

ANNUAL
REPORT
2015-16



THE ENERGY LIFELINE
OF GUJARAT



Gujarat State Petronet Limited

Board of Directors

Shri M M Srivastava, IAS (Retd.)
 Shri Sujit Gulati, IAS (*w.e.f. 19th July, 2016*)
 Shri L Chuaungo, IAS (*up to 27th June, 2016*)
 Smt. Shridevi Shukla
 Dr. R Vaidyanathan
 Prof. Yogesh Singh
 Dr. Bakul Dholakia
 Dr. Sudhir Kumar Jain (*w.e.f. 23rd October, 2015*)
 Shri Bhadrash Mehta (*w.e.f. 23rd October, 2015*)
 Dr. T Natarajan, IAS (*w.e.f. 4th August, 2016*)
 Shri Atanu Chakraborty, IAS (*up to 11th April, 2016*)
 Dr. J N Singh, IAS

Chairman

Joint Managing Director

Managing Director

Managing Director

(*w.e.f. 16th April, 2016*)

Company Secretary

Ms. Reena Desai

Statutory Auditors

V. V. Patel & Co.,
 Chartered Accountants
 Ahmedabad

Secretarial Auditors

M/s Spanj & Associates
 Practising Company Secretaries,
 Ahmedabad

Subsidiary Companies

GSPL India Gasnet Limited
 GSPL India Transco Limited

Associate Companies

Gujarat Gas Limited
 Sabarmati Gas Limited

Cost Auditors

M/s R K Patel & Co.
 Cost Accountants, Vadodara

Registrar & Share Transfer Agent

M/s Karvy Computershare Private
 Limited, Hyderabad

Internal Auditors

Ernst & Young

Registered Office

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

Corporate Office

GSPL Bhavan, E-18, GIDC Electronic
 Estate, Sector-26, Gandhinagar-382028
 Gujarat

Bankers

Allahabad Bank
 Axis Bank Ltd.
 Bank of Baroda
 Corporation Bank
 HDFC Bank Ltd.
 ICICI Bank Ltd.
 IDBI Bank Ltd.
 IDFC Bank Ltd.
 Oriental Bank of Commerce
 Punjab & Sind Bank
 RBL Bank Ltd.
 State Bank of India
 State Bank of Travancore
 The Karur Vysya Bank Ltd.
 The South Indian Bank Ltd.
 Union Bank of India
 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. 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.



Shri Sujit Gulati, IAS, *Non Executive Director*

Shri Sujit Gulati, IAS is a Mechanical Engineer. He is having varied and rich experience and has served as Joint Secretary and Financial Advisor, Ministry of Mines, Government of India. He has held key positions in the various Departments/Ministries of Government of Gujarat. He has served as Director in various companies including Digjam Ltd., National Textile Corporation Limited, Gujarat Mineral Development Corporation Limited, Coal India Ltd, Bharat Aluminium Company Limited, Hindustan Zinc Ltd. and Gujarat Chemicals Port Terminal Company Limited. Shri Sujit Gulati, IAS is presently Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat.



Smt. Shridevi Shukla, *Non-Executive Woman Director*

Smt. Shridevi Shukla has done B.A. in Economics. She has wide administrative and corporate experience. She has held various senior level positions in Government of Gujarat Departments prior to her retirement including Joint Secretary (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department, Deputy Secretary (Services), Finance Department, Deputy Secretary (ARTD), General Administration Department, Deputy Secretary, (Biotechnology), Science and Technology Department. Subsequent to her retirement, she was appointed as Officer on Special Duty (Industries and Mines) and Appellate Authority (Mines), Industries and Mines Department from September, 2010 to February, 2014. Thereafter, she was appointed as State Information Commissioner, Gujarat Information Commission from May, 2014 to February, 2015.



