



Gujarat State Petronet Ltd.

GSPL Bhavan,
E-18, GIDC Electronics Estate, Nr. K-7 Circle,
Sector-26, Gandhinagar-382028.
Tel.: +91-79-23268500/600 Fax : +91-79-23268506
Website : www.gspcgroup.com

GSPL/S&L/2019-20
13th May, 2019

To,
The General Manager
Corporate Finance Department
Securities and Exchange Board of India
Plot no. C4-A, 'G' Block,
Bandra Kurla Complex,
Mumbai- 400051

Dear Sir/ Madam,

Sub: Request for Interpretive Letter under the SEBI (Informal Guidance) Scheme, 2003 as amended, regarding clarification on Material Financial Relationship of Designated Person under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

Background:

Gujarat State Petronet Limited (GSPL) is a Govt. Company within the meaning of Section 2(45) of the Companies Act, 2013 and carrying on the business of transportation of gas through pipelines. GSPL is listed on BSE and NSE. Thus, various Regulations issued by SEBI from time to time are applicable to the Company unless expressly exempted.

Applicable Regulation:

SEBI vide Notification dated 31st December, 2018 amended various provisions of the Insider Trading Regulations. One of the amendments in the Schedule B of The Regulations was *Disclosures from Designated Person(s) with whom they have Material Financial Relationship*.

Material Financial Relationship has been explained in the Regulations as "a relationship in which one person is a recipient of any kind of payment such as loan or gift during immediately preceeding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions".

Clarification sought:

On behalf of the Company, following clarifications are sought:

- 1) Whether only monetary transactions would construe to establish the Material Financial Relationship or even the non-monetary transactions would create a Material Financial Relationship.

DR



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- 2) Pursuant to the said amendment Regulations, a Designated Person is required to provide details of their Immediate Relatives. If a Designated Person has Material Financial Relationship with one of his Immediate Relatives, then in that case whether the same is required to be disclosed separately in the category of person with whom the Designated Person has a Material Financial Relationship as well?
- 3) Recently the Company has received requests from the various Designated Person(s) of the Company seeking clarification if they should disclose the name of the person with whom they have entered in to certain nature of transactions during previous year (the list of transaction which the company feels requires a SEBI interpretation/guidance to ensure the compliance requirement of disclosure of name of the person with whom the designated person shares a material financial relationship) as "a person with whom such designated person shares the material financial relationship":
- i. A Designated Person of a Company is making the payment of fees of his Granddaughter by directly depositing such amount of fees to the account of the University and such amount of fees is exceeding 25% of the Designated Person's Annual Income.
[The Designated Person is claiming that the fees are paid directly to the account of the University and such transaction is to ensure the granddaughter gets the good education and hence should not be termed as transaction which can attract the relationship with the granddaughter as a material financial relationship. Further, the Designated Person has enquired that if he is required to provide disclosure in relation to the said transaction, the details of which person should be disclosed i.e. with whom the Designated Person is sharing Material Financial Relationship, the granddaughter (who is a minor) or parents of such granddaughter.]
- ii. A Designated Person of a Company has gifted a small piece of land to her daughter on her birthday, the cost of which constitutes to be more than 25% of Designated Person's Annual Income.
[The Designated Person is claiming that as a parent the designated person gifts such things to their children on their birthday which will build a wealth for their children and hence should not be termed as transaction which will create a material financial relationship as such transactions were made even prior to he became the designated person.]
- iii. A Designated Person has credited his daughter's account with a sum of Rs.2 lacs as a gift on her birthday which exceeds 25% of Designated Person's Annual Income.
- iv. A Designated person has deposited an amount to the account of her niece for payment by her of the fees of the University for Higher Management Studies and such amount of fees is exceeding 25% of the Designated Person's Annual Income. The niece will return such amount (without interest) gradually once she starts earning the money after completing her education.

JKR



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- v. A Designated Person's maternal uncle has sponsored foreign country trip of Designated Person which constitutes to be more than 25% of such Person's Annual Income.

[The Designated Person has informed that the maternal uncle sponsors such trip frequently and this was done in past also when the person was not the Designated Person of the Company and hence should not be termed as transaction creating the material financial relationship with the maternal uncle]

- vi. A Designated Person undertakes to repay financial obligations of a person exceeding 25% of his Annual Income in a year, wherein, the actual payment takes place in piecemeal over a period of more than two years.

We will be pleased to provide you any further information as you may seek. The contact details of the Authorised Person are mentioned below:

Name: Reena Desai

Address: GSPL Bhavan, E-18, GIDC, Electronic Estate, Sector-26, Gandhinagar-382028.

Contact no: 079-23268520

E-Mail: reena@gspc.in

This is an Interpretive Letter under the SEBI (Informal Guidance) Scheme, 2003 as amended. Accordingly, please find enclosed herewith a demand draft for Rs. 25000/- as fees payable to SEBI under the scheme.

Thanking You

Regards,

For Gujarat State Petronet Limited,

Reena Desai
Reena Desai

Company Secretary

Encl: As Above (1) DD No. 735246 / date: 13.05.2019



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GSPL/S&L/2019-20
Date: 2nd November, 2019

To,
Mr. Mohd Sajid,
6th Floor, SEBI Bhavan,
Plot No.C4-A, 'G' Block
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051, Maharashtra

Sub: Submission of revalidated Demand Draft for Rs. 25000/- as fees payable to SEBI under the SEBI (Informal Guidance) Scheme, 2003.

Ref: 1) E-mail received from SEBI requesting to re-validate the Demand Draft.

2) Our request for Interpretative Letter under SEBI (Informal Guidance) Scheme, 2003.

With reference to captioned subject matter, please find enclosed herewith the revalidated Demand Draft dated 1st October, 2019 bearing No. 168025 for Rs. 25,000/- towards fees payable to SEBI under the SEBI (Informal Guidance) Scheme, 2003.

You are requested to provide us Informal Guidance under the SEBI (Informal Guidance) Scheme, 2003 on applicability of certain provisions of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 as requested vide our Interpretative Letter dated 13th May, 2019. Copy of the Interpretative Letter is also enclosed herewith for reference.

Kindly acknowledge receipt for the same.

Thanking You.

Regards,

For Gujarat State Petronet Limited

Reena Desai

Reena Desai
Company Secretary



Encl: As above

Recvd at 4:46 pm on 15/11/19