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GUJARAT STATE PETROLEUM CORPORATION LIMITED

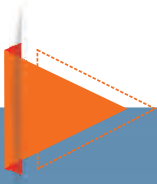
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GUJARAT STATE PETROLEUM CORPORATION LIMITED
36th ANNUAL REPORT
2014-15

Board of Directors

Shri G. R. Aloria, IAS (w.e.f. 28th July, 2015)	Chairman
Dr. J. N. Singh, IAS (w.e.f. 12th November, 2014)	
Shri L. Chuauungo IAS (w.e.f. 12th November, 2014)	
Dr. Manjula Subramaniam, IAS (Retd.) (w.e.f. 30th March, 2015)	Independent Women Director
Shri M. M. Srivastava, IAS (Retd.)	
Shri K. Kailashnathan, IAS (Retd.)	
Dr. N. Ravichandran	Independent Director
Dr. Ravindra Dholakia (w.e.f. 2nd March, 2015)	Independent Director
Prof. Yogesh Singh(w.e.f. 30th March, 2015)	Independent Director
Shri Atanu Chakraborty, IAS (w.e.f. 1st November, 2014)	Managing Director

Cessation of Director

Shri Tapan Ray, IAS (Upto 30th September, 2014)
 Shri D J Pandian, IAS (Retd.) (Upto 8th April, 2015)
 Dr. T. Harinarayana (Upto 11th July, 2015)
 Shri Manoj Kumar Das, IAS (Upto 27th April, 2015)
 Dr. Varesh Sinha, IAS (Retd.) (Upto 31st October, 2014)
 Dr. Hasmukh Adhia, IAS (Upto 5th November, 2014)
 Shri Yogesh Sinha (upto 31st August, 2014)

Executives

Shri N. K. Mitra, Chief Operating Officer
 Shri Samir Biswal, Director (Exploration)
 Shri Bosebabu, - In charge - KG Asset
 Shri Alok Chaudhuri, Sr. Vice President (E&C)
 Shri Gopal Pallipuram, (Chief Financial Officer)
 Shri Jayesh Dave, SVP (Accounts)
 Shri R N Pandey, GM (R&D)
 Shri Bharat Goswami, SVP (HR)
 Shri Sandeep Dave, Company Secretary & DGM (S&L)

Bankers

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

Statutory Auditors

P. Singhvi & Associates
 Chartered Accountants.
 Ahmedabad

Internal Auditors

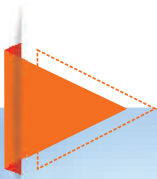
KPMG

RT&A

Karvy Computershare Pvt.Ltd.

Corporate & Registered Office
 GSPC Bhavan, Sector-11,
 Gandhinagar-382010





BOARD OF DIRECTORS



Shri G. R. Aloria, IAS
Non-Executive Chairman

Shri G R Aloria is the Non-Executive Chairman of the Company. He is a Graduate in Economics and Law. Shri Aloria has wide experience in public administration. He has served as Additional Chief Secretary Home, Principal Secretary, Urban Development, Vice Chairman and Managing Director of State Road Transport Corporation; Joint Managing Director, Sardar Sarovar Narmada Nigam Ltd etc. amongst many other important assignments. He is presently Chief Secretary, Government of Gujarat.



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

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



Shri L. Chuaungo, IAS
Non Executive Director

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



Dr. Manjula Subramaniam, IAS (Retd.)
Woman Independent Director

Dr. Manjula Subramaniam, IAS (Retd.) is a Woman Independent Director on the Board of Directors of the Company. Dr. Manjula Subramaniam is a senior Retd., IAS Officer. She was Chief Secretary to Govt. of Gujarat and Chief Vigilance commissioner of Gujarat. She is M.sc.(Physics), Doctorate in Commerce, Masters' in Public Administration at Harvard University. Dr. Manjula A. Subramaniam, IAS (Retd.) served as Principal Secretary, Energy and Petrochemicals Department at Government of Gujarat. Dr. Subramaniam, IAS (Retd.) has Vast experience in the fields of Administration and Management. She has held distinguished positions in the Government of Gujarat and was chairperson and Director in many Government of Gujarat promoted companies.



Shri Manmohan Srivastava, IAS (Retd.)
Non Executive Director

Shri M M Srivastava, IAS, (Retd.) is a non-executive Director of the Company. He is a retired IAS officer having wide administrative and corporate experience. Shri M M Srivastava, IAS, (Retd.) has graduated in Science from Delhi University and has completed his Masters in Physics from Delhi University. He has also done MBA (Marketing) from University of Ljubljana, Slovenia. He has held various positions in Government Departments prior to his retirement including Member (Finance), Gujarat Electricity Board, Managing Director of Gujarat Agro Industries Corporation, Commissioner of Commercial Tax Department, Principal Secretary of Energy and Petrochemicals Department and Additional Chief Secretary of Finance Department, Government of Gujarat. At present, he is the Chairman of Gujarat State Petronet Limited (GSPL).



Shri Kuniyil Kailashnathan, IAS (Retd.)
Non-Executive Director

Shri Kuniyil Kailashnathan, IAS (Retd.) is a non-executive Director of the Company. He is a senior IAS officer having wide administrative and corporate experience. Shri Kuniyil Kailashnathan, IAS (Retd.) is a Post Graduate in M.Sc. (Chemistry) and M.A. (Economics (U.K.)) from Madras University and University of Wales (U.K), respectively. In his earlier assignments, he was closely associated with industrial development and privatisation of Ports in Gujarat, in his capacity as industries commissioner, vice chairman and chief executive officer of Gujarat Maritime Board. Shri Kuniyil Kailashnathan (Retd.) has worked in the urban sector, as municipal commissioner of Ahmedabad and Principal Secretary, Urban Development. At present, he is the Chief Principal Secretary to Hon'ble Chief Minister of Gujarat.



Dr. N. Ravichandran
Independent Director

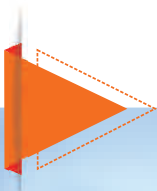
Dr. N. Ravichandran is an Independent Director of our Company and holds a Masters degree in Science with specialization in mathematics from Annamalai University, Tamil Nadu. He is also a Ph.D in Mathematics from Indian Institute of Technology, Madras. Dr. N. Ravichandran has served as professor, production and qualitative methods area, Indian Institute of Management, Ahmedabad and Director of Indian Institute of Management, Indore. Presently he is professor at Indian Institute of Management, Ahmedabad.



Dr. Ravindra Dholakia
Independent Director

Dr. Ravindra Dholakia from Ahmedabad aged 61 years is a Professor of Economics and Public Systems in IIM Ahmedabad and has 37 years of experience. He is Master of Arts (Gold Medalist), Ph. D. in Economics (MSU, Baroda) and Post-Doctoral Fellow (Uni. Of Toronto). He is a Director on the Boards of Air India, Adani Enterprises Limited and Union Bank of India. He was a Member of the Sixth Central Pay Commission and has worked as an expert Member on numerous High Powered Committees appointed by the Government of India and State Government of Gujarat. He has published several books, monographs and research papers in the field of economic development and policies.





Prof. Yogesh Singh
Independent Director

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



Shri Atanu Chakraborty, IAS
Managing Director

Shri Atanu Chakraborty, IAS is the Managing Director, GSPC. Shri Atanu Chakraborty, IAS is an Engineering Graduate with specialization in Electronics and Communication and has done his Post Graduate Diploma in Business Finance and subsequently MBA from UK (Business Administration). He has wide experience of working in various State as well as Central Government Departments and Public Sector Undertakings. Shri Chakraborty has served in the districts of Vadodara, Sabarkantha and was Collector of Amreli district. At Gandhinagar, he has served in Finance, Home, Tribal Development and Labour Departments. Shri Atanu Chakraborty, IAS has also worked as Principal Secretary (Economic Affairs), Finance Department, Govt. of Gujarat.

Shri Atanu Chakraborty, IAS has also served as Managing Director, Gujarat State Financial Services Ltd., Chief Executive Officer, Gujarat Infrastructure Development Board, CEO of Gujarat Maritime Board and Managing Director, Gujarat State Fertilizers and Chemical Ltd. In the Central Government, he served as Joint Secretary in the Ministry of Finance.

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

DIRECTORS' REPORT

To,
The Members,
 Your Directors have pleasure in presenting the 36th Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March 2015.

STATEMENT OF COMPANY'S AFFAIRS

FINANCIAL PERFORMANCE

The audited Standalone Financial performance for the year ended March 31, 2015 is summarized below:

Particulars	(₹. In crores)	
	31 st March, 2015	31 st March, 2014
Revenue from Operations (Net)	10,956.59	11,927.20
Other Income	81.31	110.62
Total Revenue	11,037.90	12,037.82
Production Expenditure-E&P	116.29	102.57
Cost of Traded Goods	10,230.03	10,019.79
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	(61.98)	1.50
Employee Benefits Expense	14.61	15.61
Finance Cost	51.03	33.82
Depreciation, Amortization, Depletion and Impairment	100.98	102.83
Other Expenses	42.08	54.00
Exploration cost written off	513.03	1,610.69
Total Expenses	11,006.07	11,940.81
Profit Before Tax and Adjustments	31.83	97.01
Prior period Adjustments	0.11	0.00
Profit Before Tax	31.72	97.01
Tax Expenses	8.01	61.52
Profit for the Period	23.71	35.49

There was an adverse impact on profitability of the Company on account of writing off exploration cost of Rs. 513.03 crores and lower than expected margins from gas trading during the Financial Year 2014-15.

Highlights of financial performance of the Company is as under:

The Company has recorded;

- Total revenue of ₹. 11,037.90 crores in the financial year 2014-15 as against total revenue of ₹. 12,037.82 crores in previous financial year recording decrease of 8.30%.

- PBT of ₹. 31.72 crores in the financial year 2014-15 as against PBT of ₹. 97.01 crores in previous financial year recording decrease of 67.30%.
- PAT of ₹. 23.71 crores in the financial year 2014-15 as against PAT of ₹. 35.49 crores in previous financial year recording decrease of 33.19%.

Share Capital

During the financial year, paid up share capital of the Company has increased from ₹. 248.62 Crore to ₹. 252.45 Crore on account of infusion of additional equity by the Government of Gujarat.

BUSINESS:

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

Segment wise performance highlights are summarized below:

I. Upstream Business Activities

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

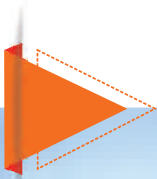
Technology plays an important role in E&P sector. The Company has inducted best in class technology in all spheres of its exploration, development and production activities. In addition, your Company has also entered into strategic service agreements with reputed service providers like Schlumberger, Halliburton, Baker Hughes, M I Overseas, B J Services, Weatherford, ITS, Precision Drilling, Fugro, Blade energy, EIL, Xodus, Barea & Associates, L&T, Genesis, ABS, RPS Energy, E-Frac 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 has drilled a total of 18 exploratory/appraisal wells, some of these wells were drilled to 6000m depth, which are among the deepest wells globally.





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

The overall strategy for development of KG Offshore block is one involving an integrated development of Deen Dayal Area. The basis of development is to complete the development of Deen Dayal field by building production facility in the DDW area. The second phase would involve integrated Declaration of Commerciality (DOC) and development of other six discovery areas, among them are DDE, DDN, DDW-DT and DD NE. The integrated DOC was submitted to DGH/MOPNG in February 2013 and the same was reviewed/approved by DGH/MOPNG. An integrated development plan is under preparation and the same would be submitted shortly to the DGH.

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

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

All the hard work put in by thousands of workers, technicians and engineers at different levels helped your Company to commission several project facilities.

In spite of multiple challenges (including agitation by fishermen / local people, delay in statutory clearances, etc), the Company has started trial production from the Deen Dayal West (DDW) field.

DDWFDP - WHP & PLQP



A. Well Head Platform

Wellhead Platform (WHP) has been installed and commissioned. WHP has facilities for carrying out drilling operation from the slots present at well bay area with the help of Modular Rig mounted on top of it. WHP is bridge connected to Process cum Living Quarter Platform (PLQP). Three wells drilled and connected to processing facility at PLQP in financial year 2014-15 and are currently under trial production. Fourth well has been drilled. The field is under trial production.

B. Process Cum Living Quarter Platform (PLQP)

The Process cum Living Quarter Platform project has been commissioned in June, 2014.

C. Submarine Pipeline

The Submarine Pipeline Project has been commissioned in May, 2014. The gas produced from the wells after processing at PLQP is currently flowing to OGT through submarine pipeline.

D. Onshore Gas Terminal

Onshore Gas Terminal (OGT) has been commissioned. Majority of process units/equipments are commissioned.

DDWFDP - GSPC Officials monitoring at OGT



1.2 Other E & P block

1. Operated Blocks

- Oil production from Ingoli & Sanand East Field of Ahmedabad block is close to 850-900 BOPD from 6 wells. A new oil zone in the four wells of Sanand East Field have been discovered which is flowing @ 70-75 BBL per day. The DoC (Declaration of Commerciality) of GSAH-5 oil discovery has been reviewed by MC (Management Committee) and FDP is under preparation to finalize the strategy for its development.

- Tarapur Block is currently under production and the Company is producing Oil & Gas from two fields i.e. Tarapur-1 & Tarapur-G, of about 80-90 BOPD & about 15000-18000 cubic meter of gas per day prospectively. Mining Lease for Tarapur-6 field has been obtained and your company will add another around 600 BBL of Oil per day shortly.
- Mining Lease for Part-A of CB-ONN-2002/3 block has been obtained and also the RFDP for new oil pool in Kalol reservoir has been submitted for approval. The Company is expecting to produce additional 125 BBL of Oil per day by the end of year 2015.
- 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 & Ankleshwar (Ank-40S) oil discovery have already been approved by the Management Committee (MC). Ank-21 & Miroli Field has been put on production. Mining Lease for Ank-40S has been granted by the State Govt. and creation of production facility is in progress.
- Sub surface geo-scientific work on development/redevelopment for oil discoveries at Tarapur-1, Ingoli field are currently under evaluation at Directorate General of Hydrocarbons (DGH). Similarly, work on field development plan is initiated for seven marginal oil discoveries of Tarapur Ring- Fence Production Sharing Contract (RFPSC). One Appraisal well in Ahmedabad Extension area was drilled and found oil bearing in Kalol reservoir.

1.3 Non Operated Blocks - Domestic

- In non-operated blocks portfolio, some discoveries have been made by your company's partner ONGC, pursuant to drilling campaign carried out. In the block CB-ONN-2004/1 (Karannagar), about 2-3 Cubic meter of oil is produced per day from Karannagar-1. 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, Mining Lease for Vadatal-1 has been obtained and production of around 60BoPD started. FDP of Vadatal-3 & 5 has been reviewed by MC and ONGC is preparing to drill two development wells in FY 2015-16 to enhance the production. In block MB-OSN-2005/1, during drilling of first well NBA-1, encouraging results were obtained. While drilling well NAA-1 also encouraging results were obtained from Daman formation. In GK-OSN-2009/1, first well drilled to 3730m in early Eocene flowed gas around 194,360 Cu. M/day during testing.
- Oilex, the Operator of Cambay Field wherein Company holds 55% participating interest has completed drilling

of horizontal well-77H to test tight hydrocarbon potential. Based on the outcome of the 1st well, 2 more wells have been planned to further delineate the areal extent of the tight reservoirs within the field.

- Heramec is the operator of Dholasan, Allora, Kanawara and North Kathana fields wherein company holds 70% PI. Operator has completed drilling of two substitute wells in Dholasan which are under testing. One development well has also been drilled in Kanawara field. Allora and North Kathana are on regular production.
- Niko Resources Limited (NRL), Operator for Hazirafield in which GSPC holds 66.67% PI, has submitted the Abandonment & Site Restoration Plan of Hazira field for MOP&NG/DGH/MC's approval. NRL which expects the production from Hazira to continue till March 2016 plans to commence field abandonment and site restoration of Hazira field in a phased manner from April 2016. Starting with onshore wells followed by the LBDP wells, offshore wells and finally the onshore Gas Plant, the abandonment and site restoration of the whole field is expected to be completed in 24 months.
- HOEC, the operator of Asjol, North Balol and Palej (CB-ON/7) fields wherein GSPC holds 50%, 45% & 35% PI respectively has continued the regular production as per plan.

II. Midstream Business Activities:

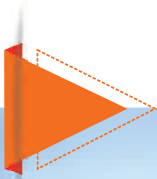
2.1 Gas Trading

Your Company in its role as a 'Gas Demand Aggregator' for customers across Gujarat continued to procure gas from international markets, independently as well as through other suppliers, to meet the demand for gas. Your Company marketed about 8.75 MMSCMD gas in the FY 2014-15 to cater to demand from various segments, including demand from City Gas Distribution (CGD) companies across the State and also marketed gas to customers in 8 states outside Gujarat.

The major achievements in Gas trading business for the current financial year 2014-15 are summarized below:

- The Company achieved **Sales turnover of more than ₹. 10,000 crores** despite volatility experienced by the markets in the year owing to several factors, including crash in oil markets.
- The Company successfully imported 20 LNG cargoes directly (18 LNG cargoes at Dahej and 2 LNG cargoes at Hazira) from global markets.
- The Company emerged as a successful bidder in several tenders invited by customers from various segments and sold **more than 500 MMSCM of gas** through such competitive bidding process.





- Commenced supplies of gas to several Industrial customers, including SMEs, in industrial clusters across the State, including Sanand GIDC and Dahej SEZ.
- Secured capacity access at HLPL, Hazira equivalent to 12 LNG cargoes for 2015 & 2016 each.
- Successfully executed swapping mechanism for commissioning of Onshore Gas Terminal for its Deen Dayal West (DDW) fields in Andhra Pradesh.
- The Company is currently marketing gas in 9 states namely Gujarat, Maharashtra, Goa, NCR, Uttar Pradesh, Madhya Pradesh, Karnataka, Punjab and Haryana.

The Company has also entered into 29 Master LNG sales & purchase agreements with leading global companies for its short/ medium term gas requirements

2.2 Gas Transmission

Operational Performance of Subsidiaries in Gas Transmission Business.

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 2192 kilometers of gas pipelines as on 31st March, 2015. GSPL has transported 8395 mmscm of gas during the financial year 2014 - 15 as compared to 7693 mmscm during the previous financial year

GSPL has effective firm GTAs of 22.99 mmscmd for transmission of gas to various customers and interruptible / short - medium term GTAs for 5.96 mmscmd (Previous year: firm GTAs of 26.56 mmscmd and interruptible GTAs of 4.88 mmscmd).

GSPL, the pipeline and gas transmission company of the GSPC group, has not only emerged as India's premier pipeline and gas transmission Company but also earned a name for itself for its highly enviable safety track record. GSPL has bagged International Safety Awards from British Safety Council for 5 years continuously.

GSPL is re-certified to Integrated Management Systems (ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007) with validity till 30th October, 2017.

The Petroleum & Natural Gas Regulatory Board has awarded 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%) in all the projects.

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

• GSPL India Transco Limited (GITL)

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

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

• GSPL India Gasnet Limited (GIGL)

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

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

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

Laying of pipeline requires various approvals, clearances, permission etc. from multiple authorities including Right of Use (ROU), Environment clearance, wildlife & forest clearances, permission from other authorities etc. GIGL and GITL have achieved significant progress in obtaining statutory clearances/ permissions. Keeping in view the progress achieved in obtaining various statutory clearances, GIGL and GITL have initiated process for implementing sections of the project where statutory clearances, environment approvals and ROU have already been received and floated EPC tenders in respect thereof.

GIGL and GITL have requested PNGRB for extension of timeline for commissioning the Projects due to delay in obtaining statutory approvals and response from PNGRB is awaited.

Financial Performance of Subsidiaries in Gas Transmission Business.

Gujarat State Petronet Limited (GSPL)

- GSPL has recorded total Income ₹. 1116.60 crore during the financial year 2014-15 as against ₹. 1105.88 crore in previous financial year.
- GSPL has recorded PBT of ₹. 660.32 crore during the financial year 2014-15 as against ₹. 658.30 crore in previous financial year.
- GSPL has recorded PAT of ₹. 410.36 crore during the financial year 2014-15 as against ₹. 419.15 crore in previous financial year.

GSPC India Transco Limited (GITL)

- GITL has recorded total interest Income of ₹. 2.17 crores and Net Profit of ₹. 1.47 crores during the financial year 2014-15.

GSPL India Gasnet Limited (GIGL)

- GIGL has recorded total interest Income of ₹. 1.89 crores and Net Profit of ₹. 1.28 crores during the financial year 2014-15.

2.3 LNG terminal

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

Financial performance of GSPC LNG Limited (GSPC LNG)

- GSPC LNG has recorded total Interest Income of ₹. 0.40 crore during the financial year 2014-15 as against Rs. 1.60 crore in previous financial year. The interest income after provision for tax is adjusted against CWIP as the Company is under Project phase.

During the financial year under review, GSPC LNG Limited has ceased to be the subsidiary of the Company due to change in control over Management, however the same shall continue to be an Associate Company of GSPC as GSPC (along with its subsidiary GSPL) holds more than 20% equity in the Company.

III. Downstream Business activities**Operational Performance of Subsidiaries and Associates in Gas Distribution business.****3.1 City Gas Distribution**

In the downstream section of integrated gas value chain, the group Companies have achieved milestones as follows;

- **Gujarat Gas Limited**

Scheme of Amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited into GSPC Distribution Network Limited was approved by Hon'ble High Court of Gujarat vide oral order dated 30th March, 2015 and certified true copy thereof has been received on 18th April, 2015. The same has been filed with ROC on 14th May, 2015 and

thus GSPC Gas Company Limited, Gujarat Gas Company Ltd and other transferor companies have ceased to exist on 14th May, 2015.

GSPC Distribution Network Limited has subsequently changed its name and is now known as Gujarat Gas Limited.

Gujarat Gas Limited is supplying natural gas to more than 5,43,200 domestic households, 2,034 commercial and non-commercial segments and 1,955 industrial customers.

Gujarat Gas Limited also supplies natural gas in the form of Compressed Natural Gas (CNG) through 163 CNG stations across the state that caters to more than 90,000 vehicles per day.

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

Unaudited Financial performance of GSPC Gas Company Limited

- GSPC Gas has recorded total Income ₹. 6510.08 crore during the financial year 2014-15 as against ₹. 4667.51 crore in previous financial year.
- GSPC Gas has recorded PBT of ₹. 461.14 crore during the financial year 2014-15 as against loss of ₹. 134.68 crore in previous financial year.
- GSPC Gas has recorded PAT of ₹. 283.98 crore during the financial year 2014-15 as against loss of ₹. 103.39 crore in previous financial year.

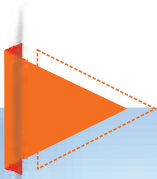
Unaudited Financial performance of GSPC Distribution Network Limited (GDNL)

Unaudited Consolidated financial performance of GSPC Distribution Network Limited (including its subsidiaries Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited) is as follows;

- GDNL has recorded total Income of ₹. 2598.88 crore during the financial year 2014-15 as against ₹. 3235.38 crore in previous financial year.
- GDNL has recorded PBT of ₹. 255.55 crore during the financial year 2014-15 as against loss of ₹. 379.56 crore in previous year.
- GDNL has recorded PAT of ₹. 115.42 crore during the financial year 2014-15 as against loss of ₹. 204.11 crore in previous year.

GSPC Distribution Network Limited is now known as Gujarat Gas Limited after approval of merger of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited into GSPC Distribution Network Limited





- **Sabarmati Gas Limited (SGL)**

SGL has customer base of 86,427 domestic customers, 244 industrial customers and 471 commercial establishment as well as 38 CNG stations in three Districts of North Gujarat.

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

Financial performance of Sabarmati Gas Limited (SGL)

- SGL has recorded PBT of ₹. 115.99 Crores during the financial year 2014-15 against the PBT of ₹. 37.78 Crores in the previous financial year.
- SGL has recorded PAT of ₹. 110.84 Crores during the financial year 2014-15 against the PAT of ₹. 31.15 Crores in the previous financial year.

IV. Power Generation:

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

- **Gujarat State Energy Generation Ltd. (GSEG)**

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

Financial performance of Gujarat State Energy Generation Limited (GSEG) based on provisional figures

- GSEG has recorded total Income of ₹. 125.16 crore during the financial year 2014-15 as against ₹. 119.27 crore in previous financial year.
- GSEG has recorded Loss ₹.(125.99) crore during the financial year 2014-15 as against ₹. (178.47) crore in previous financial year.

- **GSPC Pipavav Power Company Limited (GPPC)**

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

Financial performance of GSPC Pipavav Power Company Limited (GPPC) based on provisional figures

- GPPC has recorded total Income of ₹. 338.20 crore during the financial year 2014-15 as against ₹. 13.03 crore in previous financial year.

- GPPC has recorded a Loss ₹. 36.28 crore during the financial year 2014-15 as against loss of ₹. 306.54 crore in previous financial year.

4.2 Alternate sources of Power Generation :

Your Company being committed to promote clean and green energy has also set up alternate sources of power generation. The Company has set up a 71.4 MW wind farm in Gujarat. GSPL your Company's subsidiary, has also set up a 52.5 MW wind farm in Gujarat. The total wind power generation capacity of GSPC Group is 123.9 MW.

V. Other Operations

5.1 IT Infrastructure

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

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

Financial Performance of Guj Info Petro Limited (GIPL)

- GIPL has recorded total Income of ₹. 38.71 crores during the financial year 2014-15 against ₹. 44.50 crores in previous financial year.
- GIPL has recorded PBT of ₹. 8.81 crores during the financial year 2014-15 as against ₹. 12.76 crores in previous financial year.
- GIPL has recorded PAT of ₹.5.75 crores during the financial year 2014-15 as against ₹. 8.68 crores in previous financial year

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 technologically feasible solutions for various problems encountered in exploration, drilling 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**.

Change in nature of Business

There has been no change in the nature of business of the Company.

Material Change and Commitments affecting financial position between the end of Financial Year and date of Report.

No Material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company other than those specifically highlighted in this report.

Significant or Material Order passed by the Regulator or Tribunal or Court.

No Significant or material orders were passed by the regulator or court or tribunals which impact the going concern status and Company's operations in future.

Credit Rating

CRISIL has revised its rating downwards from AA/Negative to AA-/Negative for the Long Term Loan. CRISIL has maintained its rating of A1+ for Short Term Loan. CRISIL has also revised its rating downwards from CRISIL AA/Negative' to CRISIL AA-/Negative for Unsecured NCDs with 8 year, 10 year and 15 year maturity and AA-/Negative' to A+ /Negative for Unsecured NCDs with 60 years of maturity and Compulsorily Convertible Debentures downward from CRISIL AAr/Negative to AA-r/Negative.

CARE has revised its rating downwards from AA+ to AA for the Long Term Loan. CARE has maintained its rating of A1+ for Short Term Loan. CARE has also revised its rating downwards from AA+ to AA for Unsecured NCDs with 8 year, 10 year and 15 year maturity and AA to AA- for Unsecured NCDs with 60 years of maturity.

Deposits

During the year, the Company has not accepted any Fixed Deposits under Chapter - V of the Companies Act, 2013 from the public.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF EACH OF ITS SUBSIDIARY, ASSOCIATE AND JOINT VENTURES COMPANIES

ASSOCIATE AND JOINT VENTURES COMPANIES

Pursuant to the Section - 129 (3) of the Companies Act, 2013 read with Rule - 5 of the Companies (Accounts) Rules, 2014, the salient features of Financial Statement of subsidiaries and associates in Form AOC-I is attached as **Annexure - II** which forms part of this report.

Particulars of Loans, Guarantees and Investments

The Company being infrastructure Company as specified under Schedule - VI of the Companies Act, 2013, is exempted from the provision of Section - 186 except sub-section-186(1) of Companies Act, 2013 with respect to Inter-Corporate loans, guarantees and securities. However the relevant details are furnished in the notes to financial statement which forms part of the Annual Report.

INTERNAL FINANCIAL CONTROL

The Company has put in place efficient internal control systems and processes commensurate with its size and scale of operations. The Company has appointed M/s KPMG to carry out 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.

The Company has in place adequate internal financial controls with reference to financial statements.

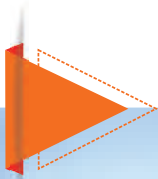
The Company has Audit Committee which periodically reviews the Internal Auditor's report, undertakes corrective actions in required areas and thereby help to strengthen the controls. Internal control systems and processes put in place are commensurate with its size and scale of operations.

Further, based on the framework of Internal financial controls and systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial auditors and the reviews performed by Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT

At GSPC, adherence to high standards of Quality, Health, Safety & Environment (QHSE), 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 established effective management protocols and procedures and adopted auditing mechanisms and the recommendations of such audits are consistently implemented. The Company has taken many initiatives during the year to achieve continuous improvement, which includes comprehensive incident and 'near-miss' reporting and investigation system, establishing Emergency Response Plan and Oil Spill Response Plan, Safety and Environmental audits and Systematic HSE Training for employees. These are periodically reviewed, audited and upgraded for continuous excellence.

The HSE efforts of the Company have been recognized by OISD (Oil Industry Safety Directorate) and on 3rd December 2014, the Company has received the Best "Nearmiss Incident" Reporting Organisation - E&P Drilling Rigs Award. The Company has achieved an impressive milestone of incident free commissioning of both the onshore and offshore facilities of Deen Dayal Project in KG offshore and consistently maintained Zero incident record of operations in both onshore Assets and Offshore operations.

Towards sustainable development of operations, GSPC has been giving importance to environmental protection as one of our primary objectives in QHSE. During the reporting period GSPC has commenced massive green belt plantation in our Onshore terminal and also encouraged large scale plantations around our onshore work sites. Our efforts of reducing wastes and emissions are reflected through implementation of 3R principles of wastes management (Reduce, Recycle and Reuse) in our operations.

To create safety awareness amongst employees, the Company organizes various programs like Celebration of National Safety Day, Fire Services Day and World Environment Day and other awareness drives towards Energy Conservation, Defensive driving etc 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 handling of hydrocarbons, importance of the clean and environment friendly fuel and the safety measures required.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure - III** to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors have developed and implemented Corporate Social Responsibility Policy of the Company. The brief outline of the Corporate Social Responsibility Policy, composition of CSR Committee of Directors, reasons for not spending CSR expenditure and other required disclosures

related to CSR are attached herewith as **Annexure - IV** as per the format prescribed under the Companies (Corporate Social Responsibility) Rules, 2014.

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.

HR initiatives 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. 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 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 in 2013 to facilitate the HR objectives and company's business needs.
- The Company has also started following new HR initiatives :
 - Mentorship Programs for new Joinees
 - Team building programme called "Magic of We"

DIRECTORS & KEY MANAGERIAL PERSONNELS

Appointment of Directors

Shri G. R. Aloria, IAS, Chief Secretary, Government of Gujarat has been appointed as Chairman of the Company w.e.f. 28th July, 2015.

Shri Atanu Chakraborty, IAS has been nominated by Government of Gujarat as Managing Director of the Company w.e.f. 1st November, 2014 and Shri M. K. Das, IAS was nominated by Government of Gujarat as Joint Managing Director of the Company w.e.f. 8th July, 2014.

The Board of Director at its meeting held 12th November, 2014 has approved appointment of Dr. J. N. Singh, IAS, Additional Chief Secretary, (FD) and Shri L. Chuungo, IAS, PS (EPD) as Additional Directors on the Board of the Company.

Independent Directors

The Shareholders at its Annual General Meeting held on 30th December, 2014 has approved appointment of Dr. N. Ravichandra (DIN :- 02065298) as Independent Director on the Board for a period of 5 year w.e.f. 30th December, 2014.

The Board of Directors has approved appointment of Dr. Ravindra Dholakia (DIN :- 00069396) as Independent Director on the Board w.e.f. 2nd March, 2015 for a period of five year subject to approval of the Shareholders at General Meeting. Further the Board has also approved appointment of Dr. Manjula Subramanian, IAS (Retd.) (DIN :- 00085783) and Prof. Yogesh Singh (DIN :- 06600055) as Independent Directors on the Board w.e.f. 30th March, 2015 for a period of five year subject to approval of the Shareholders at General Meeting. It is proposed to seek approval of Shareholders at the next General Meeting of the Company.

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

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013.

Resignation and Cessation of Directors

The details of resignation and Cessation of Directors during the year under review are as follows;

- Dr. Varesh Sinha, IAS (Retd.), has resigned as Chairman of the Company w.e.f. 31st October, 2014 consequent to his retirement from the services on superannuation.
- Dr. Hasmukh Adhia, IAS has resigned as Director of the Company w.e.f. 5th November, 2014 consequent to his transfer as Secretary to Government of India, Department of Finance Services, Ministry of Finance.
- Shri Tapan Ray, IAS has resigned as Managing Director of the Company w.e.f. 30th September, 2014 consequent to his transfer to Department of Electronics and Information Technology, New Delhi, GOI.
- Shri M.K. Das, IAS has resigned as Jt. Managing Director of the Company w.e.f. 27th April, 2014 consequent to his

transfer as Principal Secretary to Government, Food, Civil Supplies & Consumer Affairs Department

- Shri D. J. Pandian, IAS (Retd.) has ceased to be Nominee Director of Government of Gujarat on the Board and Chairman of the Company w.e.f. 8th April, 2015 pursuant to GoG communication.
- Dr. T. Harinarayana has ceased to be Nominee Director of Government of Gujarat on the Board pursuant to GoG communication and his resignation.

The Board of Director of your Company place on record appreciation of services rendered by Dr. Varesh Sinha, IAS (Retd.), Dr. Hasmukh Adhia, IAS, Shri Tapan Ray, IAS, Shri M.K. Das, IAS, Shri D. J. Pandian, IAS (Retd.) and Dr. T. Harinarayana.

Appointment and Resignation of Key Managerial Personnel's.

The Board of Directors has approved appointment of Shri Atanu Chakraborty, IAS as Managing Director of the Company.

Further the Board of Directors has approved appointment of Key Managerial Personnel Shri Manish Verma as Chief Financial Officer and Shri Sandeep Dave as Company Secretary w.e.f. 1st April, 2014. However Shri Manish Verma has resigned as Chief Financial Officer w.e.f. 16th March, 2015.

Particulars of Managerial Remuneration and Employees

Your Company being Government Company is exempted from furnishing information under Section - 197 of the Companies Act, 2013 vide Ministry of Corporate Affairs notification dated 5th June, 2015.

Meeting of the Board

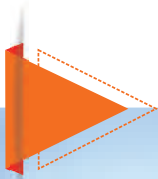
7 meetings of Board of Directors were held during the financial year 2014-15.

Board Evaluation

Your Company being a Government Company, performance evaluation of Government officials in IAS cadre who are appointed on the Board is done by Government of Gujarat as per its own evaluation methodology. MCA has vide notification dated 5th June, 2015 has exempted a Government Company from formal evaluation by the Board of its own performance pursuant to Section - 134 (3) (p) of the Companies Act, 2013 as the Director are evaluated by Government of Gujarat

Since requisite Independent Directors were appointed in the month of March, 2015 separate meeting of Independent Director for evaluation of performance of non-Independent





Director will be held in compliance with the provision of Companies Act, 2013 during the calendar year 2015.

AUDIT COMMITTEE

The Company has constituted Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013. The Audit Committee consists of following Directors:

Name of Directors	Designation
Dr. Ravindra Dholakia	Chairman
Dr. J. N. Singh, IAS	Member
Shri L. Chuaungo, IAS	Member
Dr. N. Ravichandran	Member
Dr. Yogesh Singh	Member

Audit Committee has recommended the Annual Accounts for the year ended on 31st March, 2015 for approval of the Board at its meeting held on 6th August, 2015.

All the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the Board of Directors have approved Vigil Mechanism policy for Directors and employees to report genuine concerns as per the requirement of Companies Act, 2013.

STATUTORY AUDITORS

Your Company being a Government Company, the Statutory Auditors are appointed by the Comptroller & Auditor General of India. Accordingly, M/s P Singhvi & Associates Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company for the financial year 2014-15.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark.

C&AG has given NIL comment reports on the Standalone and consolidated financial statement of the financial year 2014-15 which is placed after the Independent Auditors Report

SECRETARIAL AUDITOR

The Board of Directors have appointed M/s K. K. Patel and Associates, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2014-15.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report for the financial year ended on March 31, 2015 is annexed herewith as **Annexure - V** to this Report.

COST AUDITORS

The Board of Director has appointed M/s N. D. Birla as Cost auditor for the financial year 2014-15.

The Company has filed the Cost Audit Report for the financial year 2013-14. The Cost Audit for the financial year 2014-15 is being finalized and the same shall be filed.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that,

The Directors 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 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) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities is taken.
- (iv) They have prepared annual accounts on a going concern basis.
- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and that the provision of Section - 188 (1) of the Companies Act, 2013 was not attracted. Accordingly, the disclosure of Related party Transactions as required under Section - 134(3)(h) read with Rule - 8(2) of the Companies (Accounts) Rules, 2014 in form AOC - 2 is not required.

Your Directors draw attention of the members to Note to the financial statement which sets out related party disclosures.

RISK MANAGEMENT

Keeping in view the present scale of operations of the Company, the Board of Directors during the financial year under review has decided to appoint expert agency to identify the potential risks and develop a Risk Management Policy of the Company.

Accordingly KPMG has been appointed to identify risk associated with the business activities as well as to develop and implement a risk management policy for the Company which shall lay down the detailed procedure for monitoring, mitigating and reporting risk on periodic basis. KPMG is in the process of development of Risk Management Policy and the same will be implemented in the current financial year.

GENERAL

The Company has put in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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 been using latest software for geological modeling and reservoirs management. This helps the Company to efficiently manage its Oil and Gas fields and Oil and Gas reserves.

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	0.16
Outgo	3735.95

ACKNOWLEDGEMENTS

The lead that GSPC has attained in hydrocarbon sector 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.

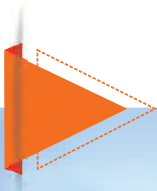
The Directors place on record their sincere thanks to the Ministry of Petroleum & Natural Gas, Directorate General of Hydrocarbon, PNGRB Government of Gujarat, Natural Gas Suppliers, Customers, Joint Venture partners, Lenders, and investors for their continuous support and guidance.

For and on behalf of the Board of Directors

Shri G. R. Aloria, IAS
Chairman

Date: 27th October, 2015
Place: Gandhinagar





Annexure – I

Management Discussion & Analysis

The Indian economy clocked a growth rate of 7.3% in FY 2014-15 as per the Central Statistics Office (CSO) as compared to 6.9% in the previous year. It is pertinent to note that India has overtaken China to become the world's fastest growing economy by clocking 7.5 % GDP for the quarter ending March 2015.

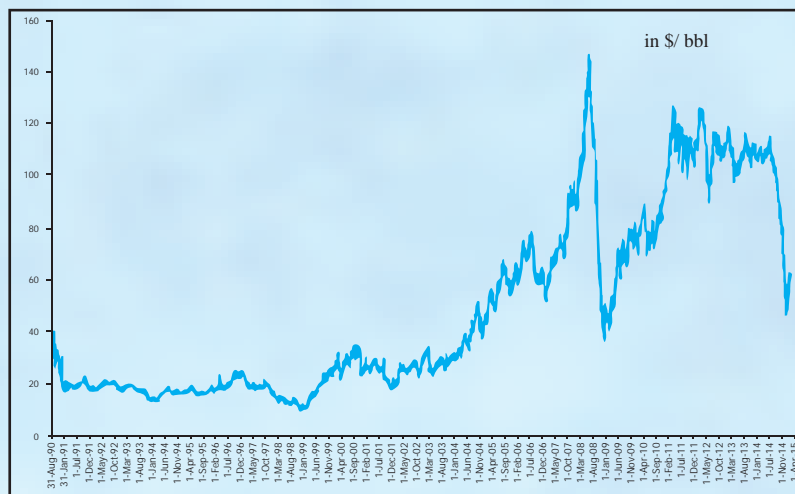
In fact, the Organization for Economic Co-operation & Development (OECD), in its latest Economic Outlook report (June 2015) has stated that India's economic growth will remain high, supported by a revival in investments. The OECD has further projected a higher growth rate of 7.4% for 2016, in view of decline in oil prices which would reduce pressures on the current account deficit, inflation and subsidies.

Oil & Gas sector, being one of the six core industries in India, plays a pivotal role in influencing decisions across other important spheres of the economy. The role of energy in economic development cannot be underplayed. Recovering economy of the Country has pegged the primary energy consumption of the country for CY 2014 at 638 MTOE as per BP Statistical Review of World Energy, June 2015. Coal, oil, and natural gas are the three primary commercial energy sources in India, with coal comprising 56% and Oil's share currently being 28% in the overall energy mix. The share of natural gas is currently only 7% in the overall energy mix of India and the latent potential for gas remains large in the country.

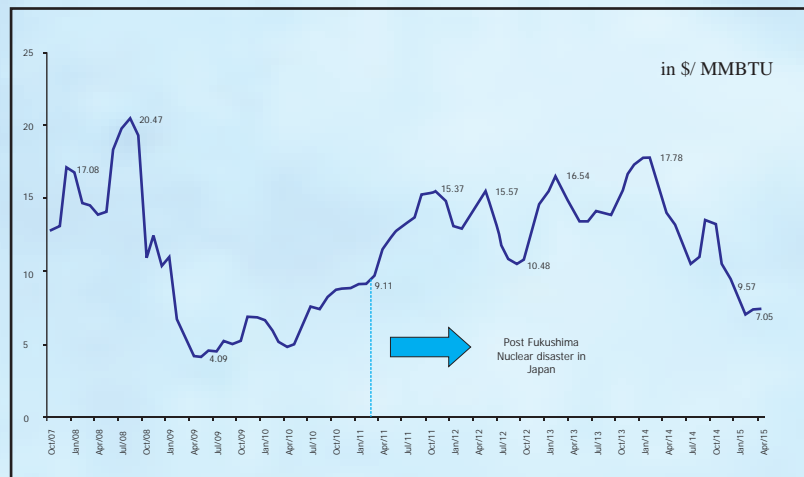
In the year 2014-15, the Oil & Gas sector witnessed certain crucial policy decisions taken by the Government including increasing of gas price from domestic fields by linking it to international indices keeping in mind recommendations of the Rangarajan Committee, envisaging 15,000 km of new pipelines to expand the natural gas pipeline infrastructure with an objective of developing a national gas grid, according highest priority to City Gas Distribution (CGD) segment for allocation of gas from domestic fields, deregulation of diesel price and linking it to the market, bringing out a Scheme for utilization of power generation capacity for revival of stranded gas based power plants in the country by way of gas pooling.

COLLAPSE IN CRUDE OIL & SPOT LNG PRICES

Global crude oil prices which peaked to 115 \$/bbl in June 2014 collapsed to a low of 46 \$/bbl (drop of 60%) in January 2015 owing to (a) significant increase in supply with US crude oil production at a 25-year high due to shale oil surge (b) Demand slowdown in Europe, Japan and China (c) Decision of Saudi Arabia to protect market share rather than act as a swing producer of oil



Consequently, fall in crude oil prices coupled with increase in supplies led to drop in Spot LNG prices, which may continue the downward movement in 2015 as well . Globally, spot LNG prices spiraled to a record high of 14 \$/MMBTU in March 2014 and declined to 7 \$/MMBTU in September 2015 due to mild weather, high inventories and growing production.



Economic slowdown in China, one of the key importers, left the market with fewer buyers competing for spot volumes and as a result Asian spot prices fell through the summer – despite higher overall import volumes. By Q4 2015, prices were starting to rise in anticipation of winter-season demand, but were overtaken by falling oil prices which pressured spot prices downward through Q4.

On the supply side, the early start-up of the ExxonMobil-led Papua New Guinea LNG project added an additional 6.9 MTPA of LNG to an already over-supplied market. Further in January 2015, BG Group's Queensland Curtis LNG project shipped its first cargo to Asia, promising to add another 8 MTPA of supply to the market. Although, new demand has emerged from Egypt, Pakistan and other nations, new supplies over the next 24-36 months would lead to glut of LNG and lower spot LNG prices. However, in long term this trend would reverse too, as there would not be sufficient incentive for Capital Expenditure on developing supply infrastructure.

Markets expect to see lower LNG prices relative to oil as the downward movement in oil prices flows through to oil-indexed long-term sales contracts, and potentially increased competition in spot markets later in the year as the other new LNG supply projects in Australia start production.

CITY GAS DISTRIBUTION

As per research by CRISIL (Source: City Gas Distribution: Review & Outlook, Nov 2014), CGD market increased by 12% in FY'14 to reach a size of Rs 241 bn. Even though volumes fell 2%, i.e. a decline for the second consecutive year on account of surge in prices, depreciating rupee and muted industrial demand, the demand for CNG & PNG rose 7% & 20% respectively due to cost competitiveness in those segments. While cities like Delhi and Mumbai showed growth; Gujarat market volumes declined by 11% mostly owing to cut in domestic supplies of ONGC/OIL.

Government of India has been taking several positive steps to give a boost to the city gas distribution segment. Apart from according top priority in domestic gas allocation to diverting supplies of domestic gas from non-core segments to CGD segment, the Regulator has also announced 6 CGD bidding rounds. With development of Geographical Areas (GAs) based on these bidding rounds, the demand for gas from this segment will pick up and it will become a major driver for growth in volumes.

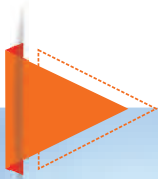
Accordingly, your Company shall continue to participate in CGD business through its existing ventures of Gujarat Gas Ltd. and Sabarmati Gas Ltd. and evaluate opportunities to invest further in development of CGD across various cities outside Gujarat as well as within Gujarat.

PIPELINES & REGAS CAPACITY

Your Company believes that the three major challenges which the Indian natural gas market is facing is (a) development of gas infrastructure limited to the hinterland of domestic sources and LNG re-gasification terminals (b) lack of a cross country gas grid leading to limited market base and (c) lack of development of NGV corridors along national highways.

In view of the same, your Company is trying to play a critical role in addressing these challenges through its participation in the gas infrastructure segment through various subsidiaries. In line with the Central Government's objective of setting up of 15,000 kms of new pipelines across the country, GSPC Group companies have been working towards setting up of 3 cross country pipelines awarded by PNGRB in July 2011.





GSPL India Gasnet Ltd. (GIGL) and GSPL India Transco Ltd. (GITL), the 2 JVs formed by GSPL for developing these pipelines, have in spite of several discouraging economic and regulatory/statutory setbacks, made progress in developing the coveted Mallavaram-Bhilwara-Bhopal-Vijaipur, Mehsana-Bhatinda, and Bhatinda-Jammu-Srinagar pipeline projects.

Gujarat State Petronet Ltd., has also made significant progress in operating its Gujarat Gas Grid of 2192 kms by connecting newer demand centres across Gujarat and efficiently playing the role of Gujarat's energy lifeline.

Your Company also continues to lay emphasis on creation of infrastructure for incremental regassification capacity along with development of cross country pipelines, as both these activities contribute significantly to another major revenue generating segment, i.e. Gas Trading. The challenge for Indian buyers is to translate the favourable LNG market dynamics into a competitive LNG procurement strategy. In this regard, your Company believes that the current LNG market dynamics offer a great opportunity for Indian buyers to competitively procure LNG from the international market and so is working towards unlocking that opportunity.

