



# Gujarat State Petronet Limited

The Energy Lifeline of Gujarat



ANNUAL REPORT 2009-2010

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## Board of Directors

Shri A K Joti, IAS (w.e.f 8 <sup>th</sup> March, 2010)	Chairman
Shri D J Pandian, IAS	
Shri Atanu Chakraborty, IAS (w.e.f 2 <sup>nd</sup> March, 2010)	
Shri Suresh Mathur	
Shri J K Jain (w.e.f 12 <sup>th</sup> March, 2010)	
Shri R Vaidyanathan (w.e.f 12 <sup>th</sup> March, 2010)	
Shri N K Mitra (w.e.f 30 <sup>th</sup> March, 2010)	
Shri Tapan Ray, IAS	Managing Director
Shri Hasmukh Adhia, IAS (upto 3 <sup>rd</sup> November, 2009)	
Shri S Jagadeesan, IAS (upto 11 <sup>th</sup> December, 2009)	
Shri P K Pujari, IAS (upto 2 <sup>nd</sup> March, 2010)	
Shri D Rajagopalan, IAS (upto 8 <sup>th</sup> March, 2010)	

## Company Secretary

Ms. Reena Desai

## Bankers

Allahabad Bank  
Axis Bank Ltd.  
Bank of Baroda  
Bank of India  
Corporation Bank  
Dena Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
Oriental Bank of Commerce  
State Bank of Bikaner & Jaipur  
State Bank of India  
State Bank of Travancore  
The Karur Vysya Bank Ltd.  
The South Indian Bank Ltd.  
UCO Bank  
Union Bank of India  
Vijaya Bank

## Statutory Auditors

P Singhvi & Associates,  
Chartered Accountants  
Gandhinagar

## Internal Auditors

KPMG, Mumbai

## Registered Office

GSPC Bhavan, Behind  
Udyog Bhavan, Sector-11,  
Gandhinagar-382011, Gujarat.

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## NOTICE

Notice is hereby given that 12<sup>th</sup> Annual General Meeting of the members of Gujarat State Petronet Limited will be held on Tuesday, the 21<sup>st</sup> day of September, 2010 at 5.00 p.m. at Assembly Hall, GSPC Bhavan, Behind Udyog Bhavan, Sector-11, Gandhinagar-382 011 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Suresh Mathur, 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 Shri A K Joti, IAS, who was appointed as an Additional Director and Chairman of the Company pursuant to Section 260 of the Companies Act, 1956 read with Article 141(b) and 148 of the Articles of Association of the Company and who holds office till the conclusion of this Annual General Meeting, be and is hereby appointed as a Director and Chairman of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Shri Atanu Chakraborty, 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 till the conclusion 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 R Vaidyanathan, 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 till the conclusion 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 an ordinary resolution:

“RESOLVED THAT Shri J K Jain, 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 till the conclusion of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Shri N K Mitra, 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 till the conclusion of this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

**“RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company, Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) including any statutory modification(s) or re-enactment of the Act for the time being in force and the provisions of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) including any modifications thereof or supplements thereto and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including the Remuneration/Compensation Committee which the Board has constituted and / or may constitute or reconstitute to exercise its powers, including the powers, conferred by this resolution), the consent of the Company be and is hereby accorded to the Board of the Company to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including all Directors, whether whole time or otherwise of the Company, whether in India or abroad, either directly or through a trust, such number of options not exceeding 62,40,000 under GSPL Employees Stock Option Plan-2010” (hereinafter referred to as the “ESOP-2010” or the “Scheme” or the “Plan”), which could give rise to the issue of equity shares not exceeding 62,40,000 equity shares of Rs.10 each (together with the equity shares created / offered / issued / allotted or proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company’s holding company i.e. GSPC in terms of ESOP-2010) or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganisation of the capital structure of the Company as may be applicable from time to time, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other provisions of the law as may be prevailing at that time.

