year	(38,640,884)	
(+) Transfer from Reserves	-	(38,640,884)
Less : Appropriations:		
(-) Proposed Dividends	-	
Total Appropriations	-	-
Closing Balance		<u>(38,640,884)</u>
Total		(38,640,884)

Note 4 SHARE APPLICATION MONEY PENDING ALLOTMENT

4.1 The Company has received the share application money from the following applicant:

Sr. No.	Name of applicants	As at 31.03.2013 in (₹)
1	GSPC GAS Company Limited	3,480,000,000
	Total	<u>3,480,000,000</u>

GSPC DISTRIBUTION NETWORKS LIMITED

4.2 Terms and Conditions

The Company has signed the term sheet with Share Applicant and proposed to issue the shares at face value of ₹ 10 each against Share Application Money received.

4.3 Authorised Share Capital

At present, the Authorised share capital of the company is ₹ 1500,00,00,000/- divided into 150,00,00,000 equity shares of ₹ 10/- each. The resolution passed in the meeting of members of the company held on 21st March, 2013 for increased of authorised capital up to ₹ 1500 Crores. In the opinion of the management, the Company has sufficient authorised share capital to cover the share capital amount on allotment of shares out of share application money received.

4.4 Interest Accrued on Amount due for refund

Not applicable as there is no amount to be refunded to share applicant(s).

4.5 Period for Allotment

The period of allotment is not fixed as there is no condition / terms in the term sheet signed with share applicant with respect to time limit of allotment, however, company intends to make the allotment during the financial year 2013-2014.

Note 5. LONG TERM BORROWINGS

Long Term Borrowings	As at 31.03.2013 in (₹)
MEDIUM TERM LOAN	
Unsecured Term Loan	
Others - From Financial Institutions.	
Gujarat State Financial Services Limited	15,000,000,000
	<u>15,000,000,000</u>
Terms and Repayment Schedule.	
- Medium Term loan from financial institutions was taken during the financial year ended on 31.03.2013 and carries interest @ 9.25% p.a. The loan is repayable along with interest after 18 months from the date of loan.	
-Demand Promissory Note and Post dated cheques for repayment of principal and interest	
- None of the loan has been guaranteed by the directors or others.	
- None of the loan has been taken from the related party(ies).	
In case of continuing default as on the balance sheet date in repayment of loans and interest	
The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.	-
Total	<u><u>15,000,000,000</u></u>

Note 6. DEFERRED TAX LIABILITY / ASSETS (NET)

Major components of deferred tax liability and assets are as follows:

Component	Deferred Tax Asset as on 31.03.2013 (₹)	Deferred Tax Liability as on 31.03.2013 (₹)
Expenditure disallowed under the Income Tax Act, 1961	-	-
TOTAL	-	-
Net Amount Recognised in the Balance sheet	-	-
Increasing/(Decreasing) during the year and recognised in Profit and Loss Statement	-	-

As per Accounting 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 which such deferred tax assets can be realised. The Company has not recognised deferred tax asset in view of the reasonable certainty that sufficient future taxable income will not be available.

Note 7. OTHER LONG TERM LIABILITIES

Other Long Term Liabilities	As at 31.03.2013 (₹)
Interest Accrued but not due on long term borrowings	31,931,506
Total	<u>31,931,506</u>

Note 8. SHORT TERM PROVISIONS

	As at 31 st March 2013	
Short term Provisions	(₹)	(₹)
I. Provision for Taxation	<u>7,351,217</u>	7,351,217
II. Provision for Expenses		
Provision for Auditor Remuneration	28,090	
Provision for Expenses of increased Authorised Share Capital	<u>20,473,000</u>	<u>20,501,090</u>
Total		<u>27,852,307</u>

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 (₹)	Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
1	2	3	4	5	6	7	8	9	10
			As at 31 March 2013			As at 31 March 2013	As at 31 March 2013		
(a)	Investment in Equity Instruments								
1	Gujarat Gas Company Limited	Others	11,000,330	Quoted	Equity Shares of ₹ 2 each fully paid	8.58%	3,476,804,206	Yes	-
	Total						<u>3,476,804,206</u>		
Aggregate amount of quoted investments and market value thereof :							2,638,429,151		

Note: The company had given an open offer to purchase shares of GGCL from the public shareholders of GGCL and had purchased 8.58% stake in GGCL through Open Offer .The Company had paid share consideration of ₹ 3,455,973,676.10/- to the shareholders of Gujarat Gas Company Limited along with interest of ₹ 20,830,530.11/- @10% p.a. for the period of 22 Days commencing from February 1, 2013 (Scheduled Payment Date) being the last date for payment of consideration under Open Offer. The total payment of consideration with interest of ₹ 347,68,04,206.21 had made to the shareholders of Gujarat Gas Company Limited under Open offer on 23rd February, 2013 for 1,10,00,330 Equity Shares of ₹ 2 each.