GOI's POLICY ON PRICE OF GAS FROM NEW GAS FINDS

The "New Domestic Natural Gas Pricing Guidelines, 2014" announced by Government of India in 2014, proposes a premium on the gas price for the High Temperature and High Pressure (HTHP), Deep and ultra deep Water blocks/areas (the premium is yet to be notified by GoI) made after the issuance of the guidelines. Your Company has made several discoveries in its KG-OSN-2001/3 block in the offshore KG basin which are in the HPHT environment, though these discoveries were made prior to the notification, your Company has represented to the Government of India to approve the said premium price for the discoveries.

In view of the above gas pricing policy decision taken by GoI, your Company believes that the Domestic Gas Price shall be linked to import parity gas prices as in the case of Crude Oil prices going forward and your Company awaits necessary approvals from the Government, including according premium for sale of gas from KG OSN-2001/3 block owing to the same being a HTHP discovery.

Your Company believes that such decisions of GOI with regards to providing premium on gas price for discovery from deep water and ultra deep water areas, may lead to the oil & gas sector witnessing boost in E&P segment investments, further leading to improved availability of domestic gas.

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.

New Discoveries

The Company primary asset is the Deen Dayal Field in the Krishna-Godavari basin (the "KG basin") located off the east coast of the State of Andhra Pradesh, India that comprise several gas discoveries. While the Deen Dayal West reserves are under development, Genesis Oil & Gas Consultant Limited, London, UK was engaged by your Company to envisage the concept of development for the other new six discoveries (Phase 2) & future of the integrated Deen Dayal Field.

The new six discoveries are as follows;

- DDW-DT: Deen Dayal West Downthrown block (Well# KG-21 & KG-31)
- DDE: Deen Dayal East Block (Well# KG-22)
- DDN: Deen Dayal North Block (Well# KG-22)
- DDNE-BRU: Deen Dayal North Extension Block (Well# KG-19 & KG-20SS)

The water depth of GSPC's Deen Dayal KG Offshore field in east coast of India varies from 50 m to 800 m in which these additional discoveries as mentioned above are located. To exploit these new discoveries, wells (having dry trees/wet trees) and facilities are to be planned in this development program based up on selected concept.

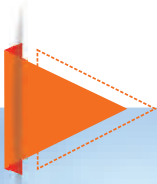
A total of 8.48 TCF of in-place hydrocarbon volumes (best estimate) have been established by your Company as the operator for the six Discoveries, which was subsequently validated by an internationally reputed third party resource validating agency M/s Gaffney Cline & Associate (GCA)

Forward Looking Statements:

All the statements that 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 are forward looking statements. Since these are based on certain assumptions and expectations of future event, the company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results performance or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend modify or revise any such statements on the basis of subsequent developments, information or events.

**Shri G. R. Aloria, IAS
Chairman**





Annexure-II
AOC - 1 Statement Pursuant to Section 129 of the Companies Act, 2013 relating to Company's interest in the subsidiary companies (Figures in crores)

1	Name of Subsidiary Company	Gujarat State Petromet Limited (GSPM)	GSPM India Gasnet Limited (GIGL)	GSPM India Transco Limited (GITL)	GSPC Pipavav Power Company Limited (GPPC)	GSPC (IPDA) Limited	GSPC Distribution Network Limited (GDNL)	GSPC Gas Company Limited (GSPC Gas)	Guj Info Petro Limited (GIPL)	Gujarat Gas Trading Company Limited	Gujarat Gas Company Limited (GGCL)	Gujarat Gas Financial Services Limited (GFSL)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)	Same as GSPC (31/03/2015)
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4	Share capital	₹. 562.98	₹. 187.02	₹. 140.00	₹. 861.84	₹. 97.39	₹. 900.05	₹. 84.62	₹. 0.05	₹. 0.09	₹. 25.65	₹. 2.00
5	Reserves & surplus	₹. 3,060.07	₹. 3.53	₹. 4.00	₹. -351.98	₹. 38.31	₹. -273.84	₹. 757.00	₹. 38.02	₹. 15.32	₹. 1,507.65	₹. 34.09
6	Total assets	₹. 5,540.30	₹. 196.08	₹. 149.55	₹. 2,584.28	₹. 137.13	₹. 2,811.47	₹. 3,000.49	₹. 99.80	₹. 15.43	₹. 2,222.68	₹. 40.43
7	Total Liabilities	₹. 1,917.25	₹. 5.54	₹. 5.55	₹. 2,074.42	₹. 1.43	₹. 2,185.27	₹. 2,158.87	₹. 61.73	₹. 0.02	₹. 689.38	₹. 4.35
8	Investments	₹. 648.65	NIL	NIL	NIL	NIL	₹. 2,811.14	₹. 400.08	NIL	₹. 15.02	₹. 924.50	NIL
9	Turnover	₹. 1,064.60	NIL(Other Income (Interest)- ₹. 1,8936)	NIL (Other income of ₹. 2,1749)	₹. 342.03	NIL	₹. 6.06	₹. 6,510.08	₹. 35.49	₹. 1.39	₹. 2,590.32	₹. 35.20
10	Profit before taxation	₹. 660.32	₹. 1.89	₹. 2.17	₹. -35.54	₹. -0.12	₹. -196.47	₹. 461.14	₹. 8.82	₹. 1.12	₹. 450.69	₹. 0.53
11	Provision for taxation	₹. 249.96	₹. 0.61	₹. 0.71	₹. 0.74	NIL	₹. 2.11	₹. 177.16	₹. 3.06	₹. 0.09	₹. 183.60	₹. -0.20
12	Profit after taxation	₹. 410.36	₹. 1.28	₹. 1.47	₹. -36.28	₹. -0.12	₹. -198.58	₹. 283.98	₹. 5.76	₹. 1.03	₹. 312.09	₹. 0.73
13	Proposed Dividend	₹. 67.56	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
14	% of Ownership	GSPC holds 37.71%	GSPC holds 19.61%	GSPC holds 19.61%	GSPC holds 97.47%	GSPC holds 100%	GSPC holds 38.82%	GSPC holds 54.34%	GSPC holds 77.20%	GSPC holds 28.61%	GSPC holds 28.61%	GSPC holds 19.99%

* Name of subsidiaries which are yet to commence operations - GSPM India Gasnet Limited(GIGL) and GSPM India Transco Limited(GITL)

** Figures of GSPC (IPDA) Limited, GSPC Distribution Network Limited and GSPC Gas Company Limited are considered based on unaudited accounts

G. R. Aloria, IAS
Chairman

Atanu Chakraborty, IAS
Managing Director

Sandeep Dave
Company Secretary

Gopal Srinivasan
CFO

**AOC - 1 Statement Pursuant to Section 129 of the Companies Act, 2013 relating to Company's
interest in the Associate Companies**

(Figures in crores except for no. of shares)

1	Name of Associates/Joint Ventures	Gujarat State Energy Generation Limited	GSPC LNG Limited	Sabarmati Gas Limited	Alcock Ashdown (Gujarat) Limited
2	Latest audited Balance Sheet Date	31-03-2015	31-03-2015	31-03-2015	31-03-2015
3	Shares of Associate/Joint Ventures held by the company on the year end				
	No. of Shares held	11,35,41,817	1,14,30,060	22,50,000	1,15,00,000
	Amount of Investment	₹. 113.54	₹. 11.43	₹. 2.25	₹. 11.50
	Extent of Holding in %	32.59%	7.39%	11.25%	22.55%
4	Description of how there is significant influence	Through shareholding	Through shareholding	Through shareholding	Through shareholding
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	₹. -21.43	₹. 11.43	₹. 32.26	₹. -99.05
7	Profit / Loss for the year	₹. -126.00	-	₹. 110.84	₹. -70.44
	Considered in Consolidation				
	Not Considered in Consolidation				

*Names of associate or joint ventures which are yet to commence operations - GSPC LNG Limited

**GSPC along with GSPL (Subsidiary of GSPC) holds 23.56% of equity stake in GSPC LNG Limited

***GSPC along with GSPL (Subsidiary of GSPC) holds 25% of equity stake in Sabarmati Gas Limited

G. R. Aloria, IAS
Chairman

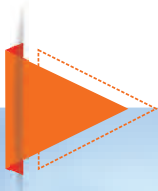
Atanu Chakraborty, IAS
Managing Director

Date : 6th August, 2015
Place : Gandhinagar

Sandeep Dave
Company Secretary

Gopal Srinivasan
CFO



**Annexure - III****FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2015 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Remark
i)	Corporate Identification Number	U23209GJ1979SGC003281
ii)	Registration Date	January 29, 1979
iii)	Name of the Company	Gujarat State Petroleum Corporation Limited
iv)	Category/ Sub- Category of the Company	Government Company (Public Company/Limited by Shares)
v)	Address of the Registered office and contact details	GSPC Bhavan, B/h Udyog Bhavan, Sector - 11, Gandhinagar PIN :- 382010.
vi)	Whether listed company	Yes (Unsecured Non-Convertible Debenture (NCD's) issued by the Company are listed on National Stock Exchange).
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited, Plot nos. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 Andhra Pradesh Tel: 079-26465179 Fax: 079-26465179

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

	All the business activities contributing 10% or more of the total turnover of the company	As per Annexure - A
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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

	Particulars of Holding, Subsidiary and Associate companies	As per Annexure - B
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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

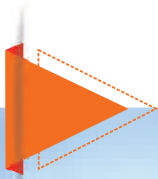
i)	Category-wise Share holding	As per Annexure - C
ii)	Shareholding of Promoters	As per Annexure - D
iii)	Change in Promoters Shareholding	As per Annexure - E There is no change in shareholding pattern of Promotes during the financial year 2014-15. Except allotment of 7,407,408 and 3,08,64,197 equity shares to Government of Gujarat on 2nd April, 2014 and 20th January, 2015 respectively pursuant to preferential allotment.
iv)	Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Annexure - F
v)	Shareholding of Directors and Key Managerial Personnel	As per Annexure - G

V. INDEBTEDNESS		
I)	Indebtedness of the Company including interest outstanding/ accrued but not due for payment	As per Annexure - H
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
i)	Remuneration to Managing Director , Whole-time Directors and/or Manager:	As per Annexure - I
ii)	Remuneration to other directors:	As per Annexure - J
iii)	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Annexure - K
VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES		
iii)	Penalties / Punishment/ Compounding of offences	There were no Penalties / Punishment/ Compounding of offences under Companies Act, 2013.

G. R. Aloria, IAS
Chairman

Date : 6th august, 2015
Place: Gandhinagar





Annexure - A

All the business activities contributing 10% or more of the total turnover of the company			
Sl. No.	Name and Description of main Product/ Service*	NIC Code of the the Product/ Service*	% to total turnover of the company*
1	Anciliary Product- Gas Trading	Not Applicable	97.23%

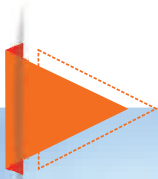
Annexure - B

Particulars of Holding, Subsidiary and Associate Company					
Sr. No.	Name and Address of the Company	CIN/GLN Associate	Holding/ Subsidiary/	of shares held	Applicable Section
1	Gujarat State Petronet Limited (GSPL)	L40200GJ1998SGC035188	Subsidiary	37.71	2(87)
2	GSPL India Gasnet Limited (GIGL)	U40200GJ2011SGC067449	Subsidiary	NIL****	2(87)
3	GSPL India Transco Limited (GITL)	U40200GJ2011SGC067450	Subsidiary	NIL****	2(87)
4	Gujarat Gas Company Limited (GGCL)*	L23203GJ1980PLC003623	Subsidiary	NIL****	2(87)
5	GSPC Gas Company Limited	U23100GJ1999SGC035573	Subsidiary	43.36	2(87)
6	GSPC Distribution Network Limited (GDNL)*	U40200GJ2012SGC069118	Subsidiary	NIL****	2(87)
7	Gujarat Gas Financial Services Limited*	U65921GJ1994PLC021778	Subsidiary	NIL****	2(87)
8	GujaratGas Trading Company Limited*	U24110GJ1980PLC004091	Subsidiary	NIL****	2(87)
9	GSPC (JPDA) Limited	U23201GJ2006SGC049229	Subsidiary	100	2(87)
10	Guj Info petro Limited	U72900GJ2001PLC039162	Subsidiary	49.94	2(87)
11	GSPC Pipavav Power Company Limited	U40100GJ2006SGC047783	Subsidiary	97.47	2(87)
12	GSPC LNG Limited	U23203GJ2007SGC050115	Associate**	7.39	2(6)
13	Gujarat State Energy Generation Limited	U40100GJ1998SGC035212	Associate	32.59	2(6)
14	Sabarmati Gas Limited	U40200GJ2006PLC048397	Associate***	11.25	2(6)
15	Alcock Ashdown (Gujarat) Limited	U74999GJ1994SGC022952	Associate	22.55	2(6)
*GSPC Distribution Network Limited is now known as Gujarat Gas Limited after approval of merger of GSPC Gas Company Limited, Gujarat Gas Company Limited, Gujarat Gas Financial Services Limited and Gujarat Gas Trading Company Limited into GSPC Distribution Network Limited					
**GSPC along with GSPL (Subsidiary of GSPC) holds 23.56% of equity stake in GSPC LNG Limited					
***GSPC along with GSPL (Subsidiary of GSPC) holds 25% of equity stake in Sabarmati Gas Limited					
****GIGL, GITL, GDNL, GSGSL, GGTC, GGCL are subsidiary of subsidiary of GSPC and hence it is also subsidiary of GSPC.					

Annexure - C

Category-wise Share holding										
Category of Shareholders		No. Of shares held at the beginning of the year				No. Of shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. (Promoters)										
1	Indian									
a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
b)	Central Government (including Central Government Companies)	-	-	-	-	-	-	-	-	-
c)	State Government (including State Government Companies)	0	2147962140	2147962140	86.39	-	2186233745	2186233745	86.60	0.21
d)	Bodies corporates	-	-	-	-	-	-	-	-	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub total (A) (1):-	0	2147962140	2147962140	86.39	0	2186233745	2186233745	86.60	0.21
2	Foreign									
a)	NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)	Other- Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporates	-	-	-	-	-	-	-	-	-
d)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
f)	Sub total (A) (2):-	0	0	0	0	0	0	0	0	0
	Total shareholding of Promoter (A)=	0	2147962140	2147962140	86.39	0	2186233745	2186233745	86.60	0.21
B. Public Shareholding										
1	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1) :-	0	0	0	0.00	0	0	0	0.00	0.00
1	Non-institutions									
a)	Bodies Corporation									
	i)Indian	97944300	240308441	338252741	13.61	338252741	0	338252741	13.40	-0.21
	ii)Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									0.00
	i) Individual shareholders holding nominal share capital upto ₹.1 lakh	-	-	-	-	-	-	-	-	-
	ii) Individual shareholders holding nominal share capital in excess of ₹.1 lakh	-	-	-	-	-	-	-	-	-
c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2) :-	97944300	240308441	338252741	13.61	338252741	0	338252741	13.40	-0.21
	Total Public Shareholding - (B)	97944300	240308441	338252741	13.61	338252741	0	338252741	13.3989	-0.21
C. Shares held by Custodian for GDRs & ADRs										
	Grand Total - (A+B+C)	97944300	2388270581	2486214881	100.00	338252741	2186233745	2524486486	100	





Annexure - D

Shareholding of Promoters								
Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Government of Gujarat	2147962140	86.39	-	2186233745	86.6	-	0.21
	Total	2147962140	86.39	-	2186233745	86.6	-	0.21

Annexure - E

Change in Promoters Shareholding				
Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Name of Promoter :- Government of Gujarat				
Details of Change				
At the beginning of the year	2147962140	86.39	2147962140	86.39
Allotment pursuant to preferential issue 2nd April, 2014	74,07,408	0.30	2,15,53,69,548	86.44
Allotment pursuant to preferential issue 20th January, 2015	3,08,64,197	1.22	2,18,62,33,745	86.60
At the End of the year	2186233745	86.60		

Annexure - F

Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year (i.e. 1st April, 2014)		Cumulative Shareholding during the year (as on 31st March, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Governor of Gujarat (Promoter)	2147962140	86.39	2186233745	86.60
2	Gujarat Alkalies & Chemicals Limited	21543200	0.87	21543200	0.85
3	Gujarat Industrial Development Corporation	12345600	0.50	12345600	0.49
4	Gujarat Industrial Investment Corporation Limited	20555500	0.83	20555500	0.81
5	Gujarat Mineral Development Corporation Limited	26172800	1.05	26172800	1.04
6	Gujarat Narmada Valley Fertilizers Company Limited	21543200	0.87	21543200	0.85
7	Gujarat State Fertilizers & Chemicals Limited	23500000	0.95	23500000	0.93
8	Gujarat State Investments Limited	192592441	7.75	192592441	7.63
9	Gujarat Gas Company Limited	20000000	0.80	20000000	0.79
	Total	2486214881	100	2524486486	100

Note :- The only change was in shareholding of Government of Gujarat pursuant to allotment of 7,407,408 and 3,08,64,197 equity shares to Government of Gujarat on 2nd April, 2014 and 20th January, 2015 respectively pursuant to preferential allotment.

Annexure - G

Shareholding of Directors and Key Managerial Personnel					
Sr. No.	Particulars of Director and MKPs	Shareholding at the beginning of the year (i.e. 1st April, 2014)		Cumulative Shareholding during the year (as on 31st March, 2015)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

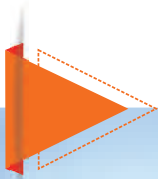
Annexure - H

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

₹. in Crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,451	8,547	-	15,998
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	33	128	-	161
Total (i+ii+iii)	7,484	8,676	-	16,160
Change in Indebtedness during the financial year				
- Addition	2,313	1,402	-	3,715
- Reduction			-	
Net Change	2,313	1,402	-	3,715
	-			
Indebtedness at the end of the financial year				
i) Principal Amount	9,770	9,947	-	19,716
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	28	155	-	183.69
Total (i+ii+iii)	9,798	10,102	-	19,900



**Annexure - I**

Remuneration to Managing Directors, Whole Time Director and/or Manager					
Sl. No.	Particulars of Remuneration	Name of Managing Director			Total Amount
		Shri Tapan Ray, IAS	Shri M. K. Das, IAS	Shri Atanu Chakraborty, IAS	
		01/04/2014 to 30/09/2014	08/07/2014 to 31/03/2015	1/11/2014 to 31/03/2015	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1002240.00	1291024.00	-	22,93,264.00
	(b) Value of perquisites u/ 17(2) of the Income-tax Act, 1961	-	46308	-	46,308.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- As % of Profits	-	-	-	-
	- Others, Specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total(A)	1002240.00	1337332.00	0	23,39,572

Ceiling as per the Act

In case of Adequate Profits- . ₹. 1.68 crores (being 5 % of the net profit calculated as per the provision of Section - 198 of the Companies Act, 2013 ₹. 3.35 crores (being 10% of the net profit calculated as per the provision of Section - 198 of the Companies Act, 2013. As per the provision of Section - 197 of the Companies Act, 2013, Remuneration payable to any one Managing Director or Whole Time Director or Manager shall not exceed 5 % of the net profit of the Company and 10 % if more than one such Directors.

In case of Inadequate Profits - Approx. ₹.60 lacs (i.e as per the provision of Section - 197 read with provision of Schedule - V of the Companies Act, 2013 Maximum remuneration payable to Managerial Person based on effective capital of the Company.

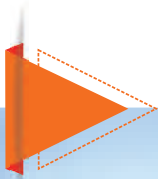
Annexure - J

Remuneration to other directors:											
Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		Shri M.M. Srivastava, IAS (Retd.)	Shri D.J. Pandian, IAS	Shri Hasmukh Adhia, IAS	Shri K. Kailashnathan, IAS(Retd.)	Shri N. Ravichandran	Shri Varesh Sinha, IAS	Shri T. Harinarayana	Dr. J. N. Singh, IAS	Shri L. Chuaungo, IAS	
	Period of Directorship	01/04/2014 to 31/03/2015	12/11/2014 to 31/03/2015	01/04/2014 to 05/11/2014	01/04/2014 to 31/03/2015	30/12/2014 to 31/03/2015	01/04/2014 to 31/03/2015	01/04/2014 to 31/03/2015	14/11/2014 to 31/03/2015	14/11/2014 to 31/03/2015	
1	Independent Directors*										
	- Fees for attending										
	Board Meetings	-	-	-	-	22,500.00	-	-	-	-	-
	- Audit Committee	-	-	-	-	5,000.00	-	-	-	-	-
	- HR Committee	-	-	-	-	-	-	-	-	-	-
	- Project Committee	-	-	-	-	-	-	-	-	-	-
	- IPO Committee	-	-	-	-	-	-	-	-	-	-
	- Others, out of Pocket	-	-	-	-	7,500.00	-	-	-	-	-
	Total (1)	-	-	-	-	35,000.00	-	-	-	-	35,000.00
2	Other Non Executive Directors*										
	- Fees for attending										
	Board Meetings	37,500.00	-	-	-	-	-	30,000.00	-	-	-
	Audit Committee	-	-	-	-	-	-	15,000.00	-	-	-
	- HR Committee	-	-	-	-	-	-	10,000.00	-	-	-
	- Project Committee	-	-	-	-	-	-	15,000.00	-	-	-
	- IPO Committee	-	-	-	-	-	-	-	-	-	-
	- Others, out of Pocket	10,500.00	4,500.00	10,500.00	1,500.00	-	18,000.00	21,000.00	4,500.00	4,500.00	-
	Total (2)	48,000.00	4,500.00	10,500.00	1,500.00	-	18,000.00	91,000.00	4,500.00	4,500.00	1,82,500.00
	Total 3 = 1 + 2	48,000.00	4,500.00	10,500.00	1,500.00	35,000.00	18,000.00	91,000.00	4,500.00	4,500.00	2,17,500.00
	Total Managerial										
	Remuneration	48,000.00	4,500.00	10,500.00	1,500.00	35,000.00	18,000.00	91,000.00	4,500.00	4,500.00	2,17,500.00

Overall Ceiling as per Act :- ₹.33,50,424 (being 1 % of the net profit calculated as per the provision of Section - 198 of the Companies Act, 2013).

* Details are only for All Meetings held in FY 2014-15. *Amount of Rs.157500 was deposited with treasury for payment of sitting fees to IAS officers.



**Annexure - K**

Remuneration to Key Managerial Personnel other than Managing Director/M/WTD					
Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	TOTAL
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		27,34,935	30,89,429	58,24,364
(b)	Value of perquisites u/ 17(2) of the Income-tax Act, 1961		2,19,237	4,84,022	7,03,259
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-	-	-
			-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	As a % of Profits		-	-	-
	-Others, Specify		-	-	-
5	Others, Please Specify		-	-	-
	Fixed Pay		-	-	-
	Total		29,54,172	35,73,451	65,27,623

Including 25% performance linked Incentive

Annexure - IV

ANNUAL REPORT ON CSR ACTIVITIES

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

The Company along with its subsidiaries and associates has evolved 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 always focused on the objectives of energy security, promoting fuel efficiency and conservation of natural resources.

The Company undertakes 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 focused on the objective of promoting fuel efficiency and conservation aspect of natural resources in line with national wide oil and gas Conservation campaign.

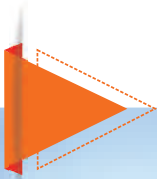
The Company is committed to enhance value creation in the society in which it operates, through its service, conduct, business practise and social initiatives. The objective of the policy is to contribute positively towards sustainable and inclusive growth of the society with focus on India's most pressing development challenges as highlighted under schedule - VII of the Companies Act, 2013 and as amended from time to time.

2. The Composition of the CSR Committee.

The Company has constituted CSR Committee of Director as follows;

CSR Committee of Director	Committee Position
Shri Atanu Chakraborty, IAS	Chairman
Shri L. Chuaungo, IAS	Member
Dr. N. Ravichandran	Member





3. **Average net profit of the company for last three financial years** :- ₹. 765,87,87,667 (Seven Hundred Sixty Five Crores Eighty Seven Lacs Eighty Seven Thousand Six Hundred and Sixty Seven Only)
4. **Prescribed CSR Expenditure (i.e 2 % Average net profit of the company for last three financial years)** :- ₹. 15,31,75,753 (Fifteen Cores Thirty One Lacs Seventy Five Thousand Seven Hundred and Fifty Three only)
5. **Details of CSR spent during the financial year.**
 - (a) Total amount to be spent for the financial year :- ₹. 15,31,75,753
 - (b) Amount unspent, if any; ₹.15,31,75,753
 - (c) Manner in which the amount spent during the financial year is detailed below. - N.A.

The activities of the Company will generally be in consonance with the Schedule - VII of the Companies Act, 2013. The Company would undertake activities as per the CSR Policy of the Company.

6. **In case the company has failed to spend two percent of average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.**

The Company is a listed Company in debt segment and was not required to appoint Independent Directors under the Companies Act, 1956. However as per the provisions of Companies Act, 2013 read with relevant rules, the Company was required to appoint 1/3rd of its Independent Directors before 31st March, 2015. As per the provision of Section - 135, CSR Committee of Director shall consist of at least one Independent Director.

Since requisite Independent Directors were appointed in last Quarter of the financial year it was not feasible for the Company to identify activities for spending total CSR expenditure in accordance with the policy along with monitoring of such activities in compliance with the provision of the Companies Act, 2013 during the financial year 2014-15.

The Company has put in place CSR Policy in compliance with the provision of Companies Act, 2013 to include activities of the Company which will generally be in consonance with the Schedule - VII and that the Company strive to undertake the CSR project and activities from the financial year 2015-16.

Further prior to constitution of CSR Committee and implementation of CSR policy, the Company has also incurred Rs. 67,871,721 towards CSR activities in local areas of operations. Activities on which such expenditure has been incurred includes promoting education, setting up of old age homes, promotion of sports, rural development project etc. However as the same has not been incurred on recommendation of CSR Committee and pursuant to the approved CSR policy of the Company, the details are not disclosed above as required. Hence the Company has actually incurred approx 44.30% of total CSR obligation of the Company during the financial year 2014-15, though the same will not qualify as CSR expenditure under the Companies Act, 2013.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Atanu Chakraborty, IAS
Managing Director & Chairman CSR Committee

G. R. Aloria, IAS
Chairman

Annexure - V

SECRETARIAL AUDIT REPORT
 FOR THE FINANCIAL YEAR ENDED ON 31st March, 2015
 [Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
 (Appointment and Remuneration Personnel) Rules, 2014]

To,
 The Members,
Gujarat State Petroleum Corporation Limited
 GSPC Bhawan, Behind UdyogBhawan,
 Sector-11,Gandhinagar-382011

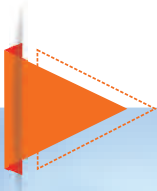
We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat State Petroleum Corporation Limited**. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings of the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable to the Company being holding Company of Listed Subsidiary Companies.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 is not applicable to the Company.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 is not applicable to the Company;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is not applicable to the Company.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, to the extent applicable to the Company;
 - (f) The Securities and Exchange Board of India (*Registrars to an Issue and Share Transfer Agents*) Regulations, 1993 regarding the Companies Act and dealing with client to the extent applicable to the Company since NCDs of the Company are Listed on National Stock Exchange.





- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable to the Company; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable to the Company.
- (vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following sector specific laws applicable specifically to the Company:
- (i) The Petroleum Act, 1934 and rules made thereunder
 - (ii) The Oilfield (Regulation & Development) Act, 1948 and its rules.
 - (iii) The Oil Industry (Development) Act, 1974
 - (iv) Oil Mines Regulation 1984.
 - (v) Environment Protection Act, 1986

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified till 31/03/2015, hence not applicable to the Company during the audit period).
- (ii) The Debt Listing Agreements with National Stock Exchange Limited (NSE).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31.03.2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors and Committee of the Board as the case may be.

We further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

During the audit period the Company has taken major decisions which requires reporting under Companies Act, 2013 are as under:

1. The Company in its Extra Ordinary General meeting held on 9th July, 2014 passed the special resolution u/s 180(1)(c) of the Companies Act, 2013 approving the borrowing limits upto ₹. 25,000 Crores and u/s 180 (1) (a) of the Companies Act, 2013 for creation of charge / encumbrances on the assets of the Company during the period under review.
2. During the year under review following allotment was made.
 - (i) The Company has allotted 74,07,408 Equity Shares of ₹.1 each at a premium of ₹. 80/- per Equity Shares on preferential basis aggregating to ₹.60,00,00,048 to Governor of Gujarat (C/o Government of Gujarat) on 2nd April, 2014
 - (ii) The Company has allotted 3,08,64,197 Equity Shares of ₹. 1 each at a premium of ₹.80/- per Equity Shares on preferential basis aggregating to ₹.249,99,99,957 to Governor of Gujarat (C/o Government of Gujarat) on 20th January, 2015.

3. The Company in its Board Meeting held on 19th August, 2014 approved the composite scheme of amalgamation & arrangement between Gujarat Gas Company Limited (GGCL), Gujarat Gas Financial Services Limited (GFSL), Gujarat Gas Trading Company Limited (GTCL), GSPC Gas Company Limited (GSPC GAS) and GSPC Distribution Network Limited (GDNL) and their respective shareholders.

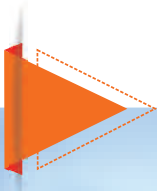
For K K Patel & Associates

(Kiran Kumar Patel)

FCS No. 6384, CP No. 6352

*(This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.)*





Annexure A

To,
The Members,
Gujarat State Petroleum Corporation Limited
GSPC Bhwan, Behind UdhogBhawan,
Sector-11, Gandhinagar-382010

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial Statements of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is not an assurance as to the future viability of the Company.

For K K Patel & Associates

(Kiran Kumar Patel)
FCS No. 6384, CP No. 6352

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Gujarat State Petroleum Corporation Limited
Gandhinagar (Gujarat)

Report on the Standalone Financial Statements

We have audited the accompanied standalone financial statements of **GUJARAT STATE PETROLEUM CORPORATION LIMITED**, which comprises of the Balance Sheet as on 31st March, 2015 and the Statement of Profit and Loss and Cash Flow statement for the year ended 31st March, 2015 and a summary of significant Accounting Policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

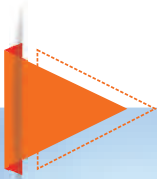
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements,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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the adequate 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, 2015;
- (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.

Emphasis of Matter

We draw attention to:

- (a) Note no. 16.1 and 23 regarding non provision of disputed Income Tax demands/claims by the Income Tax Authority amounting to ₹. 1,019.73 crores (P.Y. ₹. 1028.42 crores) and disclosed by way of a note as contingent liability. We also draw attention to Accounting Policy No. 1. M. and also Note No. 6 regarding Deferred Tax Liability impact on the above said matter, our opinion is not modified in respect of these matters.
- (b) Accounting Policy J of significant Accounting Policies (Note No. 1), which describes that the financial statements of the unincorporated joint ventures are prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory accounting standards and the Companies Act, 2013 have been made in these accounts to the extent of information available with the Company. Our opinion is not modified in respect of this matter.
- (c) Note no. 33 (i) to the financial statements, regarding the dispute between GSPC and Geo Global Resources (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 ₹. 1734.60 Crores (31st March 2014 : ₹. 1613.32 Crores), which is due from GGR is shown under note no. 16 "Long Term Loans & Advances—Joint Venture balance" and no impact of adjustment, if any, of possible outcome of such resolution has been given in the financial statements. Our opinion is not modified in respect of this matter.
- (d) Note no. 23 to the financial statements which describes the uncertainty related to GSPC's share in alleged claim of Gujarat State Energy Generation Limited ("GSEG") against NIKO Resources Ltd. ("NIKO") and GSPC for ₹. 813.17 crores (USD 129.92 million) (GSPC's share ₹. 542.14 crores) on account of liquidated damages for short supply of natural gas under the GSA, for which based on legal opinion no provision has been made. Our opinion is not modified in respect of this matter.

Other Matter

- a) We have placed reliance on technical/commercial evaluation by the management in respect of categorization of wells as exploratory, development and producing, allocation of costs incurred on them, treatment of capitalization, depletion of producing properties on the basis of the proved probable hydrocarbon reserves and liability for abandonment costs.
- b) (i). The accounts include gross fixed assets aggregating to ₹. 1,403.74 crores, other assets aggregating to ₹. 95.86 crores, liabilities aggregating to ₹. 35.34 crores, income aggregating to ₹.114.18 crores and expenditure aggregating to ₹. 59.36 crores relating to Company's share in sixteen producing joint ventures, which have been incorporated on the basis of accounts audited by other auditors.
- (ii). The accounts include gross fixed assets aggregating to ₹. 960.01 crores, other assets aggregating to ₹. Nil, income aggregating to ₹. 38.33 crores and expenditure aggregating to ₹. 25.71 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 thirty eight joint ventures which are under exploration and development phase, exploration/development expenditure aggregating to ₹. 15,017.14 crores, other assets aggregating to ₹. 136.64 crores and liabilities aggregating to ₹. 403.70 crores have been incorporated on the basis of accounts audited by other auditors.

Report on Other Legal and Regulatory Requirements

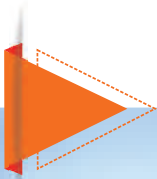
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note no. 23, 36 & 43 to the standalone financial statements.
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long—term contracts including derivative contracts; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by Section 143(5) of the Act, Directions and sub directions are annexed as per Annexure A.

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Date : 6th August, 2015
Place : Gandhinagar

Praveen Singhvi
Partner
M. No. 071608





ANNEXURE A AS REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2015

a) Directions under Section 143(5) of The Companies Act, 2013:

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

Reply: Not Applicable.

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

Reply: Not Applicable

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

Reply: Not Applicable

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

Reply: Refer to Annexure 1

b) Sector Specific Sub—directions under Section 143 (5) of The Companies Act, 2013:

Power Sector
Generation

1. In the cases of Thermal power projects, compliance of the various pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.

Reply: Not Applicable

2. Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?

Reply: Not Applicable

3. Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?

Reply: Not Applicable

4. How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?

Reply: NIL

5. In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.

Reply: Not Applicable

Services Sector
Trading

1. Whether the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?

Reply: Yes, the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.

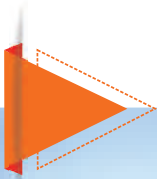
2. Whether the company has an effective system for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

Reply: Yes, the company has an effective for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

3. The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.

Reply: The Company periodically prepares debtors outstanding and ageing reports and follow—ups with outstanding debtors, if any. The company has also adequate amount of security against debtors in the form of Bank Guarantee or Security deposits.





ANNEXURE REFERRED TO IN PARAGRAPH 3 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2015

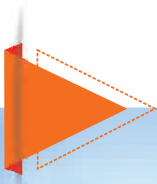
On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

- I) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management at regular interval and no material discrepancies between the book records and the physical records have been noticed.
- ii) (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventory as compared to book records, were not material.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchases of inventory, sale of goods and services and purchase of fixed assets. In our opinion, according to the information and explanations given to us, during the course of audit, we have neither observed nor have been informed of any major weaknesses in internal control system.
- v) The Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to The Companies (Cost Accounting Records) Rules, 2013 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examinations of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) In our opinion and according to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Vat, Cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of VAT, Wealth Tax, Custom Duty, ESI and Cess as at March 31, 2015 on account of any dispute. The dues of Income Tax and Service Tax as discussed below have not been deposited by company on account of disputes.

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 Tax Act 1961	Income Tax Including Interest and Penalty as applicable.	1.62	1996-1997	High Court
		8.70	1997-1998	
		16.81	1998-1999	
		0.25	1999-2000	
		0.71	2001-2002	
		1.75	2008-2009	
Income Tax Act 1961	Income Tax including interest and penalty, as applicable.	18.02	1999-2000	ITAT
		32.39	2000-2001	
		79.10	2001-2002	
		163.11	2002-2003	
		160.66	2003-2004	
		242.35	2004-2005	
		183.08	2005-2006	
		0.63	2006-2007	
		7.04	2008-2009	
		204.85	2009-2010	
		263.24	2010-2011	
Income Tax Act 1961	Income Tax including interest and penalty, as applicable.	1.23	2004-2005	CIT (A)
		171.66	2006-2007	
		301.95	2007-2008	
		325.77	2008-2009	
		337.34	2011-2012	
Income Tax Act 1961	Income Tax Including Interest and penalty, as applicable	0.01	2004-2005	AO
Service Tax Finance Act 1994	Service Tax including interest and penalty, as applicable.	0.04	2009-2010	CESTAT
		0.11	2010-2011	
		0.13	2010-2011	
		0.04	2010-2011	
		6.69	2011-2012	
Service Tax Finance Act 1994	Service Tax including interest and penalty, as applicable.	11.32	2008-2009	Commissioner of Central Excise

- (c) According to the information and explanation given to us, there is no such amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the companies Act, 2013 and rules made there under, therefore clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- viii) The Company has no accumulated losses as at March 31, 2015 and it has not incurred any cash losses in the year ended on that date or in the immediately preceding financial year.
- ix) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date.





- x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
- xi) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loan were obtained.
- xii) During the course of 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 fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

**For P Singhvi & Associates
Chartered Accountants
FRN. 113602W**

**Date : 6th August, 2015
Place : Gandhinagar**

**Praveen Singhvi
Partner
M. No. 071608**

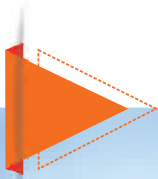


Annexure - 1

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
Upto 1 YEAR			
Upto 1 YEAR	Jayesh Somabhai Patel v. GSPCL Gujarat HC SCA 4730/2015	N/A	<p>GSPC has issued two tenders for carrying out EIA studies (1) RFQ No: GSPC/Onshore/CB-ON/2/EIA, RA& DMP Studies/14-15/AS- 681/247 and (2) RFQ No: GSPC/Onshore/CB-ONN-2000/1/EIA & EC/14-15/249 on 25th Feb 2015 and 26th Feb 2015 for Seismic Activities in Tarapur Block and Drilling of 19 wells of Exploratory/Appraisal/Development nature in Ahmedabad Block respectively. These tenders were issued by GSPC in accordance with the Terms of Reference (TOR) issued by Ministry of Environment and Forest ("MOEF"). Pursuant to the communication of MOEF it was required by GSPC that the Consultants involved in the preparation of EIA/EMP report after accreditation with Quality Council of India/National Accreditation Board of Education and Training (QCI/NABET) would need to include a certificate in this regard.</p> <p>Later, <i>vide</i> a letter dated 05 March, 2015 an objection has been raised by Environmental Consultants Association (through its President - Jayesh Somabhai Patel) with regard to the requirement of mandatory certificate of accreditation with NABET/QCI. A reference has been made to the stay granted by Hon'ble Gujarat High Court in Special Civil Application no. 10311/2012 on the Office Memorandum which was issued on 2nd December, 2009 by MOEF mandating accreditation of the EIA Consultants with QCI/NABET.</p> <p>A special civil application has been filed by Shri Jayesh Somabhai Patel in the Gujarat High Court wherein it was requested to quash and set aside the tender/request for quotation (RFQ) issued by GSPC.</p> <p>The High Court has allowed GSPC to continue its tendering process but the same will be subject to the decision of the Supreme Court on this issue.</p>
Upto 1 YEAR	Gspc v. Alkor Arbitration tribunal comprising of JJs C K Buch, M B Shah and D A Mehta	268.86	<p>Gujarat State Petroleum Corporation Ltd. ("GSPC"), GeoGlobal Resources (Barbados) Inc. ("GGR"), and Alkor Petroo Limited ("Alkor") (hereinafter collectively referred to as the "Consortium") have entered into a Concession Agreement dated March 9, 2008 ("Concession Agreement") with the Arab Republic of Egypt ("A.R.E.") and Ganoub El-Wadi Holding Petroleum Company ("GANOPE") for South Diyur Block and North Hap'y Blocks in Egypt. GSPC has been designated as Operator for the said Block.</p> <p>The said Minimum Work Program and other operations in the Block were carried out as the Joint Operations under the JOA by GSPC. In accordance with Article 8.1 of the JOA, all the costs and expenditures incurred by GSPC in carrying out such Joint Operations have to be borne by the Consortium in the proportion of their Participating Interest (i.e. 80% by GSPC and 20% by Alkor). GSPC has been raising Cash Calls / Joint Interest Billing ("JIB") on Alkor for its share of expenditure in the Block. However, Alkor has stopped making payment towards the Cash Calls / JIBs raised by GSPC and amount of USD 7.64 Million (for South Diyur Block) and USD 35.89 Million (for North Hap'y Block) remain unpaid till date in addition to any and all interest (including interest at Agreed Default Interest Rate) and other penal claims that GSPC may have against Alkor in this regard.</p>





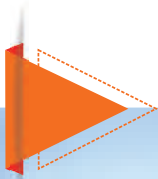
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
			Accordingly dispute had arisen and GSPC has initiated Arbitration proceedings against Alkor for South Diyur and North Hap'y Blocks, Egypt. GSPC has filed Statement of Claims claiming an amount of USD 35.86 Million for North Hapy Block and USD 7.64 Million for South Diyur Block. A Section 9 application has also been filed in the District Court
Upto 1 YEAR	GSPC v. Alkor, IVRCL Principal District Judge, Gandhinagar	268.86	To secure the outstanding amount in relation to North Hap'y Block and South Diyur in Egypt, GSPC has filed Section 9 Application for Interim injunction against Alkor and its parent company IVRCL. The Learned Principle District Judge passed an order dated 20.07.2015 wherein it directed Alkor and IVRCL to produce conditional bank guarantee, till then they are restrained from transferring, alienating or disposing off or creating any interest in any manner in any of its immovable properties.
Upto 1 YEAR	GSPC v. Deewanchand Ramsaran Industries Pvt. Limited. Before Principal District Judge, Gandhinagar CMA NO. 95 and 96 of 2015	23.35	GSPC has preferred two appeals under Section 34 of the Arbitration & Conciliation Act, 1996 against DRIPL arising out of two arbitration awards (one in relation to 1000 HP Rig and the other in relation to 2000 HP rig) — both awards being dated February 23, 2015. The Arbitration Tribunal, under the Award for 1000 HP Rig has awarded an amount of ₹. 7,35,00,000/- in favour of M/S DRIPL while under the Award for 2000 HP Rig, has awarded an amount of ₹. 16,00,00,000 in favour of M/S DRIPL. GSPC has challenged both the arbitral awards under Section 34 of the Act inter alia on the grounds that (a) the Tribunal has exceeded its jurisdiction and travelled beyond the scope of the Contract by awarding the damages which are not allowed by the Contract; and (b) that the Award suffers from patent illegality and manifest error in calculation of the amounts of damages awarded and that such calculation of damages is against the binding precedents of the Supreme Court of India.
			1 to 3 YEAR
1 to 3 YEAR	Mr. V. Manga Tayru v. GSPC and another OS NO. 65 of 2013 Civil Court Kakinada	N/A	Mr. V. Manga Tayaru has preferred OS No. 65 of 2013 before Yanam Sub Court disputing ownership of GSPC over certain portions of land at survey no. 7/1 and 7/8 in Yanam Area through which sub—marine pipeline passes. Mr. Tayaru has also preferred an interim injunction application. Matter was posted for report of the court commissioner and enquiry. Commissioner has filed his Report GSPC has filed its Objections.
1 to 3 YEAR	Mr. Bhairava Murthy v. GSPC and others OS No. 76 Of 2013 Civil Court Kakinada	N/A	Mr. Bhairava Murthy has preferred OS No. 76 of 2013 before Yanam Sub Court disputing ownership of GSPC over certain portions of land at survey no. 5/1 and 5/10 in Yanam Area through which sub- marine pipeline passes. Mr. Tayaru has also preferred an interim injunction application. Matter was posted for report of the court commissioner and enquiry. Commissioner has Filed his Report GSPC has filed its Objections.
1 to 3 YEAR	NIKO Resources Limited v/s GSPC	N/A	NIKO has issued arbitration Notice dated August 27, 2013 under Joint Operating Agreement for Hazira Field claiming that GSPC failed to manage Gas Sales Agreement with GSEG effectively and failed to raise take or pay claims and invoke force majeure provisions causing losses to JV.