**RESOLVED FURTHER THAT** such equity shares issued and allotted under the Scheme pursuant to the exercise of the options shall rank pari passu in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** as is required, the Company shall confirm with the accounting policies as contained in the Guidelines from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment of the options under the Scheme, the Board be and is hereby authorised on behalf of the Company, to evolve, decide upon and bring into effect such Scheme(s), and make any modifications, changes, variations, alterations or revisions in such Scheme(s) from time to time, or to suspend, withdraw or revive such Scheme(s) from time-to-time, as may be permissible under the Guidelines and/ or any other applicable laws and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem fit or necessary or desirable for such purpose and with power on behalf of the Company, to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the shareholders of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps for listing of the equity shares allotted under the Scheme(s) on the stock exchanges where the equity shares of the Company are listed as per the provisions of the listing agreement(s) with the concerned stock exchanges, the Guidelines and any other applicable laws and regulations.”

**11. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:**

**“RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company, Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) including any statutory modification(s) or re-enactment of the Act for the time being in force and the provisions of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“the Guidelines”) including any modifications thereof or supplements thereto and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee including the Remuneration/Compensation Committee which the Board has constituted and / or may constitute or reconstitute to exercise its powers, including the powers, conferred by this resolution), the consent of the Company be and is hereby accorded to the Board of the Company to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company’s holding company i.e. Gujarat State Petroleum Corporation Limited, including all Directors, whether whole time or otherwise, whether in India or abroad, either directly or through a trust, such number of options not exceeding 62,40,000 under GSPL Employees Stock Option Plan-2010” (hereinafter referred to as the “ESOP-2010” or the “Scheme” or the “Plan”), which could give rise to the issue of equity shares not exceeding 62,40,000 equity shares of Rs.10 each (together with the equity shares created / offered / issued / allotted or proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company in terms of ESOP-2010) or such other adjusted number of equity shares for any bonus, stock split, consolidation or other reorganisation of the capital structure of the Company as may be applicable from time to time, at such price, in one or



more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the Guidelines or other provisions of the law as may be prevailing at that time.

**RESOLVED FURTHER THAT** such equity shares issued and allotted under the Scheme pursuant to the exercise of the options shall rank pari passu in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** as is required, the Company shall confirm with the accounting policies as contained in the Guidelines from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment of the options under the Scheme, the Board be and is hereby authorised on behalf of the Company, to evolve, decide upon and bring into effect such Scheme(s), and make any modifications, changes, variations, alterations or revisions in such Scheme(s) from time to time, or to suspend, withdraw or revive such Scheme(s) from time-to-time, as may be permissible under the Guidelines and/ or any other applicable laws and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem fit or necessary or desirable for such purpose and with power on behalf of the Company, to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the shareholders of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take such steps for listing of the equity shares allotted under the Scheme(s) on the stock exchanges where the equity shares of the Company are listed as per the provisions of the listing agreement(s) with the concerned stock exchanges, the Guidelines and any other applicable laws and regulations.”

By order of the Board of Directors,  
Reena Desai  
Company Secretary

Date: 23<sup>rd</sup> August, 2010  
Place: Gandhinagar

**Registered Office**  
GSPC Bhavan,  
Sector -11, Gandhinagar - 382 011.

**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. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
5. 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.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 15<sup>th</sup> September, 2010 to Tuesday, 21<sup>st</sup> September, 2010 (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 or after 21<sup>st</sup> September, 2010 to those members of the Company whose names appear (a) as beneficial owners as at the close of business hours on 14<sup>th</sup> September, 2010 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 15<sup>th</sup> September, 2010, after giving effect to all valid share transfers in physical form received on or before 14<sup>th</sup> September, 2010.
7. All transfer deeds, requests for change of address, bank particulars /mandates/NECS mandates, PAN should be lodged with

Company's Registrar and Share Transfer Agents, 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 14<sup>th</sup> September, 2010. 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.

