



ANNUAL REPORT

2013

CLEAN
ENERGY



Gujarat State Petronet Limited
The Energy Lifeline of Gujarat

Board of Directors

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

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

Shri D J Pandian, IAS

Dr. R Vaidyanathan

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

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

Shri Tapan Ray, IAS

Chairman

Managing Director

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

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

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

Company Secretary

Ms. Reena Desai

Internal Auditors

KPMG

Statutory Auditors

Jain Seth & Co.,
Chartered Accountants
Ahmedabad

Cost Auditors

R K Patel & Co.,
Cost Accountants
Vadodara

Subsidiary Companies

GSPL India Gasnet Limited
GSPL India Transco Limited

Registrar & Share Transfer Agent

M/s Karvy Computershare Pvt. Ltd.
Hyderabad

Registered Office

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

Contents

Bankers

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

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Board of Directors



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

Shri M M Srivastava, IAS, (Retd.) has graduated in Science from Delhi University and has completed his Masters in Physics from Delhi University. He has also done MBA (Marketing) from University of Ljubljana, Slovenia. He has wide administrative and corporate experience of more than 32 years. He has held various positions in Government Departments prior to his retirement including Member (Finance), Gujarat Electricity Board, Managing Director of Gujarat Agro Industries Corporation, Secretary in Finance Department, Commissioner of Commercial Tax Department, Principal Secretary of Energy and Petrochemicals Department and Additional Chief Secretary of Finance Department, Government of Gujarat.



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

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



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

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



Dr. R Vaidyanathan, *Independent Director*

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

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

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

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

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

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

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

QUALITY, HEALTH, SAFETY AND ENVIRONMENT POLICY

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

GSPL is committed to:

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

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

“RESOLVED THAT Dr. Hasmukh Adhia, IAS, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 141(a) and 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Prof. Yogesh Singh, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Shri Yogesh B Sinha, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 148 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

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

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

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

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 23rd August, 2013

Place: Gandhinagar

Registered Office

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

Notes:

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

ANNEXURE TO THE NOTICE

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

Item No. 5

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

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

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

The Members are requested to approve the Resolution.

Item No. 6

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

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

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

The Members are requested to approve the Resolution.

Item No. 7

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

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

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

The Members are requested to approve the Resolution.

Item No. 8

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

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

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



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

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

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

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

The Members are requested to approve the Resolution.

For Gujarat State Petronet Limited,

Tapan Ray, IAS
Managing Director

Date: 23rd August, 2013

Place: Gandhinagar

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