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
			<p>However, in the Statement of Claim, NIKO has claimed that GSPC failed to ensure timely payments under all the Hazira GSAs during the period of 2002-03 to 2014-15 and also did not raise interest claims on customers for late payment. NIKO alleges that GSPC is therefore liable under the JOA to pay interest to NIKO (amounting to approx. ₹. 8.5 Crores) for delayed payments made by Hazira Customers under the Hazira GSAs. NIKO has further alleged that in relation to GSEG GSA, GSPC has agreed to indemnify NIKO for any liability arising under the GSEG GSA after a period of 10 years from the date of the GSA. Accordingly, NIKO alleges that NIKO is entitled to a declaratory relief against GSPC to the effect that any claim that may be awarded to GSEG under the arbitration proceedings initiated by GSEG should be solely borne by GSPC.</p> <p>GSPC's stand is that neither the interest claims nor the claim for declaratory relief raised by NIKO are covered by NIKO's Arbitration Notice and therefore the Arbitration Tribunal which was constituted to adjudicate claims as described in the Arbitration Notice does not have jurisdiction to adjudicate upon entirely different claims as now raised by NIKO in the Statement of Claim. It is also GSPC's case that interest claims that NIKO is now claiming do not arise out of JOA since the same arises out of the respective GSAs while the indemnity claims also do not arise out of JOA. It is also GSPC's case that NIKO has not been able to produce any indemnity agreement between GSPC and NIKO. In any case all the interest claims made by NIKO are either time-barred or are wrongly raised. The Arbitration tribunal is constituted.</p>
1 to 3 YEAR	Deep Drilling 1 Pte Ltd v/s GSPC Arbitration Tribunal Comprising JJs M B Shah, M S Parikh and C K Buch	10.99	<p>Deep Drilling 1 Pte. Ltd. DD1 has initiated arbitration proceedings against GSPC under the Jack Up Rig Contract dated June 18, 2010 DD1 has claimed for payment in lieu of notice period for termination for convenience as envisaged under the Contract. GSPC had issued a location named DDW — EXT — 1 as the last location to be drilled by DD1 under the Contract. However, the said location was not approved by the Marine Warrantor of the Contractor for an "all year operation". The Marine Warrantor approved the location for drilling only till September 30 and not beyond. GSPC, vide e-mail dated August 30, 2012, terminated the Contract with immediate effect and asked the Contractor to leave the location after demobilization of all the GSPC personnel and equipments. Such demobilization happened on September 14, 2012 and accordingly, GSPC has paid relevant day rate to the Contractor till that date.</p> <p>However, DD1 has termed the termination as termination for convenience and claimed payments for balance days of the 30 day notice period required in case of termination for convenience and raised a claim of approx. USD 1.6 Million on GSPC.</p> <p>It is GSPC's case that requirement of MWS Approval does not arise out of the Contract and that the termination of the Contract by GSPC was in view of DD1's failure to commence drilling at the location designated by GSPC in accordance with Contract. GSPC has also pleaded in the alternate that even assuming without admitting that termination of Contract was for convenience of GSPC, the Contract does not provide for any payment upon termination for convenience and therefore no payment is due to DD1 in any case.</p>





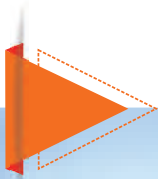
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
1 to 3 YEAR	Enquest Petro Solution Pvt. Ltd. v. GNRL & GSPC Spl Summary Suit No. 107/2014	1.83	<p>M/s Enquest has Hled a suit under Order XXXVII (Summary suit) of CPC for recovery of ₹.91,05,021.00 towards principal amount and ₹.92,77,528.00 towards interest due @ 18% p.a (Total = 1,83,82,549.00) alongwith further interest against GNRL as well as GSPC before the Court of Addl. Sr. Civil Judge, Ahmedabad (Rural) at Mirzapur, Ahmedabad.</p> <p>M/s Enquest has alleged that GNRL which is the operator in oil and gas Helds of Allora, North Kathana and Kanawara in Gujarat has failed to make payment of its invoice amount of ₹.91,05,021.00 raised by it towards providing drilling project management services in July' 2009. Accordingly, GSPC also being a JV partner in GNRL alongwith GNRL itself would be liable to pay the outstanding amounts to M/s Enquest.</p>
1 to 3 YEAR	Kakinada Mechanized Boat Owners' Association v. Secretary, Industries & Commerce, Hyderabad and 3 others including GSPC WP 34177 of 2012 High Court of AP		<p>The Kakinada Mechanized Boat Owners' Association has filed the Writ Petition against the action of competent authorities in the State of Andhra Pradesh in distribution of compensation to fishermen. The compensation that is subject matter of dispute was deposited by GSPC with Collector East Godavari District, AP, in accordance with the State Support Agreement signed between GSPC and Government of AP.</p> <p>The Association has prayed to the High Court of AP to issue a Writ of Mandamus or any other appropriate writ or order or direction declaring: (a) that the proposed action of the Respondents in providing cash compensation to the affected villages and Fishermen of East Godavari District by the offshore activities of GSPC as arbitrary, illegal and as unjust, (b) that the action of the Respondents in not identifying all the affected villages and the fishermen which are going to be affected by the said offshore activities of GSPC in east coast by reason of the drilling and pipeline activity of GSPC as arbitrary, illegal and as unjust, (c) That the action of the respondents in proposing to pay rehabilitation and compensation to few villages and fishermen in Mummdivaram constituency and of Yanam, Union Territory, as arbitrary, illegal and as unjust, (d) That the action of respondents in not considering the claim of the fishermen and villages of Kakinada Constituency, especially of the villages of Yettimogga, Uppalanka, Pagadalapeta as arbitrary, illegal and as unjust and issue a consequential direction directing the Respondents to : (1) identify all the villages in the East Godavari District which are going to be affected by the drilling and pipeline laying activities of GSPC in the east coast, (2) provide compensation and rehabilitation package to the affected fishermen which will be of long term benefit (3) to take steps to provide employment to those families (locals) which are going to be affected by the operations of GSPC and (4) Direct the Respondents not to disburse or release cash compensation to the affected fishermen or villages and (5) Direct the Respondents to make a proper study and identify all the villages and Hshermen in east coast which are going to be affected by the drilling and pipeline laying operations of GSPC.</p>
1 to 3 YEAR	Kotipalli Venkateswara Rao v. GSPC & Ors. Civil Judge, Rajhundry (OS No. 516 of 2014)	N/A	Injunction Suit filed for seeking stay against laying of pipeline beneath the Plaintiff's land in an extent of Ac.O-22cents covered by Survey.No.105/7 alleging minimal compensation paid to it by GSPC for grant of ROU in the said plaintiff's land.

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
1 to 3 YEAR	M/s A. R. Infrastructure v. GSPC & Ors. A D Judge, Kakinada (OS no 309 of 2014)	0.395	It's a case filed against GSPC & M/s EIL and one of its sub — contractor — M/s Avinash EM Projects Pvt. Ltd. for Recovery of an amount of ₹.39.50 Lakhs
1 to 3 YEAR	GSPC v. IDBI & Republic of Yemen (CS no. 349 of 2013 City Civil Court Ahmedabad	268.86	<p>GSPC led consortium have terminated Production Sharing Agreement (PSA) for 3 blocks awarded in Republic of Yemen. PSAs have been terminated on the ground of existence of force majeure vide letter dated 13th February, 2013. The Company had an apprehension that the Bank Guarantee of 42 Million USD provided l by the consortium may be invoked by the Yemen Government and thus the Consortium has filed this civil suit.</p> <p>Consortium has filed series of litigations including civil suit before the City Civil Court at Ahmedabad on 14th February, 2013 for declaring the Injunction against IDBI from invoking the Bank Guarantee's amounting to USD 42 million. However since stay was not granted, an appeal was preferred before the High Court on 16th February, 2013. The SCA application before Gujarat High Court has been disposed off with directions to City Civil Court to hear the matter expeditiously and the stay will continue to operate till the disposal of the application before the City Civil Court.</p>
1 to 3 YEAR	GSPC v. Mamta Steel SLP C No. 27610 of 2013 Supreme Court	0.0364	GSPC has preferred SLP against Judgment of Gujarat HC in relation to plot allotted by GIDC. Allotment was held to be irregular by HC where both GSPC and GIDC were asked to bear 50% costs each in relation to such allotment. However, GSPC is a bonafide purchaser and has no role in allotment process by GIDC. SLP admitted by SC.
1 to 3 YEAR	GAIL v PNGRB & GSPCL CA 11450/14 Supreme Court	N/A	<p>GSPC had approached GAIL for reserving common carrier capacities in its DBNPL and DVPL pipelines on "reasonable endeavour (RE) basis" but GAIL refused to provide the same on RE basis and asked GSPC to book on Firm Basis. GSPC complained before PNGRB under the PNGRB Act and Rules / Guidelines alleging that Common Carrier capacities have to be offered by GAIL on RE basis. GSPC also pointed out that GAIL was in fact providing capacities on RE basis to its certain customers.</p> <p>PNGRB passed order on December 20, 2013 stating that GAIL could not have discriminated between GSPC and its other customers and it should provide capacity on RE basis to GSPC also if they are providing the capacity on RE basis to other customers. A penalty was also imposed by PNGRB on GAIL.</p> <p>Thereafter, GAIL appealed against the PNGRB order before the Appellate Tribunal of Electricity (APTEL). APTEL also held that GAIL has discriminated in booking common carrier capacity leading to restrictive trade practice and has upheld the PNGRB order and penalty.</p> <p>Subsequently, GAIL filed Civil Appeal against the APTEL judgment in the Supreme Court of India along with an application seeking stay on the APTEL judgment and permission to participate in the bid invited by PNGRB for Ennore-Tuticorin natural gas pipeline.</p> <p>The Supreme Court has vide its interim order December 18, 2014 partly allowed the Application filed by GAIL and directed that PNGRB should consider the bid of GAIL for Ennore-Tuticorin natural gas pipeline.</p>





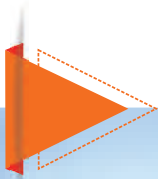
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
3 TO 5 YEAR			
3 to 5 YEAR	GSPC v/s NIKO Arbitration Tribunal comprising of JJs. S P Bharucha, A M Ahmadi and SN Variava	115.27	<p>The matter arises from a Gas Balancing Agreement signed between NIKO and GSPC under which NIKO had agreed to compensate GSPC for management of short fall supplies effected by GSPC on behalf of NIKO—GSPC JV to various Hazira Customers.</p> <p>From early 2006, Hazira Field started depleting and production from Hazira Field reduced to such an extent that it was not sufficient even to meet the total Minimum Guaranteed Offtake obligations under the Hazira GSAs. For the purpose of saving the JV from claims of Liquidated Damages for short supply under the Hazira GSAs, GSPC started to supply gas to hazira customers from its gas trading portfolio. GSPC continued to manage the short supply right from March - April 2006 till June 2008.</p> <p>For the purpose of compensating GSPC for management of the aforesaid shortfall, a Gas Balancing Agreement was signed where NIKO agreed that NIKO will compensate GSPC by either (i) supplying Five Times NIKO's Share of Shortfall Gas from RIL KG D6 Field to GSPC; or (ii) supplying Five times NIKO's Share of Shortfall Gas from any other source to GSPC; or (iii) making a onetime payment in accordance with formula defined in the GBA.</p> <p>When GSPC asked NIKO in early 2011 to either supply Five times Gas or to make payment under the GBA in early 2011, NIKO stated that the GBA had not come into force since the same was subject to RIL KG D6 Agreement being signed between RIL—NIKO and GSPC. NIKO stated that since KG D6 Agreement could not be signed in view of Gas Utilization Policy, the said Condition Precedent was not fulfilled and therefore the GBA had not come into force.</p> <p>Accordingly, GSPC has raised arbitration against NIKO claiming cash compensation of USD 18.72 Million (plus 5% escalation every year and plus interest on the said compensation) under the GBA. It is GSPC's case that NIKO has always admitted to GSPC making up the short fall on its behalf and that NIKO has always acknowledged its obligations under the GBA on various occasions. It is GSPC's case that GBA has come into force and GSPC is entitled to compensation under the GBA.</p>
3 to 5 YEAR	GSPC v. GAIL/BPCL/IOC (SC) Inter connectivity Charges Civil Appeal No. 2473/2476 of 2014 (Supreme Court)	N/A	<p>The matter arises from the Gas Sales Agreements dated February 2004 signed between GSPC and GAIL/IOC/BPCL. Under the said GSAs, for effecting supplies of PLL Gas, GAIL, IOC and BPCL were using a 500 Meters Interconnectivity Pipeline and the charges for use of the said 500 Meters Interconnectivity was agreed in the GSA.</p> <p>However, even after GSPL having completed the direct connecting pipeline to PLL's Dahej Terminal, GSPC was not allowed to use the said direct connectivity and was forced to use and pay for the 500 Meters Pipeline. Further, GAIL IOCL and BPCL also started levying full transportation tariff approved by PNGRB for DVPL Pipeline of GAIL instead of the tariff agreed in the GSA.</p> <p>GSPC challenged the said action of forcing use of interconnectivity and charging heavily for same on part of GAIL, IPCL and BPCL before PNGRB. PNGRB by majority decision held that the said actions of GAIL, IOCL and BPCL were restrictive trade practices and directed GAIL to allow GSPC to use direct connectivity of GSPL.</p>

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
			<p>GSPC as well as GAIL/IOC/BPCL filed appeals before the APTEL challenging the Order of PNGRB holding GAIL/IOC/BPCL guilty of RTP from the appointed day of the PNGRB Act but affording remedy to GSPC only from the date of filing the complaint. GSPC was allowed direct connectivity but the same was not enforced in view of appeals filed by GAIL/IOC/BPCL.</p> <p>APTEL passed Judgment dated December 18, 2013 holding that there is no RTP on part of GAIL/IOCL/BPCL since the GSAs were entered into by GSPC at its free will. APTEL reversed the direct connectivity given to GSPC also and asked GSPC to make payment of differential interconnectivity charges to GAIL.</p> <p>GSPC has challenged the aforesaid judgment of APTEL before Supreme Court. On February 28, 2014, SC has passed an Order to the effect that GSPC shall make payment to GAIL at lump-sum amount of ₹. 12 per MMBTU (in place of 19.83 per MMBTU as per APTEL Judgment) as interim arrangement.</p> <p>GSPC has filed an application for expedited hearing of the matter.</p>
3 to 5 YEAR	Gujarat State Energy Generation Limited v/s NIKO Resources Limited and GSPC Sole Arbitrator — Justice M B Shah	831.86	<p>GSEG has invoked arbitration clause of the Gas Sales Agreement dated February 16, 2000 under which GSEG is the Buyer while NIKO and GSPC are the Sellers.</p> <p>GSEG has alleged that in terms of the GSA, NIKO and GSPC as Sellers were required to supply certain minimum quantities of gas on daily basis (called the Minimum Supply Obligation). GSEG further alleges that the JV of NIKO and GSPC was unable to supply such MSO commencing from August 2010 resulting into Short Supply under the GSA. GSEG has alleged that GSEG is entitled to Liquidated Damages in accordance with the GSA for such short supply to be recovered from the JV of GSPC and NIKO.</p> <p>GSEG has made a claim of approx. USD 129 Million as Liquidated Damages against the JV of NIKO and GSPC where NIKO holds 33% PI while GSPC holds 67% PI.</p> <p>However, it is the case of NIKO and GSPC that the short supply under the GSA is attributable to unexpected decrease and depletion in the Reservoir of Hazira Field due to natural acts of ingress of water and sand into the Reservoir which is a natural geological and geophysical phenomenon and is Force Majeure situation. NIKO and GSPC have therefore put GSEG to notice that the short-supply under the GSA on account of the Force Majeure situation and therefore there is no liability on part of JV to make payment to GSEG towards Liquidated or other Damages under the GSA.</p>
3 TO 5 YEAR	Tuff Drilling Private Limited V/S GSPC (AA No. 38/2011 District & Sessions Court Gandhinagar	N/A	<p>The matter pertains to and arises from Platform Drilling Rig Contract dated May 22, 2010 which was terminated by GSPC due to failure of Tuff to deliver the Platform Drilling Rig at DDW Location in time. Tuff has filed application on 21.04.2011 u/s 9 of Arbitration & Conciliation Act before District & Sessions Court, Gandhinagar seeking interim measures to restrain GSPC from awarding new contract and making payment to any third party in relation to platform drilling rig services.</p> <p>Court initially granted an ex-parte interim order restraining GSPC from making any payment to any third party in relation to platform drilling rig contract. The said interim order was modified on April 27, 2011 upon representation of GSPC allowing GSPC to make payments to third parties however ensuring that separate accounts are maintained in relation to such payments. However, no stay as prayed for by Tuff has been granted.</p>



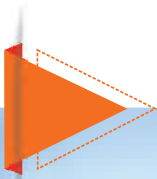
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
3 TO 5 YEAR	Tuff Drilling Private Limited v/s. GSPC Arbitration Tribunal comprising of JJs. R A Mehta, D K Trivedi and M B Shah	719.33	<p>The matter pertains to and arises from Platform Drilling Rig Contract dated May 22, 2010 which was terminated by GSPC due to failure of Tuff to deliver the Platform Drilling Rig at DDW Location in time. Tuff has invoked arbitration clause of the Contract and appointed its arbitrator on 11.04.2011. Tuff has alleged that the termination of the Contract dated May 22, 2010 by GSPC is illegal and claimed damages for such alleged illegal termination. Total Claims made by Tuff in the Arbitration Proceedings amount to ₹. 719.33 Crores.</p> <p>GSPC has also made counter-claim on Tuff amounting to ₹. 515.65 Crores on account of additional interest burden, cost of deploying jack—up rig and other damages suffered by GSPC due to breach of Contract by Tuff.</p> <p>Later, Hindustan Cargo filed an application for winding up of Tuff Drilling which was admitted and a provisional liquidator was appointed by the Delhi High Court. Taking note of that the tribunal kept the matter in abeyance. Tuff drilling gave a commitment to the tribunal that the said winding up petition will be set aside as they are settling the matter with Hindustan Cargo and shall be done by 7th April 2015. The matter was settled on 10th April 2015 but Tuff had sought an adjournment.</p>
3 to 5 year	NIKO Resources Limited v/s GSPC Arbitration Tribunal comprising of JJs. R C Lahoti, A M Ahmadi and M B Shah	200	<p>NIKO has issued Arbitration notice dated 25. 03. 2011 under a Memorandum of Understanding dated October 3, 2002 in relation to 36" Hazira — Mora Pipeline. NIKO is seeking specific performance of the MOU asking for retransfer of 36" Hazira-Mora Pipeline to the Hazira JV and a share in the revenues generated / to be generated from the Hazira — Mora Pipeline as damages in addition to or in lieu of specific performance of the MOU.</p> <p>NIKO has pleaded that in accordance with the MOU, GSPC had agreed to regain the possession of 36" Hazira — Mora Pipeline from GSPL and agreed to retransfer the pipeline to the Hazira JV (formed under Hazira Field PSC where GSPC holds 67% PI while NIKO holds 33% PI). NIKO has alleged that GSPC has breached the said terms of the MOU and failed in causing the retransfer of the Pipeline.</p> <p>However, it is GSPC's case that GSPC is required to cause the retransfer of the Hazira - Mora Pipeline only after Cost Recovery to the HMPL has been granted by the Government of India under the Hazira PSC. Till date, the said 36" Pipeline has not been granted cost-recovery status and therefore GSPC's obligation under the MOU has not arisen and therefore GSPC is not in any breach of the MOU. Additionally, GSPC has also questioned the jurisdiction of the Arbitration Tribunal to adjudicate the claims of NIKO since the MOU does not have an arbitration clause.</p> <p>NIKO has made total claims amounting to approximately ₹.200 Crores on GSPC in the nature of damages as per the latest Witness Statement filed by NIKO.</p>

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
MORE THAN 5 YEAR			
MORE THAN 5 YEAR	NIKO Resources Limited v/s Union Of India & GSPC FAO OS No. 358/2012 Delhi High Court	N/A	<p>The matter arises from the Production Sharing Contract for the Hazira Field under which JV of NIKO and GSPC had proposed allowance of cost recovery status to the 36" Hazira-Mora Pipeline which proposal was rejected by the DGH/MOPNG on August 6, 1999. The said decision of DGH / MOPNG was challenged in an arbitration proceeding under the PSC. The arbitration tribunal in the said proceedings passed a Majority Award on December 23, 2009 allowing cost—recovery status to the Hazira — Mora Pipeline. However, the UOI challenged the said Majority Award under Section 34 of the A&C Act, 1996 and preferred an appeal before the Delhi High Court Single Judge in April 2010.</p> <p>The Single Judge of Delhi High Court, vide Judgment and Order dated July 2, 2012, allowed the appeal preferred by UOI and set aside the Majority Award resulting into cost recovery status to the Hazira — Mora Pipeline being rejected.</p> <p>NIKO has preferred appeal against the said judgment of Single Judge under Section 37 of the A&C Act. The Division Bench of Delhi High Court has heard the final arguments of the Parties and the order is reserved since December 4, 2014.</p>
MORE THAN 5 YEAR	Saipem Portugal Comercio Meritimo v/s GSPC Arbitration tribunal Consisting of Jjs. S. P. Bharucha, A M Ahmadi & B N Srikrishna	918.66	<p>Arbitration proceedings have been initiated by Saipem against GSPC on 31-03-2008, pursuant to a dispute in relation to the contractual obligations of Saipem under the contract for services rendered under the Contract dated April 1, 2004 for charter hire of offshore jack up rig in KG Block.</p> <p>Saipem's primary contention is that the Contract is a Lime Based Contract and the day rate of 61,800 USD was valid for 600 days only taking into consideration two extension options available to GSPC. Saipem has also raised other several allegations and breaches on part of GSPC.</p> <p>GSPC's primary contention is that the Contract is a Well Based Contract and the day rate of 61, 800 USD is valid for drilling of (4+6+2) 12 wells irrespective of time.</p> <p>Saipem has made a claim of USD 143.45 Million being difference in the market rate for charter hire and contractual rate for entire period after expiry of 600 days during which GSPC utilized the rig.</p> <p>GSPC has also made counter-claim on Saipem amounting to USD 36.90 Million on account of non-performance time attributable to Saipem, time lost in extraction of legs of rig due to failure of jetting mechanism of rig and BOP related costs.</p>
MORE THAN 5 YEAR	Reliance Industries Limited v. Bonthu Veera & others (including GSPC as 5 th Respondent) OS No. 146/2010 Civil Court Kakinada	N/A	<p>RIL has filed the suit claiming that RIL should be indemnified by Respondents for additional compensation that it had to pay to the Land Owners in the sale transaction relating to certain survey numbers. GSPC has been made a respondent simply because the subject properties were also proposed to be purchased by GSPC even though RIL had already beneficial interest in the said lands.</p>





**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
MORE THAN 5 YEAR	Katari Sitha Rama Raju and others v. K V Reddy and others (GSPC) OS no. 8 of 2008 Civil Court Yanam	N/A	The dispute is pertaining to a property situated in Puducherry and Katari seeks a declaration that the compromise deed entered between him & Reddy and the subsequent sale deeds entered between Katari and GSPC are null and void, on the grounds that the same have been obtained through coercion and misrepresentation by the defendants.
MORE THAN 5 YEAR	Essar Power Limited, Essar Steel Limited and others v. UOI and others together with GSPC v/s UoI, Petronet LNG Limited, GAIL, IOCL, BPCL & others Civil Appeal 4610 and 4609 of 2009 before Supreme Court	N/A	<p>GSPC has entered into Gas Purchase Agreements with GAIL, IOCL and BPCL in February 2004 for a long tenure of 15 years. The said GSAs were back-to-back arrangement in relation to Gas sourced on long term by PLL from Ras Laffan Natural Gas Company of Qatar for a period of 25 years. GAIL, IOCL and BPCL being the designated Off-takers of the Gas so procured / imported by PLL from Qatar. Under the said GSAs, the price of the Gas was fixed for the first tenure of Five Years i.e. upto December 31, 2008. The said further provides that the Price of Gas can be varied before December 31, 2008 only to the extent Ras Laffan Natural Gas Company Limited revises the price or in accordance with any change in law.</p> <p>During the said initial term of the GSA, the Union of India directed PLL vide a communication dated March 6, 2007 to charge a "uniform pooled price" for all the long term gas procured by PLL. A copy of the said communication was also marked to GAIL, IOCL and BPCL being the Offtakers of PLL Gas.</p> <p>GAIL, IOCL and BPCL alleged that the said communication requiring pooling of gas price was in the nature of "change in law" and therefore GSPC shall also be charged such Pooled Gas Price instead of the price fixed under the GSA.</p> <p>GSPC challenged the said "communication" requiring pooling of gas prices by way of Special Civil Application before Gujarat High Court. Gujarat High Court, on May 16, 2008, passed a Majority Judgment upholding the validity of the said communication directing pooling of gas prices.</p> <p>The said judgment of Gujarat High Court dated May 16, 2008 has been challenged by GSPC as well as by ESL, EPL and others before Supreme Court. The SLPs have been admitted and converted to Civil Appeals. The matter is still sub-judice.</p>

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED ON 31 MARCH 2015

The preparation of financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done vide their Auditors Report dated 6 August 2015.

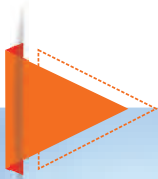
I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to 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 Statutory Auditor's Report.

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

Date : 20 October 2015
Place : Ahmedabad

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





**Gujarat State Petroleum Corporation Limited
Standalone Balance Sheet as at 31st March, 2015**

₹. in Crores

	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	252.45	248.62
Reserve & Surplus	3	7,165.07	6,862.30
		7,417.52	7,110.92
Share Application Money Pending Allotment	4	0.00	60.00
Non-Current Liabilities			
Long Term Borrowings	5	13,396.96	11,433.38
Net Deferred Tax Liabilities	6	169.74	163.59
Other Long Term Liabilities	7	12.77	12.68
Long Term Provisions	8	52.09	52.09
		13,631.56	11,661.74
Current Liabilities			
Short Term borrowings	9	5,365.40	3,704.06
Trade payables	10	410.66	537.73
Other Current Liabilities	11	2,332.75	1,728.07
Short Term provisions	12	63.75	71.80
		8,172.56	6,041.66
TOTAL		29,221.64	24,874.32
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	977.04	823.34
Intangible Assets	13	4.95	6.28
Capital Work in Progress	14	10,712.87	9,441.28
Intangible Assets under development	14	11,175.30	10,155.65
Non-Current Investments	15	1,387.87	921.76
Long Term Loans & Advances	16	1,997.37	1,821.01
Other Non-Current Assets	17	132.82	132.21
		26,388.22	23,301.53
Current Assets			
Inventories	18	67.55	5.53
Trade Receivables	19	699.82	608.45
Cash & Bank	20	416.51	262.24
Short Term loan and Advances	21	1,132.37	687.17
Other Current Assets	22	517.17	9.40
		2,833.42	1,572.79
TOTAL		29,221.64	24,874.32

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

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
Chairman

Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer

Gujarat State Petroleum Corporation Limited
Standalone Statement of Profit & Loss for the year ended 31st March, 2015

₹. in Crores

	Note No.	2014-15	2013-14
INCOME			
Revenue from Operations (Gross)	25	10,956.59	11,927.20
Less: Excise Duty		-	-
Revenue from Operations (Net)		10,956.59	11,927.20
Other Income	26	81.31	110.62
Total Revenue		11,037.90	12,037.82
EXPENSES			
Production Expenditure - E&P	27	116.29	102.57
Cost of Traded Goods	28	10,230.03	10,019.79
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	29	(61.98)	1.50
Employee Benefits Expense	30	14.61	15.61
Finance Cost	31	51.03	33.82
Depreciation, Amortisation, Depletion and Impairment	13	100.99	102.83
Other Expenses	32	42.08	54.00
Exploration cost written off		513.03	1,610.69
Total Expenses		11,006.08	11,940.81
Profit Before Tax and Adjustments		31.82	97.01
Prior period Adjustments		0.11	0.00
Profit Before Tax		31.71	97.01
Tax Expenses			
Current Tax		1.86	15.00
Deferred Tax		6.15	46.52
Short /(Excess) provision of Tax		-	61.52
Profit for the Period		23.70	35.49
Basic Earning per equity share of face value of ₹. 1 each	42	0.09	0.15
Diluted Earning per equity share of face value of ₹. 1 each	42	0.09	0.14

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

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
Chairman

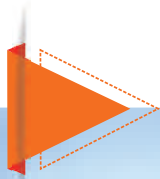
Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer





**Gujarat State Petroleum Corporation Limited
Standalone Cash Flow Statement for the year ended 31st March, 2015**

₹. in Crores

Particulars	2014-15	2013-14
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	31.71	97.01
Add : Depreciation and Amortisations being non-cash item	-	-
Depreciation	100.99	102.84
Interest & Finance Charges being financing cash outflow	51.03	33.82
Loss on Sale of Assets	0.01	0.07
Misc. Exp. Written Off (net)	8.67	25.94
Exploration Cost Written off	513.03	1,610.69
Diminution in the value of Investment	-	0.01
Provision for Doubtful Advances	1.72	-
	<u>707.16</u>	<u>1,870.38</u>
Less : Interest / Dividend Income	(22.60)	(25.82)
Profit on sale of Assets	(2.28)	(0.22)
Operating Profit before working capital changes	<u>682.28</u>	<u>1,844.34</u>
Working Capital Adjustments		
Long Term Loans & Advances	(121.44)	(275.06)
Other Non-Current Assets	(0.60)	18.78
Inventories	(62.02)	0.99
Trade Receivables	(91.36)	126.24
Short Term loan and Advances	(277.45)	(229.39)
Fixed Deposits with Bank	(10.46)	7.29
Other Current Assets	(516.46)	(27.53)
Other Long Term Liabilities	0.08	(0.53)
Trade payables	(127.07)	(109.22)
Other Current Liabilities	511.39	21.30
Proposed Dividend	-	134.35
Short Term provisions	(8.05)	92.89
	<u>(21.16)</u>	<u>1,604.45</u>
Less : Direct Tax Paid	(56.77)	(46.49)
Less : Prior Period Adjustment	(0.11)	-
Less : Misc. Expenditure Incurred during the year	-	0.81
Net Cash Flow from Operating Activities (A)	<u>(78.04)</u>	<u>1,558.77</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Paid for Purchase of Assets / CWIP including Joint Ventures (Net)	(1,333.92)	(2,625.64)
Sale of Fixed Assets	8.44	1.08
Investments in Subsidiaries	(466.46)	(415.07)
Proceeds from Investments	0.36	-
Inter Corporate Loan to group Companies	(169.50)	(30.50)
Interest / Dividend Income	22.60	25.82
Net Cash Flow from Investing Activities (B)	<u>(1,938.48)</u>	<u>(3,044.31)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Equity Share issue	310.00	1,040.00
Equity Share issue expenses	(0.95)	(0.90)
Proceed from Share Application Money	(60.00)	(340.00)
Proceeds /(Repayment) of Debentures	-	550.00
Proceeds /(Repayment) to Long terms Loans (net)	2,588.84	477.24
Proceeds / (Repayment)from to Short terms Loans (net)	1,024.43	955.24
Interest & Financing Charges Paid	(1,701.99)	(1,423.21)
Dividend Paid (including dividend tax)	-	(134.35)
Net Cash Flow from Financing Activities (C)	<u>2,160.33</u>	<u>1,124.02</u>

Gujarat State Petroleum Corporation Limited
Standalone Cash Flow Statement for the year ended 31st March, 2015

₹. in Crores

Particulars	2014-15	2013-14
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	<u>143.81</u>	<u>(361.52)</u>
Cash and Cash equivalents at the Beginning of the Year		
Cash on hand	0.03	0.04
Cheques on Hand	60.00	400.00
Bank Balances	<u>13.25</u>	<u>34.76</u>
	<u>73.28</u>	<u>434.80</u>
Cash and Cash equivalents at the End of the Year		
Cash on hand	0.10	0.03
Cheques on Hand	-	60.00
Bank Balances	<u>216.99</u>	<u>13.25</u>
	<u>217.09</u>	<u>73.28</u>

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

As per our report of even date

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
Chairman

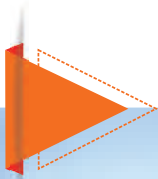
Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer





Notes to Standalone financial statements for the year ended 31st March 2015

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 2013, 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 over a period of useful life prescribed in Schedule -II to the Companies Act, 2013 considering 5% as residual value except the following:

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

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

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

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

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

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

D. Site Restoration and Abandonment Costs

D.1. The estimated liability towards costs relating to dismantling, abandoning and restoring offshore well sites and allied facilities, in respect of fields under production, is recognized at the initial stage as a part of cost of producing property, based on the latest technical assessment available with the Company and provision is made for the site restoration and abandonment cost

- 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.
- D.3. Wherever applicable, a site restoration fund is created under the Site Restoration fund Scheme 1999 as notified by the Government of India based on approval from the Management Committee of the PSC and Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas (MoP&NG). An annual contribution is made to the fund appropriately.

E Investments

Trade and Non-Trade Investments are classified as Non-Current Investments. Non-Current investments are stated at cost less provision for permanent diminution in value, if any.

F Inventories

- F.1 Crude oil in flow lines is technically not feasible to be quantified due to operational constraints and hence neither valued nor accounted for.
- F.2 Inventory of crude oil with Joint Ventures is 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 wells until start of commercial production is adjusted against the cost of 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. Sale of Gas is stated net of applicable CST/VAT, as applicable. Any retrospective revision in prices of gas is accounted for in the year of such revision.
- G.4 Revenue from sale of wind power is recognized on a monthly basis in accordance with the terms of power purchase agreement (PPA).

G.5 Revenue in respect of interest on delayed realizations from customers, if any, is recognized when there is reasonable certainty regarding its collection. All other interest incomes are recognised on accrual basis.

G.6 Revenue in respect of Take or Pay quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) is recognized when there is reasonable certainty regarding its collection.

G.7 Profit Petroleum payable to the Government of India (MoP&NG) under a PSC is accounted for on an estimated basis initially and upon approval of the DGH, MoP&NG, difference, if any, is accounted for in the year of such of approval.

G.8 Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

H Prior Period and Extraordinary Items and Changes in Accounting Policies

Prior period and extraordinary items and changes in accounting policies, having a material impact on the financial affairs of the company, are disclosed, in the year in which they occur.

I Allocation of General Administrative Expenses

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

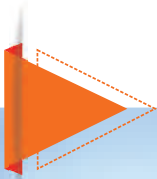
J Accounting for Oil and Gas Joint Ventures

The company has adopted Full Cost Method of accounting for the oil and gas operations activity with effect from 1-4-2005 and accordingly, all costs incurred in prospecting, acquisition, exploration and development of Contract Areas are accumulated considering a country as a cost center.

The carrying cost of a Contract Area is written off in the year in which such area is permanently abandoned.

All Oil and Gas Joint Ventures are in the nature of unincorporated Joint Ventures (Jointly Controlled Assets). Accordingly, the financial statements of the Company reflect the Company's share of assets, liabilities, income and expenditure of the Joint Venture operations, which are accounted on a line by line basis, based on the available information as on the date of the Balance Sheet, 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 Operating Agreements (JOA) 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 of the Contract Area in accordance with the requirements prescribed by the respective PSC and JOA. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 2013 have been made in the financial statements of the Company only to the extent of information available with the Company as on the date of the balance sheet. Such information include information relating to foreign exchange differences, micro, small and medium enterprises, expenditure in foreign currency, earnings in foreign currency, CIF value of imports, transactions with related parties, details of commitments and contingencies, and information relating to inventories of oil and gas and consumption of stores and spares.

K Borrowing Costs

Borrowing Costs, when specifically incurred for the acquisition, construction or production of qualifying assets, are capitalized as a part of cost of such assets till the activities necessary for its intended use or sale are complete. General borrowing costs are apportioned and capitalized at the weighted average of such borrowings outstanding during the period, to the extent the same are attributable to the qualifying assets. Borrowings costs also include exchange differences arising from foreign currency borrowings. All other borrowing costs are charged to statement of profit and loss of the period in which incurred.

- L Charges relating to Bank guarantees incurred at the time of submission of bids for oil and gas blocks or prior to the award of contract as well as for Annual Work Programme under the PSC are charged to Profit and Loss Account, as and when incurred.

M Income Tax and Deferred Tax

Tax Expenses comprise Current as well as Deferred Tax. Provision for Current Tax is made at the tax rate applicable to the relevant assessment years on the basis of the assessable income after considering the applicable provisions of the Income Tax Act, 1961 .

Deferred tax is recognized based on the principle of prudence, arising from time differences between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using applicable tax rates and Laws that have been enacted until the date of the balance sheet. Deferred tax assets are reviewed at each balance sheet date and adjusted, if required.

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

The Minimum Alternative tax (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 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 Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews such credits at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement, if warranted.

N Employees Benefits

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

N.2 Provident Fund:

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at the time of 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 eligible employee's salary. 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. The company also contributes to a government administered pension fund on behalf of its employees.

N.3 Superannuation Fund

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

N.4 Gratuity

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan requires a lump sum payment to eligible employees, at the time of retirement, death, incapacitation or termination of employment, 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 to the Group Gratuity scheme of Life Insurance Corporation of India.

N.5 Leave Encashment

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

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

O Foreign Currency Transactions

- O.1 All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- O.2 Monetary items denominated in foreign currency at the year end are restated at the rate of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is recognized in the Statement of Profit and Loss during the year except in case of long term borrowings relating to the acquisition of qualifying assets, which is capitalised as a part of the carrying cost of such assets.
- O.3 In case of non-integrated overseas unincorporated Joint Ventures, the summarized revenue and expenses reflected in Statement of Profit and Loss are translated into Indian Rupees at an average of SBI buying Selling TT Rates for the year. The assets and liabilities are translated into Indian Rupees at the closing exchange rate prevailing on balance sheet date as notified by RBI. The resultant excess/shortfall, arising from reporting of interest in Joint Venture as per AS-27, has been disclosed as foreign currency translation reserve.

P Derivative Transaction

- P.1 The Company uses derivative instruments to hedge its exposure to movements in foreign exchange rates and interest rates. 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 fluctuations associated with a recognized asset or liability are accounted based on the principles of prudence as enunciated in

Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies".

- P.2 The Company uses commodity hedging contracts to cover all potential risk on account of natural gas price fluctuation relating to import of gas. Such commodity hedging contracts are 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 relating to Accounting for derivative contracts, derivative contracts other than those covered under AS 11, as specified in the Companies (Accounting Standard) Rules, 2006; the effect of change in rates, are Marked to Market on portfolio basis and the net loss after considering the offsetting effects on the underlying hedge item, is charged to Statement of Profit & Loss. Net gains are ignored.

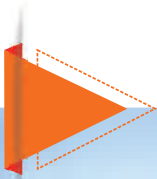
Q Impairment

As provided in the Revised Guidance Note on Accounting for Oil & Gas Producing Activities, for the purpose of Accounting Standard 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 pre-tax cash flow expected from the continuing use of the asset and its ultimate disposal are discounted to their present value using a weighted average cost of capital. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

R Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity share holders of the company by the weighted average number of equity shares issued during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity share holders (after adjustment for diluted earnings) by weighted average number of equity shares outstanding during the year.





S Misc./Deferred Revenue Expenditure

- S.1 The expenditures incurred on account of raising of Compulsory Convertible Debentures through the process of private placement is written off equally over a period of five years.
- S.2 The expenditures incurred for raising of Debt Capital is written off equally over a period of time based on the maturity of the debt, other than debts issued for an original maturity period of 60 years, wherein period up to first call option as per terms of issue is considered.

T Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are not discounted to its present value and are determined based on management estimates 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 and the same are classified as Contingent Liabilities. 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.

U Cash Flow Statements

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

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

Notes forming part of Financial Statements

2. SHARE CAPITAL :

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Authorised Share Capital:		
300,00,00,000 Equity shares of ₹. 1 each (P.Y. 300,00,00,000 Equity shares of ₹. 1 each)	300.00	300.00
TOTAL	300.00	300.00
Issued, Subscribed and Paid up share Capital:		
2,524,486,486 Equity shares of ₹. 1 each (P.Y. 2,486,214,881 Equity shares of ₹. 1 each)	252.45	248.62
TOTAL	252.45	248.62

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

Particulars	2014-15		2013-14	
	No of shares	₹. in Crores	No of shares	₹. in Crores
At the beginning of the period	2,48,62,14,881	248.62	2,35,78,19,820	235.78
Add: Shares Issued during the year	3,82,71,605	3.83	12,83,95,061	12.84
Outstanding at the end of the period	2,52,44,86,486	252.45	2,48,62,14,881	248.62

During the Financial Year 2013-14, the Company had issued Compulsory Convertible Debentures amounting to ₹. 550 crores. For details of shares reserved for issue on conversion of convertible debentures, refer note 5.7.

No bonus shares issued by the company during last five years immediately preceding the reporting date:

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

Particulars	As on 31-03-2015		2013-14	
	No of shares	% in Holding	No of shares	% in Holding
Equity shares of ₹. 1 each fully paid				
Government of Gujarat	2,18,62,33,745	86.60%	2,14,79,62,140	86.39%
Gujarat State Investment Limited	19,25,92,441	7.63%	19,25,92,441	7.75%

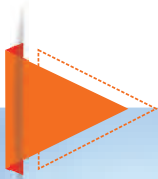
As per records of the company, including its register of shareholders/members and declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of share.

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 2015 the amount of dividend per share recognized as distributions to equity shareholders is ₹. NIL (P.Y NIL).





In the event 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 proportion to the number of equity share held by each shareholder.

3. RESERVES & SURPLUS:
₹. in Crores

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Capital Reserve				
Balance as per last Balance Sheet	1.28		1.28	
Addition/utilisation during the year		1.28	-	1.28
Securities Premium Reserve				
Balance as per last Balance Sheet	2,997.07		1,970.81	
Addition during the year	306.17		1,026.26	
	3,304.64		2,997.07	
Utilisation during the year	0.95	3,302.29	-	2,997.07
Debenture Redemption Reserve				
Balance as per last Balance Sheet	198.03		48.32	
Addition /utilisation during the year	149.71	347.74	149.71	198.03
General Reserve				
Balance as per last Balance Sheet	3,245.14		3,245.14	
Transfer from Statement of Profit & Loss	-	3,245.14	-	3,245.14
Foreign Exchange Translation Reserve				
Balance as per last Balance Sheet	22.15		58.25	
Addition /utilisation during the year	(21.04)	1.11	(36.10)	22.15
Surplus in the Statement of Profit & loss				
Balance as per last Balance Sheet	398.63		512.85	
Depreciation Adjustment (Schedule II)	(5.12)		-	
Add: Profit for the Year	23.70		35.49	
	417.22		548.34	
Less: Appropriations				
Transferred to Debenture Redemption Reserve	149.71		149.71	
Proposed Dividend on Equity Shares	-		-	
Tax on Dividend	-		-	
Transferred to General Reserve	-		-	
Total Appropriations	149.71		149.71	
Net Surplus in the Statement of Profit & Loss		267.51		398.63
TOTAL		7,165.07		6,862.30

4. SHARE APPLICATION MONEY PENDING ALLOTMENT :

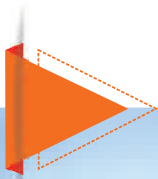
Company had Share Application Money of ₹. 60 Crores outstanding as on 1st April, 2014 pending allotment. During the year the company had received further amount of ₹. 250 crores as share application money. The company has issued 38,271,605 shares (face value of ₹. 1 each having security premium of ₹. 80 per share) against the same, during the year to Government of Gujarat.

5. LONG TERM BORROWINGS :

Particulars	₹. in Crores			
	As at 31 st March, 2015		As at 31 st March, 2014	
	Non-Current	Current	Non-Current	Current
Secured Loans				
Term Loan From Banks				
Rupee Loan	3,000.00	-	2,775.00	225.00
Foreign Currency Loan	3,471.96	453.91	1,670.88	573.00
Compulsory Convertible Debentures	550.00	-	550.00	-
(A)	7,021.96	453.91	4,995.88	798.00
Unsecured Loans				
Non Convertible Debentures	6,000.00		6,000.00	
Term Loans from others				
GSFS	375.00	500.00	437.50	62.50
	6,375.00	500.00	6,437.50	62.50
TOTAL	13,396.96	953.91	11,433.38	860.50

- 5.1 Foreign currency loans (ECB-1) amounting to USD 325 million (Current outstanding USD 24.375 million) are from a consortium of four member banks lead by State Bank of India. 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 State Bank of India has refinanced the entire Rupee Term Loan of ₹. 3,000.00 crs in October 2014, which was previously held by Consortium of fourteen banks lead by Bank of Baroda. The loan is secured by way of first ranking parri passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company'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 Foreign Currency Loan of USD 200 Million (Current outstanding of USD 183.34 Million). The repayment of installments have started from March, 2015. The loan is secured by way of first ranking parri passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.4 Consortium of Five member banks lead by Bank of Baroda (ECB-3), London branch has provided Foreign Currency Loan of USD 250 Million and USD 75 Million from Export Import Bank of India (Current outstanding of USD 325 Million). The loan is secured by way of first ranking parri passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company'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.
- 5.5 EXIM bank has provided new Foreign Currency Loan (ECB - 4) of USD 100 Million in FY 2014-15. The loan is secured by way of first ranking parri passu charge / assignment of the company's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the company'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.





5.6 Outstanding unsecured NCDs amounting to ₹. 6,000 crores raised on private placement basis are listed with National Stock Exchange. The details of the same are as follows:

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

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

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

Sr. No.	Name of the Investor	Amount (₹. in Crores)	Coupon Rate
1	IDBI Bank	150	9.559%
2	IFCI	100	9.385%
3	State Bank of India	300	10.110%

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

5.8 Loan Repayment Schedule

Sr. No.	Particulars	Total Outstanding ₹. in Crores.	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		300.00	1,125.00	1,575.00		
B	External Commercial Borrowing -ECB-1	118.22	6 m Libor + 300 bps	118.22					
C	External Commercial Borrowing - ECB-2	1,147.54	6 m Libor + 340 bps	208.55	625.66	313.33			
D	External Commercial Borrowing - ECB-3	2,034.20	6 m Libor + 374 bps	127.14	762.83	762.83	381.40		
E	External Commercial Borrowing - ECB-4	625.91	6 m Libor + 370 bps		195.60	234.72	195.59		
F	Non Convertible Debentures (refer note no.5.5)	6,000.00	9.39 % 9.45 % 10.45 % 9.03 % 9.80 %			1,000.00	1,000.00	2,000.00	2,000.00
G	GSFS Loan	875.00	10.00%	500.00	375.00				
		13,800.87		953.91	2,259.09	3,435.88	3,151.99	2,000.00	2,000.00

5.9 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, 2015 amounts to USD 24.375 Millions (Previous year USD 121.88 Millions). Category wise break up is given as below:

Currency	Particulars	As at 31 st March, 2015			As at 31 st March, 2014		
		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	118.22	24.375	7	591.12	121.88

Foreign Currency loans that are not hedged by derivative instruments as on 31st March 2015 is USD 608.34 Millions (P.Y USD 275 Million) ₹. 3,807.65 crores (P.Y. ₹.1,652.75 crores)

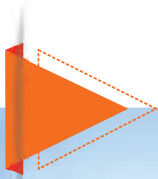
6 DEFERRED TAX LIABILITIES :

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(M)) the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating to ₹. 6.15 Crores (P.Y. ₹. 46.53 crores) in the Statement of Profit and Loss, the details of which are as under:

Particulars	₹ in Crores		
	As on 31-March-2014	For the year 2014-15	As on 31-March-2015
Deferred Tax Liability			
(a) On excess of WDV as per Books over WDV as per I.T.	149.57	1.24	150.81
(b) Others	23.16	(4.23)	18.93
Total (A)	172.73	(2.99)	169.74
Deferred Tax Asset			
(a) On excess of WDV as per I.T. over WDV as per Book Value.	7.12	(7.12)	-
(b) Retirement Benefits	2.02	(2.02)	-
(c) Others	-	-	-
Total (B)	9.14	(9.14)	-
Net Deferred Tax Liability (A-B)	163.59	6.15	169.74

Deferred Tax Assets recognised in previous years is reversed during the year considering no reasonable certainty.





7. OTHER LONG TERM LIABILITIES:

₹. in Crores

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Joint Ventures (Refer Note No 33 & 37)	0.16		0.16	
Others*	<u>12.61</u>	12.77	<u>12.52</u>	12.68
TOTAL		<u><u>12.77</u></u>		<u><u>12.68</u></u>

* Includes deposits received from customers

8. LONG TERM PROVISIONS:

₹. in Crores

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Provision for Abandonment Cost		52.09		52.09
TOTAL		<u><u>52.09</u></u>		<u><u>52.09</u></u>

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 2014-15	Provision for Contingencies 2013-14
1	Opening Balance	52.09	52.09
2	Provision made during the year	0	0
3	Paid during the period	0	0
4	Closing Balance	52.09	52.09

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

8.2 Nature of the Provision

The above amounts relates to provision for Site Restoration & Abandonment Cost.