8. 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.
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.

### **Annexure to the Notice** **Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956**

#### **Item No. 5**

Shri A K Joti, IAS was appointed as an Additional Director and Chairman of the Company by the Board of Directors with effect from 8<sup>th</sup> March, 2010 in accordance with the provisions of Article 141(b) and 148 of Articles of Association. As per the provisions of Section 260 of the Companies Act, 1956, he holds office till the conclusion 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 A K Joti, IAS for appointment as a Director and Chairman of the Company.

The Board recommends the appointment of Shri A K Joti, IAS as a Director and Chairman of the Company in accordance with the provisions of Article 141(b) of Articles of Association.

No other Director except Shri A K Joti, IAS is in any way concerned or interested in the said resolution.

The Members are requested to approve the resolution.

#### **Item No. 6**

Shri Atanu Chakraborty, IAS was appointed as an Additional Director of the Company by the Board of Directors with effect from 2<sup>nd</sup> March, 2010 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 till the conclusion 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 Atanu Chakraborty, IAS for appointment as a Director of the Company.

The Board recommends the appointment of Shri Atanu Chakraborty, IAS as a Director of the Company in accordance with the provisions of Article 141(a) of Articles of Association.

No other Director except Shri Atanu Chakraborty, IAS is in any way concerned or interested in the said resolution.

The Members are requested to approve the resolution.

#### **Item No. 7**

Shri R Vaidyanathan was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> March, 2010. As per the provisions of Section 260 of the Companies Act, 1956, he holds office till the conclusion 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 R Vaidyanathan, for appointment as a Director of the Company.

The Board recommends the appointment of Shri R Vaidyanathan, as a Director of the Company.

No other Director except Shri R Vaidyanathan is in any way concerned or interested in the said resolution.

The Members are requested to approve the resolution.



**Item No. 8**

Shri J K Jain was appointed as an Additional Director of the Company by the Board of Directors with effect from 12<sup>th</sup> March, 2010. As per the provisions of Section 260 of the Companies Act, 1956, he holds office till the conclusion 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 J K Jain, for appointment as a Director of the Company.

The Board recommends the appointment of Shri J K Jain, as a Director of the Company.

No other Director except Shri J K Jain is in any way concerned or interested in the said resolution.

The Members are requested to approve the resolution.

**Item No. 9**

Shri N K Mitra was appointed as an Additional Director of the Company by the Board of Directors with effect from 30<sup>th</sup> March, 2010. As per the provisions of Section 260 of the Companies Act, 1956, he holds office till the conclusion 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 N K Mitra, for appointment as a Director of the Company.

The Board recommends the appointment of Shri N K Mitra, as a Director of the Company.

No other Director except Shri N K Mitra is in any way concerned or interested in the said resolution.

The Members are requested to approve the resolution.

**Item No. 10 & 11**

The Company launched GSPL Employee Stock Option Scheme in the year 2005 to retain, motivate and further to align the interests of employees of the Company with those of shareholders. Based on the experience the management of the Company has gained and with the objectives of securing greater employee participation and further to motivate the employees to contribute and participate in the long term growth and financial success of the Company, the Board of Directors vide their resolution passed on 23<sup>rd</sup> August, 2010, have approved to set up GSPL Employees Stock Option Plan 2010, subject to the approval of the members in General Meeting and to grant options to the eligible employees/directors of the Company and/or its holding company under such Scheme. This would not only enable the Company to reward past loyalty and performance, but also to attract and retain the best talent besides enabling the employees to develop a greater sense of ownership with the Company.

The main features of the GSPL Employees Stock Option Plan-2010 are as under:

**1. Total number of options to be granted:**

Options not exceeding 62,40,000 number, will be available for being granted to the eligible employees of the Company and its holding company i.e. GSPC under GSPL Employees Stock Option Plan-2010. Each option (after it is vested) will be exercisable for one fully paid up equity share of Rs. 10 each. In the event of any corporate action(s), viz. bonus, consolidation or other reorganisation of the capital structure of the Company, number of options to be issued shall undergo fair, reasonable and appropriate adjustments pursuant to the Guidelines.