Dr. R Vaidyanathan, *Independent Director*

Dr. R Vaidyanathan is a Science Graduate from the Loyola College, Madras and has done Masters from the Indian Statistical Institute, Calcutta and has also obtained Fellow in Management (Doctorate) from the Indian Institute of Management, Calcutta. He is Professor of Finance and Control at the IIM, Bangalore and UTI Chair Professor in the area of Capital Markets. He is two time Fulbright scholar who studied the Credit Rating Mechanism and Pension System. He was mentioned by Business Today Magazine as one of the best Ten Professors among all IIMs. 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 is the Vice Chancellor of Delhi Technological University. He is also working as the Director of Netaji Subhas Institute of Technology, New Delhi. Prof. Singh has been the Vice-Chancellor of the Maharaja Sayajirao University of Baroda from 2011 to 2014. He holds M.Tech. and Ph.D. (Computer Engineering) degrees from National Institute of Technology, Kurukshetra, Haryana. Prof. Yogesh Singh has excellent track record of quality teaching, innovation and research with 'h' index of 26 and citation index of 2073 as reported by Google scholar. He has also supervised 23 Ph.Ds in the area of Software Engineering. He is listed as third best amongst the most productive India authors for participating in Software Engineering Research reported in "Indian Computer Science Research Output during 1999-2008, Qualitative Analysis" Journal of Library & Information Technology, November 2010. He has more than 250 publications in International and National Journals/Conferences. Prof. Yogesh Singh has also authored a book on "Software Testing" published by Cambridge University Press, England. He has also Co-authored books on Software Engineering published by New Age International Delhi (2002), and Object Oriented Software Engineering published by PHI Learning, Delhi. Prof. Singh has also worked as Chairman, Central Regional Committee, All India Council for Technical Education, Bhopal (covering states of Madhya Pradesh, Chhattisgarh & Gujarat) from December 2011 to May 2014. He was member of the General Council of National Assessment and Accreditation Council (NAAC).



Dr. Bakul Dholakia, *Independent Director*

Dr. Bakul Dholakia holds degree of M.A. (Economics), Gold Medalist and has done Ph.D. (Economics) from MS University, Baroda. Dr. Bakul Dholakia is currently the Director General of International Management Institute (IMI) of Delhi. Prior to joining IMI, he was the Director of Adani Institute of Infrastructure Management & Gujarat Adani Institute of Medical Sciences, Bhuj. He has more than 46 years of professional experience including 33 years at IIM, Ahmedabad. During the course of his long tenure at IIM Ahmedabad, Dr. Bakul Dholakia occupied the Reserve Bank of India Chair from 1992 to 1999, served as the Dean from 1998 to 2001 and as the Director of IIMA from 2002 to 2007. Dr. Dholakia was the Chairman of the National Board of Accreditation for Technical Education in India from 2005 to 2008. He has guided 20 Ph.D. students specializing in Economics, Finance, Business Policy and Public Systems. Dr. Dholakia is the author of 12 books, 28 monographs and more than 50 research papers published in professional journals in India & abroad. In 2007, Dr. Dholakia was awarded Padma Shri by the Government of India in recognition of his distinguished services in the field of education. In 2008, Dr. Dholakia was conferred the coveted Bharat Asmita National Award by the Honorable Chief Justice of India. Over the last two decades, Dr. Dholakia has worked on numerous government committees. He has also been a member of the jury for various Corporate Excellence Awards and Selection Committees for CEOs. The Competition Commission of India has appointed Dr. Dholakia as a member of the Eminent Person Advisory Group. He has been a consultant to various national and international organisation.



Dr. Sudhir Kumar Jain, *Independent Director*

Dr. Sudhir Kumar Jain is an active academic and a passionate academic administrator. He has been on the faculty of IIT, Kanpur (IITK) since 1984 from where he is currently on leave to the new Indian Institute of Technology, Gandhinagar (IITGN) in Ahmedabad to shoulder the responsibilities of its Director. Dr. Jain holds a Bachelor of Engineering from the University of Roorkee, and Masters and Doctoral degrees from the California Institute of Technology, Pasadena. He was elected to the Board of Directors of the International Association for Earthquake Engineering in 2000, and is currently its President. He also served on the Board of Directors of the World Seismic Safety Initiative from 2002 to 2009. He was elected Fellow of the Indian National Academy of Engineering in 2003, and was conferred Life Membership by the New Zealand Society for Earthquake Engineering (NZSEE) in 2013.

**Shri Bhadresh Mehta, *Independent Director***

Shri Bhadresh Mehta is Chartered Accountant, Company Secretary and Cost Accountant by qualification. He holds professionally qualified senior managerial experience with a proven success of over 20 years in steering finance and audit functions of reputed business groups. His areas of specialization are strategic planning, financial management, auditing, risk assessment and management.