9. SHORT TERM BORROWINGS:

₹. in Crores

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Secured Loans				
From Banks (Loans Repayable on demand)*		2,293.68		1,656.76
Unsecured Loans				
From Banks (Loans Repayable on demand)		3,071.72		2,047.30
TOTAL		<u><u>5,365.40</u></u>		<u><u>3,704.06</u></u>

* Pari passu charge over the future receivables of the company

10. TRADE PAYABLES:

₹. in Crores

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
- Micro, small and medium Enterprises	-		-	
- Others	410.66		537.73	
		410.66		537.73
TOTAL		410.66		537.73

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

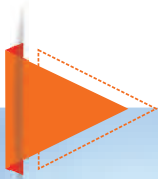
11. OTHER CURRENT LIABILITIES :

₹. in Crores

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Current Maturities of Long Term Borrowings				
From Bank				
Rupee Term Loan	-		225.00	
Foreign Currency Loans	453.91	453.91	573.00	798.00
From GSFS		500.00		62.50
Interest accrued but not due on borrowings		183.95		186.53
Share Application Money Due for refund (₹. 64/- (P.Y. ₹.69/-)) (Refer note no.4)		-		-
Forward Contract Payables		514.24		-
Other Payables				
Subsidiaries	1.16		2.48	
Joint Ventures (Refer Note No 33 & 37)	585.98		599.99	
Payables for Fixed Assets	2.30		2.30	
Others*	91.21	680.65	76.27	681.04
TOTAL		2,332.75		1,728.07

* includes statutory dues.





12. SHORT TERM PROVISIONS :

₹. in Crores

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Provision for employee benefits				
Provision for Gratuity	5.47		4.10	
Provision for Leave benefits	<u>1.85</u>		<u>1.86</u>	
		7.32		5.96
Other Provision				
Provision for Profit Petroleum	56.43		56.43	
Provision for other Expenses	<u>-</u>	56.43	<u>9.41</u>	65.84
TOTAL		<u><u>63.75</u></u>		<u><u>71.80</u></u>

12.1 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.

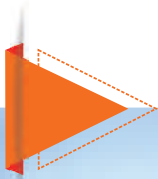
₹. in Crores

Note: 13 FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION, DEPLETION, IMPAIRMENT AND AMORTISATION				NET BLOCK			
	As at 31 Mar-2014	Additions/ Adjustments	Deduction/ Adjustments	As at 31 Mar-2015	As at 31 Mar-2014	During the period	Impairment during the period	Impairment reversed during the period	As at 31 Mar - 2015	As at 31 Mar - 2014
Tangible Assets										
Land										
Freehold Land	123.24	-	-	123.24	-	-	-	-	123.24	123.24
Leasehold Land	11.11	-	-	11.11	1.53	0.37	-	-	9.21	9.58
Buildings	40.03	1.58	2.08	39.53	13.69	4.01	-	0.38	22.21	26.34
Plant & Machinery	431.40	3.43	-	434.83	211.41	27.11	-	-	196.31	219.99
Producing Properties (being Company's share in Joint Venture)	1,513.59	255.44	-	1,769.03	1,090.11	65.41	-	-	613.51	423.48
Furniture & Fixtures	13.90	0.77	0.32	14.35	9.69	1.54	-	0.20	3.32	4.21
Vehicles	10.82	2.22	1.59	11.45	5.00	2.14	-	0.94	5.25	5.82
Office Equipments	20.04	0.38	0.14	20.28	12.32	6.13	-	0.13	1.96	7.72
Computer Equipments	22.80	0.50	0.71	22.59	19.84	1.36	-	0.64	2.03	2.96
	2,186.93	264.32	4.84	2,446.41	1,363.59	108.07	-	-	977.04	823.34
Previous Year	2,060.40	129.84	3.31	2,186.93	1,264.27	101.68	-	2.36	823.34	796.13
The above includes Company's Share in Unincorporated Joint Venture Assets	1,555.85	261.68	2.29	1,815.24	1,113.23	73.36	-	-	630.54	442.62
Intangible Assets										
Intangibles-(Software)	32.87	1.64	1.32	33.18	26.59	2.77	-	1.12	4.95	6.28
	32.87	1.64	1.32	33.18	26.59	2.77	-	-	4.95	6.28
Previous Year	29.99	2.88	-	32.87	22.89	3.70	-	-	6.28	7.10

1. Depreciation includes depreciation of ₹. 3.39 crore (P.Y. ₹. 2.55 crore) which has been capitalised during the year as per policy.
2. Pursuant to the enactment of the Companies Act, 2013, the company has, effective 1st April, 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provisions of Schedule II to the Act. As per the transition provisions, depreciation amounting to ₹. 6.47 crores relating to assets having no or negative useful life as on 31 March, 2014, is adjusted in Opening reserve/ CWIP Exploration [refer polic noI.C(4)]





14. CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
14.1 CAPITAL WORK IN PROGRESS		
Tangible		
Exploration & Development		
Exploration	13.38	339.16
Development	7,599.63	6,849.58
	7,613.01	7,188.74
Borrowing Cost	3,091.87	2,250.00
	10,704.88	9,438.74
CWIP Building	2.84	2.54
CWIP Others	5.15	-
TOTAL	10,712.87	9,441.28
14.2 INTANGIBLE ASSETS UNDER DEVELOPMENT		
Exploration & Development		
Exploration	7,223.25	7,271.19
Development	724.10	463.36
	7,947.35	7,734.55
Borrowing Cost	3,227.66	2,420.83
	11,175.01	10,155.38
Software	0.29	0.29
	11,175.30	10,155.67

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

Borrowing Costs and Test Production

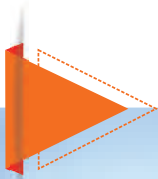
- a. The borrowing costs amounting to ₹. 1,753.03 crores (P.Y ₹. 1,504.20 crores) and depreciation amounting to ₹. 3.38 crores (P.Y. ₹. 2.55 crores) has been capitalized in the current year as a part of CWIP Tangibles- Exploration & Development.
- b. In the current year, an amount of ₹. 66.87 crores (P.Y. ₹. 3.99 crores) being revenue from test production of gas, crude oil/ condensate from various exploratory wells have been credited to the cost of wells under the head CWIP. These blocks are not considered as producing property in accordance with the accounting policy (Refer note no.1.C.5 and no.1.G.2 of Significant accounting policies).

15. NON-CURRENT INVESTMENTS :

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
I. TRADE INVESTMENT (Valued at cost unless stated otherwise)		
INVESTMENT IN EQUITY INSTRUMENTS		
INVESTMENT IN SUBSIDIARY		
Quoted Equity Investments		
In 212,305,270 (P.Y. 212,305,270) Equity Shares of Gujarat State Petronet Ltd. of ₹.10 per share {M.V.₹. 26,336,468,744/- (P.Y. ₹.14,712,755,211)}	213.31	213.31
Unquoted Equity Investments		
In 25,000(P.Y.25,000) shares of Guj Info Petro Ltd. at ₹.10 per share fully paid up	0.03	0.03
In 36,692,338 (P.Y.36,692,338) shares of GSPC Gas Co Ltd. of ₹.10 per share fully paid up (Previously known as Gujarat State Fuel Management Company Ltd.)	57.42	57.42
In 840,000,000 (P.Y. 376,772,936) shares of GSPC Pipavav Power Co. Ltd at ₹.10 per share fully paid up	840.00	376.77
In 97,390,000 (P.Y. 97,390,000) shares of GSPC JPDA Ltd at ₹.10 per share fully paid up	97.39	97.39
In NIL (P.Y. 50,000) shares of GSPC Marginal Fields Ltd at ₹.10 per share fully paid up	0.00	0.05
In P.Y. 8,199,940 shares of GSPC LNG Ltd at ₹.10 per share fully paid up	-	8.20
INVESTMENT IN ASSOCIATES		
Unquoted Equity Investments		
In 113,541,817 (P.Y.113,541,817) shares of Gujarat State Energy Generation Ltd of ₹. 10 per share fully paid up	119.83	119.83
In 11,430,000 shares of GSPC LNG Ltd at ₹.10 per share fully paid up	11.43	-
In 11,500,000 (P.Y. 11,500,000) shares of Alcock Ashdown (Gujarat) Ltd at ₹.10 per share fully paid up	11.50	11.50





₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
In 2,250,000(P.Y. 2,250,000) shares of Sabarmati Gas Ltd at ₹.10 per share fully paid up	8.96 <u>1,359.87</u>	8.96 <u>893.46</u>
Less : Provision for Diminution in Value of Shares of Alcock Ashdown(Gujarat) Ltd. & GSPC Marginal Fields Ltd.	<u>(11.50)</u>	<u>(11.55)</u>
TOTAL TRADE INVESTMENT (A)	1,348.37	881.91
II. NON TRADE INVESTEMENTS (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.₹.317,572,300 (P.Y. ₹.242,708,050)}	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. 290,040,33) shares of ONGC Petro Additions Ltd at ₹.10 per share fully paid up ₹. 290,040,330 -(P.Y. ₹. 290,040,330)	29.00	29.00
In NIL (P.Y. 575,000) shares of Krishna Godavari Gas Network Ltd. at ₹.10 per share fully paid up	-	0.57
	<u>39.50</u>	<u>40.07</u>
Less: Provision for Diminution in the Value of Investments (KGGNL)	<u>-</u>	<u>(0.22)</u>
TOTAL NON TRADE INVESTMENT (B)	39.50	39.85
TOTAL	<u>1,387.87</u>	<u>921.76</u>
Total Quoted Investments	223.31	223.31
Total Unquoted Investments	1,176.06	710.22
Total Provision for Diminution in Value of investment	(11.50)	(11.77)
TOTAL	<u>1,387.87</u>	<u>921.76</u>
Market Value of Quoted Investments	<u>2,665.40</u>	<u>1,495.55</u>

- 15.1 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 ₹. 0.22 crores was made till 31st March, 2014. Company has received in FY 2014-15 ₹. 0.35 crores from Official Liquidator on Final liquidation of the company as full and final against the same. Hence, there is no investment in KGGNL as on last day of the year.
- 15.2 The company had made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of ₹. 11.50 crores. As per audited financial statement of the company for FY 2011-12, accumulated losses of the company had exceeded its net worth. Hence, as per AS -13 "Accounting for Investment" considering the same as permanent diminution in the value of investment, full provision for Diminution in value of investment had been provided in FY 2012-13 for ₹. 11.50 crores.
- 15.3 The company had made investment in shares of GSPC Marginal Fields Ltd. to the tune of ₹. 0.05 crores. As per audited financial statement of the company till 27th February 2014, accumulated losses of the company is equal to its net worth & the company has applied for Liquidation. Hence, as per AS -13 "Accounting for Investment" considering the same as permanent diminution in the value of investment, full provision for Diminution in value of investment has been provided in the FY 2013-14 for ₹. 0.05 crores. Consequent to MCA order the company has been closed and now there is no investment in the company as on last day of the year.

16. LONG TERM LOANS & ADVANCES

₹. in Crores

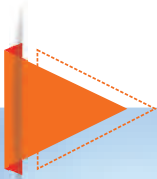
Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Unsecured considered good unless otherwise stated				
Sundry deposits				
Sundry deposits***		3.59		3.39
Loans & Advances to related parties				
Advances for Investments (Pending Allotment)				
I.Subsidiary Companies**				
i) GSPC LNG Ltd.	-	-	3.23	3.23
II. Associate Companies				
i) Gujarat State Energy Generation Ltd	69.00	69.00	69.00	69.00
Advances Recoverable in cash or in kind or for value to be received				
Joint Venture (Refer Note No 33 & 37)		1,754.44		1,632.37
Others		0.69		2.55
Advance Income Tax (Net of Provisions)		159.72		101.09
Advances to Employees*		9.93		9.38
		<u>1,997.37</u>		<u>1,821.01</u>

* Out of Total advances to employees ₹. 8.53 crores (P.Y. ₹. 8.61 crores) is secured.

** Please refer Note No.37

*** Includes deposits from vendors





16.1 Advance Income Tax (Net of Provision)

16.1.1 Provision of Tax for the current year is ₹.1.86 Crores (P.Y ₹. 15.00 crores). Provision for Wealth tax included in Rent, Rates & Taxes is of ₹. 0.06 Crores (P.Y. ₹. 0.06 crores).

16.1.2 The company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80IB (9) is admissible under the Income Tax Act, 1961. The company has been treating each well as a separate undertaking for the purpose of claiming deduction U/s 80IB(9). This view has not been accepted by the first assessing authorities. However, the Commissioner of Income Tax (Appeal) [C.I.T. (A)] has accepted the company's contention regarding claim U/s. 80IB (9). The second appellate authority, i.e. Income Tax Appellate Tribunal (ITAT) has also upheld the company's contention for A.Y. 2000-01 and allowed the claim U/s 80IB (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80IB (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80IB(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80IB (9) by treating each well as a separate undertaking. The company had challenged the above amendment by filing a writ petition before the Hon'ble High Court of Gujarat. Hon'ble High Court of Gujarat has decided the matter in favour of the company by its order dated 26th March, 2015 and has struck down the retrospective application of law by holding it as ultra vires.

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

No provision is made for such disputed Income tax liabilities, which is estimated at ₹. 1,019.73 Crores (P.Y. ₹. 1,028.42 Crores). However the same is disclosed by way of a note as contingent liabilities vide note no.23.

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

16.1.4 MAT Credit for the current year amounting to ₹.1.86 Crores (P.Y. ₹. 15.00 Crore) is not recognized as asset as the same does not have a virtual certainty for its utilization.

17. OTHER NON CURRENT ASSETS :

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured considered good unless otherwise stated		
Site Restoration Fund - Deposits with bank*	78.32	70.76
Unamortised Expenses	54.50	61.45
	132.82	132.21

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

18. INVENTORIES :

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
As taken, valued & certified by the Management		
Finished Goods - Crude Oil (Valued at Rate specified in COSA) (Refer note no.33)	4.24	5.53
Stock in Trade - Liquefied Natural Gas (Valued at Cost)	63.31	-
	<u>67.55</u>	<u>5.53</u>

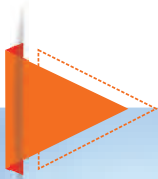
19. TRADE RECEIVABLES :

Particulars	₹. in Crores			
	As at 31 st March, 2015		As at 31 st March, 2014	
Secured, considered good				
- More than Six Months	0.05		-	
-Others	<u>413.21</u>	413.26	<u>183.45</u>	183.45
Unsecured, considered good				
- More than Six Months	80.71		73.86	
- Others	<u>205.85</u>	286.56	<u>351.14</u>	425.00
	<u>699.82</u>		<u>608.45</u>	

20. CASH & BANK BALANCES :

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Cash & Cash Equivalent		
Balance with Banks - Current accounts	104.84	13.25
Cheques on Hand	-	60.00
Cash on Hand	0.10	0.03
Bank Deposits (With Original maturity less than 3 months)	112.15	-
Other Bank Balance		
Fixed Deposits with Bank (More than 3 months but less than 12 months) (Refer note no.43)	199.42	188.96
	<u>416.51</u>	<u>262.24</u>





21. SHORT TERM LOANS & ADVANCES:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured considered good unless otherwise stated		
Sundry deposits		
Sundry deposits	10.27	20.02
Loans & Advances to related parties**		
I. Subsidiary Companies	2.49	1.15
II Associates	201.10	31.60
Other Loans & Advances		
Others	0.04	0.04
Advances Recoverable in cash or in kind or for value to be received		
Advance to Joint Venture (Refer Note No 33 & 37)	658.33	460.95
Others***	258.52	171.64
Advances to Employees*	1.62	1.77
	<u>1,132.37</u>	<u>687.17</u>

*Out of Total advances to employees ₹. 0.65 crores (P.Y. ₹. 0.60 crores) is secured.

**Please refer note no.37

***Includes prepaid expenses.

22. OTHER CURRENT ASSETS :

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured considered good unless otherwise stated		
Interest Accrued but not due	2.00	0.73
Unamortised Expenses	6.95	8.67
Forward Contract Receivables	502.26	-
Deferred Forward Premium	5.96	-
	<u>517.17</u>	<u>9.40</u>

23 CONTINGENCIES :

Contingent liabilities

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

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Income Tax (Ref. note no.16.1)	1,019.73	1,028.42
Joint Ventures	1,914.19	1,915.94

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

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

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

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

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

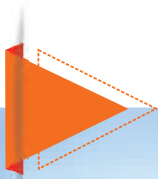
GSEG has invoked arbitration proceedings against NIKO & GSPC claiming that NIKO and GSPC are liable to pay liquidated damages to GSEG for short supply of natural gas under the GSA on and from August 2010 till the end of the GSA in April 2016. As alleged by GSEG, such claim of GSEG amounts to USD 129,917,884/-.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

The Arbitration Proceedings is pending as of date and the matter is sub-judice.

- b) In September 2005, GSPC as an operator had entered in to contract with Atwood Oceanics Pacific Ltd ("AOPL") for Drilling, completing or abandoning the wells (s) identified by GSPC's drilling program. AOPL had demanded service tax on above services from July, 2007 to July, 2009 which in the opinion of the operator was not in accordance with the said contract. Accordingly, dispute arose between the operator and AOPL with respect to whether the operator was liable for additional reimbursement for service tax amount over and above the contract price in accordance with the contract or not. The service tax liability of AOPL was assessed by the Commissioner of Central Excise in the said assessment order was challenged by AOPL as well as by the department before the Central Excise and Service Tax appellate Tribunal ("The CESTAT") The operator had also filed an intervention application before the CESTAT which was disallowed by the CESTAT. Therefore, the operator is unaware of the finality of the above said assessment order of the commissioner of central excise.

While the Operator continues to dispute AOPL's action of charging service tax over and above the contract price, the Operator continued to make payments of AOPL's (net of the service tax charged by AOPL) as per the Contract subject to AOPL demonstrating to the Operator that AOPL has made actual deposit of service tax amount to the Government.





However, with respect to certain invoices raised by AOPL in July 2009 and August 2009, AOPL has claimed that the said invoices were paid by the Operator after a delay of 733 days in September 2011. Accordingly, AOPL had initiated arbitration proceeding against the JV claiming interest on delayed payments towards the said invoices claiming an amount of ₹. 95,426,305 (US\$1,523,895) (31 March 2014: ₹. 91,525,151 (US\$1,523,895) along with interest at the rate of 1.5% per month from 11 January 2013 till the date of payment. The Honorable Sole Arbitrator, vide arbitral award dated 12 May 2015, has concluded that the JV is not liable to pay the claims of interest on delayed payment towards the invoices as aforesaid and rejected the claims made by AOPL in this regard.

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 ₹. 1913.90 crores (P.Y ₹. 1,851.82 crores)
 - ii In respect of others ₹. 0.90 crores (P.Y. ₹. NIL crores)
- b Minimum Work Programme Committed under various Production Sharing Contracts in India and Outside India.
 - I In India ₹. 75.34 crores (P.Y. ₹. 471.28 crores)
 - ii Outside India ₹. 14.22 crores (P.Y. ₹. 71.46 crores)

25. REVENUE FROM OPERATIONS :

Particulars	₹. in Crores	
	2014-15	2013-14
Sale of Products		
Natural Gas	10,721.66	11,708.92
Sale of Gas-Joint Ventures (Refer Note No 33)	54.81	32.46
Sale of Oil-Joint Ventures (Refer Note No 33)	108.05	144.87
Sale of Electricity - WIND MILL	45.37	39.94
	<u>10,929.89</u>	<u>11,926.19</u>
Sale of Services		
Re-gasification Income	15.87	-
Transportation Income	0.54	-
	<u>16.41</u>	<u>-</u>
Total Sales	<u><u>10,946.30</u></u>	<u><u>11,926.19</u></u>
Other Operating revenues		
Take or Pay Income	10.29	1.01
Total Revenue from operations	<u><u>10,956.59</u></u>	<u><u>11,927.20</u></u>

26. OTHER INCOME

Particulars	2014-15		2013-14	
	₹. in Crores			
Interest Income* :				
Interest on Deposits	10.95		17.98	
Other Interest Gross	<u>34.85</u>	45.80	<u>12.55</u>	30.53
Income From Long term investments				
Dividend From Subsidiary Companies	21.23		24.90	
Dividend From Other Companies	<u>1.37</u>	22.60	<u>0.92</u>	25.82
Other Non Operating Income				
Usage Charges	2.79		2.60	
Other Income-Joint Ventures	7.14		6.19	
Net Profit on Sale of Fixed Assets	2.28		0.15	
Miscellaneous Income	<u>0.70</u>	12.91	<u>45.33</u>	54.27
TOTAL		<u><u>81.31</u></u>		<u><u>110.62</u></u>

*Interest Income includes interest amounting to ₹. 12.75 crores (P.Y. ₹. NIL crores) from subsidiary company and ₹. 20.23 crores (P.Y. ₹. 7.02 crores) from associate company.

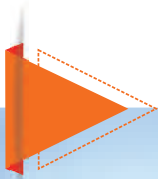
27. PRODUCTION EXPENDITURE - E&P

Particulars	2014-15		2013-14	
	₹. in Crores			
Production Expenditure	41.06		52.24	
Duties & Taxes (includes Profit Petroleum)	60.13		43.24	
Other G&A Expenses	15.10		7.09	
TOTAL		<u><u>116.29</u></u>		<u><u>102.57</u></u>

28. COST OF TRADED GOODS

Particulars	2014-15		2013-14	
	₹. in Crores			
Local Purchase of Gas	4,284.16		9,386.66	
Import Purchase of Gas	<u>5,420.72</u>		<u>572.66</u>	
		9,704.88		9,959.32
Import Gas Regasification Charges	281.53		29.11	
Gas Transmission Charges	24.28		46.16	
Commodity Hedging Cost	217.72		(16.10)	
Annuity & Meter Validation Charges	1.14		1.30	
Other Expenses	<u>0.48</u>		<u>0.00</u>	
		525.15		60.47
TOTAL		<u><u>10,230.03</u></u>		<u><u>10,019.79</u></u>





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

₹. in Crores		
Particulars	2014-15	2013-14
FINISHED GOODS		
Closing stock of Oil	4.24	5.53
Opening stock of Oil	<u>5.53</u>	<u>6.52</u>
	1.29	0.99
Increase/ decrease in stock of Oil (Hazira)	<u>0.04</u>	<u>0.51</u>
	1.33	1.50
STOCK IN TRADE		
Closing stock of Liquified GAS	63.31	-
Opening stock of Liquified GAS	<u>-</u>	<u>-</u>
	(63.31)	-
TOTAL	<u><u>(61.98)</u></u>	<u><u>1.50</u></u>

30. EMPLOYEE BENEFITS EXPENSE

₹. in Crores		
Particulars	2014-15	2013-14
Salaries, wages & allowances	12.23	13.61
Contribution to Provident Fund and Other Funds	2.33	1.79
Staff welfare Expenses	0.05	0.21
	<u>14.61</u>	<u>15.61</u>

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

₹. in Crores		
Particulars	2014-15	2013-14
Salaries, wages & allowances	61.82	48.65
Contribution to Provident Fund and Other Funds	11.79	6.41
Staff welfare Expenses	0.25	0.75
TOTAL	<u><u>73.86</u></u>	<u><u>55.81</u></u>
Allocated to Operated E&P Blocks	59.25	40.20
Net Expenditure for Corporate	<u><u>14.61</u></u>	<u><u>15.61</u></u>

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

- i. Company's contribution to Provident Fund is ₹. 0.71 Crores (P.Y. ₹. 0.71 Crores)
- ii. Company's contribution to Super Annuation fund ₹. 0.27 Crores (P.Y. ₹. 0.29 crores)

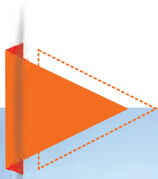
B. Defined Benefit Plans

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, 2015 as required by Accounting Standard (AS) 15 (Revised 2005)

₹. in Crores

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
I Change in obligation during the year ended 31st March, 2015				
1 Liability at the beginning of the year	7.79	6.33	6.05	5.51
2 Interest cost	0.69	0.50	0.53	0.43
3 Current service cost	1.50	1.37	0.48	0.44
4 Past service cost	-	0.60		0.20
5 Benefit Paid	(0.85)	(0.47)	(0.97)	(0.50)
6 Actuarial (gain) / Losses	2.02	(0.54)	1.57	(0.03)
7 Liability at the end of the year	11.15	7.79	7.66	6.05
II Change in assets during the year ended 31st March, 2015				
1 Plan assets at the beginning of the year	3.69	3.78	4.19	4.33
2 Expected return of plan assets	0.30	0.24	0.37	0.35
3 Contributions	2.11	-	2.16	0.01
4 Benefit paid	(0.49)	(0.34)	(0.97)	(0.51)
6 Actuarial gain / (Loss)	0.08	0.01	0.06	0.01
7 Plan assets at the end of the year	5.69	3.69	5.81	4.19
8 Total Actuarial Gain/(Loss) To Be Recognized	(1.94)	0.55	(1.51)	0.04
III Actual Return on plan assets				
1 Expected return of plan assets	0.30	0.24	0.37	0.35
2 Actuarial gain / (loss)	0.08	0.01	0.06	0.01
3 Actual return on plan assets	0.38	0.25	0.43	0.36
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2015				
1 Liability at the end of the year	11.15	7.79	7.66	6.05
2 Plan assets at the end of the year	5.69	3.69	5.81	4.19
3 Amount recognized in the Balance Sheet Accrued (Pre paid)	5.46	4.10	1.85	1.86
V Expenses recognized in the statement of profit & loss account for the year ended 31st March, 2015				
1 Current service cost	1.50	1.37	0.48	0.44
2 Interest cost	0.69	0.50	0.53	0.43





₹. in Crores

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
3 Expected return on plan assets	(0.30)	(0.24)	(0.37)	(0.35)
4 Actuarial (gain) / Losses	1.94	(0.55)	1.51	(0.04)
5 Past service cost	-	0.60	-	0.20
6 Total expenses	3.83	1.68	2.15	0.68
VI Balance Sheet reconciliation				
1 Opening net liability	4.10	2.55	1.86	1.18
2 Expenses as above	3.83	1.68	2.15	0.68
3 Employer contribution	(2.47)	(0.13)	(2.16)	-
4 Amount recognized in the Balance Sheet	5.46	4.10	1.85	1.86
VII Actuarial Assumptions				
1 Discount Rate	7.80%	9.10%	7.80%	9.10%
2 Rate of return on plan assets	8.25%	6.75%	8.75%	8.75%
3 Salary Escalation	7.00%	7.00%	7.00%	7.00%

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

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	31.03.2011
Gratuity(Funded)					
Defined Benefit obligation	11.15	7.79	6.33	2.67	2.99
Plan asset	5.69	3.69	3.78	3.11	2.02
Surplus/(deficit)	(5.46)	(4.10)	(2.55)	0.44	(0.97)
Experience adjustment on plan liability	0.26	0.21	2.45	(0.91)	-
Experience adjustment on plan assets	0.08	0.01	0.01	-	-
Leave Encashment (Funded)					
Defined Benefit obligation	7.66	6.05	5.51	4.18	3.82
Plan asset	5.81	4.19	4.33	4.05	2.77
Surplus/(deficit)	(1.85)	(1.86)	(1.18)	(0.13)	(1.05)
Experience adjustment on plan liability	0.37	0.69	0.60	(0.04)	-
Experience adjustment on plan assets	0.06	0.01	-	(0.01)	-

IX Investment details:

The funds are managed by LIC and LIC has not provided break up of planned assets by investment type for the year 2014-15.

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.

31. FINANCE COST

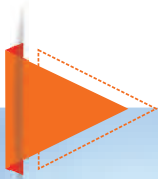
Particulars	₹. in Crores	
	2014-15	2013-14
Interest on Buyer's Credit	39.11	11.79
Other Finance Cost*	11.92	22.03
	<u>51.03</u>	<u>33.82</u>

*Includes Bank Guarantee & L C charges

32. OTHER EXPENSES

Particulars	₹. in Crores	
	2014-15	2013-14
Expenses related to Wind Mills		
Operation & Maintenance Exps	7.36	4.79
Wind Mills Insurance Exps	0.61	0.69
TOTAL (A)	<u>7.97</u>	<u>5.48</u>
Administrative Expenses		
Electricity Expenses	0.47	0.50
Rent, Rates & Taxes	0.19	0.17
Repairs & Maintenance:		
Building Repairs	-	-
Others	1.31	0.86
Insurance expenses	0.07	0.38
Business Development & Promotion	2.39	1.65
Advertisement & publicity	0.10	0.29
Administration & establishment	1.89	2.79
Travelling Expenses	0.36	0.68
Stationery & Printing	0.54	0.92
Professional & Technical Expenses	9.79	11.94
Conveyance	-	0.01
Donations	0.02	-
Telephone, Trunkcalls & Postage	0.25	0.27
Vehicle running Expenses	0.07	0.09
Bandwidth Expenses	0.03	0.04
Payment to Auditors		
As Auditor	0.13	0.12
Other Services	0.10	0.17
For reimbursement of expenses	0.02	0.03
Net Loss on Sale/discarding of Fixed Assets	-	-
Net Foreign Exchange Loss	5.57	0.89
Other expenses	0.42	0.77
TOTAL (B)	<u>23.72</u>	<u>22.57</u>
Misc. Expenditure W/off during the year (C)	<u>8.67</u>	<u>25.94</u>
Diminution in the value of Investment (D)	-	0.01
Provision for Doubtful Advances (E)	1.72	-
TOTAL (A+B+C+D+E)	<u>42.08</u>	<u>54.00</u>





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

32.2 Details of Allocation of Expenditure : Expenditure incurred during the year on payments to and provision for Administrative Expenses.

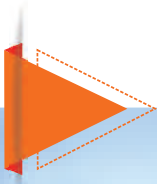
	₹. in Crores	
Particulars	2014-15	2013-14
Administrative Expenses		
Electricity Expenses	1.72	1.66
Rent, Rates & Taxes	1.02	1.13
<u>Repairs & Maintenance:</u>		
Building Repairs	-	-
Others	2.43	1.95
Insurance expenses	1.14	1.24
Business Development & Promotion	2.39	1.65
Advertisement & publicity	0.13	0.29
Administration & establishment	6.36	7.64
Travelling Expenses	1.18	1.75
Stationery & Printing	2.56	3.03
Professional & Technical Expenses	16.46	16.21
Conveyance	0.01	0.01
Donations	0.02	-
Telephone, Trunkcalls & Postage	0.36	0.39
Vehicle running Expenses	0.31	0.32
Bandwidth Expenses	0.14	0.12
<u>Payment to Auditors</u>		
As Auditor	0.13	0.12
Other Services	0.10	0.17
For reimbursement of expenses	0.02	0.03
Net Loss on Sale/discarding of Fixed Assets	-	-
Net Foreign Exchange Loss	5.57	0.89
Other expenses	1.44	1.47
TOTAL	43.49	40.07
Allocated to Operated E&P Blocks	19.77	17.50
Net Expenditure for Corporate	23.72	22.57

33. Joint Venture Operations

The Company has entered into Production Sharing Contracts (PSCs) / Agreements in consortium with various Private/Public Sector & Foreign Companies as stated below with the Ministry of Petroleum & Natural Gas (Government of India), for exploration of oil and gas in the following fields. The company has also entered into Production Sharing Agreements (PSAs)/Work Permits overseas relating to Oil & Gas/ Exploration Areas blocks along with various companies. 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
I. Blocks/Fields Currency under Exploration, Development and Production				
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 (Operator)	40%
3	Cambay	55% (55%)	Oilex NL (Operator)	30%
			Oilex NL Holdings (India) Ltd	15%
4	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	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%
7	North Balol	45% (45%)	Oil and Natural Gas Corporation Limited	30%
			Hindustan Oil and Exploration Company Limited (Operator)	25%
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	AA-ONN-2003/1(Assam)	20% (20%)	Jubilant oil & Gas Pvt Limited (Operator)	10%
			Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%
13	JPDA-06-103 (Australia/East Timor) (Refer Note g)	20% (20%)	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%
14	CY-DWN-2004/3	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%





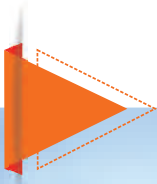
SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
15	CY-PR-DWN-2004/1	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
16	CB-ONN-2004/1 (Refer Note k)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Heramec Ltd.	10%
17	CB-ONN-2004/2 (Refer Note k)	45% (45%)	Oil and Natural Gas Corporation Limited (Operator)	55%
18	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Ensearch Petroleum Pvt. Ltd.	25%
19	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
20	MB-OSN-2005/5	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
21	MB-OSN-2005/6	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
22	CB-ONN-2005/4	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
23	CB-ONN-2005/10	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
24	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd	40%
			Bengal Energy Inc.	30%
25	CB-ONN-2009/4	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%
26	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Indian Oil Corporation Limited	20%
			Adani Welspun Exploration Ltd	20%
b	GSPC-Operated			
27a	Tarapur	80% (80%)	Exploration	
			Geo Global Resources (Barbados) Inc.	20%
			Development:	
			Geo Global Resources (Barbados) Inc.	14%
27b	Tarapur - Extension phase (Refer Note h)	80% (80%)	Oil and Natural Gas Corporation Limited	30%
			Geo Global Resources (Barbados) Inc.	20%
28	Unawa	70% (70%)	Heramec Ltd	30%
29a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%

SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
29b	CB-ONN-2000/1 -(Extension phase)	50% (50%)	GAIL (India) Ltd	50%
30	CB-ONN-2002/3 (Sanand)	55% (55%)	Jubilant Enpro Private Limited	20%
			Hindustan Petroleum Corporation Limited	15%
			Geo Global Resources (Barbados) Inc.	10%
31	CB-ONN-2003/2 (Ankleshwar) (Refer Note L)	50% (50%)	GAIL (India) Ltd	20%
			Jubilant Enpro Private Limited	20%
			Geo Global Resources (Barbados) Inc.	10%
32	KG-OSN-2001/3 (Refer Note I)	80%(80%)	Jubilant Enpro Limited	10%
			Geo Global Resources (Barbados) Inc.	10%
33	KG-ONN-2004/2	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
34	RJ-ONN-2005/3	60% (60%)	Oil and Natural Gas Corporation Limited	40%
35	South East Tungkal (Indonesia)	50.50%(50.50%)	Essar Oil Ltd	49.50%

II Blocks/Fields surrendered and awaiting regulatory clearance

SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
a	Non Operated JVs			
1	MB-OSN-2000/1 (Mumbai) (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai) Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Ltd.	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note d)	60% (60%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			Geo Global Resources (Barbados) Inc.	10%
4	CY-ONN-2002/1(Cavery) (Refer Note d)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note d)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
6	EPP -27 (Australia) (refer note f)	20% (33.33%)	Oilex (Operator)	20%
			Videocon Industries Ltd.	20%
			Great Artesian Oil & Gas Limited	40%
7	WA-388Block(Australia) (Refer Note e)	8.40% (8.40%)	Apache Energy Ltd (Operator)	40%
			Oilex	8.40%
			BPCL	8.40%
			HPCL	8.40%
			Sasol Petroleum	18%
Videocon Industries Ltd	8.40%			





SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
8	CY-DWN-2004/1 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
9	CY-DWN-2004/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
10	CY-DWN-2004/4 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
11	CY-PR-DWN-2004/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
12	KG-DWN-2004/1 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
13	KG-DWN-2004/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
14	KG-DWN-2004/3 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
15	KG-DWN-2004/5 (Refer Note d)	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%
16	KG-DWN-2004/6 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
17	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%
18	CB-ONN-2004/4 (Refer Note d)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%

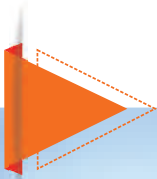
SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
19	RJ-ONN-2004/1 (Refer Note d)	22.225% (22.225%)	GAIL (India) Ltd	22.225%
			Hindustan Petroleum Corporation Limited	22.22%
			BPCL	11.11%
			Hallworthy Shipping Ltd. SA	11.11%
			Nitin Fire Protection Industries Ltd.	11.11%
20	KG-OSN-2005/1 (Refer Note a)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			HPCL - Mittal Energy Ltd.	20%
21	KG-DWN-2005/1 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Indian Oil Corporation Limited	20%
22	KK-DWN-2005/2 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
23	AN-DWN-2009/5 (Refer Note c)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
24	AN-DWN-2009/13 (Refer Note c)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	80%
			GAIL (India) Ltd	10%
			NTPC Ltd	10%
b	GSPC-Operated			
25	South Diyur (Egypt)	80% (80%)	Alkor Petro Ltd	20%
26	North Hap'y (Egypt)	80% (80%)	Petrogas E&P LLC	20%
27	MB-OSN-2004/1 (Refer Note d)	20% (20%)	GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
			Western Drilling Contractors Pvt. Ltd.	20%
28	Block No 19 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
29	Block No 28 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
30	Block No 57 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
31	South Gulf of Suez (Egypt)	60% (60%)	Adani Welspun Exploration Ltd	40%

a During the year the company along with its Joint Venture partners have recommended block KG OSN 2005/1, KG DWN 2005/1 and KK DWN 2005/2 to be surrendered to Government of India. Accordingly a total exploration cost of ₹. 105.13 crores have been written off during the year.

b During the year the company along with its Joint Venture partners has decided to withdraw from South Diyur (Egypt) and South Gulf of Suez (Egypt) blocks and accordingly a total exploration cost of ₹. 397.25 crores have been written off during the year. During FY 2013-14 the company along with its Joint Venture partners has decided to withdraw from North Ha'py (Egypt) block.

c During FY 2013-14 the company has decided to surrender and assign its 10% PI in two ONGC operated blocks namely AN-DWN-2009/5 and AN-DWN-2009/13 block to ONGC w.e.f. 1st April, 2013.





- d 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, KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, KG-DWN-2004/6, CY-DWN-2004/1, CY-DWN-2004/2, CY-DWN-2004/4, CY-PR-DWN-2004/2, CB-ONN-2004/4, RJ-ONN-2004/1 and BS (3)-CBM-2003/II to be surrendered to Government of India.
- e In November 2010 a farm-out agreement was signed by the company, 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 AUSD\$ 50 million or 110% of the approved cost by the joint venture for Drilling. It has also agreed to pay AUSD\$ 10 million or 110% of the approved cost by the joint venture for testing. In FY 2012-13 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.
- f 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 (INR 8.37crs). In July 2010, the Australian Government agreed to extend the GSA until the conclusion of the 2011 Australian Offshore Petroleum Exploration Release. The consortium is in the negotiation with the Australian authority for the extension of time. However, in the mean time the company has made the provision for the above liability in FY 2011-12. During the year the company has received Good Standing Report from Australian Authority based on which the provision is reversed during the year.
- g 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.
- h 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.
- i In August 2002, the Company entered into Carried Interest Agreement (CIA) with GeoGlobal Resources (India) Inc (GGR), under which the Company granted GGR a 10.0% carried interest in the KG-OSN-2001/3 block. The CIA provides that the Company is responsible for GGR's share of costs incurred during the exploration phase prior to the date of initial commercial production, and that the Company shall recover such costs from GGR's share of gas and oil upon the commencement of production. Accordingly ₹. 1,734.60 Crores is due from GGR and is shown in Note 16 - 'Long Term Loans and Advances'. The Company has issued Notice of Termination/Forfeiture of Participating Interest to GeoGlobal Resources (India) Inc (GGR). Vide letter dated August 18, 2010. As per the provisions of Joint Operating Agreement and Production Sharing Contract for the Block KG-OSN-2001/3, the Termination/Forfeiture of Participating Interest requires an amendment to the PSC. Any amendment to the PSC becomes effective only after the same has been approved by the Management Committee/Government of India. Accordingly, GSPC has submitted the proposal to DGH/Government of India in relation to amendment of PSC pursuant to termination of GGR's participating interest. The issue of amendment to the PSC and the response of DGH/GoI is still awaited. In view of above, forfeiture/termination of GGR's share of Participating Interest in favour of GSPC will be effective after the Management Committee approves the necessary amendments to Production Sharing Contract. Consequent upon DGH/MoPNG's approval declaring Geo Global Resources (India) Inc. (GGR) as defaulter in Production Sharing Contract for KG-OSN-2001/3, the participating interest of GGR will be transferred to the company. Subsequently it would not be possible for the company to recapitalise the amount of interest in future. Therefore, interest amounting to ₹. 179.60 crores is capitalised on the contribution made by the company amounting to ₹.1,734.60 crores as on 31st March, 2015.
- 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 financial year 2012-13 the company along with its 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. Vide letter dated 13th February, 2013, GSPC led consortium has terminated Production Sharing Agreements (PSAs) for 3 blocks awarded in Republic of Yemen (RoY). PSAs have been terminated on the ground of existence of force majeure event. The Consortium had initiated the arbitration proceedings under the PSAs before the International Chamber of Commerce (ICC), Paris and in the interim stage, obtained order Republic of Yemen not to take steps invoking SBLCs, while Consortium has been directed to extend the validity of SBLCs. Detailed pleadings were filed by both the parties and the final hearing was held from 8-12th September 2014 at the ICC hearing center in Paris. After the final hearing was concluded both the parties had submitted Post Hearing Briefs before the Arbitral Tribunal. Subsequently upon completion of the arbitration proceedings, the final award has been passed by the Arbitral Tribunal on 10 July 2015. The Arbitral Award inter alia:

- Declared that the three Production Sharing Agreements (Blocks 19, 28, and 57) have been validly terminated by GSPC Consortium;
 - Declared that the Republic of Yemen and/or the Yemeni Ministry of Oil and Minerals were and are not entitled under the Production Sharing Agreements to draw on the related Standby Letters of Credits (US\$ 42 million) issued in their favor by the International Bank of Yemen;
 - Arbitral Tribunal has awarded costs of approx. USD 3.79 million in favour of GSPC Consortium.
- k During the year ONGC operated two fields namely CB-ONN-2004/1 and CB-ONN-2004/2 has commenced the commercial production.
- l Of the above, 17 fields/blocks are in production, namely Hazira, Bhandut, Cambay, Sabarmati, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dholasan, North Kathana, Kanawara, Allora, CB-ONN-2000/1 (Ahmedabad), Tarapur, CB-ONN-2003/2 (Ankleshwar), CB-ONN-2004/1 and CB-ONN-2004/2 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	1.35	308.13
	(1.39)	(366.48)
Additions	0.07	
	-	-
Deletions		
	-	-
Production	0.04	50.21
	(0.04)	(58.35)
Closing Balance for the year ended on 31.03.2015	1.38	257.92
	(1.35)	(308.13)

*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.

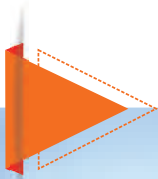
- m The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture operations which are accounted on a line to line basis with similar items in the Company's accounts to the extent of participating interest of the company as per the various 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 31-03-2015	As on 31-03-2014
Fixed Assets		
Gross Block	1,815.24	1,555.85
Depreciation/Depletion Fund	1,184.70	1,113.23
Net Block	630.54	442.62
CWIP*	15,560.36	14,923.28
Current Assets	232.50	118.01
Current Liabilities and Provisions	439.04	618.84
Contingent Liabilities	1,914.19	1,915.94

*includes stores & spares





- n 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 2015 is given as under:

₹. in Crores

	2014-15		2013-14	
	Aggregate of all JVs	GSPC's Share	Aggregate of all JVs	GSPC's Share
INCOME				
Sale of Crude Oil	206.08	108.05	273.75	144.87
Sale of Gas	97.78	38.65	74.04	39.54
Increase/(Decrease) in Stock		(1.33)	(1.89)	(1.50)
Other Income	10.87	7.14	9.37	6.19
Total	314.73	152.51	355.27	189.10
EXPENDITURE				
Production Expenses	62.43	41.06	78.82	48.62
Duties & Taxes	58.50	28.91	85.97	43.24
Administrative exps.	30.51	15.10	18.81	10.71
Total Expenditure before Depreciation	151.44	85.07	183.60	102.57
PROFIT BEFORE DEPRECIATION	163.29	67.44	171.67	86.53

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

34. The Company has neither accepted nor renewed any fixed deposits from the public since June, 2001 as per Companies (Acceptance of Deposits) Rules, 2014 u/s 73 of the Companies Act, 2013. There is no amount outstanding, which is required to be credited to Investor Education and Protection Fund.

35 SEGMENT INFORMATION:

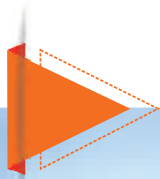
In compliance of Accounting Standard 17 on "Segment Reporting" issued by Institute of Chartered Accountants of India, the company has adopted following Business Segments as its reportable segment.

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

₹. in Crores

	2014-15					2013-14				
	E & P	Gas Trading	Wind Power	Unallocated	Total	E & P	Gas Trading	Wind Power	Unallocated	Total
1 Revenue										
External Sales	170.30	10,738.07	45.37		10,953.74	177.33	11,708.92	39.94	-	11,926.19
Inter Segment Sales	(7.44)				(7.44)	-	-	-	-	-
Total Revenue	162.86	10,738.07	45.37	-	10,946.30	177.33	11,708.92	39.94	-	11,926.19
2 Results										
Segment Results										
Profit(+)/Loss(-)	(467.79)	532.24	37.40		101.85	(1,595.16)	1,677.34	(5.35)	-	76.83
Unallocated Exps				(151.34)	(151.34)	-	-	-	(91.44)	(91.44)
Operating Profit	(467.79)	532.24	37.40	(151.34)	(49.49)	(1,595.16)	1,677.34	(5.35)	(91.44)	(14.61)
Interest/Dividend				68.40	68.40		22.65	-	33.70	56.35
Other Income	7.14			5.77	12.91	6.19	45.21	-	3.88	55.28
Provision for Taxation				(8.01)	(8.01)	-	-	-	(61.52)	(61.52)
Prior period adjustments				(0.11)	(0.11)	-	-	-	(0.00)	(0.00)
Profit/Loss from Ordinary Activities	(460.65)	532.24	37.40	(85.29)	23.70	(1,588.97)	1,745.20	(5.35)	(115.38)	35.49
Excess / Short Prov of IT						-	-	-	-	-
Net Profit/(Loss)	(460.65)	532.24	37.40	(85.29)	23.70	(1,588.97)	1,745.20	(5.35)	(115.38)	35.49
3 Other Information										
Segment Assets	25,366.71	1,229.20	201.51		26,797.42	22,232.57	787.15	229.05		23,248.77
Unallocated Assets				2,424.22	2,424.22				1,625.54	1,625.54
Total Assets	25,366.71	1,229.20	201.51	2,424.22	29,221.64	22,232.57	787.15	229.05	1,625.54	24,874.32





₹. in Crores

	2014-15					2013-14				
	E & P	Gas Trading	Wind Power	Unallo-cated	Total	E & P	Gas Trading	Wind Power	Unallo-cated	Total
Segment Liabilities	20,037.72	1,195.12	4.05		21,236.89	16,470.56	722.99	4.32		17,197.86
Unallocated Liabilities				567.23	567.23				505.54	505.54
Total Liabilities	20,037.72	1,195.12	4.05	567.23	21,804.12	16,470.56	722.99	4.32	505.54	17,703.41
Capital Expenditure	3,068.87			10.52	3,079.39	4,088.34	-	-		4,088.34
Depreciation	73.36	-	26.87	10.61	110.84	57.73	-	39.81	7.84	105.38
Non Cash Expenses other than Depreciation	513.03		-	8.67	521.70	1,610.69	(16.10)		25.95	1,620.54

36 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, 2012-13, 2013-14 and 2014-15 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.

37 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.

37.1.1 Subsidiary Company - Gujarat State Petronet Limited, GSPC Pipavav Power Company 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, Gujarat Gas Company Limited, Gujarat Gas Trading Company limited, Gujarat Gas Financial Services Ltd.