The Board (which term shall be deemed to include any Committee of the Directors as per the resolution) reserves right to decide the number of options to be granted in aggregate and the maximum number of options that can be granted to each employee / director from time to time. ESOP-2010 would continue till the options reserved under the Scheme are fully granted / exhausted and accordingly exercised or earlier terminated by the Board of Directors, whichever is earlier.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise would be available for being re-granted at a future date on such terms and conditions as the Board may deem fit.

**2. Identification of classes of employees entitled to participate in the GSPL Employees Stock Option Plan 2010:**

All permanent employees and Directors of the company and its holding company whether working in India or abroad, as may be decided by the Board, from time to time, would be entitled to participate in the ESOP-2010. Employees may be granted

Stock Options based on experience, performance appraisal process and such other criteria as the Board may, in its absolute discretion decide.

However the persons who are

- i. "Promoters" or part of the "Promoter Group" and/or
- ii. any Director who holds either by himself or through his relative, or through any body corporate, directly or indirectly, more than 10% of the outstanding equity shares of the Company or such other percentage as prescribed under the SEBI Guidelines and/or under such other applicable law

shall not be entitled to participate in the Plan.

The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

**3. Requirements of vesting and period of vesting:**

Options granted under the Scheme would vest not earlier than one year and not later than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company. The Board may specify that the options would vest subject to elapse of time or lay down certain performance metrics on the achievement of which the granted options would vest or may determine such other criteria as it may deem fit. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.

**4. Exercise price:**

The exercise price for the purpose of the grant of options shall be as decided by the Board. However, the exercise price shall not be lower than the face value of the equity shares.

**5. Exercise period and the process of exercise:**

The exercise period would commence from the date of vesting and will expire on completion of such period as may be decided by the Board but shall not exceed ten years from the date of grant of options.

The options will be exercisable by the employees by a written application to the Company to exercise the options in such manner, and on execution of such documents, as may be prescribed by the Board from time to time. The options will lapse if not exercised within the specified exercise period.

**6. Appraisal process for determining the eligibility of the employees to ESOP-2010:**

The appraisal process for determining the eligibility of the employee will be specified by the Board, and will be based on criteria such as seniority of employee, length of service, performance record, merit of the employee, future potential contribution by the employee and/or such other criteria that may be determined by the Board at its sole discretion.

**7. Maximum number of options to be issued per employee and in aggregate:**

The number of options that may be granted to employees under the Scheme shall be determined by the Board from time to time. However, grant of options to an employee, during any one year shall not be equal to or exceeding 1% of the issued capital of the Company at the time of grant of options.

**8. Disclosure and accounting policies:**

The Company shall comply with the disclosure and the accounting policies prescribed under applicable Guidelines/Laws.

**9. Method of option valuation**

To calculate the stock-based compensation, the Company may use the Fair Value method for valuation of the options granted.





If the Company calculates the employee compensation cost using Intrinsic Value of the stock options, the difference between the employee compensation cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall be disclosed in such manner as may be prescribed under applicable law/guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the options/securities that may be offered to them under the Scheme.

As the employees stock option scheme provide for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is sought pursuant to Section 81(1A) of the Companies Act, 1956. The Members are requested to approve the resolution.