Note 10. CURRENT INVESTMENTS

Current Investments				As at 31 st March 2013 (₹)
Certificate of Deposit - Banks				
Sr. No.	Name of CD	No. of Units	Date of Purchase	
1	IDBI Bank	20,000	25.03.2013	1,919,084,000
2	IDBI Bank	40,000	26.03.2013	3,840,044,000
3	Punjab National Bank	50,000	26.03.2013	4,698,665,000
4	Punjab National Bank	40,000	26.03.2013	3,669,884,000
5	Andhra Bank	9,500	26.03.2013	871,451,150
* Face value per CD- ₹ 1 lakh				
Total				14,999,128,150

Note 11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents	As at 31 st March 2013	
	(₹)	(₹)
Cash and cash equivalents		
I. Balances with banks		
(a) in Current Accounts	627,826	
(b) Deposits with Original Maturity	-	
(c) in unpaid Dividend Account	-	627,826
II. Cheques/Drafts on Hand		-
III. Unpaid Matured Deposits		-
IV. Cash on Hand		-
Total		<u><u>627,826</u></u>

Note 12. SHORT TERM LOAN & ADVANCES

SHORT TERM LOAN & ADVANCES		As at 31 st March 2013 (₹)
Advances Recoverable in Cash or kind or value to be received.		
Advances to Related Parties		
(Unsecured, considered good)		2,353,860
- GSPC GAS Company Limited (Holding Company)		
Total		2,353,860

GSPC DISTRIBUTION NETWORKS LIMITED

Note 13. OTHER CURRENT ASSETS

Other Current Assets	As at 31 st March 2013 (₹)
Interest Accrued but not due on Certificate of Deposit	22,728,887
Total	22,728,887

Note 14. OTHER INCOME

Particulars	For the period ended 31.03.2013 (₹)
I. Interest Income on Certificate of Deposit	22,728,887
Total	22,728,887

Note 15. FINANCE COSTS

Particulars	For the period ended 31.03.2013 (₹)
I. Interest on Loan	31,931,506
II. Interest on Current Tax	484,130
Total	32,415,636

Note 16. OTHER EXPENSES

Particulars	For the period ended 31.03.2013 (₹)
Membership Fees	56,180
Legal, Professional & Consultancy Fees	1,466,680
Auditor Remuneration	28,090
Bank Charges	-
Preliminary Expenses	63,098
Registration Fees for Increased Authorised Share Capital	20,473,000
Miscellaneous Expenses	-
Total	22,087,048

PAYMENTS TO AUDITORS

Particulars	For the period ended 31.03.2013 (₹)
a. for audit	28,090
b. for taxation matters	-
c. for company law matters	-
d. for management services	-
e. for other services	-
f. for reimbursement of expenses	-
Total	28,090

Note 17. EARNINGS PER SHARE (EPS):

Particulars		For the period ended 31.03.2013 (₹)
Profit / (Loss) attributable to equity shareholders	₹	(38,640,884)
Weighted average number of ordinary equity shares for Basic EPS	Nos.	34,931
Weighted average number of ordinary equity shares for DPS	Nos.	32,861,642
Nominal Value of equity share	₹	10
Basic EPS	₹	-1,106.21
Diluted EPS	₹	-1.18

Note 18. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments (to the extent not provided for)	As at 31 st March 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	-
(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	24,638,031,250
Sub Total (ii)	24,638,031,250
TOTAL (Subtotal (i) and (ii))	24,638,031,250

GSPC DISTRIBUTION NETWORKS LIMITED

Note 19. VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	For the period ended 31.03.2013 (₹)
(a) Raw Materials	-
(b) Components and Spare Parts	-
(c) Capital goods	-

NOTE 20. EXPENDITURE IN FOREIGN CURRENCIES

Particulars	For the period ended 31.03.2013 (₹)
(a) Know -how, Royalty	-
(b) Professional and Technical Consultancy Fees etc.	-
(c) Interest Expense	-
(d) Others Expenses:	-

NOTE 21. EARNINGS IN FOREIGN CURRENCIES

Particulars	For the period 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 22. 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 23. 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)	Holding Company
2	Gujarat State Petroleum Corporation Ltd (GSPC)	Ultimate Holding Co. of Holding Company
3	Gujarat State Petronet Limited (GSPL)	Subsidiary of Ultimate Holding Company Company

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 :

Sr. No.	Nature of transactions	Transaction With Related Party	Amount in (₹)
1	Reimbursement of Preliminary Expenses	GSPC GAS	63,098
2	Reimbursement of Legal, Prof. & Consultancy Fees	GSPC GAS	1,466,680
3	Bank Guarantee Charges recovered	GSPC GAS	3,820,540
4	Equity Share Capital - Initial Subscription	GSPC GAS	500,000
5	Share Application Money Received	GSPC GAS	3,480,000,000
7	Corporate Bank Guarantee given by	Gujarat State Petronet Limited	2,000,000,000

D. Outstanding Balances with Related Parties :

Sr. No.	Nature of transactions	Transaction With	Amount in (₹)
1	Advances to Related Parties	GSPC GAS	2,353,860
2	Share Application Money Received	GSPC GAS	3,480,000,000

Note 24 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 25 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 26 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.

Note 27 The Equity shares of 50,000 to the subscribers to the Memorandum and Articles of Association has been considered and made allotment.

Note 28 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

GSPC DISTRIBUTION NETWORKS LIMITED

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.

Note 29 The Company was incorporated on 21.02.2012 and the first accounting year is from 21.02.2012 to 31.03. 2013. The present period under review is covered under the first Accounting year period ended on 31.03.2013, therefore the requirement of disclosure of the corresponding figures for the previous year is not applicable.

Note 30 Figures are rounded off to the nearest rupee.

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, 2013

Tapan Ray, IAS
Director

P. P. G. Sarma
Director

Manish Kumar Verma
Director

Ahmed Khan
Authorised Signatory

Place : Gandhinagar
Date : 20 May, 2013