**Dr. T Natarajan, IAS, *Joint Managing Director***

Dr. T Natarajan, IAS holds a B.E. (Mining Engineering) and MBA (Finance & Marketing). He also holds Doctorate in Management. Dr. T Natarajan, IAS served as Joint Managing Director of Gujarat Narmada Valley Fertilizers & Chemicals Limited. He worked in Industrial Finance Corporation for 2 years and has also held distinguished positions in the Government of Gujarat including Commissioner, Technical Education, Commissioner, Geology & Mining as well as Secretary, Economic Affairs, Finance Department. He has served as a Director of Gujarat Mineral Development Corporation Limited, Gujarat Industrial Development Corporation Limited, Gujarat Urban Development Company Limited, Gujarat State Electricity Corporation Limited and Bhavnagar Energy Co. Ltd. Presently, he is Joint Managing Director of Gujarat State Petroleum Corporation Limited.

**Dr. J N Singh, IAS, *Managing Director***

Dr. J N Singh, IAS has done M.A. (International Studies, JNU), MDM (AIM, Manila), Ph.D from M S University. He has wide experience of working in various Government Departments and Public Sector Undertakings. He has held various key positions like Additional Chief Secretary, Finance Department, Govt. of Gujarat, Principal Secretary, Science and Technology Department, Textile Commissioner, Mumbai, Member (Finance), 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 Chief Secretary, Govt. of Gujarat.

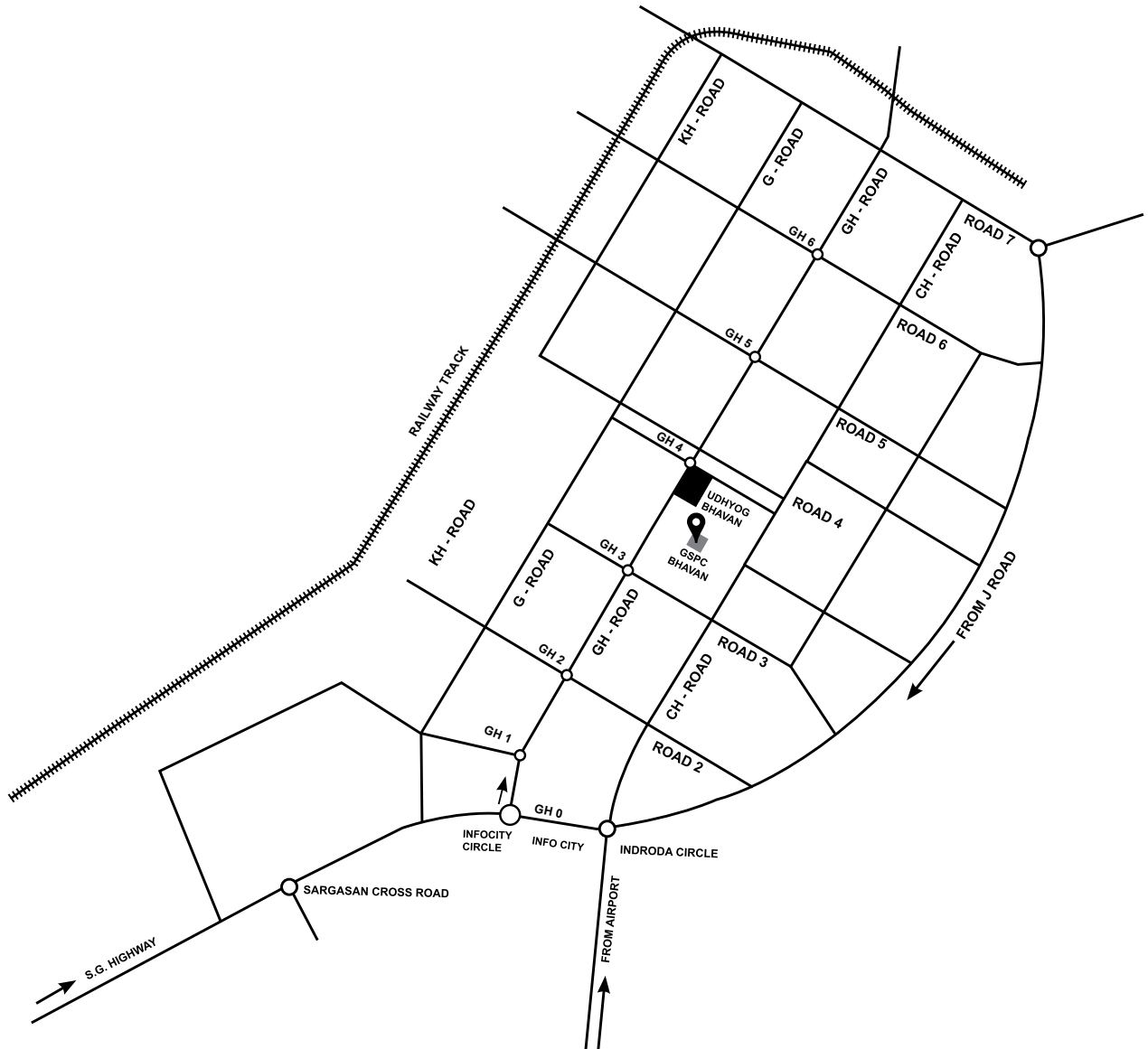
QUALITY, HEALTH, SAFETY AND ENVIRONMENT POLICY

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.