37.1.2 Associate Companies - Gujarat State Energy Generation Limited, Sabarmati Gas Company Ltd, Alcock Ashdown (Gujarat) Limited, GSPC LNG Ltd.

37.1.3 Joint Ventures & Venturers - As per Note No.33 of Notes forming part of Financial Statements.

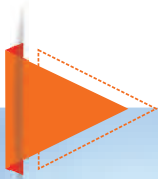
37.1.4 Key Managerial Personnel:
Shri Atanu Chakraborty, IAS
Shri Tapan Ray, IAS
Shri Manoj Kumar Das, IAS

Transactions during the year with related parties :

₹. in Crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Income :										
Sale of LNG	6,430.61	5,643.50	327.50	455.12	1,325.16	1,403.33	-	-	8,083.27	7,501.95
Gujarat State Petronet Ltd	46.78	3.09							46.78	3.09
GSPC Gas Company Ltd	4,999.26	4,175.89							4,999.26	4,175.89
GSPC Pipavav Power Company Ltd.	6.37	37.25							6.37	37.25
Gujarat Gas Company Limited	1,378.20	1,427.27							1,378.20	1,427.27
Sabarmati Gas Ltd			276.35	447.96					276.35	447.96
Gujarat State Energy Generation Ltd			51.15	7.16					51.15	7.16
Joint Venturer - Essar Oil Ltd					555.90	846.99			555.90	846.99
Joint Venturer - IOCL					750.55	553.74			750.55	553.74
Joint Venturer - NTPCL					18.50	0.05			18.50	0.05
Joint Venturer - HPCL					0.21	2.55			0.21	2.55
Rent received	1.60	0.52	0.16	0.18	2.24	1.87			4.00	2.57
Gujarat State Petronet Ltd.	0.26	0.24							0.26	0.24
GSPC Pipavav Power Company Ltd.	0.16	0.18							0.16	0.18
GSPC Gas Ltd	0.99	0.01							0.99	0.01
Guj Info Petro Ltd	0.19	0.09							0.19	0.09
Gujarat State Energy Generation Ltd			0.16	0.18					0.16	0.18





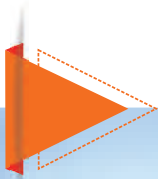
₹. in Crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
KG-OSN-2001/3					1.68	1.32			1.68	1.32
Other Joint Ventures					0.56	0.55			0.56	0.55
Dividend Income	21.23	24.90	0.45	-					21.68	24.90
Gujarat State Petronet Ltd.	21.23	21.23							21.23	21.23
GSPC Gas Company Ltd	-	3.67							-	3.67
Sabarmati Gas Company Ltd.			0.45	-					0.45	-
Interest Income	12.75	0.11	20.42	7.02					33.17	7.13
GSPC Gas Company Ltd	12.75	-							12.75	-
GSPC (JPDA) Ltd.		0.11							-	0.11
Gujarat State Energy Generation Ltd			20.42	7.02					20.42	7.02
Reimbursement of Exp-Received	1.47	2.11	-	0.29	-	-	-	-	1.29	0.69
GSPC Gas Company Ltd	0.03	1.71							0.03	1.71
Gujarat State Petronet Ltd.	1.26	0.40							1.26	0.40
GSPC Pipavav Power Company Ltd.	0.18	-								
Sabarmati Gas Company Ltd.			-	0.29					-	0.29
Management Fees					0.18	0.18			0.18	0.18
Others (Joint Ventures)					0.18	0.18			0.18	0.18
Expenses:										
Purchase of Gas					3,136.48	4,852.26			3,136.48	4,852.26
Joint Venture - Tarapur					6.28	5.33			6.28	5.33
Joint Venture - North Balol					8.72	9.09			8.72	9.09
Joint Venturer - Gail India Ltd					101.87	1,585.86			101.87	1,585.86
Joint Venturer - ONGCL					54.58	54.37			54.58	54.37
Joint Venturer - IOCL					2,965.03	3,197.61			2,965.03	3,197.61
Gas transportation charges	24.33	45.40							24.33	45.40
Gujarat State Petronet Ltd.	24.33	45.40							24.33	45.40
Annuity & Meter validation charges					1.14	1.30			1.14	1.30
Joint Venturer - Gail India Ltd					1.14	1.30			1.14	1.30
Bandwidth Charges	-	0.07							-	0.07
Guj Info Petro Ltd.	-	0.07							-	0.07
Outsourcing Service Charges	0.51	1.09							0.51	1.09
Guj Info Petro Ltd.	0.51	1.09							0.51	1.09

₹. in Crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Website Development	0.05	-							0.05	-
Guj Info Petro Ltd.	0.05	-							0.05	-
Purchase of Fuel	0.13	0.11							0.13	0.11
GSPC Gas Company Limited	0.13	0.11							0.13	0.11
Reimbursement of Expenses: Paid	2.18	0.90	-	-	-	-	-	-	2.18	0.90
Guj Info Petro Ltd.									-	-
Gujarat Gas Company Limited	0.19	0.29							0.19	0.29
Gujarat State Petronet Ltd.	1.92	0.61							1.92	0.61
GSPC Pipavav Power Company Ltd.	0.07	-							0.07	-
Remuneration to Managing Director							0.23	0.18	0.23	0.18
Sale of Fixed Assets	1.39	-							1.39	-
Gujarat State Petronet Ltd.	1.39								1.39	-
Current Assets & Liabilities:										
Debtors	336.98	406.15	135.87	101.88	87.77	4.13			560.62	512.16
Gujarat State Petronet Ltd.	25.74	1.78							25.74	1.78
GSPC Gas Company Ltd.	266.90	321.79							266.90	321.79
Gujarat Gas Company Limited	44.34	82.58							44.34	82.58
Gujarat State Energy Generation Ltd.			122.97	85.56					122.97	85.56
Sabarmati Gas Company Ltd			12.90	16.32					12.90	16.32
Joint Venturer - Essar Oil Ltd					8.83	0.14			8.83	0.14
Joint Venturer - IOCL					78.94	3.78			78.94	3.78
Joint Venturer - HPCL					-	0.21			-	0.21
Advance/Receivables	1.54	0.79	1.10	1.10	2,292.36	2,002.09			2,295.00	2,003.98
GSPC Pipavav Power Company Ltd.	0.12	0.28							0.12	0.28
GSPC (JPDA) Ltd.	0.42	0.40							0.42	0.40
Guj Info Petro Ltd.	0.43	0.02							0.43	0.02
GSPC Gas Company Ltd.	0.05	0.05							0.05	0.05
GSPL India Transco Ltd	0.24	-							0.24	-
GSPL India Gasnet Ltd	0.28	0.04							0.28	0.04
Gujarat State Energy Generation Ltd.			1.10	1.10					1.10	1.10
Others (Joint Ventures)					2,292.36	2,002.09			2,292.36	2,002.09
Payable	1.17	2.50	-	0.01	332.75	341.32			333.92	343.83
Gujarat State Petronet Ltd.	0.79	2.32							0.79	2.32





₹. in Crores

Nature of Transaction	Subsidiaries		Associates		Joint Ventures / Venturers		Key Management personnel		TOTAL	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
GSPC Gas Company Ltd.	0.10	0.09							0.10	0.09
Guj Info Petro Ltd.	0.19	0.06							0.19	0.06
GSPC Pipavav Power Company Ltd.	0.07	0.03							0.07	0.03
Gujarat Gas Company Limited	0.02	-							0.02	-
Gujarat State Energy Generation Ltd.			-	0.01					-	0.01
Joint Venture - Tarapur					0.29	0.37			0.29	0.37
Joint Venture - North Balol					0.41	0.86			0.41	0.86
Joint Venturer - Gail India Ltd					3.89	5.00			3.89	5.00
Joint Venturer - ONGCL					3.00	2.92			3.00	2.92
Joint Venturer - IOCL					89.72	126.18			89.72	126.18
Others (Joint Ventures)					235.44	205.99			235.44	205.99
Investment in Share Capital (Allotment)	1,208.15	753.17	140.29	140.29					1,348.44	893.46
Gujarat State Petronet Ltd.	213.31	213.31							213.31	213.31
GSPC Pipavav Power Company Ltd.	840.00	376.77							840.00	376.77
GSPC LNG Ltd		8.20	-						-	8.20
GSPC (JPDA) Ltd.	97.39	97.39							97.39	97.39
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 (excluding provision for Diminution in value)	-	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)			11.50	11.50					11.50	11.50
Inter Corporate Loan			200.00	30.50					200.00	30.50
Gujarat State Energy Generation Ltd.			200.00	30.50					200.00	30.50
Advance for Investment (Pending Allotment)										
GSPC LNG Ltd	-	3.23	69.00	69.00					69.00	72.23
Gujarat State Energy Generation Ltd.									-	3.23
Gujarat State Energy Generation Ltd.			69.00	69.00					69.00	69.00

38. VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

₹. in Crores

Particulars	2014-15	2013-14
I) Capital Goods	-	-
ii) LNG Import	5,150.52	541.66
iii) Incurred by Joint ventures (our share)	64.76	85.91
Total	5,215.28	627.57

39. EXPENDITURE IN FOREIGN CURRENCY:

₹. in Crores

Particulars	2014-15	2013-14
I) Seminar & conference exp.	0.01	-
ii) Consultancy & Technical Fees	2.67	2.30
iii) Subscription	1.36	0.64
iv) Payments to Oil & Gas Joint Ventures	1,586.85	11.74
v) Interest & bank charges	113.95	52.07
v) Repayment on Loan	1,235.48	1,142.88
vi) Hedging Loss paid	217.72	-
vii) Incurred by Joint ventures (company share)	577.91	457.90
Total	3,735.95	1,667.53

INCOME IN FOREIGN CURRENCY:

₹. in Crores

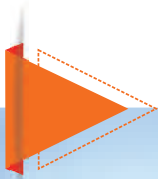
Particulars	2014-15	2013-14
I) Commodity Hedging Gain	-	16.10
ii) Received by Joint Venture(company share)	0.16	-
Total	0.16	16.10

40. VALUE OF TRADED GOODS PURCHASE

₹. in Crores

Particulars	2014-15		2013-14	
	₹. in Cr	% of Purchase	₹. in Cr	% of Purchase
I) Imported	5,420.72	55.86%	572.66	5.75%
ii) Indigenous	4,284.16	44.14%	9,386.66	94.25%
Total	9,704.88	100.00%	9,959.32	100.00%





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

a. Sales Turnover

Description	Unit	Quantity	Value ₹. In Crores
Crude Oil	Barrels	2,32,662	108.05
		(2,58,130)	(144.87)
Gas	Lakh M3	439	38.65
		(516)	(39.54)
Gas Trading**	MMSCM	2,997.56	10,721.66
		(3,210.31)	(11,708.92)

b. Opening and Closing Stock of Goods Produced & Traded

Description	Unit	Quantity	Value ₹. In Crores
Opening Stock			
Crude Oil	Barrels	10,605	5.53
		(14,200)	(6.52)
Gas Trading**	MMSCM	-	-
		-	-
Closing Stock			
Crude Oil	Barrels	15,381	4.24
		(10,605)	(5.53)
Gas Trading**	MMSCM	29.82	63.31
		-	-

c. Purchases (Trading)

Description	Unit	Quantity	Value ₹. In Crores
Gas Trading**	MMSCM	3,003.17	9,704.88
		(3,173.29)	(9,959.32)

* Figures in brackets relate to previous year.

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

42 EARNING PER SHARE (EPS):

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

Particulars	2014-15	2013-14
Net Profit After Tax (₹. In Crores)	23.70	35.49
Basic EPS:		
Weighted average numbers of equity shares	2,49,69,84,372	2,40,72,83,713
Basic Earnings Per Share (₹.)	0.09	0.15
Diluted EPS:		
Weighted average numbers of equity shares	2,56,48,85,607	2,47,51,84,948
Diluted Earning per Share(₹.)	0.09	0.14
Nominal Value per share (₹.)	1	1

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

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

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

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

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

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

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

As per our report of even date

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
Chairman

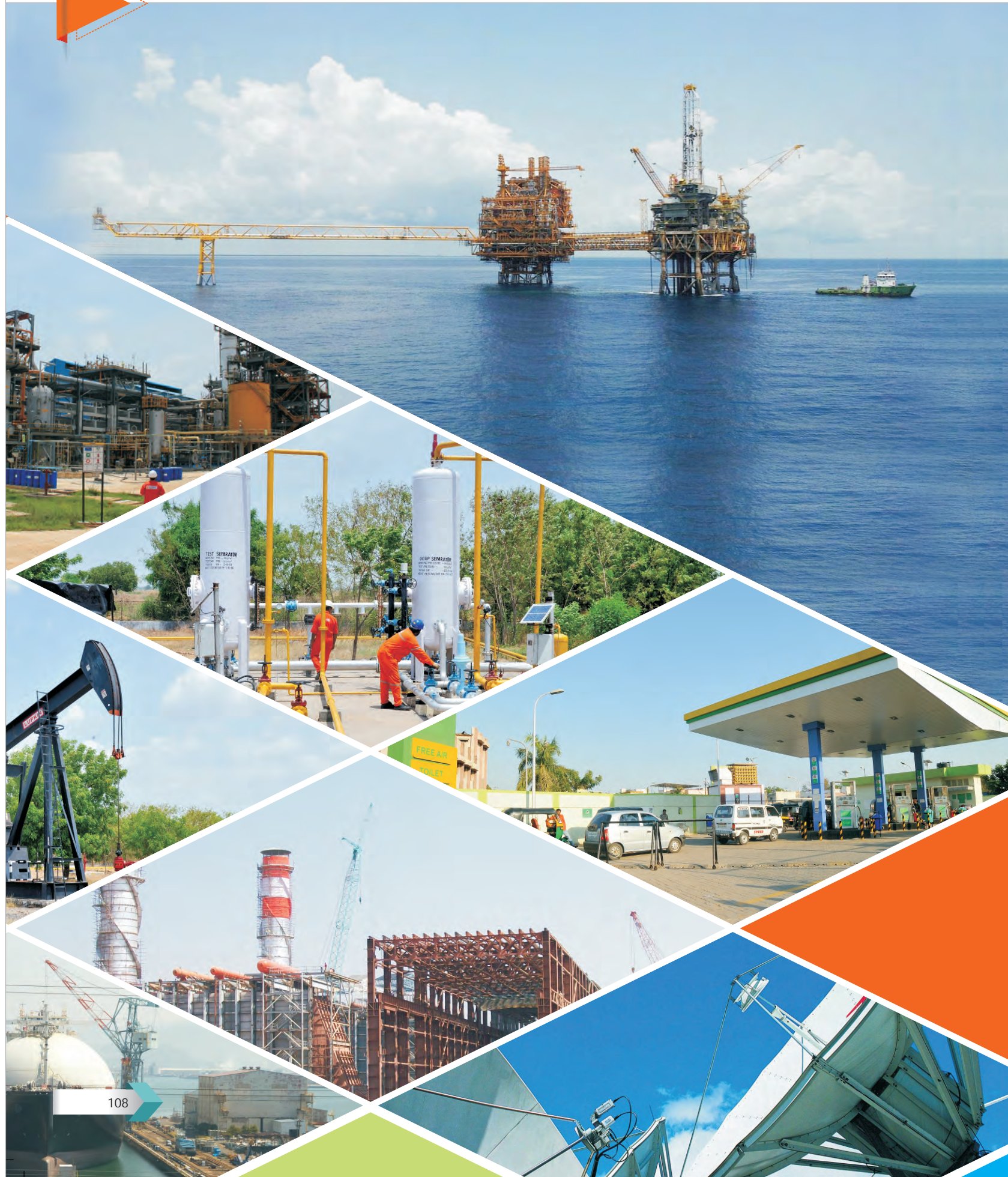
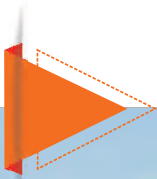
Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUJARAT STATE PETROLIUM CORPORATION LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Financial statements of GUJARAT STATE PETROLIUM CORPORATION LIMITED (Herein after referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, Comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

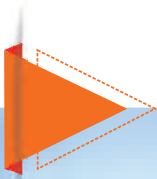
An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,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

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

Opinion

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





associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- (a) Note no.24 regarding non provision of disputed Income Tax demands/claims by the Income Tax Authority amounting to ₹. 1163.40 crores (P.Y. ₹. 1173.18 crores) and disclosed by way of a note as contingent liability. We also draw attention to Accounting Policy III (xiv) and also Note No. 6 regarding Deferred Tax Liability impact on the above said matter, our opinion is not modified in respect of these matters.
- (b) Accounting Policy III (xi) of significant Accounting Policies (Note No. 1), which describes that the financial statements of the unincorporated joint ventures are prepared in accordance with the requirements prescribed by the respective Production Sharing Contracts of the unincorporated joint ventures. Hence, certain adjustments/disclosures required under the mandatory accounting standards and the Companies Act, 2013 have been made in these accounts to the extent of information available with the Company. Our opinion is not modified in respect of this matter.
- (c) Note no. 36 (i) to the consolidated financial statements, regarding the dispute between GSPC and Geo Global Resources (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 ₹. 1734.60 Crores (31st March 2014 : ₹. 1613.32 Crores), which is due from GGR is shown under Note no. 16 "Long Term Loans & Advances-Joint Venture balance "and no impact of adjustment, if any, of possible outcome of such resolution has been given in the financial statements. Our opinion is not modified in respect of this matter.
- (d) Note no. 24 (a) to the consolidated financial statements which describes the uncertainty related to GSPC's share in alleged claim of Gujarat State Energy Generation Limited ("GSEG") against NIKO Resources Ltd. ("Niko") and GSPC for ₹. 813.17 Crores (USD 129.92 million) (GSPC's share ₹. 542.14 Crores) on account of liquidated damages for short supply of natural gas under the GSA, for which based on legal opinion no provision has been made. Our opinion is not modified in respect of this matter.

Other Matters

- (I) We did not audit the financial statements / financial information of 8 subsidiaries, and 66 jointly controlled entities, whose financial statements / financial information reflect total assets of ₹. 26,529.76 Crores as at 31st March, 2015, total revenues of ₹. 4,211.85 Crores and net cash flows amounting to ₹. 49.17 Crores for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities; and associates, is based solely on the reports of the other auditors.

- (II) We did not audit the financial statements / financial information of 3 subsidiary and 1 jointly controlled entity, whose financial statements / financial information reflect total assets of ₹. 5891.54 Crores as at 31st March, 2015, total revenues of ₹. 6,554.47 Crores and net cash flows amounting to ₹. (14.48) Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹. 75.33 Crores for the year ended 31st March,2015, as considered in the consolidated financial statements, in respect of 4 associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements /financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

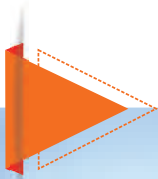
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, subsidiary company, associate company and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities- Refer Note No. 24 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
3. As required by Section 143(5) of the Act, direction and sub direction are annexed as per Annexure 'A'

For P Singhvi & Associates
Chartered Accountants
 FRN. 113602W

Date : 6th August, 2015
 Place : Gandhinagar

Praveen Singhvi
Partner
 M. No. 071608





ANNEXURE A AS REFERRED TO IN INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2015

a) Directions under Section 143(5) of The Companies Act, 2013:

1. If the Company is selected for disinvestment, a complete status report in terms of valuation of assets (including intangible assets and land) and liabilities (including committed & general reserves) may be examined including the mode and present stage of disinvestment process. Reply: Not Applicable.

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

Reply: Details of write off of debts are as under:-

Name of Company	Relation	Amount (₹.in Crore)	Reason
GSPC GAS	Subsidiary	0.23	Not recoverable
GDNL	Subsidiary	0.02	Not recoverable

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

Reply: Not Applicable

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

Reply: Refer to Annexure 1

b) Sector Specific Sub-directions under Section 143 (5) of The Companies Act, 2013:

Power Sector Generation

In the cases of Thermal power projects, compliance of the various pollution control Acts and the impact thereof including utilization and disposal of ash and the policy of the company in this regard, may be checked and commented upon.

Reply: Not Applicable

1. Has the company entered into revenue sharing agreements with private parties for extraction of coal at pitheads and it adequately protects the financial interest of the company?

Reply: Not Applicable

2. Does the company have a proper system for reconciliation of quantity/quality of coal ordered and received and whether grade of coal/moisture and demurrage etc., are properly recorded in the books of accounts?

Reply: Not Applicable

3. How much share of free power was due to the State Government and whether the same was calculated as per the agreed terms and depicted in the accounts as per accepted accounting norms?

Reply: NIL

4. In the case of Hydroelectric Projects, the water discharge is as per policy/guidelines issued by the State Government to maintain biodiversity. For not maintaining it penalty paid/payable may be reported.

Reply: Not Applicable

Services Sector Trading

1. Whether the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts?

Reply: Yes, the company has an effective system for recovery of dues in respect of its sales activity and the dues outstanding and recoveries there against have been properly recorded in the books of accounts.

2. Whether the company has an effective system for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

Reply: Yes, the company has an effective system for physical verification, valuation of stock, treatment of non- moving items and accounting the effect of shortage/excess noticed during the physical verification.

3. The effectiveness of the system followed in recovery of dues in respect of sales activities may be examined and reported.

Reply: The Company periodically prepares debtors outstanding and ageing reports and follow- ups with outstanding debtors, if any. The company has also adequate amount of security against debtors in the form of Bank Guarantee or Security deposits.

Technology Oriented

1. Examine and report the cases of dispute if any on the contract relating to supply of hardware as well as software. In the event of such assets remaining with the company, please report on its valuation and accounting in the books.

Reply: There are no such cases therefore not applicable.

2. What is the system of recovering fees/ charges in regard to providing manpower to various agencies? Report the cases where no such recovery has been affected and accounted for.

Reply: Monthly invoices are raised and fee/charges are recovered from various organizations. There is no case where no such recovery has been affected.

3. What is the system of receiving revenue share from the franchise'?

Reply: There are no such cases therefore not applicable.

4. Report the cases wherein software, hardware or IT enabled system is lying redundant! Out dated.

Reply: NIL

5. What is systems of accounting of grants/ subsidies received from Central/State Government or its agencies for performing certain activity? Comment on the cases of diversion wherein the grants were not utilized for the purpose for which these were received

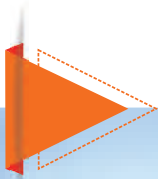
Reply : Not applicable, as such no grant/ subsidies received from Central or State Government.

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Date : 6th August, 2015
Place : Gandhinagar

Praveen Singhvi
Partner
M. No. 071608





ANNEXURE REFERRED TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE PERIOD ENDED 31ST MARCH, 2015

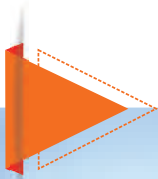
On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

- I) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management at regular interval and no material discrepancies between the book records and the physical records have been noticed.
- ii) (a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed during the physical verification of inventory as compared to book records, were not material.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchases of inventory, sale of goods and services and purchase of fixed assets. In our opinion, according to the information and explanations given to us, during the course of audit, we have neither observed nor have been informed of any major weaknesses in internal control system.
- v) The Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to The Companies (Cost Accounting Records) Rules, 2013 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examinations of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) In our opinion and according to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Vat, Cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of VAT, Wealth Tax, Custom Duty, ESI and Cess as at March 31, 2015 on account of any dispute. The dues of Income Tax and Service Tax as discussed below have not been deposited by company on account of disputes.

GSPC

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 Tax Act 1961	Income Tax Including Interest and Penalty as applicable.	1.62 8.70 16.81 0.25 0.71 1.75	1996-1997 1997-1998 1998-1999 1999-2000 2001-2002 2008-2009	High Court
Income Tax Act 1961	Income Tax including interest and penalty, as applicable.	18.02 32.39 79.10 163.11 160.66 242.35 183.08 0.63 7.04 204.85 263.24	1999-2000 2000-2001 2001-2002 2002-2003 2003-2004 2004-2005 2005-2006 2006-2007 2008-2009 2009-2010 2010-2011	ITAT
Income Tax Act 1961	Income Tax including interest and penalty, as applicable.	1.23 171.66 301.95 325.77 337.34	2004-2005 2006-2007 2007-2008 2008-2009 2011-2012	CIT (A)
Income Tax Act 1961	Income Tax Including Interest and penalty, as applicable	0.01	2004-2005	AO
Service Tax Finance Act 1994	Service Tax including interest and penalty, as applicable.	0.04 0.11 0.13 0.04 6.69	2009-2010 2010-2011 2010-2011 2010-2011 2011-2012	CESTAT
Service Tax Finance Act 1994	Service Tax including interest and penalty, as applicable.	11.32	2008-2009	Commissioner of Central Excise



**GIPL**

Name of the status	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	0.71	2007-2008	ITAT, Ahmedabad
Income Tax Act 1961	Income Tax	0.08	2011-2012	CIT, (Appeals) Ahmedabad

GSPC GAS

Name of the status	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	12.21	FY 2009-2010	Commissioner of Income Tax (Appeals), Gandhinagar
Income Tax Act 1961	Income Tax	60.80	fy 2010-2011	Income Tax Assessment order u/s 143(3) of the Income Tax Act 1961
Central Excise Act, 1944	Excise exemption related to SSI Units	0.24	FY 2003-2004	Customs Excise and Service Tax Appellate Tribunal
CENVAT credit Rules, 2004	CENVAT Credit of Service tax paid on Outward Freight Transport	2.31	April 2010 to August 2013	Commissioner of Central Excise Dept.
CENVAT credit Rules, 2004	CENVAT Credit of service tax paid on Outward Freight Transport	0.62	September 2013 to February 2014	Commissioner of Central Excise Dept.
CENVAT credit Rules, 2004	CENVAT Credit of service tax paid on Outward Freight Transport	0.60	March 2014 to August 2014	Commissioner of Central Excise Dept.
CENVAT credit Rules, 2004	CENVAT Credit of service tyax paid on Franchisee Commission	1.07	April 2009 to August 2014	Company is in process of filling appeal with CESTAT, Ahmedabad

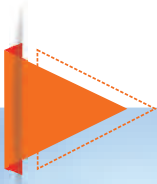
GSPC Pipavav Power Company Limited

Name of the status	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	Income Tax	0.01	2011-2012	Appeal of Income Tax is pending before CIT (Appeals) as on 31 st March 2015

Gujarat State Petronet Limited

Name of the status	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where the dispute is pending
Service Tax Finance Act 1994	Denial of Cenvat Credit on Input Service/ Capital Goods	7.35	Various	Supreme Court
Service Tax Finance Act 1994	Denial of Cenvat Credit on Input Service/ Capital Goods	191.00	Various	High Court
Service Tax Finance Act 1994	Denial of Cenvat Credit on Input Service/ Capital Goods Demand of Service Tax on services received from Outside India	101.11	Various	CESTAT
Service Tax Finance Act 1994	Disallowance of Cenvat Credit	15.25	Various	Commissioner/ Asst. Commissioner
Income Tax Act 1961	Income Tax & 2009-10	0.02	A Y 2005-06	High Court
Income Tax Act 1961	Income Tax	3.70	A Y 2008-09 & 2009-10	Income Tax Appellate Tribunal (ITAT)
Income Tax Act 1961	Income Tax	7.67	A Y 2008-09, 2010-11, 2011-12 & 2012-13	CIT (Appeals)
Income Tax Act 1961	Income Tax	0.04	A Y 2004-05 & 2006-07	Assessing Officer





- (C) According to the information and explanation given to us, there is no such amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the companies Act, 2013 and rules made there under, therefore clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- viii) The Company has no accumulated losses as at March 31, 2015 and it has not incurred any cash losses in the year ended on that date or in the immediately preceding financial year.
- ix) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date.
- x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
- xi) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loan were obtained.
- xii) During the course of 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 fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Date : 6th August, 2015
Place : Gandhinagar

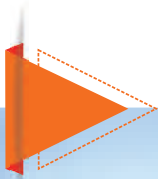
Praveen Singhvi
Partner
M. No. 071608

Annexure - 1

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
Upto 1 YEAR			
Upto 1 YEAR	Jayesh Somabhai Patel v. GSPCL Gujarat HC SCA 4730/2015	N/A	<p>GSPC has issued two tenders for carrying out EIA studies (1) RFQ No: GSPC/Onshore/CB-ON/2/EIA, RA& DMP Studies/14-15/AS- 681/247 and (2) RFQ No: GSPC/Onshore/CB-ONN-2000/1/EIA & EC/14-15/249 on 25th Feb 2015 and 26th Feb 2015 for Seismic Activities in Tarapur Block and Drilling of 19 wells of Exploratory/Appraisal/Development nature in Ahmedabad Block respectively. These tenders were issued by GSPC in accordance with the Terms of Reference (TOR) issued by Ministry of Environment and Forest ("MOEF"). Pursuant to the communication of MOEF it was required by GSPC that the Consultants involved in the preparation of EIA/EMP report after accreditation with Quality Council of India/National Accreditation Board of Education and Training (QCI/NABET) would need to include a certificate in this regard.</p> <p>Later, <i>vide</i> a letter dated 05 March, 2015 an objection has been raised by Environmental Consultants Association (through its President - Jayesh Somabhai Patel) with regard to the requirement of mandatory certificate of accreditation with NABET/QCI. A reference has been made to the stay granted by Hon'ble Gujarat High Court in Special Civil Application no. 10311/2012 on the Office Memorandum which was issued on 2nd December, 2009 by MOEF mandating accreditation of the EIA Consultants with QCI/NABET.</p> <p>A special civil application has been filed by Shri Jayesh Somabhai Patel in the Gujarat High Court wherein it was requested to quash and set aside the tender/request for quotation (RFQ) issued by GSPC.</p> <p>The High Court has allowed GSPC to continue its tendering process but the same will be subject to the decision of the Supreme Court on this issue.</p>
Upto 1 YEAR	Gspc v. Alkor Arbitration tribunal comprising of JJs C K Buch, M B Shah and D A Mehta	268.86	<p>Gujarat State Petroleum Corporation Ltd. ("GSPC"), GeoGlobal Resources (Barbados) Inc. ("GGR"), and Alkor Petroo Limited ("Alkor") (hereinafter collectively referred to as the "Consortium") have entered into a Concession Agreement dated March 9, 2008 ("Concession Agreement") with the Arab Republic of Egypt ("A.R.E.") and Ganoub El-Wadi Holding Petroleum Company ("GANOPE") for South Diyur Block and North Hap'y Blocks in Egypt. GSPC has been designated as Operator for the said Block.</p> <p>The said Minimum Work Program and other operations in the Block were carried out as the Joint Operations under the JOA by GSPC. In accordance with Article 8.1 of the JOA, all the costs and expenditures incurred by GSPC in carrying out such Joint Operations have to be borne by the Consortium in the proportion of their Participating Interest (i.e. 80% by GSPC and 20% by Alkor). GSPC has been raising Cash Calls / Joint Interest Billing ("JIB") on Alkor for its share of expenditure in the Block. However, Alkor has stopped making payment towards the Cash Calls / JIBs raised by GSPC and amount of USD 7.64 Million (for South Diyur Block) and USD 35.89 Million (for North Hap'y Block) remain unpaid till date in addition to any and all interest (including interest at Agreed Default Interest Rate) and other penal claims that GSPC may have against Alkor in this regard.</p>





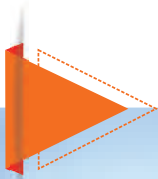
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
			<p>Accordingly dispute had arisen and GSPC has initiated Arbitration proceedings against Alkor for South Diyur and North Hap'y Blocks, Egypt.</p> <p>GSPC has filed Statement of Claims claiming an amount of USD 35.86 Million for North Hapy Block and USD 7.64 Million for South Diyur Block.</p> <p>A Section 9 application has also been filed in the District Court</p>
Upto 1 YEAR	GSPC v. Alkor, IVRCL Principal District Judge, Gandhinagar	268.86	To secure the outstanding amount in relation to North Hap'y Block and South Diyur in Egypt, GSPC has filed Section 9 Application for Interim injunction against Alkor and its parent company IVRCL. The Learned Principle District Judge passed an order dated 20.07.2015 wherein it directed Alkor and IVRCL to produce conditional bank guarantee, till then they are restrained from transferring, alienating or disposing off or creating any interest in any manner in any of its immovable properties.
Upto 1 YEAR	GSPC v. Deewanchand Ramsaran Industries Pvt. Limited. Before Principal District Judge, Gandhinagar CMA NO. 95 and 96 of 2015	23.35	<p>GSPC has preferred two appeals under Section 34 of the Arbitration & Conciliation Act, 1996 against DRIPL arising out of two arbitration awards (one in relation to 1000 HP Rig and the other in relation to 2000 HP rig) — both awards being dated February 23, 2015. The Arbitration Tribunal, under the Award for 1000 HP Rig has awarded an amount of ₹. 7,35,00,000/- in favour of M/S DRIPL while under the Award for 2000 HP Rig, has awarded an amount of ₹. 16,00,00,000 in favour of M/S DRIPL.</p> <p>GSPC has challenged both the arbitral awards under Section 34 of the Act inter alia on the grounds that (a) the Tribunal has exceeded its jurisdiction and travelled beyond the scope of the Contract by awarding the damages which are not allowed by the Contract; and (b) that the Award suffers from patent illegality and manifest error in calculation of the amounts of damages awarded and that such calculation of damages is against the binding precedents of the Supreme Court of India.</p>
			1 to 3 YEAR
1 to 3 YEAR	Mr. V. Manga Tayru v. GSPC and another OS NO. 65 of 2013 Civil Court Kakinada	N/A	<p>Mr. V. Manga Tayaru has preferred OS No. 65 of 2013 before Yanam Sub Court disputing ownership of GSPC over certain portions of land at survey no. 7/1 and 7/8 in Yanam Area through which sub—marine pipeline passes. Mr. Tayaru has also preferred an interim injunction application.</p> <p>Matter was posted for report of the court commissioner and enquiry. Commissioner has filed his Report GSPC has filed its Objections.</p>
1 to 3 YEAR	Mr. Bhairava Murthy v. GSPC and others OS No. 76 Of 2013 Civil Court Kakinada	N/A	<p>Mr. Bhairava Murthy has preferred OS No. 76 of 2013 before Yanam Sub Court disputing ownership of GSPC over certain portions of land at survey no. 5/1 and 5/10 in Yanam Area through which sub- marine pipeline passes. Mr. Tayaru has also preferred an interim injunction application. Matter was posted for report of the court commissioner and enquiry. Commissioner has Filed his Report GSPC has filed its Objections.</p>
1 to 3 YEAR	NIKO Resources Limited v/s GSPC	N/A	<p>NIKO has issued arbitration Notice dated August 27, 2013 under Joint Operating Agreement for Hazira Field claiming that GSPC failed to manage Gas Sales Agreement with GSEG effectively and failed to raise take or pay claims and invoke force majeure provisions causing losses to JV.</p>

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
			<p>However, in the Statement of Claim, NIKO has claimed that GSPC failed to ensure timely payments under all the Hazira GSAs during the period of 2002-03 to 2014-15 and also did not raise interest claims on customers for late payment. NIKO alleges that GSPC is therefore liable under the JOA to pay interest to NIKO (amounting to approx. ₹. 8.5 Crores) for delayed payments made by Hazira Customers under the Hazira GSAs. NIKO has further alleged that in relation to GSEG GSA, GSPC has agreed to indemnify NIKO for any liability arising under the GSEG GSA after a period of 10 years from the date of the GSA. Accordingly, NIKO alleges that NIKO is entitled to a declaratory relief against GSPC to the effect that any claim that may be awarded to GSEG under the arbitration proceedings initiated by GSEG should be solely borne by GSPC.</p> <p>GSPC's stand is that neither the interest claims nor the claim for declaratory relief raised by NIKO are covered by NIKO's Arbitration Notice and therefore the Arbitration Tribunal which was constituted to adjudicate claims as described in the Arbitration Notice does not have jurisdiction to adjudicate upon entirely different claims as now raised by NIKO in the Statement of Claim. It is also GSPC's case that interest claims that NIKO is now claiming do not arise out of JOA since the same arises out of the respective GSAs while the indemnity claims also do not arise out of JOA. It is also GSPC's case that NIKO has not been able to produce any indemnity agreement between GSPC and NIKO. In any case all the interest claims made by NIKO are either time-barred or are wrongly raised. The Arbitration tribunal is constituted.</p>
1 to 3 YEAR	Deep Drilling 1 Pte Ltd v/s GSPC Arbitration Tribunal Comprising JJs M B Shah, M S Parikh and C K Buch	10.99	<p>Deep Drilling 1 Pte. Ltd. DD1 has initiated arbitration proceedings against GSPC under the Jack Up Rig Contract dated June 18, 2010 DD1 has claimed for payment in lieu of notice period for termination for convenience as envisaged under the Contract. GSPC had issued a location named DDW — EXT — 1 as the last location to be drilled by DD1 under the Contract. However, the said location was not approved by the Marine Warrantor of the Contractor for an "all year operation". The Marine Warrantor approved the location for drilling only till September 30 and not beyond. GSPC, vide e-mail dated August 30, 2012, terminated the Contract with immediate effect and asked the Contractor to leave the location after demobilization of all the GSPC personnel and equipments. Such demobilization happened on September 14, 2012 and accordingly, GSPC has paid relevant day rate to the Contractor till that date.</p> <p>However, DD1 has termed the termination as termination for convenience and claimed payments for balance days of the 30 day notice period required in case of termination for convenience and raised a claim of approx. USD 1.6 Million on GSPC.</p> <p>It is GSPC's case that requirement of MWS Approval does not arise out of the Contract and that the termination of the Contract by GSPC was in view of DD1's failure to commence drilling at the location designated by GSPC in accordance with Contract. GSPC has also pleaded in the alternate that even assuming without admitting that termination of Contract was for convenience of GSPC, the Contract does not provide for any payment upon termination for convenience and therefore no payment is due to DD1 in any case.</p>



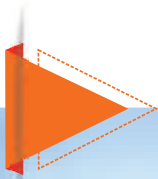
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
1 to 3 YEAR	Enquest Petro Solution Pvt. Ltd. v. GNRL & GSPC Spl Summary Suit No. 107/2014	1.83	<p>M/s Enquest has Hled a suit under Order XXXVII (Summary suit) of CPC for recovery of ₹.91,05,021.00 towards principal amount and ₹.92,77,528.00 towards interest due @ 18% p.a (Total = 1,83,82,549.00) alongwith further interest against GNRL as well as GSPC before the Court of Addl. Sr. Civil Judge, Ahmedabad (Rural) at Mirzapur, Ahmedabad.</p> <p>M/s Enquest has alleged that GNRL which is the operator in oil and gas Helds of Allora, North Kathana and Kanawara in Gujarat has failed to make payment of its invoice amount of ₹.91,05,021.00 raised by it towards providing drilling project management services in July' 2009. Accordingly, GSPC also being a JV partner in GNRL alongwith GNRL itself would be liable to pay the outstanding amounts to M/s Enquest.</p>
1 to 3 YEAR	Kakinada Mechanized Boat Owners' Association v. Secretary, Industries & Commerce, Hyderabad and 3 others including GSPC WP 34177 of 2012 High Court of AP		<p>The Kakinada Mechanized Boat Owners' Association has filed the Writ Petition against the action of competent authorities in the State of Andhra Pradesh in distribution of compensation to fishermen. The compensation that is subject matter of dispute was deposited by GSPC with Collector East Godavari District, AP, in accordance with the State Support Agreement signed between GSPC and Government of AP.</p> <p>The Association has prayed to the High Court of AP to issue a Writ of Mandamus or any other appropriate writ or order or direction declaring: (a) that the proposed action of the Respondents in providing cash compensation to the affected villages and Fishermen of East Godavari District by the offshore activities of GSPC as arbitrary, illegal and as unjust, (b) that the action of the Respondents in not identifying all the affected villages and the fishermen which are going to be affected by the said offshore activities of GSPC in east coast by reason of the drilling and pipeline activity of GSPC as arbitrary, illegal and as unjust, (c) That the action of the respondents in proposing to pay rehabilitation and compensation to few villages and fishermen in Mummidivaram constituency and of Yanam, Union Territory, as arbitrary, illegal and as unjust, (d) That the action of respondents in not considering the claim of the fishermen and villages of Kakinada Constituency, especially of the villages of Yettimogga, Uppalanka, Pagadalapeta as arbitrary, illegal and as unjust and issue a consequential direction directing the Respondents to : (1) identify all the villages in the East Godavari District which are going to be affected by the drilling and pipeline laying activities of GSPC in the east coast, (2) provide compensation and rehabilitation package to the affected fishermen which will be of long term benefit (3) to take steps to provide employment to those families (locals) which are going to be affected by the operations of GSPC and (4) Direct the Respondents not to disburse or release cash compensation to the affected fishermen or villages and (5) Direct the Respondents to make a proper study and identify all the villages and Hshermen in east coast which are going to be affected by the drilling and pipeline laying operations of GSPC.</p>
1 to 3 YEAR	Kotipalli Venkateswara Rao v. GSPC & Ors. Civil Judge, Rajhmundry (OS No. 516 of 2014)	N/A	<p>Injunction Suit filed for seeking stay against laying of pipeline beneath the Plaintiff's land in an extent of Ac.O-22cents covered by Survey.No.105/7 alleging minimal compensation paid to it by GSPC for grant of ROU in the said plaintiff's land.</p>

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
1 to 3 YEAR	M/s A. R. Infrastructure v. GSPC & Ors. A D Judge, Kakinada (OS no 309 of 2014)	0.395	It's a case filed against GSPC & M/s EIL and one of its sub – contractor – M/s Avinash EM Projects Pvt. Ltd. for Recovery of an amount of ₹.39.50 Lakhs
1 to 3 YEAR	GSPC v. IDBI & Republic of Yemen (CS no. 349 of 2013 City Civil Court Ahmedabad)	268.86	<p>GSPC led consortium have terminated Production Sharing Agreement (PSA) for 3 blocks awarded in Republic of Yemen. PSAs have been terminated on the ground of existence of force majeure vide letter dated 13th February, 2013. The Company had an apprehension that the Bank Guarantee of 42 Million USD provided l by the consortium may be invoked by the Yemen Government and thus the Consortium has filed this civil suit.</p> <p>Consortium has filed series of litigations including civil suit before the City Civil Court at Ahmedabad on 14th February, 2013 for declaring the Injunction against IDBI from invoking the Bank Guarantee's amounting to USD 42 million. However since stay was not granted, an appeal was preferred before the High Court on 16th February, 2013. The SCA application before Gujarat High Court has been disposed off with directions to City Civil Court to hear the matter expeditiously and the stay will continue to operate till the disposal of the application before the City Civil Court.</p>
1 to 3 YEAR	GSPC v. Mamta Steel SLP C No. 27610 of 2013 Supreme Court	0.0364	<p>GSPC has preferred SLP against Judgment of Gujarat HC in relation to plot allotted by GIDC. Allotment was held to be irregular by HC where both GSPC and GIDC were asked to bear 50% costs each in relation to such allotment. However, GSPC is a bonafide purchaser and has no role in allotment process by GIDC.</p> <p>SLP admitted by SC.</p>
1 to 3 YEAR	GAIL v PNGRB & GSPCL CA 11450/14 Supreme Court	N/A	<p>GSPC had approached GAIL for reserving common carrier capacities in its DBNPL and DVPL pipelines on "reasonable endeavour (RE) basis" but GAIL refused to provide the same on RE basis and asked GSPC to book on Firm Basis. GSPC complained before PNGRB under the PNGRB Act and Rules / Guidelines alleging that Common Carrier capacities have to be offered by GAIL on RE basis. GSPC also pointed out that GAIL was in fact providing capacities on RE basis to its certain customers.</p> <p>PNGRB passed order on December 20, 2013 stating that GAIL could not have discriminated between GSPC and its other customers and it should provide capacity on RE basis to GSPC also if they are providing the capacity on RE basis to other customers. A penalty was also imposed by PNGRB on GAIL.</p> <p>Thereafter, GAIL appealed against the PNGRB order before the Appellate Tribunal of Electricity (APTEL). APTEL also held that GAIL has discriminated in booking common carrier capacity leading to restrictive trade practice and has upheld the PNGRB order and penalty.</p> <p>Subsequently, GAIL filed Civil Appeal against the APTEL judgment in the Supreme Court of India along with an application seeking stay on the APTEL judgment and permission to participate in the bid invited by PNGRB for Ennore-Tuticorin natural gas pipeline.</p> <p>The Supreme Court has vide its interim order December 18, 2014 partly allowed the Application filed by GAIL and directed that PNGRB should consider the bid of GAIL for Ennore-Tuticorin natural gas pipeline.</p>





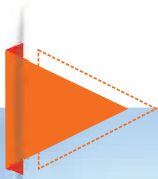
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
3 TO 5 YEAR			
3 to 5 YEAR	GSPC v/s NIKO Arbitration Tribunal comprising of JJs. S P Bharucha, A M Ahmadi and SN Variava	115.27	<p>The matter arises from a Gas Balancing Agreement signed between NIKO and GSPC under which NIKO had agreed to compensate GSPC for management of short fall supplies effected by GSPC on behalf of NIKO—GSPC JV to various Hazira Customers.</p> <p>From early 2006, Hazira Field started depleting and production from Hazira Field reduced to such an extent that it was not sufficient even to meet the total Minimum Guaranteed Offtake obligations under the Hazira GSAs. For the purpose of saving the JV from claims of Liquidated Damages for short supply under the Hazira GSAs, GSPC started to supply gas to hazira customers from its gas trading portfolio. GSPC continued to manage the short supply right from March - April 2006 till June 2008.</p> <p>For the purpose of compensating GSPC for management of the aforesaid shortfall, a Gas Balancing Agreement was signed where NIKO agreed that NIKO will compensate GSPC by either (i) supplying Five Times NIKO's Share of Shortfall Gas from RIL KG D6 Field to GSPC; or (ii) supplying Five times NIKO's Share of Shortfall Gas from any other source to GSPC; or (iii) making a onetime payment in accordance with formula defined in the GBA.</p> <p>When GSPC asked NIKO in early 2011 to either supply Five times Gas or to make payment under the GBA in early 2011, NIKO stated that the GBA had not come into force since the same was subject to RIL KG D6 Agreement being signed between RIL—NIKO and GSPC. NIKO stated that since KG D6 Agreement could not be signed in view of Gas Utilization Policy, the said Condition Precedent was not fulfilled and therefore the GBA had not come into force.</p> <p>Accordingly, GSPC has raised arbitration against NIKO claiming cash compensation of USD 18.72 Million (plus 5% escalation every year and plus interest on the said compensation) under the GBA. It is GSPC's case that NIKO has always admitted to GSPC making up the short fall on its behalf and that NIKO has always acknowledged its obligations under the GBA on various occasions. It is GSPC's case that GBA has come into force and GSPC is entitled to compensation under the GBA.</p>
3 to 5 YEAR	GSPC v. GAIL/BPCL/IOC (SC) Inter connectivity Charges Civil Appeal No. 2473/2476 of 2014 (Supreme Court)	N/A	<p>The matter arises from the Gas Sales Agreements dated February 2004 signed between GSPC and GAIL/IOC/BPCL. Under the said GSAs, for effecting supplies of PLL Gas, GAIL, IOC and BPCL were using a 500 Meters Interconnectivity Pipeline and the charges for use of the said 500 Meters Interconnectivity was agreed in the GSA.</p> <p>However, even after GSPL having completed the direct connecting pipeline to PLL's Dahej Terminal, GSPC was not allowed to use the said direct connectivity and was forced to use and pay for the 500 Meters Pipeline. Further, GAIL IOCL and BPCL also started levying full transportation tariff approved by PNGRB for DVPL Pipeline of GAIL instead of the tariff agreed in the GSA.</p> <p>GSPC challenged the said action of forcing use of interconnectivity and charging heavily for same on pant of GAIL, IPCL and BPCL before PNGRB. PNGRB by majority decision held that the said actions of GAIL, IOCL and BPCL were restrictive trade practices and directed GAIL to allow GSPC to use direct connectivity of GSPL.</p>