By order of the Board of Directors,  
Reena Desai  
*Company Secretary*

Date: 23<sup>rd</sup> August, 2010  
Place: Gandhinagar

**Registered Office**  
GSPC Bhavan,  
Sector -11, Gandhinagar - 382 011.

## DIRECTORS' REPORT

### Directors' Report

To,  
The Members  
Gujarat State Petronet Limited

The Directors have pleasure in presenting 12<sup>th</sup> Annual Report and audited accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL HIGHLIGHTS

	(Rs. in crores)	
Particulars	2008-09	2009-10
<b>Total Income</b>	<b>511.81</b>	<b>1016.72</b>
Manpower Expenses	10.94	9.94
Gas Transmission Charges	3.58	0.36
Connectivity Charges	9.08	NIL
Admin, O&M & Other Expenses	35.85	49.14
<b>Total Operating Expenses</b>	<b>59.45</b>	<b>59.44</b>
<b>Gross Margin/EBIDTA</b>	<b>452.36</b>	<b>957.28</b>
Miscellaneous Expenditure		
Written off	2.99	2.79
Interest (after capitalization)	87.12	93.83
Depreciation	170.49	236.49
Prior Period Adjustments	0.41	(2.72)
<b>Profit Before Tax</b>	<b>191.35</b>	<b>626.89</b>
Tax including Deferred Tax	67.94	213.12
<b>Profit After Tax</b>	<b>123.41</b>	<b>413.77</b>

### MAJOR ACHIEVEMENTS

The year was marked by several accomplishments, both in terms of physical and financial performance. Your Company has maintained an upward trend in all performance parameters as follows,

- Total Income increased from Rs. 511.81 crores in previous year to Rs. 1016.72 crores, recording an increase of 98.65%.
- EBIDTA increased from Rs. 452.36 crores in previous year to Rs. 957.28 crores, recording an increase of 111.62%.
- PAT increased from Rs. 123.41 crores in previous year to Rs. 413.77 crores, recording an increase of 235.28%.
- Pipeline grid availability and “accident free” year of operations.
- The Company is currently transporting an average of 37 mmscmd of gas.
- PNGRB is in the process of granting authorization to GSPLs existing pipeline network.
- The Company had filed Expressions of Interest (EOI) for development of cross country gas transmission pipeline network comprising of Mallavaram – Bhilwara (approx

1585 Kms), Mehsana – Bhatinda (approx 1670 Kms), Bhatinda- Jammu- Srinagar (approx 740 Kms) and Surat-Paradip (approx 1680Kms). Out of these four pipeline projects, PNGRB has invited bids for the first three projects.

### CAPITAL

During the year, paid up share capital of the Company has increased from Rs. 562.11 crores to Rs. 562.45 crores on account of allotment of shares to eligible employees under the ESOP 2005 Scheme.

### DIVIDEND

Keeping in view the fund requirements for expansion projects, the Board of Directors of the Company is pleased to recommend dividend @ Re. 1 (i.e. 10 %) per equity share of the face value of Rs. 10 each for the Financial Year 2009-10.

### GAS TRANSMISSION SERVICES

The Company has signed firm GTAs for transporting 35.46 mmscmd of gas to various customers and interruptible / short term GTA for 6.49 mmscmd (Previous year: firm GTAs :- 31.99 mmscmd & interruptible GTAs :- 11.17 mmscmd).

### GAS GRID PROJECT

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

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

The pipeline grid map is enclosed herewith as annexure-IV.

#### *Projects commissioned*

Since last Directors' Report, the Company has successfully commissioned various pipeline projects like Gana Hadala, Morbi-Anjar, Welspun-Anjar, Olpad–GESC Utran and Spur to customers like Euro Ceramics-Anjar, Hindustan Glass-Halol, Birla Copper-Dahej etc.

Current Grid operations account for approx. 1666 kms. Gas is flowing from Hazira / Dahej / Vapi to various industries and City Gas Distribution (“CGD”) Networks located in Surat, Bharuch, Baroda, Anand, Ahmedabad, Gandhinagar, Sabarkantha, Mehsana, Surendranagar, Rajkot, Jamnagar, Navsari, Kutchh, Panchmahal, Kheda and Valsad districts of Gujarat.

#### *Projects on Hand*

Your Directors are pleased to inform that the Company continues to develop pipeline infrastructure in the State of