ROUTE MAP



AGM VENUE :

Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector - 11,
Gandhinagar - 382 010

NOTICE

Notice is hereby given that 18th Annual General Meeting of the members of Gujarat State Petronet Limited will be held on Thursday, the 22nd day of September, 2016 at 3.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector - 11, Gandhinagar - 382010 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (*Standalone & Consolidated*) of the Company for the Financial Year ended 31st March, 2016 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 Smt. Shridevi Shukla [DIN: 02028225] who retires by rotation and being eligible offers herself for re-appointment.
4. To fix remuneration of Statutory Auditors of the Company in terms of the provisions of Section 142 of the Companies Act, 2013.

SPECIAL BUSINESS

5. **To approve appointment of Dr. Sudhir Kumar Jain as an Independent Director of the Company.**

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

“RESOLVED THAT Dr. Sudhir Kumar Jain [DIN: 03646016], who was appointed as an Additional/Independent Director pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, and who being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years effective from 23rd October, 2015, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

6. **To approve appointment of Shri Bhadresh Mehta as an Independent Director of the Company.**

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

“RESOLVED THAT Shri Bhadresh Mehta [DIN: 02625115], who was appointed as an Additional/Independent Director pursuant to provisions of Sections 149, 152, 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, and who being qualified and eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five (5) consecutive years effective from 23rd October, 2015, subject to review of annual performance, and whose term of office shall not be liable to retirement by rotation.”

7. **To approve appointment of Shri Sujit Gulati, IAS as a Director of the Company.**

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

“RESOLVED THAT Shri Sujit Gulati, IAS [DIN: 00177274], who was appointed as an Additional Director pursuant to provisions of Sections 149, 152, 161 of the Companies Act, 2013 read with the Companies [Appointment and Qualifications of Directors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. **To ratify the remuneration payable to M/s R K Patel & Co., Cost Auditors of the Company for the Financial Year ending 31st March, 2017.**

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

“RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], M/s R K Patel & Co., Cost Accountants, Vadodara, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017 be paid the remuneration of ₹ 1,08,000/- [Rupees One Lac Eight Thousand Only] plus applicable taxes and reimbursement of out of pocket

expenses incurred by them during the course of Audit.

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

9. To approve payment of remuneration to Shri M M Srivastava, IAS (Retd.), Chairman.

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

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby accords its approval to the payment of monthly remuneration derived on the basis of “last pay drawn minus pension” as stipulated vide Resolution No. GPC-10-2010-110000-E of Govt. of Gujarat dated 10th May, 2013 and letter dated 25th July, 2016 to Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] w.e.f 24th August, 2016 for the period of two years or till further orders by Govt. of Gujarat, whichever is earlier.

RESOLVED FURTHER THAT Shri M M Srivastava, IAS (Retd.), Non-Executive Chairman [DIN: 02190050] shall also be entitled to perquisites/benefits/allowances as stipulated in the said GOG Resolutions.

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

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

For Gujarat State Petronet Limited

Reena Desai

Company Secretary

Date: 30th July, 2016

Place: Gandhinagar

Registered Office

GSPC Bhavan, Sector - 11

Gandhinagar - 382 010.

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 CORPORATE OFFICE OF THE COMPANY SITUATED AT GSPL BHAVAN, E-18, GIDC ELECTRONIC ESTATE, SECTOR-26, GANDHINAGAR-382028 MINIMUM 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% [TEN PERCENT] OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% [TEN PERCENT] OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members desirous of getting any information related to accounts or operations of the Company are requested to send in their queries so as to reach the Company's Corporate Office situated at GSPL Bhavan, E-18, GIDC Electronic Estate, Sector-26, Gandhinagar-382028 at least 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 Friday, 16th September, 2016 to Thursday, 22nd September, 2016 (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 Thursday, 29th September, 2016 to those Members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 15th September, 2016 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 at close of business hours on 15th September, 2016, after giving effect to all valid Share Transfers in physical