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
			<p>GSPC as well as GAIL/IOC/BPCL filed appeals before the APTEL challenging the Order of PNGRB holding GAIL/IOC/BPCL guilty of RTP from the appointed day of the PNGRB Act but affording remedy to GSPC only from the date of filing the complaint. GSPC was allowed direct connectivity but the same was not enforced in view of appeals filed by GAIL/IOC/BPCL.</p> <p>APTEL passed Judgment dated December 18, 2013 holding that there is no RTP on part of GAIL/IOCL/BPCL since the GSAs were entered into by GSPC at its free will. APTEL reversed the direct connectivity given to GSPC also and asked GSPC to make payment of differential interconnectivity charges to GAIL.</p> <p>GSPC has challenged the aforesaid judgment of APTEL before Supreme Court. On February 28, 2014, SC has passed an Order to the effect that GSPC shall make payment to GAIL at lump-sum amount of ₹. 12 per MMBTU (in place of 19.83 per MMBTU as per APTEL Judgment) as interim arrangement.</p> <p>GSPC has filed an application for expedited hearing of the matter.</p>
3 to 5 YEAR	Gujarat State Energy Generation Limited v/s NIKO Resources Limited and GSPC Sole Arbitrator — Justice M B Shah	831.86	<p>GSEG has invoked arbitration clause of the Gas Sales Agreement dated February 16, 2000 under which GSEG is the Buyer while NIKO and GSPC are the Sellers.</p> <p>GSEG has alleged that in terms of the GSA, NIKO and GSPC as Sellers were required to supply certain minimum quantities of gas on daily basis (called the Minimum Supply Obligation). GSEG further alleges that the JV of NIKO and GSPC was unable to supply such MSO commencing from August 2010 resulting into Short Supply under the GSA. GSEG has alleged that GSEG is entitled to Liquidated Damages in accordance with the GSA for such short supply to be recovered from the JV of GSPC and NIKO.</p> <p>GSEG has made a claim of approx. USD 129 Million as Liquidated Damages against the JV of NIKO and GSPC where NIKO holds 33% PI while GSPC holds 67% PI.</p> <p>However, it is the case of NIKO and GSPC that the short supply under the GSA is attributable to unexpected decrease and depletion in the Reservoir of Hazira Field due to natural acts of ingress of water and sand into the Reservoir which is a natural geological and geophysical phenomenon and is Force Majeure situation. NIKO and GSPC have therefore put GSEG to notice that the short-supply under the GSA on account of the Force Majeure situation and therefore there is no liability on part of JV to make payment to GSEG towards Liquidated or other Damages under the GSA.</p>
3 TO 5 YEAR	Tuff Drilling Private Limited V/S GSPC (AA No. 38/2011 District & Sessions Court Gandhinagar	N/A	<p>The matter pertains to and arises from Platform Drilling Rig Contract dated May 22, 2010 which was terminated by GSPC due to failure of Tuff to deliver the Platform Drilling Rig at DDW Location in time. Tuff has filed application on 21.04.2011 u/s 9 of Arbitration & Conciliation Act before District & Sessions Court, Gandhinagar seeking interim measures to restrain GSPC from awarding new contract and making payment to any third party in relation to platform drilling rig services.</p> <p>Court initially granted an ex-parte interim order restraining GSPC from making any payment to any third party in relation to platform drilling rig contract. The said interim order was modified on April 27, 2011 upon representation of GSPC allowing GSPC to make payments to third parties however ensuring that separate accounts are maintained in relation to such payments. However, no stay as prayed for by Tuff has been granted.</p>





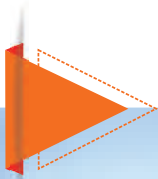
**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
3 TO 5 YEAR	Tuff Drilling Private Limited v/s. GSPC Arbitration Tribunal comprising of JJs. R A Mehta, D K Trivedi and M B Shah	719.33	<p>The matter pertains to and arises from Platform Drilling Rig Contract dated May 22, 2010 which was terminated by GSPC due to failure of Tuff to deliver the Platform Drilling Rig at DDW Location in time. Tuff has invoked arbitration clause of the Contract and appointed its arbitrator on 11.04.2011. Tuff has alleged that the termination of the Contract dated May 22, 2010 by GSPC is illegal and claimed damages for such alleged illegal termination. Total Claims made by Tuff in the Arbitration Proceedings amount to ₹. 719.33 Crores.</p> <p>GSPC has also made counter-claim on Tuff amounting to ₹. 515.65 Crores on account of additional interest burden, cost of deploying jack—up rig and other damages suffered by GSPC due to breach of Contract by Tuff.</p> <p>Later, Hindustan Cargo filed an application for winding up of Tuff Drilling which was admitted and a provisional liquidator was appointed by the Delhi High Court. Taking note of that the tribunal kept the matter in abeyance. Tuff drilling gave a commitment to the tribunal that the said winding up petition will be set aside as they are settling the matter with Hindustan Cargo and shall be done by 7th April 2015. The matter was settled on 10th April 2015 but Tuff had sought an adjournment.</p>
3 to 5 year	NIKO Resources Limited v/s GSPC Arbitration Tribunal comprising of JJs. R C Lahoti, A M Ahmadi and M B Shah	200	<p>NIKO has issued Arbitration notice dated 25. 03. 2011 under a Memorandum of Understanding dated October 3, 2002 in relation to 36" Hazira — Mora Pipeline. NIKO is seeking specific performance of the MOU asking for retransfer of 36" Hazira-Mora Pipeline to the Hazira JV and a share in the revenues generated / to be generated from the Hazira — Mora Pipeline as damages in addition to or in lieu of specific performance of the MOU.</p> <p>NIKO has pleaded that in accordance with the MOU, GSPC had agreed to regain the possession of 36" Hazira — Mora Pipeline from GSPL and agreed to retransfer the pipeline to the Hazira JV (formed under Hazira Field PSC where GSPC holds 67% PI while NIKO holds 33% PI). NIKO has alleged that GSPC has breached the said terms of the MOU and failed in causing the retransfer of the Pipeline.</p> <p>However, it is GSPC's case that GSPC is required to cause the retransfer of the Hazira - Mora Pipeline only after Cost Recovery to the HMPL has been granted by the Government of India under the Hazira PSC. Till date, the said 36" Pipeline has not been granted cost-recovery status and therefore GSPC's obligation under the MOU has not arisen and therefore GSPC is not in any breach of the MOU. Additionally, GSPC has also questioned the jurisdiction of the Arbitration Tribunal to adjudicate the claims of NIKO since the MOU does not have an arbitration clause.</p> <p>NIKO has made total claims amounting to approximately ₹.200 Crores on GSPC in the nature of damages as per the latest Witness Statement filed by NIKO.</p>

Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
MORE THAN 5 YEAR			
MORE THAN 5 YEAR	NIKO Resources Limited v/s Union Of India & GSPC FAO OS No. 358/2012 Delhi High Court	N/A	<p>The matter arises from the Production Sharing Contract for the Hazira Field under which JV of NIKO and GSPC had proposed allowance of cost recovery status to the 36" Hazira-Mora Pipeline which proposal was rejected by the DGH/MOPNG on August 6, 1999. The said decision of DGH / MOPNG was challenged in an arbitration proceeding under the PSC. The arbitration tribunal in the said proceedings passed a Majority Award on December 23, 2009 allowing cost—recovery status to the Hazira — Mora Pipeline. However, the UOI challenged the said Majority Award under Section 34 of the A&C Act, 1996 and preferred an appeal before the Delhi High Court Single Judge in April 2010.</p> <p>The Single Judge of Delhi High Court, vide Judgment and Order dated July 2, 2012, allowed the appeal preferred by UOI and set aside the Majority Award resulting into cost recovery status to the Hazira — Mora Pipeline being rejected.</p> <p>NIKO has preferred appeal against the said judgment of Single Judge under Section 37 of the A&C Act. The Division Bench of Delhi High Court has heard the final arguments of the Parties and the order is reserved since December 4, 2014.</p>
MORE THAN 5 YEAR	Saipem Portugal Comercio Meritimo v/s GSPC Arbitration tribunal Consisting of Jjs. S. P. Bharucha, A M Ahmadi & B N Srikrishna	918.66	<p>Arbitration proceedings have been initiated by Saipem against GSPC on 31-03-2008, pursuant to a dispute in relation to the contractual obligations of Saipem under the contract for services rendered under the Contract dated April 1, 2004 for charter hire of offshore jack up rig in KG Block.</p> <p>Saipem's primary contention is that the Contract is a Lime Based Contract and the day rate of 61,800 USD was valid for 600 days only taking into consideration two extension options available to GSPC. Saipem has also raised other several allegations and breaches on part of GSPC.</p> <p>GSPC's primary contention is that the Contract is a Well Based Contract and the day rate of 61, 800 USD is valid for drilling of (4+6+2) 12 wells irrespective of time.</p> <p>Saipem has made a claim of USD 143.45 Million being difference in the market rate for charter hire and contractual rate for entire period after expiry of 600 days during which GSPC utilized the rig.</p> <p>GSPC has also made counter-claim on Saipem amounting to USD 36.90 Million on account of non-performance time attributable to Saipem, time lost in extraction of legs of rig due to failure of jetting mechanism of rig and BOP related costs.</p>
MORE THAN 5 YEAR	Reliance Industries Limited v. Bonthua Veera & others (including GSPC as 5 th Respondent) OS No. 146/2010 Civil Court Kakinada	N/A	RIL has filed the suit claiming that RIL should be indemnified by Respondents for additional compensation that it had to pay to the Land Owners in the sale transaction relating to certain survey numbers. GSPC has been made a respondent simply because the subject properties were also proposed to be purchased by GSPC even though RIL had already beneficial interest in the said lands.





**Gujarat State Petroleum Corporation Limited
List of Pending Litigations as on 31st March, 2015**

Age	Particulars	Amount (₹. In Crores)	Reasons for pendency
MORE THAN 5 YEAR	Katari Sitha Rama Raju and others v. K V Reddy and others (GSPC) OS no. 8 of 2008 Civil Court Yanam	N/A	The dispute is pertaining to a property situated in Puducherry and Katari seeks a declaration that the compromise deed entered between him & Reddy and the subsequent sale deeds entered between Katari and GSPC are null and void, on the grounds that the same have been obtained through coercion and misrepresentation by the defendants.
MORE THAN 5 YEAR	Essar Power Limited, Essar Steel Limited and others v. UOI and others together with GSPC v/s UoI, Petronet LNG Limited, GAIL, IOCL, BPCL & others Civil Appeal 4610 and 4609 of 2009 before Supreme Court	N/A	<p>GSPC has entered into Gas Purchase Agreements with GAIL, IOCL and BPCL in February 2004 for a long tenure of 15 years. The said GSAs were back-to-back arrangement in relation to Gas sourced on long term by PLL from Ras Laffan Natural Gas Company of Qatar for a period of 25 years. GAIL, IOCL and BPCL being the designated Off-takers of the Gas so procured / imported by PLL from Qatar. Under the said GSAs, the price of the Gas was fixed for the first tenure of Five Years i.e. upto December 31, 2008. The said further provides that the Price of Gas can be varied before December 31, 2008 only to the extent Ras Laffan Natural Gas Company Limited revises the price or in accordance with any change in law.</p> <p>During the said initial term of the GSA, the Union of India directed PLL vide a communication dated March 6, 2007 to charge a "uniform pooled price" for all the long term gas procured by PLL. A copy of the said communication was also marked to GAIL, IOCL and BPCL being the Off-takers of PLL Gas.</p> <p>GAIL, IOCL and BPCL alleged that the said communication requiring pooling of gas price was in the nature of "change in law" and therefore GSPC shall also be charged such Pooled Gas Price instead of the price fixed under the GSA.</p> <p>GSPC challenged the said "communication" requiring pooling of gas prices by way of Special Civil Application before Gujarat High Court. Gujarat High Court, on May 16, 2008, passed a Majority Judgment upholding the validity of the said communication directing pooling of gas prices.</p> <p>The said judgment of Gujarat High Court dated May 16, 2008 has been challenged by GSPC as well as by ESL, EPL and others before Supreme Court. The SLPs have been admitted and converted to Civil Appeals. The matter is still sub-judice.</p>

GSPL India Gasnet limited

Age	Particulars	Amount ₹. crores	Reasons for pendency
upto 1 year	No. Of Cases-12	Not Ascertainable	The main reasons of pendency are legal complexities involved in pursuant of cases and time taken by the Courts in disposal of matters. The company has adequate system for monitoring expenditure on all legal cases.
1 to 3 year	No. Of Cases-12	Not Ascertainable	
3 to 5 Year			
More than 5 year			

GSPC Gas Limited (Unaudited)

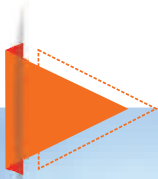
Statement Showing Year wise details of Legal Cases against the Company

A. Claims against the Company not acknowledged as Debt (Disputed) but shown as contingent liability

1 Legal Cases

Sr. No.	Nature of Dispute	Pending with which Authority	Date of filling	Amount in ₹.
1	Appeal No.634 of 2012	Gujarat State Dispute Redressal Commission at Ahmedabad	07.06.2012	35,000.00
2	Civil Misc. Application No.479/2014	Ahmedabad city Civil Court	04.09.2014	17,29,945.00
3	Workmen Compensation (Fatal) Case No.01/2015	Labour Court, Rajkot	21.01.2015	8,00,000.00
4	Civil Case No. 77/2008	Principal civil Judge (S.D.) at Rajkot	17.05.2008	3,00,000.00
5	MACT Case No.877 of 2009	Motor Accident Claim tribunal at Mehsana	08.01.2014 purses filed	1,50,000.00
6	MACT Case No.60 of 2015	Motor Accident Claim tribunal at Mehsana	09.03.2015	2,00,000.00
Total				32,14,945





2. Disputed statutory claims in respect of Appeals filed against / by company shown as contingent liability:

Name of the statute	Nature of the Dues	Amount (₹. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax Assessment order u/s 143 (3) of the Income Tax Act 1961	1221.95	FY 2009 — 2010	Commissioner Of Income Tax (Appeals), Gandhinager
Income Tax Act 1961	Income Tax Assessment order u/s 143 (3) of the Income Tax Act 1961	6080.20	FY 2010 — 2011	Income Tax Assessment order u/s 143 (3) of the Income Tax Act 1961
Customs Excise and Service Tax	Excise exemption related to SSI Units	23.66	FY 2003 — 2004	Customs Excise and Service Tax Appellate Tribunal
Customs Excise and Service Tax	CENVAT Credit of service tax paid on Outward Freight Transport	231.33	April 2010 to August 2013	Commissioner of Central Excise Dept.
Customs Excise and Service Tax	CENVAT Credit of service tax paid on Outward Freight Transport	62.37	September 2013 to February 2014	Commissioner of Central Excise Dept.
Customs Excise and Service Tax	CENVAT Credit of service tax paid on Outward Freight Transport	59.92	March 2014 to August 2014	Commissioner of Central Excise Dept.
Customs Excise and Service Tax	CENVAT Credit of service tax paid on Franchisee Commission	106.99	April 2009 to August 2014	Company is in process of filling appeal with CESTAT, Ahmadabad

B. Claims filed by the Company or against the Company

Age wise summary of Legal case filed by the company or against the Company				
Particulars	Less than Year	1 year to 3 year	older than 3year	Total
Legal Case	111	50	1	162
Amount ₹.	2,45,41,655	43,84,783	3 00,000	2.92,26,438

GSPC Pipavav Power Company Limited

Age wise litigation of Direct and Indirect taxes along with reasons of pendency are as follows

Pending Direct and Indirect Tax Matters of GSPC Pipavav Power Company Limited

Period	Particulars	Amount (in lacs)	Remarks
Less than One year	Income tax Assessment Order as FY 2011-12	0.00	Appeal of Income tax is pending before CIT (Appeals) as on 31st March 2015

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

Period	No. of Pending Cases	Remarks
Less than One year	1	courts/Arbitrators are required to dispose of the cases as per the procedure prescribed under law. Parties need to be given reasonable opportunity of being heard. Further law provides for appeal before higher courts. Reasons for pendency vary from case to case.
More than 5 years	2	Further the case pending for a period less than one year reflects the case of Lanco Solar Energy Pvt Ltd which approached to Hon'ble High Court for appointment of Sole Arbitrator to Settle the matter. The said matter has been filed on 8th May 2015.

GSPL India Transo Limited

Age	Particulars	Amount (in crores)	Reason for pendency
Up to 1 year	NIL	NIL	
1 to 3 years	2 cases	Amount is not ascertainable	The main reasons of pendency are legal complexities involved in pursuant to cases and time taken by the Courts in disposal of matters.
3 to 5 years	NIL	NIL	

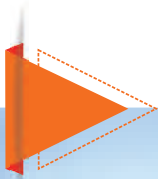
Gujarat Gas Company Limited

Statement Showing Year wise details of Legal Cases against the Company

A- Claims against the company not acknowledge as Debt :

Year	No. of Claims	Amount ₹. Crores
1999	3	0.31
2000	1	0.05
2007	2	0.06
2010	2	0.01
2011	1	0.06
2012	5	2.02
2013	7	2.06
2014(*)	7	40.10
2015	1	0.03
Total	29	44.70





* Out of the above claims one of the claim is of ₹.40.00 Crores filed against the company by UPL Limited (UPL). UPL a customer of GGCL filed a complaint before Petroleum and Natural Gas Regulatory Board (PNGRB) against GGCL alleging charging of tariff illegally under the City Gas Network Distribution Agreement entered into between the Parties. The matter was decided against GGCL by PNGRB. GGCL has preferred an appeal at Appellate Tribunal for Electricity (APTEL) against the PNGRB Order. GGCL has also sought and interim stay on the PNGRB order which was granted by APTEL subject to submission of a bank guarantee of ₹.40.00 Crores by GGCL to UPL. The APTEL has in its order stated that it is an interim order without considering the merit of the case. In compliance with the order GGCL has provided the bank guarantee to UPL.

B. Claims against the Company, disputed by the Company:

Year	No. of Claims	Amount in Crores
2003	1	2.17
2014	1	0.06
Total	2	2.23

The Company is however indemnified by an insurance Policy.

Gujarat State Petronet Limited

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

	Amount ₹. (in Lacs)		Reason for pendency
	Indirect Tax	Direct Tax	
Less than 1 years	5 015.76	109.59	Matters have not attained finally because the hearings are ongoing OR date yet not notified by relevant authorities.
1-3 years	28,104.27	769.37	
3-5 years	-	31.46	
More than 5 years	17.90	5.53	
TOTAL	33137.94	1195.95	

Age wise details of litigation pending before other forums with reasons of pendency are as follow;

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

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

Gujarat Info Petro Limited

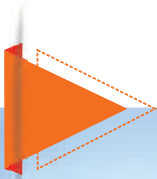
Age wise details of litigations of Direct taxes & Indirect taxes along, with reason of pendency are as follows:

	Amount ₹. (in Lacs)		Reason for pendency
	Indirect Tax	Direct Tax	
Less than 1 years	NIL	7.96	Preferred appeal before CIT(Appeals) which is subjudice ITAT directed the A.O.to readjudicate the issue regarding allowbility of deduction u/S 80IA
1-3 years	NIL		
3-5 years	NIL	70.65	
More than 5 years	NIL		

Gujarat Gas Financial Services Limited

Age	Particulars	Amount ₹. crores	Reasons for pendency
More than 5 years	No. Of Cases-1	1.13	Retrenched employees related liability.





COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE PETROLEUM CORPORATION LIMITED FOR THE YEAR ENDED ON 31 MARCH 2015

The preparation of consolidated financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the consolidated financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 6 August 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) read with Section 129(4) of the Act of the consolidated financial statements of **Gujarat State Petroleum Corporation Limited** for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of its subsidiaries and associates as given in **Annexure I** but did not conduct supplementary audit of the financial statements of its subsidiaries and associates as given in **Annexure II** for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

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

Date : 20 October 2015
Place : Ahmedabad

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

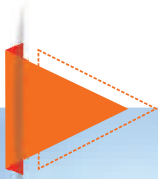
Annexure - I

1. Gujarat State Petronet Limited
2. GSPC Pipavav Power Company Limited
3. GSPL India Gasnet Limited
4. GSPL India Transco Limited
5. Sabarmati Gas Limited
6. Gujarat State Energy Generation Limited

Annexure - II

- 1 GSPC (JPDA) Limited
2. GSPC Marginal Field Limited
3. GSPC Gas Company Limited
4. Guj Info Petro Limited
5. GSPC Distribution Networks Limited
6. Gujarat Gas Company Limited
7. Gujarat Gas Financial Services Limited
8. Gujarat Gas Trading Company Limited
9. GSPC LNG Limited
10. Alcock Ashdown (Gujarat) Limited





**Gujarat State Petroleum Corporation Limited
Consolidated Balance Sheet as at 31st March, 2015**

₹. in Crores

	Note No.	As at 31 st March, 2015	As at 31 st March, 2014
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	252.45	248.62
Reserves & Surplus	3	8,349.07	7,620.74
		8,601.52	7,869.36
Share Application Money Pending Allotment	4	0.00	82.50
Minority Interest		3,515.46	3,123.22
<u>Non-Current Liabilities</u>			
Long Term Borrowings	5	17,228.62	15,713.19
Net Deferred Tax Liabilities	6	958.57	809.66
Other Long Term Liabilities	7	620.02	365.95
Long Term Provisions	8	76.36	61.50
		18,883.57	16,950.30
<u>Current Liabilities</u>			
Short Term borrowings	9	5,365.41	3,953.76
Trade payables	10	513.17	616.72
Other Current Liabilities	11	5,404.73	5,050.55
Short Term provisions	12	185.35	366.75
		11,468.66	9,987.78
TOTAL		42,469.21	38,013.16
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Fixed Assets			
Tangible Assets	13	8,724.06	8,699.14
Intangible Assets	13	2,383.20	2,344.44
Capital Work in Progress	14	12,196.77	10,752.75
Intangible Assets under development	14	11,175.30	10,155.67
Goodwill on Consolidation		186.14	0.02
Non-Current Investments	15	139.21	125.34
Long Term Loans & Advances	16	2,396.64	2,061.46
Other Non-Current Assets	17	151.90	148.07
		37,353.22	34,286.89
<u>Current Assets</u>			
Current Investments	18	936.99	678.81
Inventories	19	206.93	103.57
Trade Receivables	20	984.34	1,029.37
Cash & Bank	21	1,167.35	1,061.49
Short Term loan and Advances	22	1,194.96	755.64
Other Current Assets	23	625.42	97.39
		5,115.99	3,726.27
TOTAL		42,469.21	38,013.16

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

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
Chairman

Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer

Gujarat State Petroleum Corporation Limited
Consolidated Statement of Profit & Loss for the year ended 31st March, 2015

₹. in Crores

	Note No.	2014-15	2013-14
INCOME			
Revenue from Operations (Gross)	26	14,898.72	15,942.24
Less: Excise Duty		131.17	153.14
Revenue from Operations (Net)		14,767.55	15,789.10
Other Income	27	213.13	254.80
Total Revenue		14,980.68	16,043.90
EXPENSES			
Cost of Materials Consumed	28	889.63	1,816.23
Production Expenditure - E&P	29	116.29	102.57
Purchases of Stock in Trade	30	10,205.75	9,973.63
Changes in inventories of Finished Goods, Stock in process and Stock in Trade	31	(63.62)	0.82
Employee Benefits Expense	32	186.78	161.65
Finance Cost	33	718.29	667.24
Depreciation, Amortization, Depletion and Impairment	13	625.37	570.36
Other Expenses	34	469.39	496.63
Exploration cost written off		513.03	1,610.69
Total Expenses		13,660.91	15,399.82
Profit Before Tax and Adjustments		1,319.77	644.08
Less : Prior period Adjustments		12.78	0.09
Less :Exceptional Items		(0.54)	-
Profit Before Tax		1,307.53	643.99
Tax Expenses			
Current Tax		428.25	377.26
Deferred Tax		151.94	72.88
Short /(Excess) provision of Tax		0.19	0.28
Profit for the Period		727.15	193.57
Less: Transferred to Pre operative Expenses		-	1.08
Less: Share of Profit Transferred to Minority Interest		504.18	369.66
Add: Share of Profit/(Loss) in Associates for the Year		(21.38)	(54.25)
Profit for the Period		201.59	(231.42)
Basic Earning per equity share of face value of ₹. 1 each	42	0.81	(0.96)
Diluted Earning per equity share of face value of ₹. 1 each	42	0.79	(0.93)

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

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
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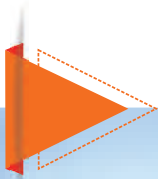
Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer





Gujarat State Petroleum Corporation Limited Consolidated Cash Flow Statement for the Year Ended 31st March, 2015

₹. in Crores

Particulars	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax	1,304.77	643.99
Adjustment for :		
Depreciation & Prior period adjustment on account of depreciation	637.83	570.47
Profit/Loss on Sale of Fixed Assets	0.12	0.78
Profit on Sale of Investment	(1.76)	(10.52)
ESOP Compensation expenses	0.10	1.46
Loss on sale as scrape and diminution Capital Inventory	1.48	-
Bad Debts/Advances written off	0.23	0.37
Provision for employee benefits	4.58	(0.69)
Provision for Doubtful debts	3.25	3.56
Provision for Wealth Tax	0.12	0.13
Provision Diminution in Investment	(0.04)	0.01
Other Provisions	(0.95)	(0.26)
Misc Expenditure written off	8.67	25.94
Doubtful Debts (Trade Receivables)/Advances	1.67	2.99
Exploration cost w/off	513.03	1,610.69
Interest Expense	715.91	663.75
Dividend Income	(55.26)	(31.51)
Commodity Hedging Loss/(Gain)	-	(16.10)
Interest Income	(98.10)	(119.17)
Operating Profit before Working Capital Changes	3,035.65	3,345.89
Adjustments for changes in Working Capital		
(Increase)/Decrease in Trade Receivables	118.22	(160.10)
(Increase)/Decrease in Security Deposits	(15.67)	6.02
(Increase)/Decrease in Staff Loan and Advance	(0.01)	0.01
(Increase)/Decrease in Advance against Exp.	(0.03)	38.65
(Increase)/Decrease in Pre-paid Exp.	0.14	(0.59)
(Increase)/Decrease in Loans & Advances	(628.23)	(138.79)
(Increase)/Decrease in Cenvat Rece & PLA A/c.	(0.32)	2.24
(Increase)/Decrease in Balance with Govt. Authorities	0.05	(0.01)
(Increase)/Decrease in Claim Recoverable A/c.	(0.06)	0.30
(Increase)/Decrease in Other Non Current Assets	(0.60)	0.03
(Increase)/Decrease in Other Current Assets	(817.45)	3.44
(Increase)/Decrease in Inventory	(106.44)	(408.68)
Changes in Trade and Other Receivables	(1,450.40)	(657.48)
Increase/(Decrease) in Trade Payables	(135.15)	109.05
Increase/(Decrease) in Duties and Taxes	(8.78)	(0.71)
Increase/(Decrease) in Advance from Customers	(1.99)	7.07
Increase/(Decrease) in Deposit from Suppliers	1.18	1.59
Increase/(Decrease) in Deposits from Customers	54.16	57.78
Increase/(Decrease) in Employee Benefit Provisions	10.70	1.30
Increase/(Decrease) in Statutory Dues	(2.18)	1.98
Increase/(Decrease) in Provisions	(8.05)	(2.29)
Increase/(Decrease) in Other long term liability	1.33	5.18
Increase/(Decrease) in current liability	507.28	5.67
Increase/(Decrease) in Provision for Revenue Expenses	3.50	(1.10)
Increase/(Decrease) in Other Payables	0.01	248.67
Changes in Trade and Other Payables	422.01	434.19
Cash Generated from Operations	2,007.26	3,122.60
Extra Ordinary Items and Other Adjustments (Pre-operative exp)	(0.11)	(1.08)
Taxes Paid	(426.09)	(419.70)
Misc. Expenditure incurred during year	-	0.81
Net Cash from Operating Activities	1,581.06	2,702.63
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including capital work in progress and capital advances	(2,165.34)	(6,217.02)
Transfer from CWIP to Assets	14.88	2,471.75
Reserves & Surplus	5.75	11.51
Investment in Capital WIP	(23.47)	52.88
Payment of Duties & Taxes	(0.32)	(0.07)

Gujarat State Petroleum Corporation Limited

Consolidated Cash Flow Statement for the Year Ended 31st March, 2015

₹. in Crores

Particulars	2014-15	2013-14
(Increase)/Decrease in Investment	(255.71)	(1,591.08)
(Increase)/Decrease in Fixed Deposit	147.35	(147.85)
Investment in shares	0.08	(52.00)
Investment in subsidiaries	(466.46)	(415.07)
Changes in Earmarked F.D. & current account	49.21	(55.59)
Interest Received	105.51	116.51
Sale of Fixed Assets	9.77	4.54
Tax paid on Interest Income of subsidiaries	(1.40)	(1.55)
Dividend Income	76.49	58.87
Net Cash used in Investing Activities	(2,503.66)	(5,764.17)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	(60.00)	(336.81)
Proceeds from issue of Equities	810.92	2,068.68
Proceeds/(Repayment) from issue of debentures	-	550.00
Proceeds/(Repayment) from Unsecured loans	1,024.43	955.24
Proceeds/(Repayment) of secured loans	2,588.84	529.55
Deposits	(15.66)	26.22
Proceeds/(Repayment) of borrowings	(271.32)	(188.44)
Proceeds from long term borrowings	(65.98)	1,790.13
Proceeds from short term borrowings	(246.00)	(158.81)
Proceeds from Inter Corporate loan	155.10	-
Repayment of Long term borrowings	(205.26)	(799.62)
Repayment of Short term borrowings	(3.69)	(40.83)
Equity shares issue expenses	(0.95)	(0.90)
Interest & Finance Charges Paid	(2,543.29)	(1,810.16)
Dividend Paid (Including tax thereon)	(66.04)	(260.27)
Net Cash from Financing Activities	1,101.10	2,323.98
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	178.50	(737.56)
Cash and Cash Equivalents at the beginning of the year	297.27	1,056.68
Cash and Cash Equivalents at the end of the year	475.77	319.12
Closing Cash and Cash Equivalents comprise :		
Cash in hand	1.14	0.90
Bank balances including Cheques on hand	474.63	318.82

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.
- Adjustments have not been made to 'Purchase of Fixed Asset' (Investing Activities), on account of increase/decrease in Capital Creditors. The Impact of the above is not readily ascertainable.
- Brackets indicate cash outflow/deduction
- The Company has re-classified previous year figures to conform to this year's classification.

As per our report of even date

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
Chairman

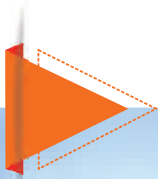
Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer





Notes to Consolidated financial statements for the year ended 31st March 2015

Note : 1

I CORPORATE INFORMATION

GSPC along with its subsidiaries/JVs/associates has evolved into an integrated energy company. The company is engaged directly in gas marketing, exploration and production of oil & gas. The other related businesses viz. gas transmission & distribution, power generation, city gas distribution and setting up of LNG terminal are held through its subsidiaries and associate companies.

II SIGNIFICANT ACCOUNTING POLICIES FOR CONSOLIDATED FINANCIAL STATEMENTS

A. Basis of Preparation of Financial Statements:

- (i) 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 2013, the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, Electricity Act, 2003 or rules and notifications made / issued thereto by appropriate bodies / Government,, 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.
- (ii) Accounting Policies not specifically referred to otherwise are consistent with those used in the previous year except for change in the accounting policy for depreciation as described under accounting policy for Tangible & Intangibles mentioned at accounting policy No. III (ii). In applying the accounting policies consideration has been given to Prudence, Substance over Form and Materiality.

B. Principles of Consolidation

- (i) The consolidated financial statement of GSPC represents consolidation of its financial statements with its twelve subsidiaries as per Accounting Standard 21 'Consolidated Financial Statements' and four associates as per Accounting Standard 23 'Accounting for Investments in associates' in consolidated financial statement'.

The proportion of ownership interest in each subsidiary and associate is as follows:

	Name Of Company	Relation with GSPC	Direct Control or Control through Subsidiary (Indirect Control)	Proportion of Ownership Interest as on 31st March 2015	Proportion of Ownership Interest as on 31st March 2014
1.	Gujarat State Petronet Ltd.	Subsidiary	Direct Control	37.71%	37.73%
2.	GSPC Pipavav Power Company Ltd.	Subsidiary	Direct Control	97.47%	100%
3.	GSPC (JPDA) Ltd.	Subsidiary	Direct Control	100%	100%
4.	GSPC Marginal Field Ltd.	Subsidiary	Direct Control		100%
5.	Guj. Info Petro Ltd.	Subsidiary	Direct Control	77.20%	77.20%
6.	GSPC Gas Company Ltd.	Subsidiary	Direct Control	54.34%	54.35%
7.	GSPC Distribution Networks Limited	Subsidiary	Direct Control	38.82%	38.83%
8.	Gujarat Gas Company Limited	Subsidiary	Indirect Control	28.61%	28.62%
9.	Gujarat Gas Financial Services Limited	Subsidiary	Indirect Control	19.99%	20%
10.	Gujarat Gas Trading Company Limited	Subsidiary	Indirect Control	28.61%	28.62%
11.	Gujarat State Energy Generation Ltd.	Associate		34.38%	34.38%
12.	GSPL India Gasnet Limited	Subsidiary	Indirect Control	19.61%	19.62%
13.	GSPL India Transco Limited	Subsidiary	Indirect Control	19.61%	19.62%
14.	GSPC LNG Ltd. (P.Y. Subsidiary)	Associate		23.56%	8.97%
15.	Sabarmati Gas Company Ltd.	Associate		25%	25%
16.	Alcock Ashdown (Gujarat) Ltd.	Associate		22.55%	22.55%

- (ii) The financial statements of Company and its subsidiary companies are consolidated on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21- "Consolidated Financial Statements".
- (iii) Interest in Joint Venture has been accounted by using the proportionate consolidation method as per Accounting Standard 27- "Financial Reporting of Interest in Joint Ventures".
- (iv) The difference between the cost of investment in the associates /subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries is recognized in the financial statements as Goodwill or Capital reserve, as the case may be.
- (v) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- (vi) Minority Interest's share of net profit of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of company's shareholders.
- (vii) Investment in Associates has been accounted using the equity method in accordance with Accounting standard 23- "Accounting for Investment in Associates in Consolidated Financial Statement".
- (viii) The company accounts for its share of post acquisition changes in net assets of associates after eliminating unrealized profit and losses resulting from transactions between the company and its associates to the extent of its shares, through its consolidated profit and loss statement, to the extent such change is attributable to the associate's Profit and Loss statement and through its reserves for the balance.
- (ix) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's standalone financial statements.
- (x) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13- "Accounting for Investments".

III Other Significant Accounting Policies

(I) Use of Estimates

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

(ii) Tangible & Intangibles & Depreciation & Depletion & Amortization.

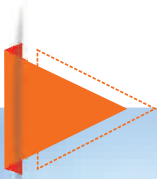
Fixed Assets other than producing properties are stated at cost of acquisition or construction less accumulated depreciation and impairment loss if any, including attributable interest and financial costs till such assets are ready for its intended use.

The cost of leasehold assets is amortized over the period of the lease. Leasehold Improvements are depreciated @ 50%.

Depreciation is provided on written down value method over a period of useful life prescribed in Schedule -II to the Companies Act, 2013 except the following:

- (i) Mobile communication instruments purchased by the company have been expensed off in the year of its purchase.
- (ii) Assets costing INR 5000.00 or less are fully depreciated in the year of purchase/construction.
- (iii) Costs incurred on intangible assets-software, resulting in future economic benefits are capitalized as intangible assets and amortized as per AS-26.





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

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

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

As Guidance Note is for "Producing Activities", the company keeping in mind the prudent industry practice considers the assets for depletion only once the commercial production is commenced 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.

Preliminary Project expenditure direct and indirect revenue expenditure attributable to the new project and incurred during implementation of and till the completion of the project including Pre Operative expenses/Project Development Expenditure capitalized and debited to New Project Account/ Capital Work-in-Progress have been transferred to respective fixed assets on pro-rata basis.

Capital inventory represents items of capital nature lying in store valued at cost. On acquisition of an undertaking the difference arising between the purchase consideration and the value of net assets acquired is recognised as goodwill.

A Fixed Asset is derecognised from Financial Statements on disposal/retirement or when no further benefit is expected from its use and disposal. Gains or losses arising on disposal/retirement of fixed assets which are carried at cost are recognised in Statement of profit & loss.

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).
- (iv) In case of Capital Work in Progress for work contract where the final settlement of bills with contractor is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- (v) A portion of overhead expenses of Corporate Office and Plant Offices on the basis of determined by the management are allocated to the project, pro-rata to their capital expenditure for the year and the same are apportioned to respective capital work in progress accounts on the basis of accretion thereto.
- (vi) Capital inventory, which comprises stock of capital items/construction materials at site/stores. Major cost of civil works required as Plant and Machinery supports, on the basis of technical estimates, is considered as Plant and Machinery.

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.

Depreciation calculated of Subsidiaries and Associates is done using WDV method for all assets except following class of assets where in SLM method will be used based on industry practice:

1. 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.
2. Power Generation Assets at SLM wherein rate in PPA is arrived based on SLM depreciation.
3. CNG Stations to be written off SLM method based on industry practice.

The gas distribution networks are treated as commissioned when supply of gas commences to the customer(s).

The Company capitalizes the line pack value of natural gas in pipelines as a fixed asset, since the same shall remain fixed over the economic life of the project.

- (iii) Costs incurred on intangible assets-software, resulting in future economic benefits are capitalized as intangible assets and amortized as per AS-26.

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:

1.	Right of Way (ROW) Permissions	30 Years
2.	Right of Use (ROU)	99 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.

Software and other Intangibles are amortized @ 40% on WDV.

Goodwill which has a limited useful economic life is amortized over a period of five years on SLM basis from the year of creation.

(iv) Abandonment Costs

The estimated liability towards costs relating to dismantling, abandoning and restoring offshore well sites and allied facilities, in respect of fields under production is recognized at the initial stage as a part of cost of producing property, based on the latest technical assessment available with the Company and provision is made for the site restoration and abandonment cost.

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.

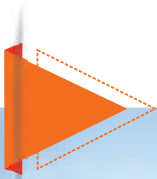
Wherever applicable, a site restoration fund is created under the Site Restoration fund Scheme 1999 as notified by the Government of India based on approval from the Management Committee of the PSC and Directorate General of Hydrocarbons (DGH), Ministry of Petroleum and Natural Gas (MoP&NG). An annual contribution is made to the fund appropriately.

(v) Investments:

Trade and Non-Trade Investments are classified as Current and Non-Current Investments. Non-Current Investments are stated at cost less provision for permanent diminution in value, if any.

Any reduction in carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.





(vi) Inventories

Crude oil in flow lines is technically not feasible to be quantified due to operational constraints and hence neither valued nor accounted.

Inventory of crude oil with Joint Ventures is valued as per Crude Off take and Sale Agreement (COSA).

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.

Stock of raw materials stores and Pipe fittings is valued at cost or Net Realisable Value whichever is lower except slow moving items, which are valued at realizable value. Cost of raw materials and stores is arrived at on weighted average basis (projectwise). The said Accounting policy (Project wise weighted Average) is consistently followed since 2007.

Valuation of work in progress has been made as follows.

- (a) Valuation of long term as well as short- term contracts have been made on cost plus proportionate profit with reference to the stage of completion of the contract activity at the reporting date in case of fixed price contracts. Anticipated losses, if any, have been provided fully.
- (b) Valuation of vessels sailed/transported from builder's yard before the end of the financial year, but delivered/handed over to the owners after the balance sheet date has been made on cost plus proportionate profit. Anticipated losses, if any, have been provided fully.
- (c) Stage of Percentage completion of the vessels under construction is certified by the management on the basis of adopting weighted average formula various activities completed till the end of the year. Further, techno commercial certificate in this regard is also certified by independent cost accountant.
- (d) Valuation for the inventory of cancelled contract has been made at Net Realisable Value.

Inventories comprises of Information technology 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.

Inventories comprises of power generation spares / stock and consumables, required for maintenance and running the power plant, and same has been booked at cost plus other expenses incurred to bring the material to site. The Company follows Weighted Average Method for valuation of Inventory.

Stock of CNG in cascades and natural Gas in pipelines for retail CNG 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.

Inventories of Project materials (Capital Inventory) are valued at cost on moving weighted average basis. Stores, spares and consumables are valued at cost on moving weighted average basis.

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.

Closing Stock of retail Natural Gas in own Pipelines and Cascades is estimated on a volumetric basis. It is valued at the lower of cost or net realizable value.

(vii) Revenue Recognition:

Company's share of Revenue from Joint Ventures is considered on the basis of Accounts submitted by Joint Ventures.

Sale of crude oil and gas produced from wells until start of commercial production is adjusted against the cost of such wells.

Income from sale of gas is recognized when practically all risks and rights connected with ownership have been transferred to the buyer. Sale of Gas is stated at net of applicable CST/VAT, as applicable.. Any retrospective revision in prices of gas is accounted for in the year of such revision.

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.

Revenue on sale of Compressed Natural Gas (CNG) is recognized on sale of gas to consumers from retail outlets.

Revenue in respect of interest on delayed realizations from customers and cheque bounce charges, if any, is recognized when there is reasonable certainty regarding its collection. All other interest incomes are recognised on accrual basis.

Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Revenue in respect of Take or Pay quantity of gas (short lifted quantity of gas under the Gas Sale Agreements) is recognized when there is reasonable certainty regarding its collection.

Profit Petroleum payable to the Government of India under PSC is accounted for on an estimated basis initially and upon approval of the MOPN&G difference, if any, is accounted for in the year of such approval.

Dividend income is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

Gas transmission income is recognised in the same period in which the related volumes of gas are delivered to the customers.

The difference between the amounts charged from customers for gas connections and actual consumption of material and labour charges is disclosed as Service and Fitting Income(Net) under Other Operating Revenue.

Commitment Income from customers for gas sales and gas transmission is recognised on establishment of certainty of receipt of consideration from its customers. Delayed payment charges are recognised on establishment of certainty of receipt of consideration from its customers.

Revenue from installation of gas connection is recognised at the time of commissioning of gas connection at customer's premises.

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.

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

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.

Sale of electricity is recognized on the basis of amount of invoices for supply of energy determined in accordance with the Techno-Commercial parameters approved in the Power Purchase Agreement / Tariff orders by Gujarat Electricity Regulatory Commission. Revenue is recognized when no significant uncertainty as to the measurability and ultimate collection.

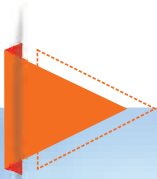
Unscheduled Interchange (UI) charges receivable / payable is accounted as and when notified by state load dispatch center (SLDC).

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).

In PNG and CNG business the amounts collected towards "registration and connection charges", extra charges modification charges and alteration charges from domestic customers are "non-refundable charges". 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" which are non-refundable, the total amount of such installments are recognized revenue as and when the company commences the supply of gas to the customers.

The "registration and connection amounts" collected from certain domestic customers which are "refundable". 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" which is 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" which are refundable, is disclosed as revenue as and when the company commences the supply of gas to the customers.

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 recovered.

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.

(viii) Government Subsidy

The accounting of Government subsidy in respect of payments received for eligible vessels is made when there is reasonable certainty that ultimate collection will be made. Such grants are recognized in the Profit and Loss account and presented under 'Income from operations'.

(ix) Prior Period and Extraordinary Items

Prior period and extraordinary items and changes in accounting policies, having a material impact on the financial affairs of the company are disclosed, in the year which they occurring line with Accounting Standard 5 "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Polices".

(x) Allocation of General Administrative Expenses

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

(xi) Accounting for Oil and Gas Joint Ventures

The company has adopted Full Cost Method of accounting for the oil and gas operations activity with effect from 1-4-2005 and accordingly, all costs incurred in prospecting, acquisition, exploration and development of Contract Areas are accumulated considering a country as a cost center and accordingly charged to Capital Work in Progress Account disclosed under the head Fixed Asset in Balance Sheet. The carrying cost of a Contract Area is written off in the year in which such area is permanently abandoned. All Oil and Gas Joint Ventures are in the nature of un-incorporated Joint Ventures (Jointly Controlled Assets). 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 the Company's share of assets, liabilities, income and expenditure of the Joint Venture operations which are accounted on a line by line basis, based on the available information as on the date of the Balance Sheet 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 Operating Agreements (JOA) 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 of the Contract Area in accordance with the requirements prescribed by the respective PSC and JOA. Hence, certain adjustments/disclosures required under the mandatory Accounting Standards and the Companies Act, 2013 have been made in the financial statements of the Company only to the extent of information available with the Company as on the date of the balance sheet. Such information include information relating to foreign exchange differences, to micro, small and medium enterprises, expenditure in foreign currency, earnings in foreign currency, CIF value of imports, transactions with related parties, details of commitments and contingencies and information relating to inventories of oil and gas and consumption of stores and spares.

(xii) Borrowing Costs

Borrowing Costs, when specifically incurred for the acquisition, construction or production of qualifying assets including interest charges, commitment charges, finance charges are capitalized as a part of cost of such

assets till the activities necessary for its intended use or sale are complete. General borrowing costs are apportioned and capitalized at the weighted average of such borrowings outstanding during the period, to the extent the same are attributable to the qualifying assets. 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.

The accumulated balance of Interest During Construction is apportioned over the qualifying assets on Weighted Average Method at the time of commencement of commercial production.

- (xiii) Charges relating to Bank guarantees incurred at the time of submission of bids for oil and gas blocks or prior to the award of contract as well as for Annual Work Programme under PSC are charged to Statement of Profit and Loss, as and when incurred.

(xiv) Income Tax and Deferred Tax

Tax Expense comprises Current Tax as well as Deferred Tax. Provision for Current Tax is made at the tax rate applicable to the relevant assessment years on the basis of the assessable income after considering the applicable provisions of the Income Tax Act, 1961.

Deferred tax is recognized based on the principle of prudence, arising from timing differences between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using applicable tax rates and Laws that have been enacted until the date of the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and adjusted, if required.

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

The Minimum Alternative Tax (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 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 Profit and Loss and shown as MAT Credit Entitlement. The Company reviews such credits at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957.

(xv) Employees Benefits

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

Long term employee benefits are provided in the books as per Accounting Standard 15 "Employee Benefits" (Revised 2005) as mentioned under:

Provident Fund:

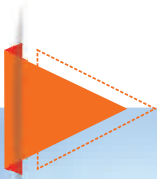
Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Recognised Provident Fund Trust or Regional Provident Fund Commissioner (RPFC) 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.

Retirement benefits in the form of provident fund and family pension fund, are charged to the profit and loss statement for the period, in which the contributions to the respective funds accrue.

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. Super annuation Fund is accounted for on the basis of internal valuation.





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 requires a lump sum payment to eligible employees, at the time of retirement, death, incapacitation or termination of employment, 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 to the Group Gratuity scheme of Life Insurance Corporation of India.

Actuarial Gains/Losses are recognised in the Statement of profit and loss in the period in which they arise.

Leave Encashment

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

The liability in respect of accrued leave benefits which are expected to be availed or encashed beyond 12 months from the end of the year is treated as long term employee benefits.

Employee Stock Option Plan

Stock Option grants to the employees who accept the grant under the Group's Stock Option Plan are accounted in accordance with SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 and Guidance Note on Accounting for Employee Share based Payments issued by the ICAI. The group follows the Intrinsic Value method for option pricing and accordingly the fair value of option as on the date of the grant of the option is recognised as employee compensation cost which is charged to Statement of Profit & Loss on SLM basis over the vesting period of option.

(xvi) Foreign Currency Transactions

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place. The exchange rate difference arising at the time of actual payment or receipt are recognized as income or expense and transferred to exchange rate difference account, so far as revenue items are concerned. The out-standings are converted on the closing exchange rates and gain or Loss due to Foreign Exchange Fluctuation is transferred to Statement of Profit & Loss.

Monetary items denominated in foreign currency at the yearend 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 qualifying assets, which is capitalised as a part of the carrying cost of such assets.

As at the reporting date, non monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

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 of TT buying and selling exchange rates for the year as notified by the State Bank of India(SBI). The assets and liabilities are translated into Indian Rupees at the closing exchange rate prevailing on balance sheet date as notified by Reserve Bank of India(RBI). The resultant excess/shortfall, arising from reporting of interest in Joint Venture as per AS-27, has been disclosed as foreign currency translation reserve.

(xvii) Derivative Transaction

The Company uses derivative instruments (foreign currency forward contracts) 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. In case of forward contracts matured during the year, the exchange differences on such contracts are recognized in the statement of profit and loss.

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".

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

(xviii) Impairment

As provided in the Revised Guidance Note on Accounting for Oil & Gas Producing Activities, for the purpose of Accounting Standard 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 pre-tax cash flow expected from the continuing use of the asset and its ultimate disposal are discounted to their present value using a weighted average cost of capital. 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 / Project Development Expenditure Account.

(xix) 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. Earnings considered in ascertaining the Group's earning per share is the net profit for the period after deducting preference dividends, if any and any attributable distribution tax for the period thereto.

Diluted earnings per share is calculated by dividing net profit attributable to equity share holders (after adjustment for diluted earnings) by weighted average number of equity shares outstanding during the year.

(xx) Misc./Deferred Revenue Expenditure

The expenditures incurred on account of raising of Compulsary Convertible Debentures (CCD) capital through the process of private placement is written off equally over a period of five years.

The expenditures incurred for raising of Debt Capital is written off equally over a period of time based on the maturity of the debt, other than debts issued for an original maturity period of 60 years, wherein period up to first call option as per terms of issue is considered.

(xxi) 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 estimates 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 and the same are classified as Contingent Liabilities. Such contingent liabilities are not recognized but are disclosed in the notes to the financial statements.

(xxii) Provision for guarantee repairs

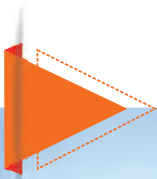
The company estimates its liability at the year-end towards unexpired period of guarantee obligations of vessels already delivered to the owners/booked as sales. The actual guarantee repair expenditure incurred during the year is debited to provision for guarantee repair account. The provision for guarantee repairs for the current year is made in the accounts for balancing amount so as to ensure that the provision for guarantee repairs carried forward at the balance sheet date is equal to estimated guarantee liability as at the balance sheet date.

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 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.





(xxiii) 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 and short term investments with an original maturity of 3 months or less.

(xxiv) 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".

(xxv) Events Occuring After the 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.

(xxvi) Leases

**As a Lessor:
Operating Leases**

The group has leased certain tangible assets and such leases where the group has substantially retained all the risks and rewards of ownership are classified as Operating Leases. Lease income on such operating leases are recognised in the Statement of Profit & Loss on a straight line basis over the lease term which is representative of the time pattern in which the benefit derived from the use of leased asset is diminished. Initial Direct costs are recognised as an expense in the Statement of Profit & Loss in the period in which they are incurred.

**As a Lessor:
Finance Leases:**

The group has leased certain tangible assets and such leases where the Group has passed on substantially all risks and rewards of ownership are classified as finance leases. In respect of assets leased before 1 April 2001, the group follows the recommendation of the ICAI contained in the Guidance Note on Accounting for leases. Accordingly lease rentals accounted as income on finance leases are adjusted by creating lease terminal adjustment account so as to recover the capital cost of the leased asset within the tenure of lease agreements or earlier as ascertained by the management. In respect of assets leased after 1 April 2001, the aggregate of minimum lease payments less unearned finance income is recognised as a receivable. Unearned finance income is arrived at, as the difference between the aggregate of minimum lease payments and its present value based on the rate of return implicit as per the terms of agreement. Finance Income is recognised over the term of lease using net investment method, which reflects a constant periodic rate of return. Initial direct costs are recognised as an expense in the Statement of Profit & Loss in the period in which they are expensed.

As a Lessee:

Payments made under Operating leases are charged to the Statement of Profit & loss on a straight line basis over the period of the lease.

The Company's significant license arrangements are in respect of operating license for office premises, project offices and guest houses. The leave and license arrangements range between 11 months to 10 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. Lease rentals in respect of assets acquired under finance lease are capitalized.

(xxvii) Proposed Dividend

Dividend recommended by the Board of directors is provided for in the accounts, subject to the approval of the shareholders in the Annual General Meeting.

Notes forming part of Financial Statements

2. SHARE CAPITAL :

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Authorised Share Capital:		
300,00,00,000 Equity shares of ₹. 1 each (P.Y. 300,00,00,000 Equity shares of ₹. 1 each)	300.00	300.00
TOTAL	300.00	300.00
Issued, Subscribed and Paid up share Capital:		
2,524,486,486 Equity shares of ₹. 1 each (P.Y. 2,486,214,881 Equity shares of ₹. 1 each)	252.45	248.62
TOTAL	252.45	248.62

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

Particulars	2014-15		2013-14	
	No of shares	₹. in Crores	No of shares	₹. in Crores
At the beginning of the period	2,48,62,14,881	248.62	2,35,78,19,820	235.78
Add: Shares Issued during the year	3,82,71,605	3.83	12,83,95,061	12.84
Outstanding at the end of the period	2,52,44,86,486	252.45	2,48,62,14,881	248.62

During the Financial Year 2013-14, the Company had issued Compulsory Convertible Debentures amounting to ₹. 550 crores. For details of shares reserved for issue on conversion of convertible debentures, refer note 5.7.

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

Name of Shareholdres	2014-15		2013-14	
	No of shares held	% in Holding	No of shares held	% in Holding
Equity shares of ₹. 1 each fully paid				
Government of Gujarat	2,18,62,33,745	86.60%	2,14,79,62,140	86.39%
Gujarat State Investment Limited	19,25,92,441	7.63%	19,25,92,441	7.75%

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

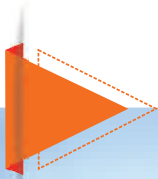
Terms /Rights attached to equity shares.

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 2015 the amount of per share dividend recognized as distributions to equity shareholders is Nil (PY NIL)

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 Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Capital Reserve		
Balance as per last Balance Sheet	5.71	7.04
Addition (Deduction/utilisation) during the year	-	-
	5.71	7.04
Capital Reserve on Consolidation	81.10	78.16
Securities Premium Reserve		
Balance as per last Balance Sheet	3,216.79	2,201.88
Addition (Deduction/utilisation) during the year	307.72	1,026.26
	3,524.51	3,228.14
Debenture Redemption Reserve		
Balance as per last Balance Sheet	198.03	48.32
Addition (Deduction/utilisation) during the year	149.71	149.71
	347.74	198.03
General Reserve		
Balance as per last Balance Sheet	3,270.43	3,241.27
Transfer from Statement of Profit & Loss	0.60	4.30
	3,271.03	3,245.57
Employees Stock Options Outstanding (Net)		
Gross Compensation for ESOPs Granted	4.03	3.53
Less: Deferred Employee Stock Compensation	0.26	0.41
Less: Transferred to Securities Premium on exercise of ESOPs	1.10	0.02
Less: ESOP Lapsed / Cancelled	2.36	0.62
Closing Balance	0.31	2.48
Foreign Exchange Translation Reserve		
Balance as per last Balance Sheet	50.36	74.95
Addition (Deduction/utilisation) during the year	(15.28)	(24.59)
	35.08	50.36
Surplus in the Statement of Profit & loss		
Balance as per last Balance Sheet	1,186.06	1,223.88
Add: Profit for the Year	201.59	(231.42)
Less: Profit Transferred to Minority Interest	-	0.14
Less: Change in Associates share of profit due to policy / holding pattern change	4.88	-
Less: Adjustment for Assets with expired useful life as on 01.04.2014	12.15	-
	1,370.62	992.32
Less: Appropriations		
Proposed Dividend on Equity Shares	115.85	0.66
Tax on Dividend	14.14	9.56
Tax on Interim Equity Dividend	-	14.40
Transferred to Debenture Redemption Reserve	149.71	149.71
Transfer to Capital Reserve	0.70	0.99
Transferred to General Reserve	0.58	6.00
Difference in Final Dividend for Equity Share	-	0.04
Difference in Tax on Final Dividend for Equity Share	-	-
Adjustment to P & L Reserve on exercise of options during the year	0.63	-
Depreciation Adjustments	5.74	-
Stock Option Adjustment	(0.32)	-
Total Appropriations	287.03	181.36
Net Surplus in the Statement of Profit & Loss	1,083.59	810.96
TOTAL	8,349.07	7,620.74

4. SHARE APPLICATION MONEY PENDING ALLOTMENT

Group had Opening Share Application Money of ₹. 82.50 Crores of which ₹.60.00 crores was in GSPCL. Further, during the year company had received ₹. 250 crores as share application money out of which company has issued 38,271,605 shares (face value of ₹. 1 each having security premium of ₹. 80 per share) amounting to ₹. 310 crores to the Government of Gujarat.

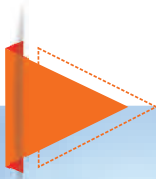
5 . LONG TERM BORROWINGS:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Secured Loans		
Term Loan From Banks		
Rupee Loan	5,767.07	5,714.48
Foreign Currency Loan	3,471.96	1,670.88
Term Loan From Financial Institution	424.59	567.00
Compulsory Convertible Debentures	550.00	550.00
	10,213.62	8,502.36
Redeemable, Unsecured, listed, and Non-Convertible Debentures - NCD	6,000.00	6,000.00
Redeemable, Unsecured, Unlisted, and Non-Convertible Debentures - NCD	500.00	500.00
Unsecured Loans		
From Banks		
From Financial Institution	515.00	710.83
TOTAL	17,228.62	15,713.19

- 5.1 Foreign currency loans (ECB-1) amounting to USD 325 million (Current outstanding USD 24.375 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 State Bank of India have refinanced entire Rupee Term Loan of ₹. 3,000.00 crs in October 2014, which was previously held by Consortium of fourteen member banks lead by Bank of Baroda. 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 Foreign Currency Loan of USD 200 Million (Current outstanding of USD 183.34 Million). The repayment of installments have started from March, 2015. The loan is secured by way of first ranking parri passu charge / assignment of the borrower's participating interest in the Production Sharing Contract (PSC) for KG-OSN-2001/3 block and the borrower's share of cash flow from the KG-OSN-2001/3 and the Trust and Retention Account to be established as per the financing agreement.
- 5.4 Consortium of Five member banks lead by Bank of Baroda (ECB-3), London branch has provided Foreign Currency Loan of USD 250 Million and USD 75 Million from Export Import Bank of India (Current outstanding of USD 325 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.





- 5.5 EXIM bank has provided new Foreign Currency Loan (ECB - 4) of USD 100 Million in FY 2014-15. 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.
- 5.6 Outstanding unsecured NCDs amounting to ₹. 6,000 crores raised on private placement basis are listed with National Stock Exchange. The details of the same are as follows:

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

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

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

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

Sr. No.	Name of Investor	Amount (₹. in Crores.)	Coupon Rate
1	IDBI Bank	150	9.559%
2	IFCI	100	9.385%
3	State Bank of India	300	10.110%

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

5.8 Derivative Contracts:.

a. 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.

b. Nominal amounts of derivative contracts entered into by the company and outstanding as on 31st March, 2015 amounts to USD 24.375 Millions (Previous year USD 121.88 Millions).

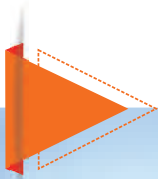
Foreign Currency loans that are not hedged by derivative instruments as on 31st March 2015 is USD 608.34 Millions (P.Y USD 275 Million) ₹. 3,807.65 crores (P.Y. ₹. 1,652.75 crores)

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

5.10. Maturity Profile & Rate of Interest of Term Loans

Rate of Interest	No. of Installments	Outstanding as at 31st March 2015	Maturity Profile	
			₹. in Crores)	
			2015-16	2016-2073
Base Rate + 1%	1	4.47	4.47	-
Base Rate + 0.80%	13	16.73	5.15	11.58
Base Rate + 1.75%	8	19.90	10.00	9.90
Base Rate + 1%	13	34.67	10.72	23.95
Base Rate + 1%	13	40.48	12.52	27.96
Base Rate + 0.75%	13	10.78	3.32	7.46
8.64%	29	42.29	5.83	36.46
7.50%	29	120.83	16.67	104.16
8.11%	29	40.78	5.63	35.15
1 Year GSEC +2.75%	17	62.33	14.67	47.66
1 Year GSEC +2.175%	11	66.36	12.07	54.29
Base Rate + 0.25	28	23.95	-	23.95
Base Rate + 0.45	36	20.00	-	20.00
Base Rate + 0.25	32	6.00	-	6.00
Base Rate + 0.40	32	96.49	-	96.49
Base Rate + 0.25	28	175.00	-	175.00
Base Rate + 1.25%	14	50.00	14.29	35.71
11.30% - Reset at every 2 year	13	46.43	14.29	32.14
10.00%	8	280.00	140.00	140.00
10.00%	NA	100.00	100.00	-
10.00%	NA	1,400.00	1,400.00	-
10.30% Debentures	NA	500.00	-	500.00
11.00%	22	44.77	10.00	34.77
10.90%	10	1.69	1.69	-
10.90%	21	21.20	5.00	16.20
11.00%	26	8.55	7.50	1.05
11.00%	36	4.90	2.50	2.40
11.00%	38	14.39	6.71	7.68
11.00%	22	46.58	7.20	39.38
11.00%	22	77.88	12.00	65.88
11.00%	22	58.33	9.00	49.33
11.00%	22	47.46	15.00	32.46
11.00%	36	599.98	75.00	524.98
11.00%	28	216.66	-	216.66
10.00%	2	16.67	16.67	-
10.00%	4	66.67	66.67	-





Rate of Interest	No. of Installments	Outstanding as at 31st March 2015	Maturity Profile (₹. in Crores)	
			2015-16	2016-2073
10.45%	48	416.06	41.67	374.39
10.45%	48	256.31	25.00	231.31
10.45%	48	250.00	25.00	225.00
10.45%	48	170.02	16.67	153.35
10.45%	48	166.65	16.67	149.98
10.45%	48	83.29	8.33	74.96
10.45%	48	83.25	8.33	74.92
10.75%	48	166.67	16.67	150.00
11.35%	39	22.41	3.31	19.10
Base Rate + 50bps		3,000.00	-	3,000.00
6 m Libor + 300bps		118.22	118.22	-
6 m Libor + 340 bps		1,147.54	208.55	938.99
6 m Libor + 374 bps		2,034.20	127.14	1,907.06
6 m Libor + 370 bps		625.91	-	625.91
NCD 9.39%, 9.45%, 10.45%, 9.03%, 9.80%		6,000.00	-	6,000.00
10.00%		875.00	500.00	375.00
Grand Total	1,101	19,798.75	3,120.13	16,678.62

In case of Pipavav Power Project, the Term loan from banks are secured by pari-passu charge by way of mortgage of the project's immovable properties both present and future; and hypothecation of entire movable properties of the project both present and future situated at Dist. Amreli, Pipavav for 702 MW power project is subject to fulfillment of certain defined condition.

Further, the term loan from Vijaya bank for 5 MW solar project is secured by pari-passu charge by way of mortgage of the project's immovable properties both present and future; and hypothecation of entire movable properties of the project both present and future situated at Dist. Patan, Charanka for 5 MW Solar Power Project and receivables.

The company had entered into a multiple loan agreement with various banks for financing pipavav project. In October 2011 the Company had initiated the process for restructuring of the said loans as the repayment of the loan was to commence from March 2012. As per the restructured sanctions from the banks the repayment of the said loans have commenced from June 2013. The Full Speed No Load (FSNL) of Unit 2 was commenced in March 2013 and subsequently COD of the combined cycle unit has been achieved in April 2013. Also the COD of Unit-1 has been achieved on 5th February 2014.

6. INET 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(N)) the company has recognized deferred taxes, which result from timing differences between book profits and tax profits for the year aggregating to ₹. 151.94 Crores (P.Y. ₹.72.88 Crores) in the Statement of Profit and Loss, the details of which are as under:

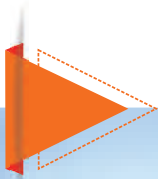
₹. in Crores		
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
<u>Deferred tax liabilities</u>		
Opening balance	127.13	172.74
On excess WDV as per books over WDV as per IT	829.23	100.26
Others	18.93	624.83
	975.29	897.83
<u>Deferred tax assets</u>		
On excess WDV as per IT over WDV as per books	0.21	9.14
Provision for Diminution in the value of Fixed Assets / Capital Work in Progress / Capital Advances	1.21	1.83
Provision for Leave Salary	2.05	1.40
Provision for Gratuity	1.14	0.39
Preliminary Expenses u/s 35D	0.04	0.04
Expenditure Disallowed U/s. 43B of the Income Tax Act, 1961	10.20	6.68
On account of Carry-forward of loss	0.09	66.74
Provision for Doubtful Debts	1.78	1.23
	16.72	88.17
TOTAL	958.57	809.66

7. OTHER LONG TERM LIABILITIES:

₹. in Crores		
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Joint Ventures	0.16	0.16
Creditors for capital expenditures	-	-
Security deposit from customers	581.63	327.04
Dues to Micro, Small and Medium Enterprises	-	0.05
Deposit from collection centres and others	2.79	2.49
Interest Accrued but not due on long term borrowings	22.65	22.72
OYVS Installments from Employees	0.44	0.28
Others*	12.35	13.21
	620.02	365.95
TOTAL	620.02	365.95

* Includes Deposits received from Customers





8. LONG TERM PROVISIONS:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Abandonment Cost	52.09	52.09
Provision for employee benefits		-
Provision for Gratuity	2.74	0.50
Provision for Leave Salary	21.53	8.69
Provision for Superannuation	-	0.22
TOTAL	76.36	61.50

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

Movement in Provisions

Sr. No	Particulars of Disclosure	Provision for Contingencies 2014-15	Provision for Contingencies 2013-14
1	Opening Balance	61.50	59.07
2	Net Movement	14.86	2.43
3	Closing Balance	76.36	61.50

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

8.2 **Nature of the Provision**

The above amounts relates to provision for Abandonment Cost and Employee benefits.

9. SHORT TERM BORROWINGS:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Secured Loans		
From Banks (Loans Repayable on demand)	2,293.68	1,660.45
Unsecured Loans		
From Banks (Loans Repayable on demand)	3,071.73	2,047.31
From Financial Institutions	-	246.00
TOTAL	5,365.41	3,953.76

10. TRADE PAYABLES:

₹. in Crores

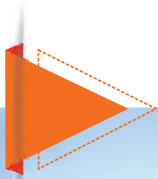
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Trade payables		
- Micro, small and medium Enterprises	4.52	4.96
- Sundry Creditors - Gas Purchase / Transmission	(49.44)	348.25
- Others	558.09	263.51
TOTAL	513.17	616.72

11. OTHER CURRENT LIABILITIES:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Current Maturities of Long Term Borrowings		
Secured		
From Bank	269.61	460.11
Rupee Term Loan	151.61	573.00
Foreign Currency Loans	453.91	322.18
From Financial Institutions	161.65	-
Unsecured		
From Financial Institutions	2,083.33	1,765.83
Other payable		
BG Asia Pacific Holdings Limited	464.78	464.78
Less : Amount deposited in Escrow Account with Citi Bank	(464.78)	(464.78)
Other Payable to related parties - GSPC	-	-
Deposit from Customers	33.64	244.48
Dues to Micro, Small and Medium Enterprises	0.43	1.16
Advances Received from Customers	90.10	61.10
Advance billing	0.38	2.09
Security Deposit received from Suppliers	5.80	4.47
Interest accrued but not due on borrowings	199.63	318.67
Unclaimed Dividend	3.64	3.81
Forward Contract Payables	514.24	-
Earnest Money Deposit	0.35	0.69
Employee payable	6.96	9.85
Expenses payable	0.79	0.58
Imbalance, Overrun & Other Charges	26.09	21.91
Other Payables		
Subsidiaries	1.16	2.48
Joint Ventures	585.98	386.16
Payables for Fixed Assets	533.65	565.28
Other statutory liabilities	19.71	38.86
Others	262.07	267.84
	5,404.73	5,050.55
TOTAL	5,404.73	5,050.55



**12. SHORT TERM PROVISIONS:**

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Provision for employee benefits		
Provision for Gratuity	8.35	5.15
Provision for Leave benefits	9.92	7.98
Provision for Leave Travel Allowance	0.45	0.35
Provision for Superannuation	0.43	0.18
	<u>19.15</u>	<u>13.66</u>
Other Provision		
Provision for Proposed Dividend	42.08	56.27
Provision for Dividend Distribution Tax	14.14	9.56
Provision for Profit Petroleum	56.43	56.43
Provision for Auditor Remuneration	-	0.02
Provision for other Expenses	8.45	230.72
Provision for Taxation	45.00	
Provision for Wealth Tax	0.10	0.09
	<u>166.20</u>	<u>353.09</u>
TOTAL	<u><u>185.35</u></u>	<u><u>366.75</u></u>

- 12.1 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 to the Statement of Profit & Loss in respect of derivative contracts other than those contracts which are effective hedges.

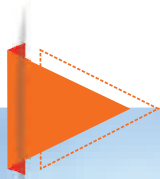
₹. in crores

13 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION, DEPLETION, IMPAIRMENT AND AMORTISATION				NET BLOCK	
	As at 31 st March 2014	Additions/ Adjustments	Deduction	As at 31 st March 2014	During the Period/ Adjustment	Deductions	As at 31 st March 2015	As at 31 st March 2015	As at 31 st March 2014
Tangible Assets									
Land									
Freehold Land	321.70	41.50	0.05	-	-	-	-	363.15	321.70
Leasehold Land	51.84	9.84	-	4.83	2.90	-	7.73	53.95	47.01
Buildings	427.95	26.34	2.68	108.12	24.79	0.85	132.06	319.55	319.83
Plant & Machinery	9,886.12	303.21	17.31	2,408.80	478.82	14.51	2,873.11	7,298.91	7,477.32
Producing Properties (being Company's share in Joint Venture)	1,513.59	255.46	-	1,090.11	65.40	-	1,155.51	613.54	423.48
Furniture & Fixtures	39.01	3.19	2.14	22.83	1.32	1.58	34.46	5.60	16.18
Vehicles	31.28	3.68	3.54	17.44	4.97	2.43	19.98	11.44	13.84
Office Equipments	41.80	3.65	1.23	22.20	1.52	0.95	36.46	7.76	19.60
Computer Equipments	80.14	3.28	1.35	64.52	10.67	1.20	73.99	8.08	15.62
Communication Equipments	94.83	8.23	0.21	54.10	9.22	0.14	63.18	39.67	40.73
Books	0.13	0.10	-	0.13	0.07	-	0.20	0.03	-
Ship/Boat	0.10	-	-	0.02	0.02	-	0.04	0.06	0.08
Leasehold Improvements	-	-	-	-	-	-	-	-	-
Assets Given on Finance Lease	-	-	-	-	-	-	-	-	-
Plant & Machinery	57.59	-	-	40.15	1.43	-	41.58	16.01	17.44
	12,546.08	658.48	28.51	3,833.25	626.71	21.66	4,438.30	8,737.75	8,712.83
Less/Add									
Lease Terminal Adjustment	-	-	-	13.69	-	-	13.69	(13.69)	(13.69)
TOTAL	12,546.08	658.48	28.51	3,846.94	626.71	21.66	4,451.99	8,724.06	8,699.14
Previous Year	9,291.28	3,273.90	19.10	3,314.65	536.93	4.64	3,846.94	8,699.14	5,976.63
The above includes Company's Share in Unincorporated Joint Venture Assets									
Intangible Assets									
Goodwill	2,057.00	-	-	0.12	-	-	0.12	2,056.88	2,056.88
Intangibles-(Software)	139.32	5.04	2.39	95.92	12.55	1.92	106.55	35.42	43.40
Right of Use	158.98	20.75	-	12.35	1.88	-	14.23	165.50	146.63
Right of Way	105.55	32.04	0.37	10.21	3.78	-	13.99	123.23	95.34
Right to use of land	2.40	-	-	0.21	0.02	-	0.23	2.17	2.19
	2,463.25	57.83	2.76	118.81	18.23	1.92	135.12	2,383.20	2,344.44
Previous year	353.87	2,109.38		90.19	28.62		118.81	2,344.44	263.68

Notes :-

- Pursuant to the enactment of the Companies Act, 2013, the company has, effective 1st April, 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provisions of Schedule II to the Act. As per the transition provisions, depreciation amounting to ₹.12.78 crores relating to assets having no or negative useful life as on 31 March, 2014, is adjusted in Opening reserve/CWIP Exploration.
- Leasehold Land disclosed under CWIP 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, 2015.
- Borrowing cost amounting to ₹.10.80 crores (P.Y. ₹.19.08 crores) has been capitalised to Fixed Assets.



14. CAPITAL WORK IN PROGRESS AND INTANGIBLE ASSETS UNDER DEVELOPMENT :

14.1 CAPITAL WORK IN PROGRESS

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Tangible		
Exploration & Development		
Exploration	13.38	339.16
Development	7,599.63	6,849.58
	7,613.01	7,188.74
Borrowing Cost	3,091.87	2,250.00
	10,704.88	9,438.74
CWIP Land	22.48	22.48
Other CWIP	1,469.41	1,291.53
TOTAL	12,196.77	10,752.75

14.2 INTANGIBLE ASSETS UNDER DEVELOPMENT

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Exploration & Development		
Exploration	7,223.25	7,271.19
Development	724.10	463.36
	7,947.35	7,734.55
Borrowing Cost	3,227.66	2,420.83
	11,175.01	10,155.38
Software	0.29	0.29
TOTAL	11,175.30	10,155.67

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

Borrowing Costs and Test Production

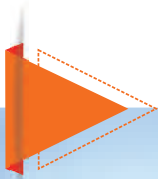
- The borrowing costs amounting to ₹. 1793.99 crores (P.Y ₹.1,536.48 crores) and depreciation amounting to ₹. 3.38 crores (P.Y. ₹. 2.54 crores) has been capitalized in the current year to CWIP tangibles Exploration & Development.
- In the current year an amount of ₹. 66.87 crores (P.Y. ₹. 3.99 crores) 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.

15. NON-CURRENT INVESTMENTS:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
I. TRADE INVESTMENT (Valued at cost unless stated otherwise)		
Investments in Associate		
Unquoted Equity Investments		
In 113541817 shares of Gujarat State Energy Generation Ltd of ₹. 10 per share fully paid up [including INR 132,645,505 capital reserve (net of goodwill) arising on consolidation]	129.83	129.83
Add: Share of profit/(loss) net of dividend received	(156.96)	(117.36)
Add: Gain on stake dilution	27.13	27.13
		39.60
In 10500000 shares of Alcock Ashdown (Gujarat) Ltd at ₹.10 per share fully paid up [including INR 20,850,478 Capital Reserve arising on consolidation]	11.50	11.50
Add: Share of profit/(loss) net of dividend received	(11.50)	(11.50)
Add: Gain on stake dilution	-	-
In 2,250,000 shares of Sabarmati Gas Company Ltd (at cost) at ₹.10 per share fully paid up [including INR 172,850,198 capital reserve (net of goodwill) arising on consolidation]	19.96	19.96
Add: Share of profit/(loss) net of dividend received	22.81	5.03
Less: Impact of stake dilution trfd to Reserves	(0.51)	(0.51)
	42.26	24.48
In 5999940 (P.Y. 50000) shares of GSPC LNG Ltd at ₹.10 per share fully paid up [including INR 240034 Goodwill arising on consolidation]	36.43	
Add: Share of profit/(loss) net of dividend received	0.02	
Add: Gain on stake dilution	36.45	
Investments in other companies		
Unquoted Equity Investments		
13,00,000 Equity Shares of ₹.10 each of Krishna Godavari Gas Network Ltd.(Fully Paid Up) (At cost less provision for diminution in value of investment)	-	0.76
	-	0.76
Unquoted Debentures of Other Companies		
2,000 (31st March 2013: 2000) 6% Optionally Convertible Debentures of ₹.1,00,000 each of Sabarmati Gas Ltd.(Fully Paid Up)	20.00	20.00
Gujarat State Petroleum Corporation Limited	1.00	1.00
	21.00	21.00
Total Trade Investments (A)	99.71	85.84





₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
II. NON TARDE INVESTEMENTS (Valued at cost unless stated otherwise)		
Quoted Equity Investments		
In 3,697,000 Equity Shares of ₹.10 of Gujarat Industries Power Company Ltd. M.V.₹.341,972,500	10.00	10.00
Unquoted Equity Investments		
In 500000 equity shares of ₹.10/-per share of Gujarat Science At Action Ltd fully paid up	0.50	0.50
In 29004033 shares of ONGC Petro Additions Ltd at ₹.10 per share fully paid up	29.00	29.00
Total Non-Trade Investments (B)	<u>39.50</u>	<u>39.50</u>
Total Quoted Investments	10.00	10.00
Total Unquoted Investments	<u>129.21</u>	<u>115.34</u>
TOTAL	<u><u>139.21</u></u>	<u><u>125.34</u></u>
Market Value of Quoted Investments	<u>31.76</u>	<u>27.27</u>

15.1 An investment of ₹. 1.30 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 for reduction in value of investment amounting to ₹. 0.54 crores was made till 31st March, 2014. Company has received in FY 2014-15 Rs. 0.79 crores from Official Liquidator on Final liquidation of the company as full and final against the same. Hence, there is no investment in KGGNL as on last day of the year.

15.2 The company had made investment in shares of Alcock Ashdown (Gujarat) Ltd. to the tune of ₹.11.50 crores. As per audited financial statement of the company for FY 2011-12, accumulated losses of the company had exceeded its new worth. Hence, as per AS -13 "Accounting for Investment" considering the same as permanent diminution in the value of investment, full provision for Diminution in value of investment had been provided in the FY 2012-13 for ₹. 11.50 crores.

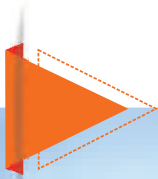
16. LONG TERM LOANS & ADVANCES:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Capital Advance - Considered doubtful	3.73	4.02
Less: Provision against doubtful advances	(3.73)	(4.02)
	-	-
Unsecured considered good unless otherwise stated	-	-
Capital Advances	78.15	123.63
Sundry deposits		
To others	42.42	39.89
To related parties	-	-
	42.42	39.89
Other Loans & Advances		
Advances for Investments (Pending Allotment)	69.00	69.00
Secured, considered good		
Advances Recoverable in cash or in kind or for value to be received	1.89	3.75
Joint Venture (Refer Note 35 & Related Party Note 39)	1,754.44	1,632.37
	1,756.33	1,636.12
Advance against Expenses		
For Advance against Expenses-other [Unsecured, considered good]	0.19	0.17
For Advance against Expenses-doubtful	0.03	0.03
Less: Provision for doubtful	(0.04)	(0.04)
	0.18	0.16
Others		
Advance Income Tax and TDS (Net of Provisions)	162.57	103.09
Advance Value Added Tax (VAT)	-	-
Advance Wealth Tax (net of Provision)	-	-
Payment under Protest	7.73	0.97
Balance of Service Tax & Excise Duty	96.97	7.59
Prepaid Expenses	1.05	0.87
Prepayments for services - Unsecured - considered good	4.12	
Amount recoverable from ESOP Trust	3.01	7.33
Advances to Employees*	25.09	22.79
Other advances	150.02	50.02
	450.56	192.66
TOTAL	2,396.64	2,061.46

* Out of Total advances to employees ₹. 11.71 crores (P.Y. ₹.10.17 crores) is secured.





16.1 Advance Income Tax (Net of Provision)

16.1.1 Provision of Tax for the current year is ₹.428.25 Crores (P.Y ₹. 327.26 crores). Provision for Wealth tax included in Rent, Rates & Taxes is of ₹. 0.06 Crores (P.Y. ₹. 0.06 crores).

16.1.2 The company has continuously maintained a position that allowances / claims U/s. 42 and deduction U/s. 80IB (9) is admissible under the Income Tax Act, 1961. The company has been treating each well as a separate undertaking for the purpose of claiming deduction U/s 80IB(9). This view has not been accepted by the first assessing authorities. However, the Commissioner of Income Tax (Appeal) [C.I.T. (A)] has accepted the company's contention regarding claim U/s. 80IB (9). The second appellate authority, i.e. Income Tax Appellate Tribunal (ITAT) has also upheld the company's contention for A.Y. 2000-01 and allowed the claim U/s 80IB (9). Finance (No. 2) Act, 2009 has amended the provisions of Section 80IB (9) with retrospective effect from 1st April 2000, i.e. A.Y. 2000-01 in order to restrict the benefit of deduction U/s 80IB(9) to a "production sharing contract" instead of "well". The company has been claiming deduction U/s. 80IB (9) by treating each well as a separate undertaking. The company had challenged the above amendment by filing a writ petition before the Hon'ble High Court of Gujarat. Hon'ble High Court of Gujarat has decided the matter in favour of the company by its order dated 26th March, 2015 and has struck down the retrospective application of law by holding it as ultra vires. Further to the above, in case of claim U/s 42, the ITAT has upheld the department's contention for claim U/s. 42 in respect of Hazira Field. In view of the ITAT order, CIT (A) has also upheld department's contention for Claim U/s. 42 in respect of Hazira Field for the first time in A.Y. 05-06. However, due to this, the company does not envisage any tax liability. Both company and department have preferred appeals before Hon'ble High Court of Gujarat against the order of ITAT on issues which are not decided in their favour. The company is confident of its position. No provision is made for such disputed Income tax liabilities, which is estimated at ₹.1,019.73 Crores (P.Y. ₹. 1,028.42 Crores). However the same is disclosed by way of a note as contingent liabilities vide note no.24.

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

16.1.4 MAT Credit for the current year amounting to ₹.1.86 Crores (P.Y. ₹. 15.00 Crore) is not recognized as asset as the same does not have a virtual certainty for its utilization.

17. OTHER NON CURRENT ASSETS:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	-	1.21
Doubtful	0.25	0.25
Less: Provision for doubtful trade receivables	(0.25)	(0.25)
		1.21
Unsecured considered good unless otherwise stated		
Non-Current Bank Balances (Margin money)	17.94	2.90
Site Restoration Fund - Deposits with bank*	78.32	70.76
Unamortised Expenses	54.50	62.49
Interest Accrued-But Not Due	1.03	1.30
Prepayments for services - Unsecured - considered good	-	0.75
Other security deposits	0.05	0.16
Others Receivables	0.41	0.38
Less : Provision for Doubtful	(0.36)	(0.36)
Fixed Deposit with original maturity of more than 12 months	0.01	8.48
	151.90	146.86
TOTAL	151.90	148.07

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

18. CURRENT INVESTMENTS:

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
In Units of Mutual Funds (Unquoted)	936.99	678.81
TOTAL	936.99	678.81

19. INVENTORIES:

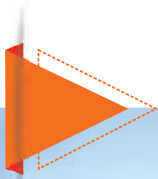
Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
As taken, valued & certified by the Management		
Finished Goods - Crude Oil (Valued at Rate specified in COSA)	4.24	5.53
Stock in Trade - Liquefied Gas (Valued at Cost)	63.31	-
Stores & Spares	55.63	48.41
Line Pack Gas*	83.28	49.13
CNG in Cascades	0.47	0.50
	206.93	103.57
TOTAL	206.93	103.57

* Gas lying in the pipeline for GGCL has been valued for the purpose of consolidation and appropriate effect of the same is given. There will be an impact amounting to ₹. 0.47 (P.Y. ₹. 0.50) crore for the same.

20. TRADE RECEIVABLES:

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Secured, considered good		
- More than Six Months	1.18	(0.13)
- Others	186.76	298.84
	187.94	298.71
Unsecured, considered good		
- More than Six Months	177.83	236.82
- Others	657.35	538.76
	835.18	775.58
Unsecured, considered doubtful		
- More than Six Months	6.48	4.02
- Others	-	-
	6.48	4.02
Less: Provision for doubtful debts	(6.48)	(4.02)
Less: Advance From Customers towards MGO	(38.78)	(44.92)
TOTAL	984.34	1,029.37





21. CASH & BANK:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Cash & Cash Equivalent		
Balance with Banks - Current accounts (including in Sweep-in-facility account)	151.66	115.94
Cheques on Hand	-	60.00
Cash on Hand	1.14	0.90
Fixed Deposit with banks/ financial institution original maturity of less than 3 months	354.91	142.28
Earmarked Balances with Banks		
Unpaid Dividend Account	3.53	3.81
Balance in Escrow A/c-PNGB [Incl. TD]*	22.35	22.84
Margin Money Deposit - Bank Guarantees	111.01	6.87
Other Bank Balance		
Fixed Deposits with Bank or Financial Institution for the period of more than three months but less than twelve months	522.75	708.85
TOTAL	<u><u>1,167.35</u></u>	<u><u>1,061.49</u></u>

* The Company has maintained separate escrow account as per PNGB guidelines for modalities of maintaining and operation of escrow account for charges towards system indiscipline in terms of positive or negative imbalance or over runs. In this regard, since F.Y. 2011-12, amount recovered from customers is deposited in the said account and amount invoiced (net of taxes) is recognised as liability.

22. SHORT TERM LOANS & ADVANCES:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured considered good unless otherwise stated	-	
Sundry deposits		
Sundry deposits	11.32	20.97
Loans & Advances to related parties		
II Associates	201.10	31.60
Other Loans & Advances		
ii) Others	0.05	0.05
	0.05	0.05
Advances to Joint Ventures	658.33	460.95
Advances to others	318.90	204.99
Advances to Employees	5.26	37.08
	982.49	703.02
TOTAL	<u><u>1,194.96</u></u>	<u><u>755.64</u></u>

23. OTHER CURRENT ASSETS:

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Intercorporate deposits	74.84	43.78
Balance with Govt. Treasury in PLA (Rs. NIL)	-	-
Interest Accrued but not due	16.47	22.09
Insurance claim receivable	0.75	0.14
Prepaid expenses	0.57	3.90
Advances for employee benefits	0.03	0.20
Unamortised Expenses	6.95	8.67
Forward Contract Receivables	502.26	-
Deferred Forward Premium	5.96	-
Balance with gratuity trust fund	-	1.07
Others Receivables	17.59	17.54
TOTAL	625.42	97.39

24. CONTINGENCIES

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

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Income Tax	1,163.40	1,173.18
Joint Ventures	1,914.19	1,915.94
Guarantees	2,149.22	1,165.86
Others	449.67	393.96

Above contingent liability includes our share in following matters:

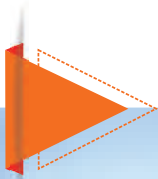
- a) Gujarat State Energy Generation Limited (hereinafter referred to as GSEG) is one of the customers of Hazira Field. The Hazira Field is operated by NIKO Resources Limited (hereinafter referred to as NIKO) where the Company has 66.67% Participating Interest while NIKO has 33.33% Participating Interest.

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

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

However, on and from August 2010, the production from the field dropped so dramatically that it was no more possible to supply the minimum guaranteed quantities to GSEG. NIKO (on behalf of unincorporated joint venture of NIKO & GSPC) put GSEG to Notice that the short-supply of gas under the GSA is due to depletion of production from Hazira Field caused by natural geological reasons such as ingress of water and sand into the reservoir stating that the same is Force Majeure





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

The Arbitration Proceedings is pending as of date and the matter is sub-judice."

25. CAPITAL & OTHER COMMITMENTS

₹. in Crores

	As at 31 st March, 2015	As at 31 st March, 2014
a. Estimated amount of Contracts remaining to be executed on capital accounts and not provided for:		
i. In respect of Joint Ventures ₹. 1913.90 crores(P.Y ₹. 1,851.82 crores)	1913.90	1851.82
ii. In respect of others ₹. 0.90 crores (P.Y. ₹. NIL crores)	894.95	931.87
b. Minimum Work Programme Committed under various Production Sharing Contracts in India and Outside India.		
i. In India ₹. 75.34 crores (P.Y. ₹. 471.28 crores)	75.34	471.28
ii. Outside India ₹. 14.22 crores (P.Y. ₹. 279.67 crores)	14.22	279.67
c. Other Commitments		
i. Advance adjustable against re-gasification services	50.00	150.00

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 INR 129.22 Cr (shown in CWIP) for the completed work programme. However, drilling 1 more exploratory well is still pending and joint venture (JPDA 06-103) would undertake the balance work programme at the estimated cost of US\$ 16,975,000 (GSPC Share US\$ 3,395,000).

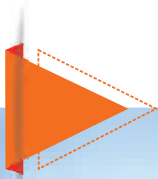
26. REVENUE FROM OPERATIONS:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Sales of Products		
Natural Gas Trading		-
- Finished Goods (CNG)	9,071.76	3,869.61
- Traded Goods (CNG)	-	33.45
- Traded Goods (PNG)	-	3,984.27
- Traded Goods (LNG)	4,338.02	6,659.88
Sale of Gas-Joint Ventures	54.81	32.11
Sale of Oil-Joint Ventures	108.05	144.87
Sale of Electricity - Wind Mill	82.88	77.96
Sale of Electricity - Others	338.20	13.06
Sale of Trading Goods	6.28	11.93
	<u>14,000.00</u>	<u>14,827.14</u>
TOTAL	<u>14,000.00</u>	<u>14,827.14</u>
Sales of Services		
Revenue from Transportation of Gas (net)	774.17	1,009.31
Gas transmission income	14.88	12.82
Re-gasification Income	9.60	
ISP Income	-	2.82
Service and fitting income	15.18	19.25
Project, Software & Consultancy Income	18.59	18.07
Facility Management Service Income	9.16	7.35
Others	0.01	0.03
	<u>841.59</u>	<u>1,069.65</u>
TOTAL	<u>841.59</u>	<u>1,069.65</u>
Other Operating revenues		
Registration Charges Income from Domestic, Comm-Non Commercial Connections	2.49	4.22
Contract Renewal Charges Income	7.62	8.43
Lease Income	0.06	0.06
Income from Finance Lease	-	0.04
Late Payment Charges Income	9.82	6.38
Alteration, Modification and Extra Connection Charges Income	5.96	6.34
Take or Pay Income	16.11	6.13
Connectivity Charges	13.72	12.08
Other Operating Income	1.35	1.77
	<u>57.13</u>	<u>45.45</u>
TOTAL	<u>14,898.72</u>	<u>15,942.24</u>

* Initial Connection Charges collected from customers in case of City Gas distribution, towards infrastructure facility has been reflected at gross both in revenue and expenditure.



**27. OTHER INCOME:**

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Interest Income :		
Interest on Deposits	73.14	111.67
Optionally Convertible Debentures	1.20	1.20
Interest on income tax refund	7.67	0.04
Other Interest Gross*	31.46	24.11
	<u>113.47</u>	<u>137.02</u>
From Long term investments		
Dividend From Associate Company	0.55	-
Dividend from Mutual Funds	54.71	30.51
Dividend From Other Companies	1.37	1.92
	<u>56.63</u>	<u>32.43</u>
Other Non Operating Income		
Usage Charges	0.85	1.50
Profit on Sale of Current Investments (Net)	1.76	10.52
Interest Income	12.26	
Other Income-Joint Ventures	7.14	6.19
Provision Liability No Longer Required	1.77	4.63
Profit on sale of fixed assets	1.30	0.20
Miscellaneous Income	13.69	62.31
	<u>38.77</u>	<u>85.35</u>
Net Foreign Exchange-Gain	4.26	-
TOTAL	<u>213.13</u>	<u>254.80</u>

28. COST OF MATERIAL CONSUMED:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Purchases of Natural Gas for CNG	822.94	1,800.65
Add: Gas Transportation Charges	32.18	4.76
Purchase of Computer Hardware & Electronics items	5.83	10.82
Purchases of CNG	28.37	-
Consumable and commissioning charges	<u>0.31</u>	<u>-</u>
TOTAL	<u>889.63</u>	<u>1,816.23</u>

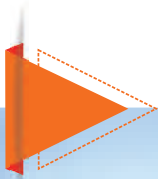
29. PRODUCTION EXPENDITURE - E&P

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Production Expenditure	49.07	52.24
Duties & Taxes (includes Profit Petroleum ₹. 57,62,47,382/-)	60.13	43.24
G&A Expenses	7.09	7.09
TOTAL	116.29	102.57

30. PURCHASE OF STOCK IN TRADE:

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Purchase of Gas	4,284.16	9,386.66
Less: Transfer for CNG Conversion	-	-
Add: Gas Transportation Charges	-	-
Import Purchase of Gas	5,420.72	541.66
Expenses related to Gas Trading		
Gas transmission charges	-	-
Import Expenses	281.53	60.11
Commodity Hedging Cost	217.72	(16.10)
Annuity & Meter Validation Charges	1.14	1.30
Other Expenses	0.48	0.00
Take or Pay	-	-
TOTAL	10,205.75	9,973.63
TOTAL	10,205.75	9,973.63
Purchase of Gas - Local		-
Purchase of Gas - Imported		-





31. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
FINISHED GOODS		
Closing stock of Oil	4.24	5.53
Opening stock of Oil	5.53	6.52
	1.29	0.99
Increase/ decrease in stock of Oil	0.04	0.51
	1.33	1.50
STOCK IN TRADE		
Closing stock of Liquified GAS	69.20	4.22
Opening stock of Liquified GAS	4.25	3.54
	(64.95)	(0.68)
TOTAL	(63.62)	0.82

32 .EMPLOYEE BENEFITS EXPENSE:

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Salaries, wages & allowances	140.52	133.95
Leave Salary	13.33	2.53
Salary Arrears	-	
Contribution to Provident Fund and Other Funds	20.07	12.22
ESOP Compensation Expenses	0.13	1.46
Facility Management & call Centre Charges	7.20	5.61
Staff welfare Expenses	5.53	5.88
	186.78	161.65
TOTAL	186.78	161.65

Employee Benefits :

A. Defined Contribution Plans

- 1 Company's contribution to Provident Fund is INR 3.87 Crores
- 2 Company's contribution to Super Annuation fund INR 0.39 Crores

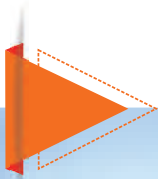
B. Defined Benefit Plans

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, 2015 as required by Accounting Standard (AS) 15 (Revised 2005)

₹. in Crores

Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
I Change in obligation during the year ended 31st March, 2015				
1 Liability at the beginning of the year	25.64	23.59	16.71	15.63
2 Interest cost	2.27	1.91	1.45	1.25
3 Current service cost	3.46	3.17	1.84	1.69
4 Past service cost	-	0.61	-	0.20
5 Benefit Paid	(2.10)	(1.37)	(1.61)	(0.77)
6 Actuarial (gain) / Losses	6.00	(2.15)	4.08	(1.18)
7 Liability at the end of the year	35.27	25.76	22.47	16.82
II Change in assets during the year ended 31st March, 2015				
1 Plan assets at the beginning of the year	21.46	17.35	4.71	4.75
2 Expected return of plan assets	1.95	1.60	0.41	0.39
3 Contributions	2.41	4.10	2.21	0.06
4 Benefit paid	(1.54)	(1.28)	(1.08)	(0.51)
5 Actuarial gain / (Loss)	0.16	(0.30)	0.06	0.01
6 Plan assets at the end of the year	23.87	21.46	6.31	4.71
7 Total Actuarial Gain/(Loss) To Be Recognized	(5.77)	1.85	(4.02)	1.18
III Actual Return on plan assets				
1 Expected return of plan assets	1.95	1.60	0.41	0.39
2 Actuarial gain / (loss)	0.16	(0.30)	0.06	0.01
3 Actual return on plan assets	2.11	1.30	0.47	0.40
IV Net asset / (liability) recognized in the Balance Sheet as at 31st March, 2015				
1 Liability at the end of the year	35.27	25.76	22.47	16.82
2 Plan assets at the end of the year	23.87	21.46	6.31	4.71
3 Amount recognized in the Balance Sheet Accrued (Pre paid)	11.40	4.30	16.16	12.11
Current liability				
Non current Liability				
V Expenses recognized in the statement of profit & loss				
1 Current service cost	3.46	3.17	1.84	1.69
2 Interest cost	2.27	1.91	1.45	1.25
3 Expected return on plan assets	(1.95)	(1.60)	(0.41)	(0.39)
4 Actuarial (gain) / Losses	5.77	(1.85)	4.02	(1.18)
5 Past service cost	-	0.61	-	0.20
6 Total expenses	9.55	2.24	6.89	1.56
VI Balance Sheet reconciliation				-
1 Opening net liability	4.18	6.24	12.01	10.88
2 Expenses as above	9.55	2.24	6.89	1.56
3 Employer contribution	(2.86)	(4.18)	(2.74)	(0.33)
4 Amount recognized in the Balance Sheet	10.87	4.30	16.16	12.11





Notes

1 "Investment details:

The funds are managed by LIC and LIC has not provided break up of planned assets by investment type for the year 2014-15.

2 "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.

33. FINANCE COST:

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Interest on Term Loan	610.87	557.19
Interest on NCD	51.50	49.26
Interest on Share Application Money	-	20.83
Interest on buyers' credit	39.11	11.79
Interest - Others	2.54	1.73
Interest on Income Tax	0.01	0.34
Other Finance Cost*	14.26	26.10
	718.29	667.24
TOTAL	718.29	667.24

*Includes Bank Guarantee & L C Charges

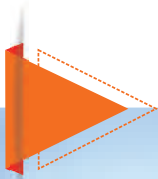
34. OTHER EXPENSES:

Particulars	₹. in Crores	
	As at 31 st March, 2015	As at 31 st March, 2014
Expenses related to Wind Mills		
Insurance expenses - Wind Project	0.61	0.69
Rebate on Wind Energy Sales	-	-
SLDC Charges - Windmill	-	0.03
Operation & Maintenance Exp	13.23	6.30
TOTAL (A)	13.84	7.01
Administrative Expenses		
Electricity Expenses	0.47	0.45
Rebate on sales realisation	-	-
Rent, Rates and Taxes	20.48	21.90
Repairs & Maintenance:		
Building Repairs	1.59	1.36

₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Machinery	42.68	34.71
Others	10.23	14.71
Insurance expenses	9.91	10.29
Franchisee, Commission and Profit Margin Exp.	4.61	4.78
Software Operation and Maintenance Charges	2.85	3.36
Business Development & Promotion	3.14	1.90
Seminar & Conference	4.31	0.04
Advertisement & publicity	3.74	4.26
Administration & establishment	8.22	2.05
Travelling Expenses	3.13	4.25
Stationery & Printing	3.63	3.12
Legal, Professional & Technical Expenses	29.37	33.50
Cost audit fees	0.00	0.01
Recruitment & Training	0.55	0.52
Conveyance	-	0.01
Donations	1.33	0.89
Telephone, Trunk calls & Postage	5.35	4.93
Maintenance Contracts	27.53	24.98
Payment to Outsourced Persons	3.43	3.84
Consumption of Stores & Spare Parts	3.37	12.23
System Usage Gas	15.60	12.79
Land Revenue	-	0.11
Land maintenance	0.19	0.06
Registration fees	0.01	0.64
Security Expense	12.60	11.60
Loss on Sale and disposal of Asset	2.43	0.87
Bad Debts Written Off	0.25	0.40
Provision for doubtful debts	2.46	4.17
Provision for Assets write off	0.53	0.13
Provision against doubtful capital advances	0.74	2.36
Provision / write off for inventory obsolescence	0.15	3.84
Service & Fitting expenses	12.88	14.73
Service charges	17.06	15.61
Membership fees	-	0.01
Arranger Fees	-	1.69
HSE Expenses	0.50	0.31
Safety and Environment Expenses	0.86	0.63
Director Sitting Fees and Out of Pocket Expenses	0.02	0.02
Listing Fee	0.14	0.10
Bank charges	0.53	0.55
Vehicle running Expenses	10.03	10.57
SLDC Charges	1.25	
Cost of Material Sold as Scrap	2.02	1.69
Office expenses	1.44	1.31
Interest on late payment of TDS	-	0.00
Lease (Wet) Machinery Expense	1.30	1.08
Stores and Chemicals consumed	8.17	





₹. in Crores

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Power and Fuel	58.34	50.32
Demat charges	-	0.04
Internal audit services	-	0.00
Penalties	0.16	0.00
Project Expenses	8.15	7.41
Cable Network Charges	-	-
Bandwidth Expenses	0.16	0.03
Material Shortage Written Off	-	5.82
Agency & Contract Staff Expenses	9.86	10.11
<u>Payment to Auditors</u>		
As Auditor	0.34	0.32
Other Services	0.10	0.20
For reimbursement of expenses	0.02	0.03
Net Loss on Sale/discarding of Fixed Assets	-	-
Net Foreign Exchange Loss	5.58	19.60
Operation & Maintenance Exps	73.31	72.67
Other expenses	8.10	16.80
TOTAL (B)	<u><u>445.20</u></u>	<u><u>456.71</u></u>
Misc. Expenditure W/off during the year (C)	<u><u>8.67</u></u>	<u><u>33.87</u></u>
Diminution in the value of Investment (D)	<u><u>(0.04)</u></u>	<u><u>(0.99)</u></u>
Provision for Doubtful Advances (E)	<u><u>1.72</u></u>	<u><u>0.03</u></u>
TOTAL (A+B+C+D+E)	<u><u>469.39</u></u>	<u><u>496.63</u></u>

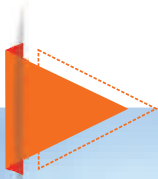
Expenditure related to Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof: ₹. 0.29 crores

35. Joint Venture Operations

The Company has entered into Production Sharing Contracts (PSCs) / Agreements in consortium with various Private/Public Sector & Foreign Companies as stated below with the Ministry of Petroleum & Natural Gas (Government of India), for exploration of oil and gas in the following fields. The company has also entered into Production Sharing Agreements (PSAs)/Work Permits overseas relating to Oil & Gas/ Exploration Areas blocks along with various companies. 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
I. Blocks/Fields Currency under Exploration, Development and Production				
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 (Operator)	40%
3	Cambay	55% (55%)	Oilex NL (Operator)	30%
			Oilex NL Holdings (India) Ltd	15%
4	Sabarmati	60% (60%)	Oilex NL Holdings (India) Ltd (Operator)	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%
7	North Balol	45% (45%)	Oil and Natural Gas Corporation Limited	30%
			Hindustan Oil and Exploration Company Limited (Operator)	25%
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	AA-ONN-2003/1(Assam)	20% (20%)	Jubilant oil & Gas Pvt Limited (Operator)	10%
			Jubilant Securities Pvt. Ltd.	35%
			GAIL (India) Ltd	35%
13	JPDA-06-103 (Australia/East Timor) (Refer Note g)	20% (20%)	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%
14	CY-DWN-2004/3	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%





SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
15	CY-PR-DWN-2004/1	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
16	CB-ONN-2004/1 (Refer Note k)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Heramec Ltd.	10%
17	CB-ONN-2004/2 (Refer Note k)	45% (45%)	Oil and Natural Gas Corporation Limited (Operator)	55%
18	CB-ONN-2004/3	35% (35%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Ensearch Petroleum Pvt. Ltd.	25%
19	MB-OSN-2005/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
20	MB-OSN-2005/5	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
21	MB-OSN-2005/6	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	80%
22	CB-ONN-2005/4	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
23	CB-ONN-2005/10	49% (49%)	Oil and Natural Gas Corporation Limited (Operator)	51%
24	CY-ONN-2005/1	30% (30%)	GAIL (India) Ltd	40%
			Bengal Energy Inc.	30%
25	CB-ONN-2009/4	50% (50%)	Oil and Natural Gas Corporation Limited (Operator)	50%
26	GK-OSN-2009/1	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	40%
			Indian Oil Corporation Limited	20%
			Adani Welspun Exploration Ltd	20%

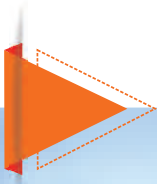
b. GSPC-Operated				
27a	Tarapur		Exploration	
		80% (80%)	Geo Global Resources (Barbados) Inc.	20%
			Development:	
		56% (56%)	Geo Global Resources (Barbados) Inc.	14%
			Oil and Natural Gas Corporation Limited	30%
27b.	Tarapur - Extension phase (Refer Note h)	80% (80%)	Geo Global Resources (Barbados) Inc.	20%
28	Unawa	70% (70%)	Heramec Ltd	30%
29a	CB-ONN-2000/1 (Ahmedabad)	50% (50%)	GAIL (India) Ltd	50%

SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
29b	CB-ONN-2000/1 -(Extension phase)	50% (50%)	GAIL (India) Ltd	50%
30	CB-ONN-2002/3 (Sanand)	55% (55%)	Jubilant Enpro Private Limited	20%
			Hindustan Petroleum Corporation Limited	15%
			Geo Global Resources (Barbados) Inc.	10%
31	CB-ONN-2003/2 (Ankleshwar) (Refer Note L)	50% (50%)	GAIL (India) Ltd	20%
			Jubilant Enpro Private Limited	20%
			Geo Global Resources (Barbados) Inc.	10%
32	KG-OSN-2001/3 (Refer Note I)	80%(80%)	Jubilant Enpro Limited	10%
			Geo Global Resources (Barbados) Inc.	10%
33	KG-ONN-2004/2	40% (40%)	GAIL (India) Ltd	40%
			Petrogas E&P LLC	20%
34	RJ-ONN-2005/3	60% (60%)	Oil and Natural Gas Corporation Limited	40%
35	South East Tungkal (Indonasia)	50.50%(50.50%)	Essar Oil Ltd	49.50%

II Blocks/Fields surrendered and awaiting regulatory clearance

SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
a	Non Operated JVs			
1	MB-OSN-2000/1 (Mumbai) (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	75%
			Indian Oil Corporation Limited	15%
2	MB-DWN-2000/2 (Mumbai) Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	50%
			Indian Oil Corporation Limited	15%
			GAIL (India) Ltd	15%
			Oil India Ltd.	10%
3	CB-ONN-2002/2 (Mehsana) (Refer Note d)	60% (60%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			Geo Global Resources (Barbados) Inc.	10%
4	CY-ONN-2002/1(Cavery) (Refer Note d)	20% (20%)	Jubilant Oil & Gas Pvt. Limited (Operator)	30%
			GAIL (India) Ltd	50%
5	BS(3)-CBM-2003/II (Refer Note d)	30% (30%)	Oil and Natural Gas Corporation Limited (Operator)	70%
6	EPP -27 (Australia) (refer note f)	20% (33.33%)	Oilex (Operator)	20%
			Videocon Industries Ltd.	20%
			Great Artesian Oil & Gas Limited	40%
7	WA-388Block(Australia) (Refer Note e)	8.40% (8.40%)	Apache Energy Ltd (Operator)	40%
			Oilex	8.40%
			BPCL	8.40%
			HPCL	8.40%
			Sasol Petroleum	18%
Videocon Industries Ltd	8.40%			





SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
8	CY-DWN-2004/1 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
9	CY-DWN-2004/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
10	CY-DWN-2004/4 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
11	CY-PR-DWN-2004/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
12	KG-DWN-2004/1 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
13	KG-DWN-2004/2 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			BPCL	10%
14	KG-DWN-2004/3 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
15	KG-DWN-2004/5 (Refer Note d)	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%
16	KG-DWN-2004/6 (Refer Note d)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			GAIL (India) Ltd	10%
			Hindustan Petroleum Corporation Limited	10%
			Oil India Limited	10%
17	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%
18	CB-ONN-2004/4 (Refer Note d)	40% (40%)	Oil and Natural Gas Corporation Limited (Operator)	60%

SI No.	Joint Venture/ PSCs	GSPC's PI	Operatorship / Others Partners' PI	PI
19	RJ-ONN-2004/1 (Refer Note d)	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%
20	KG-OSN-2005/1 (Refer Note a)	20% (20%)	Oil and Natural Gas Corporation Limited (Operator)	60%
			HPCL - Mittal Energy Ltd.	20%
21	KG-DWN-2005/1 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	70%
			Indian Oil Corporation Limited	20%
22	KK-DWN-2005/2 (Refer Note a)	10% (10%)	Oil and Natural Gas Corporation Limited (Operator)	90%
23	AN-DWN-2009/5 (Refer Note c)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	100%
24	AN-DWN-2009/13 (Refer Note c)	0% (0%)	Oil and Natural Gas Corporation Limited (Operator)	80%
			GAIL (India) Ltd	10%
			NTPC Ltd	10%
b	GSPC-Operated			
25	South Diyar (Egypt)	80% (80%)	Alkor Petro Ltd	20%
26	North Hap'y (Egypt)	80% (80%)	Petrogas E&P LLC	20%
27	MB-OSN-2004/1 (Refer Note d)	20% (20%)	GAIL (India) Ltd	20%
			Hindustan Petroleum Corporation Limited	20%
			Indian Oil Corporation Limited	20%
			Western Drilling Contractors Pvt. Ltd.	20%
28	Block No 19 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
29	Block No 28 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
30	Block No 57 (Yemen) (Refer Note j)	45% (45%)	Alkor Petroo Ltd.	25%
			Western Drilling Contractors Pvt. Ltd.	30%
31	South Gulf of Suez (Egypt)	60% (60%)	Adani Welspun Exploration Ltd	40%

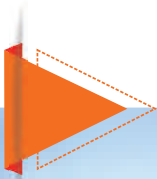
a During the year the company along with its Joint Venture partners have recommended block KG OSN 2005/1, KG DWN 2005/1 and KK DWN 2005/2 to be surrendered to Government of India. Accordingly a total exploration cost of ₹.105.13 crores have been written off during the year.

b During the year the company along with its Joint Venture partners has decided to withdraw from South Diyar (Egypt) and South Gulf of Suez (Egypt) blocks and accordingly a total exploration cost of ₹. 397.25 crores have been written off during the year. During FY 2013-14 the company along with its Joint Venture partners has decided to withdraw from North Ha'py (Egypt) block.

c During FY 2013-14 the company has decided to surrender and assign its 10% PI in two ONGC operated blocks namely AN-DWN-2009/5 and AN-DWN-2009/13 block to ONGC w.e.f. 1st April, 2013.

d 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, KG-DWN-2004/1, KG-DWN-2004/2, KG-DWN-2004/3, KG-DWN-2004/5, KG-DWN-2004/6, CY-DWN-2004/1, CY-DWN-2004/2, CY-DWN-2004/4, CY-PR-DWN-2004/2, CB-ONN-2004/4, RJ-ONN-2004/1 and BS (3)-CBM-2003/II to be surrendered to Government of India.





- e In November 2010 a farm-out agreement was signed by the company, 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 AUS\$ 50 million or 110% of the approved cost by the joint venture for Drilling. It has also agreed to pay AUS\$ 10 million or 110% of the approved cost by the joint venture for testing. In FY 2012-13 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.
- f 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 (INR 8.37crs). In July 2010, the Australian Government agreed to extend the GSA until the conclusion of the 2011 Australian Offshore Petroleum Exploration Release. The consortium is in the negotiation with the Australian authority for the extension of time. However, in the mean time the company has made the provision for the above liability in FY 2011-12. During the year the company has received Good Standing Report from Australian Authority based on which the provision is reversed during the year.
- g JPDA-06-103 block is being operated through a Special Purpose Vehicle (SPV) i.e. GSPC JPDA Ltd a 100% subsidiary of the company as per the terms of the PSC. Company has a participating interest of 20% in JPDA 06-103 block and as per the Minimum Work Programme (MWP) the consortium in block JPDA-06-103 has a commitment to drill 3(+1) number of wells as per the Production Sharing Contract (PSC) in the Initial (Mandatory) Period from 15-11-2006 to 14-11-2013. Of the committed wells the consortium has already drilled 2 wells. However the JV has approached the Autoridade Nacional do Petroleo (ANP) seeking the exemption of drilling of the balance well's under the mandatory work programme. As per the PSC the JV is liable to drill all the wells under the mandatory work programme till such exemption is provided by ANP, which is still awaited as on date. Consolidation of accounts of GSPC (JPDA) Limited is done based on unaudited accounts.
- h 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.
- i In August 2002, the Company entered into Carried Interest Agreement (CIA) with GeoGlobal Resources (India) Inc (GGR), under which the Company granted GGR a 10.0% carried interest in the KG-OSN-2001/3 block. The CIA provides that the Company is responsible for GGR's share of costs incurred during the exploration phase prior to the date of initial commercial production, and that the Company shall recover such costs from GGR's share of gas and oil upon the commencement of production. Accordingly ₹. 1,734.60 Crores is due from GGR and is shown in Note 16 - 'Long Term Loans and Advances'. The Company has issued Notice of Termination/Forfeiture of Participating Interest to GeoGlobal Resources (India) Inc (GGR). Vide letter dated August 18, 2010. As per the provisions of Joint Operating Agreement and Production Sharing Contract for the Block KG-OSN-2001/3, the Termination/Forfeiture of Participating Interest requires an amendment to the PSC. Any amendment to the PSC becomes effective only after the same has been approved by the Management Committee/Government of India. Accordingly, GSPC has submitted the proposal to DGH/Government of India in relation to amendment of PSC pursuant to termination of GGR's participating interest. The issue of amendment to the PSC and the response of DGH/GoI is still awaited. In view of above, forfeiture/termination of GGR's share of Participating Interest in favour of GSPC will be effective after the Management Committee approves the necessary amendments to Production Sharing Contract. Consequent upon DGH/MoPNG's approval declaring Geo Global Resources (India) Inc. (GGR) as defaulter in Production Sharing Contract for KG-OSN-2001/3, the participating interest of GGR will be transferred to the company. Subsequently it would not be possible for the company to recapitalize the amount of interest in future. Therefore, interest amounting to ₹. 179.60 crores is capitalised on the contribution made by the company amounting to ₹.1,734.60 crores as on 31st March, 2015.
- 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 financial year 2012-13 the company along with it JV partners have recommended to surrender the three blocks by invoking the termination provision of the PSAs on account of continuation of force majeure events for more than six months. Vide letter dated 13th February, 2013, GSPC led consortium has terminated Production Sharing Agreements (PSAs) for 3 blocks awarded in Republic of Yemen (RoY). PSAs have been terminated on the ground of existence of force majeure event. The Consortium had initiated the arbitration proceedings under the PSAs before the International Chamber of Commerce (ICC), Paris and in the interim stage, obtained order Republic of Yemen not to take steps invoking SBLCs, while Consortium has been directed to extend the validity of SBLCs. Detailed pleadings were filed by both the parties and the final hearing was held from 8-12th September 2014 at the ICC hearing center in Paris. After the final hearing was concluded both the parties had submitted Post Hearing Briefs before the Arbitral Tribunal. Subsequently upon completion of the arbitration proceedings, the final award has been passed by the Arbitral Tribunal on 10 July 2015. The Arbitral Award inter alia:
- Declared that the three Production Sharing Agreements (Blocks 19, 28, and 57) have been validly terminated by GSPC Consortium;

- Declared that the Republic of Yemen and/or the Yemeni Ministry of Oil and Minerals were and are not entitled under the Production Sharing Agreements to draw on the related Standby Letters of Credits (US\$ 42 million) issued in their favor by the International Bank of Yemen;
 - Arbitral Tribunal has awarded costs of approx. USD 3.79 million in favour of GSPC Consortium.
- k During the year ONGC operated two fields namely CB-ONN-2004/1 and CB-ONN-2004/2 has commenced the commercial production.
- l Of the above, 17 fields/blocks are in production, namely Hazira, Bhandut, Cambay, Sabarmati, Asjol, Unawa, North Balol, CB-ON/7 (Palej), Dholasan, North Kathana, Kanawara, Allora, CB-ONN-2000/1 (Ahmedabad), Tarapur, CB-ONN-2003/2 (Ankleshwar), CB-ONN-2004/1 and CB-ONN-2004/2 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	1.35	308.13
	(1.39)	(366.48)
Additions	0.07	
	-	-
Deletions		
	-	-
Production	0.04	50.21
	(0.04)	(58.35)
Closing Balance for the year ended on 31.03.2015	1.38	257.92
	(1.35)	(308.13)

*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.

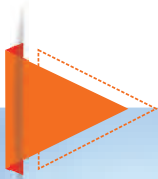
- m The financial statements of the Company reflect its share of Assets, Liabilities, Income and Expenditure of the Joint Venture operations which are accounted on a line to line basis with similar items in the Company's accounts to the extent of participating interest of the company as per the various 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 31-03-2015	As on 31-03-2014
Fixed Assets		
Gross Block	1,815.24	1,555.85
Depreciation/Depletion Fund	1,184.70	1,113.23
Net Block	630.54	442.62
CWIP*	15,696.17	14,923.28
Current Assets	233.28	118.01
Current Liabilities and Provisions	439.09	618.84
Contingent Liabilities	1,914.19	1,915.94

*includes stores & spares





n 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 2015 is given as under:

₹. in Crores

Particulars	2014-15		2013-14	
	Aggregate of all JVs	GSPC's Share	Aggregate of all JVs	GSPC's Share
INCOME				
Sale of Crude Oil	206.08	108.05	273.75	144.87
Sale of Gas	97.78	38.65	74.04	39.54
Increase/(Decrease) in Stock	(1.33)	(1.33)*	(1.89)	(1.50)
Other Income	10.87	7.14	9.37	6.19
Total	314.73	152.51	355.27	189.10
EXPENDITURE				
Production Expenses	62.43	41.06	78.82	48.62
Duties & Taxes	58.50	28.91	85.97	43.24
Administrative exps.	30.51	15.10	18.81	10.71
Total Expenditure before Depreciation	151.44	85.07	183.60	102.57
PROFIT BEFORE DEPRECIATION	163.29	67.44	171.67	86.53

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

36 The Company has neither accepted nor renewed any fixed deposits from the public since June, 2001 as per Companies (Acceptance of Deposits) Rules, 2014 u/s 73 of the Companies Act, 2013. There is no amount outstanding, which is required to be credited to Investor Education and Protection Fund.

37. SEGMENT INFORMATION:

In compliance of Accounting Standard 17 on "Segment Reporting" issued by Institute of Chartered

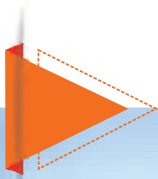
Accountants of India, the

company has adopted following Business Segments as its reportable segment.

- a) E & P
- b) Gas Trading
- c) Power Generation
- d) Gas Transmission
- e) City Gas Distribution
- f) Internet, IT & LNG

I		2014-15							In Crores	
Sr. No.		E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Transmission	Internet, IT & LNG	Unallocated	Total	
1	Revenue									
	External Sales	170.30	10,738.07	421.08	1,044.18	9,125.17	29.21	(6,760.45)	14,767.55	
	Inter Segment Sales	(7.44)	-	-	-	-	-	7.44	-	
	Total Revenue	162.86	10,738.07	421.08	1,044.18	9,125.17	29.21	(6,753.01)	14,767.55	
2	Results									
	Segment Results									
	Profit(+)/Loss(-)	(467.79)	532.24	2.83	772.54	622.54	5.59	-	1,467.94	
	Unallocated Other Income	-	-	-	-	-	-	(360.76)	(360.76)	
	Unallocated Exp & Finance Cost	-	-	-	-	-	-	-	-	
	Prior Period Adjustments	-	-	-	-	-	-	-	-	
	Operating Profit	(467.79)	532.24	2.83	772.54	622.54	5.59	(360.76)	1,107.18	
	Interest/Dividend	-	-	-	-	-	-	170.11	170.11	
	Other Income	7.14	-	-	-	-	-	35.88	43.02	
	Provision for Taxation	-	-	-	-	-	-	(428.25)	(428.25)	
	Prior period adjustments	-	-	-	-	-	-	(12.78)	(12.78)	
	Profit/Loss from Ordinary Activities	(460.65)	532.24	2.83	772.54	622.54	5.59	(595.80)	879.28	
	Excess / Short Prov of IT	-	-	-	-	-	-	(0.19)	(0.19)	
	Deferred Tax	-	-	-	-	-	-	(151.94)	(151.94)	
	Net Profit/(Loss)	(460.65)	532.24	2.83	772.54	622.54	5.59	(747.93)	727.15	
3	Other Information									
	Segment Assets	25,366.71	1,229.20	2,947.16	4,400.56	7,303.72	99.36	-	41,346.71	
	Unallocated Assets	-	-	-	-	-	-	1,122.50	1,122.50	
	Total Assets	25,366.71	1,229.20	2,947.16	4,400.56	7,303.72	99.36	1,122.50	42,469.21	





I 2014-15

In Crores

Sr. No.		E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Transmission	Internet, IT & LNG	Unallocated	Total
	Segment Liabilities	20,037.72	1,195.12	2,079.85	536.94	5,022.07	61.29	-	28,932.98
	Unallocated Liabilities	-	-	-	-	-	-	1,419.25	1,419.25
	Total Liabilities	20,037.72	1,195.12	2,079.85	536.94	5,022.07	61.29	1,419.25	30,352.23
	Capital Expenditure (Cost to Acquire FA incl CWIP)	3,054.24	-	37.33	300.39	548.49	0.69	-	3,941.14
	Depreciation	73.36	-	188.77	157.85	147.43	0.55	-	567.96
	Non Cash Expenses other than Depreciation	513.03	-	-	-	1.17	-	-	514.20

II 2013-14

In Crores

Sr. No.		E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Distribution	Internet, IT & LNG	Unallocated	Total
1	Revenue								
	External Sales	176.98	6,659.88	91.02	840.72	7,906.58	41.98	71.94	15,789.10
	Inter Segment Sales	0.35	5,049.04	-	186.38			(5,235.77)	
	Total Revenue	177.33	11,708.92	91.02	1,027.10	7,906.58	41.98	(5,163.83)	15,789.10
2	Results								
	Segment Results								
	Profit(+)/Loss(-)	(1,595.16)	1,677.34	(307.04)	770.96	136.28	10.13	-	692.51
	Unallocated	-	-	-	-	-	-	(303.23)	(303.23)
	Prior Period Adjustments	-	-	-	-	-	-	-	-
	Operating Profit	(1,595.16)	1,677.34	(307.04)	770.96	136.28	10.13	(303.23)	389.28
	Interest/Dividend	-	22.65	-	-	-	-	146.81	169.46
	Other Income	6.19	45.21	-	-	-	-	33.94	85.34
	Provision for Taxation	-	-	-	-	-	-	(377.26)	(377.26)
	Prior period adjustments	-	-	-	-	-	-	(0.09)	(0.09)
	Profit/Loss from Ordinary Activities	(1,588.97)	1,745.20	(307.04)	770.96	136.28	10.13	(499.83)	266.73
	Excess/Short	-	-	-	-	-	-	(0.28)	(0.28)
	Prov of IT	-	-	-	-	-	-	-	-
	Deferred Tax	-	-	-	-	-	-	(72.88)	(72.88)
	Net Profit/(Loss)	(1,588.97)	1,745.20	(307.04)	770.96	136.28	10.13	(572.99)	193.57

II 2013-14

In Crores

Sr. No.		E & P	Gas Trading	Power Generation	Gas Transmission	City Gas Transmission	Internet, IT & LNG	Unallocated	Total
3	Other Information								
	Segment Assets	22,232.57	787.15	3,012.77	4,243.50	6,830.01	64.12		37,170.12
	Unallocated Assets	-	-	-	-	-		843.05	843.05
	Total Assets	22,232.67	787.15	3,012.77	4,243.50	6,830.01	64.12	843.05	38,013.16
	Segment Liabilities	16,470.56	722.99	2,542.73	431.81	4,941.70	31.77		25,141.56
	Unallocated Liabilities	-	-	-	-	-		1,796.52	1,796.52
	Total Liabilities	16,470.56	722.99	2,542.73	431.81	4,941.70	31.77	1,796.52	26,938.08
	Capital Expenditure (Cost to Acquire FA incl CWIP)	4,088.34	-	329.35	298.54	2,446.04	0.11	-	7,162.37
	Depreciation	57.73	-	174.80	147.82	147.57	0.25	-	528.17
	Non Cash Expenses other than Depreciation	1,610.69	(16.10)	-	-	8.28	-	-	1,602.87

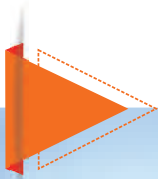
38 In the year 1998-99, the Hazira joint venture started the construction of 36" pipeline with a view to evacuate the natural gas production expected from the new Land Based Drilling Platform to major industrial customers lying on the 14 km stretch from Hazira to Mora. The joint venture pursued the Management 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:

₹. in crores

Particular	Corresponding effect on	Amount
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 GSPL)	Other liabilities	70.35
Pipeline expenses (direct & indirect operating expenses)	Other liabilities	65.74





The above mentioned impact of the award is based on the computation performed by the operator M/s Niko Resources. Moreover as per the Arbitration Award, GoI is liable to pay interest at the rate of 9% p.a on the amount of profit petroleum refundable to joint venture from 31/3/2003 till date of payment. The above figures with respect to 36" pipeline for the year 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 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."

39. RELATED PARTY TRANSACTIONS:

Related Party Disclosures

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:

1 Associate Companies - Gujarat State Energy Generation Limited, Sabarmati Gas Company Ltd, Alcock Ashdown (Gujarat) Limited, GSPC LNG Ltd

2 Joint Ventures & Ventures' - As per Note No. 35 of Notes forming part of Financial Statements.

3 Key Managerial Personnel:

Shri Atanu Chakraborty IAS- Managing Director, GSPC (w.e.f 1st November, 2014)
 Shri Tapan Ray, IAS- Managing Director, GSPC (Upto 30th September, 2014)
 Shri Manoj Kumar Das, IAS - Jt. Managing Director, GSPC (Upto 27th April, 2015)
 Mr Ravindra Agrawal - Director, GIGL
 Mr N. Bose Babu - Director, GIGL
 Mr PPG Sarma - CEO, GSPC Gas Company Ltd
 Shri V K Sharma - CEO, GIPL (Upto 31.01.2015)
 Shri Sudhir Mittal- CEO, GIPL (from 01.02.2015)

4 Relative of Key Managerial Personnel :

Ms. P Subbalakshmi- Relative of Mr PPG Sharma

₹. in Crores

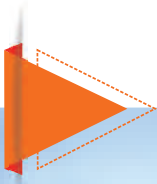
Nature of Transaction	Associates		Joint Ventures / Venturers		KMP		Relative of KMP		TOTAL	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Income:									-	-
Sale of LNG	327.50	455.12	1,325.16	1,403.33	-	-			1,652.66	1,858.45
CNG Sales	0.01	0.01	-		-				0.01	0.01
PNG Gas Sales	23.41	29.67	-		-				23.41	29.67
Sale of Capital Goods	0.53		-		-				0.53	-
Gas Transportation income	2.21	16.89	-		-				2.21	16.89
Value of Services rendered	-	0.01	-		-				-	0.01
Other Income	0.01	0.51	-		-				0.01	0.51
Rent received	0.16	0.18	2.24	1.87	-				2.40	2.05
Interest received on Investments	20.42	1.20	-		-				20.42	1.20
Dividend received	0.45	2.46	-		-				0.45	2.46
Services received	-	0.42	-		-				-	0.42
Reimbursement made for expenses	-	1.87	-		-				-	1.87

₹. in Crores

Nature of Transaction	Associates		Joint Ventures / Venturers		KMP		Relative of KMP		TOTAL	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Reimbursement received for expenses	-	0.10	-	-	-	-	-	-	-	0.10
Management Fees	-	-	-	0.18	-	-	-	-	-	0.18
Expenses:	-	-	-	-	-	-	-	-	-	-
Purchase of Gas	-	-	3,136.48	4,852.26	-	-	-	-	3,136.48	4,852.26
Purchase Commission	-	-	-	-	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Guarantee Commission	-	-	-	-	-	-	-	-	-	-
Annuity & Meter validation charges	-	-	-	1.30	-	-	-	-	-	1.30
Gas Transportation Charges paid	0.63	0.62	-	-	-	-	-	-	0.63	0.62
Purchase of line pipes	-	3.27	-	-	-	-	-	-	-	3.27
CNG Purchased	32.63	39.44	-	-	-	-	-	-	32.63	39.44
Secondment Charges	-	-	-	-	-	-	-	-	-	-
Interest on OCDs paid	-	-	-	-	-	-	-	-	-	-
Supervision Charges paid	-	0.04	-	-	-	-	-	-	-	0.04
Dividend Paid	-	0.03	-	-	-	-	-	-	-	0.03
Administrative expense	-	-	-	-	-	-	-	-	-	-
Security Deposits Paid/ released	-	1.09	-	-	-	-	-	-	-	1.09
Lease Rent paid	-	-	-	-	-	-	-	-	-	-
Rent Expense	-	-	-	-	-	-	0.04	-	0.04	-
Engineering & consultancy expenses	-	-	-	-	-	-	-	-	-	-
Pipeline Crossing Charges paid	-	-	-	-	-	-	-	-	-	-
Legal & Professional Expenses	-	-	-	-	-	-	-	-	-	-
Security Deposits Received	-	0.42	-	-	-	-	-	-	-	0.42
Remuneration to Managing Director	-	-	-	-	1.01	1.77	-	-	1.01	1.77
Sitting Fees	-	-	-	-	0.03	0.02	-	-	0.03	0.02
Current Assets & Liabilities:	-	-	-	-	-	-	-	-	-	-
Debtors	135.87	101.88	87.77	4.13	-	-	-	-	223.64	106.01
Advance/Receivables	12.41	14.60	2,006.62	2,002.09	0.00	-	-	-	2,019.03	2,016.69
Payable	3.20	2.42	97.31	341.32	-	-	-	-	100.51	343.74
Investment in Share Capital (Allotment)	140.29	490.29	-	-	-	-	-	-	140.29	490.29
Inter Corporate Loan	200.00	30.50	-	-	-	-	-	-	200.00	30.50
Corporate Guarantee Given	-	500.00	-	-	-	-	-	-	-	500.00
Advance for Investment (Pending Allotment)	69.00	69.00	-	-	-	-	-	-	69.00	69.00
Deposits(Liability)	0.12	0.12	-	-	-	-	-	-	0.12	0.12
Loans, Advance, Share Application Money received	-	-	-	-	-	-	-	-	-	-
Investment in Equity Shares	-	-	-	-	-	-	-	-	-	-

*During the year, the Company has paid Rent of ₹. 3,60,000/- (previous year ₹. 3,60,000) for hiring residential premises from Ms. P Subbalakshmi.



**40. MSME DISCLOSURES :**

Information in respect of Micro, Small and Medium Enterprise Development Act, 2006 the company has sought confirmation from the vendors, whether they fall in the category of micro, small and medium enterprise as on the Balance Sheet date. Based on the information available the required disclosure are given below.

₹. in Crores

Particulars	2014-15	2013-14
Principal amount remaining unpaid as at the end of accounting year	4.52	4.96
Interest paid by the company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid at the end of accounting year	0.02	0.01
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	-	-

41. LEASES :**Assets given on lease**

Leasing operations of the company mainly involved leasing of gas based generator sets.

Assets on finance lease:

Under finance lease arrangements, the lease agreements had been entered for a fixed period of 6 years, at the end of which the ownership of assets will be transferred to the lessee on payment of consideration specified in the Lease Agreements.

Company has entered into irrevocable finance lease arrangements for office space at Infocity, Gandhinagar, for an upfront one time consideration of ₹. 0.23 crores and freehold premium payable at the end of 62 years ₹. 0.02 crores. Total minimum lease payments at the end of 62 years amounting to ₹. 0.02 crores is reflected under Other Liabilities.

Assets on 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:

₹. in Crores

Particulars	2014-15	2013-14
Lease payments debited to the profit and loss account		
- Cancellable operating leases	0.25	0.29
Total	0.25	0.29

42. EARNINGS PER SHARE:

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

Particulars	₹. in Crores	
	2014-15	2013-14
Net Profit After Tax (₹. In Crores)	201.59	(231.42)
Basic EPS :		
Weighted average numbers of equity shares	2,49,69,84,372	2,40,72,83,713
Basic Earnings Per Share (₹.)	0.81	(0.96)
Diluted EPS :		
Weighted average numbers of equity shares	2,56,48,85,607	2,47,51,84,948
Diluted Earning per Share(₹.)	0.79	(0.93)
Nominal Value per share (₹.)	1	1

43 The Company had filed a complaint dated 06.04.2011 before PNGRB against GAIL, IOCL and BPCL. PNGRB had vide its orders dated 13.09.2011 of Chairman and dated 10.10.2011 of the majority members (three member panel of Board) unanimously held that GAIL had adopted Restrictive Trade Practices by blocking off direct connectivity to GSPC and further, directed Respondents to immediately give direct connectivity to GSPC at Dahej Terminal. All the parties have preferred appeals against the PNGRB Orders before Appellate Tribunal for Electricity (APTEL) and APTEL has passed an interim order on 23.01.2012 and directed GAIL, IOCL and BPCL to give direct connectivity at Dahej Terminal subject to GSPC giving undertaking in respect of the following:

- i. GSPC shall open a separate bank account and deposit an amount of INR 140 Crs. Accordingly, GSPC has opened and deposited equivalent amount in a separate bank account.
- ii. From the date of change of delivery point, GSPC shall open a separate bank account and deposit the Interconnectivity Charges. Accordingly company had deposited INR 77.02 crore in a separate bank account. The Company has submitted the Undertaking to APTEL in respect of the same on 18.02.2012 and deposited amounts as aforesaid.

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

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

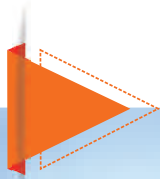
44 In case of balances of Joint Venture parties, for cash call and other transactions and also in case of balances of other parties i.e. Trade Receivables, Trade Payables, Loans and Advances and other liabilities the company is in the process of reconciling it with the parties. Adjustments if any will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

45 EMPLOYEE STOCK OPTION PLAN 2008:

GGCL implemented an Employee Stock Option Plan 2008 ('ESOP 2008') which provides for the allotment of equity shares of Rs. 2 /- each to eligible employees of the holding Company and its subsidiaries. The Scheme is administered by an ESOP Trust (Gujarat Gas Company Limited Employee Stock Option Welfare Trust) which purchases, out of the funds advanced by the Group, the shares equivalent to the number of options granted, for allotment to the grantees. IDBI Trusteeship Services Limited are the trustees of the said trust. The trustees can purchase or sell the shares from the market as per the approved scheme. For the 12 months ended on 31st March 2015, there are no purchases from the market.

Pursuant to the above scheme, the Group has granted options, as mentioned here below, convertible into equity shares of ₹. 2/- each to employees of the holding Company and its subsidiaries. The exercise price is calculated at 10% discount to the closing price of the shares on record date, being the date on which the grant of options were approved by board of directors and shareholders. The Scheme provides for graded vesting of options granted, over a period of 4 years from the date of grant.





% of Option Vested	Cumulative	Vesting Date
25%	25%	on expiry of two years from their Grant date ("First Vesting Date")
50%	75%	on expiry of three years from their Grant date ("Second Vesting Date")
25%	100%	on expiry of four years from their Grant date ("Third Vesting Date")

The options are to be exercised within a maximum period of 2 years from the date of vesting. Within the exercise period, the employee would have the option to either purchase the shares from the trust at the exercise price or to give a mandate of sale to the trust at the best available market price, in which event the difference between the net price realized on sale after taxes and charges and the Exercise Price will accrue as gains to the employee.

Details of movement under the Stock option plan for the year ended 31 March, 2014 is as follows:

Particulars	Year Ended		Year Ended	
	31-03-2015		31-03-2014	
	Number of options	Weighted average exercise price (in ₹.)	Number of options	Weighted average exercise price (in ₹.)
Options outstanding at the beginning of the year	2,45,250.00	303.00	3,66,444.00	254.00
Add: Options granted during the year	-	-	-	-
Less: Options forfeited during the year	11,250.00	335.00	-	-
Less: Options expired during the year	-	-	-	-
Less: Options exercised during the year	2,08,500.00	298.00	1,21,194.00	155.00
Options outstanding at end of the year	25,500.00	334.00	2,45,250.00	303.00

Note:

In accordance with the approval granted by the members of the holding Company, to the issue of Bonus Shares in the ratio of one equity share of the Company of ₹. 2/- each for every one equity share of the Company held by the Shareholders of the Company as on September 19, 2009, being the Record Date, the Compensation Committee of the Board of Directors of the Company, on September 22, 2009, had approved adjustments to the Options granted and unvested as on September 19, 2009, under the Gujarat Gas Company Ltd - Employee Stock Option Plan 2008, whereby each option had been doubled and the Exercise Price thereof been halved with effect from September 22, 2009.

The employee share based payment plans have been accounted based on the Fair value method of accounting using the Black-Scholes Option Pricing Formula. The weighted average remaining contractual life of options outstanding as on 31 March 2015 is 1.79 years (P.Y. 1.67 years).

In accordance with Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India and SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 issued by Securities Exchange Board of India, an amount of ₹. NIL (P.Y. 0.48) Crores has been recognised as an expense in Employee Benefits Expenses and corresponding liability has been disclosed as Stock Options Outstanding Account. The balance of ₹. 0.32 crores (P.Y. ₹. 2.69 Crores) in Stock Options Outstanding Account represents the amortised cost of stock options outstanding. As on 31 March 2015, the amount recoverable from ESOP trust is ₹. 3.01 crores (P.Y. 8.63 Crores).

The Company has adjusted loss of ₹. 2.06 crores (P.Y. ₹. 1.05 Crores) to General Reserve as the difference between the cost incurred by the ESOP Trust for the purchase of shares and the exercise price of those options which have been exercised by the employees during the current year, in accordance with Guidance Note on accounting for Employee share based payment, issued by the ICAI.

ESOP 2005 Scheme:

During the Financial Year 2005-06, GSPL instituted ESOP-2005. The Board of Directors and the Shareholders approved the plan in the meeting held on 13-Oct-05 and 18-Oct-05 respectively, which provides for the issue of 23,27,940 equity shares to the employees of the company and of Gujarat State Petroleum Corporation Ltd. The Compensation Committee administers ESOP-2005. These ESOPs are granted at an exercise price of ₹. 14 per share to be vested equally over the period of four years and to be exercised within a period of five years from the date of vesting.

ESOP 2010 Scheme:

During the Financial Year 2010-11, GSPL instituted ESOP-2010. The Board of Directors and the Shareholders approved the plan in the meeting held on 23rd August 2010 and 27th October 2010 respectively, which provides for the issue of 21,28,925 equity shares to the employees of the company. The Compensation Committee administers ESOP-2010. These ESOPs are granted at an exercise price of ₹. 75 per share to be vested over the period of five years and to be exercised within a period of ten years from the date of Grant.

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

Particulars	31.03.2015	31.03.2014
ESOP 2005 Scheme	2	27,730
ESOP 2010 Scheme	13,92,788	17,65,279
Total	13,92,790	17,93,009

- 46 In view of the general clarification issued by the Institute of Chartered Accountants of India on Accounting Standard 21 "Consolidated Financial Statements", the consolidated financial statements do not include notes such as quantitative information, forex earnings/expense etc. which are not necessary to present true and fair view of the financial statements.
- 47 Scheme of Amalgamation of GSPC Gas Company Limited, Gujarat Gas Company Limited along with its two subsidiaries into GSPC Distribution Network Limited effective from 1st April, 2013 was approved by Honorable High Court of Gujarat vide order dated 30th March, 2015. The same has been filed with ROC on 14th May, 2015 and thus GSPC Gas Company Limited and other transferor companies have ceased to exist on 14th May, 2015. Consolidation of accounts of GSPC Gas Company Limited and GSPC Distribution Network Limited is done based on unaudited accounts.

As per our report of even date attached

For P Singhvi & Associates
Chartered Accountants
FRN. 113602W

Praveen Singhvi
Partner
M. No. 071608

Date : 6th August, 2015
Place: Gandhinagar

For and on behalf of the Board of Directors

G. R. Aloria, IAS
Chairman

Sandeep Dave
Company Secretary

Date : 6th August, 2015
Place: Gandhinagar

Atanu Chakraborty, IAS
Managing Director

Gopal Srinivasan
Chief Financial Officer



