

**Clean energy solution
for a **green** future**

**13th Annual Report
2011-12**




INDRAPRASTHA GAS LIMITED

VISION

To be the leading clean energy solutions provider, committed to stakeholder value enhancement, through operational excellence and customer satisfaction.

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Dear co-owners,

With its vision firmly in place, your Company **sustained its growth momentum both in financial and physical numbers** in the financial year ended March 31, 2012. Gross Turnover of ₹ 2790 Crores and Profit After Tax (PAT) of ₹ 306 Crores increased by 43% and 18% respectively over the previous year of 2010-11. In terms of Sales volume the growth was 22.3% as compared to previous year.

It gives me pleasure to share with you that in its journey of over 13 years, your Company continued to support and implement best practices in all the areas of operations and has built up a high quality City Gas Distribution (CGD) infrastructure in Delhi and National Capital Region (NCR). As on March 31, 2012, your Company was providing Compressed Natural Gas (CNG) to over 5,50,000 vehicles, Piped Natural Gas (PNG) to 3,30,000 domestic households and around 860 commercial & industrial customers. Your Company's success story of multifold business growth and ever-growing customer base has been recognized from time to time and recently it was declared **winner in the category of Urban Infrastructure at the coveted Infrastructure Excellence Awards 2012**.

The landscape in City Gas Distribution is changing under the regulatory regime and competitive environment. In the face of the complex and changing macro-economic scenario, your Company can not be complacent about its past achievements and is gearing up to meet the new challenges and seize emerging opportunities. Towards this direction, your Company has already drawn comprehensive plans to consolidate and expand its infrastructure robustly in National Capital Territory (NCT) of Delhi and NCR by investing over ₹ 500 Crores during the financial year 2012-13. Your Company also **endeavors to broaden its geographical spread** by implementing CGD operations in new geographies by self or through strategic business alliances. The Company is also exploring business opportunities in renewable energy segments within the wider gamut of clean energy solutions.

With the projected rise in share of natural gas in energy basket, your Company is destined to grow in green energy space. As a responsible corporate citizen, your Company takes pride in building a cleaner and greener future for Delhi and NCR through supply of natural gas which is least polluting among all the fossil fuels.

Your Company has **customer centric approach** and strives to bring continuous improvement in delivery of its products. One amongst several initiatives to enhance customer relationship,

your Company has provided the **facility of interactive Customer Portal** to enhance customer experience with IGL. Your Company is also working for promoting **wider use of gas applications** in new areas such as gas geysers, water heaters and co-generation.

Your Company gives due **emphasis to good corporate governance practices** and has followed an inclusive approach recognizing that stakeholders such as the community in which the Company operates, its customers, its employees and its suppliers need to be considered when developing the strategy of a Company.

Your Company has a talented pool of Human Resource and it is their untiring efforts that have ensured continuous advancement of the Company. As the Company grows in size and complexity, there would be a need to have a trained pool of skilled and experienced manpower. Your Company is committed to provide its employees ample opportunities for career growth and learning which will go a long way in retaining talent. Your Company is also recognizing the importance of Information Technology (IT) in today's business environment and is **continuously upgrading IT systems** and usage in its area of operations.

Your Company has given **utmost priority to Health Safety & Environment (HSE)** and is committed to provide reliable and safe operations to the customers. Your Company has implemented best HSE practices and has been upgrading manpower skills towards HSE awareness and compliances through continuous training.

As a part of Corporate Social Responsibility (CSR) programme, apart from other initiatives, your Company has been sponsoring coaching for professional courses for meritorious students from economically backward sections of the society.

This Annual Report gives you a closer look at IGL's all round achievements in the year 2011-12, and a glimpse at our goals for the future.

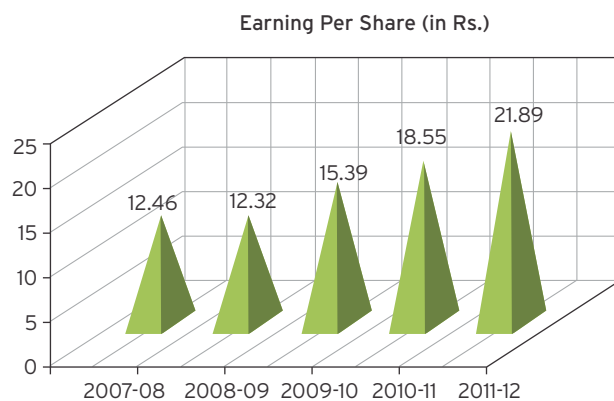
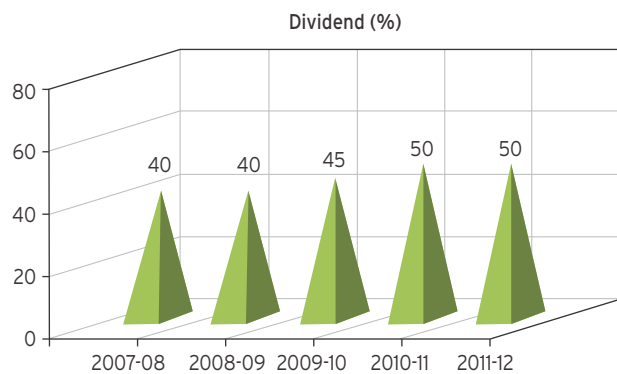
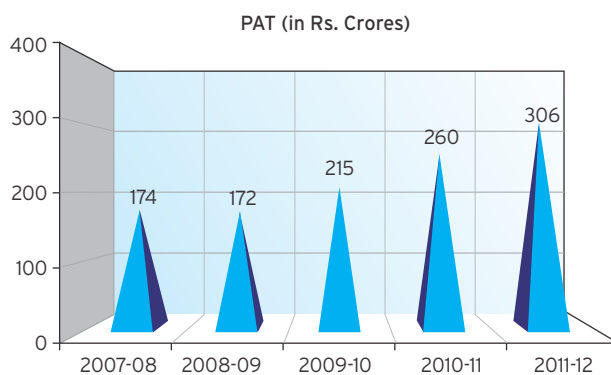
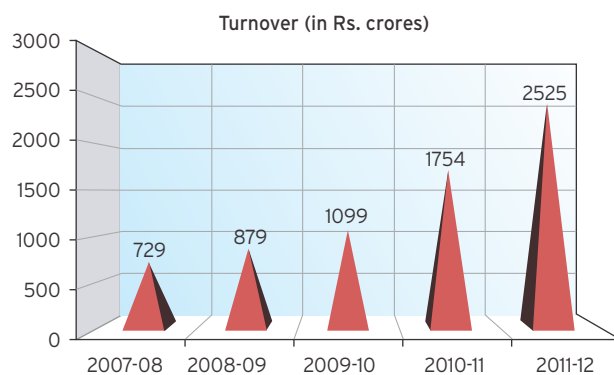
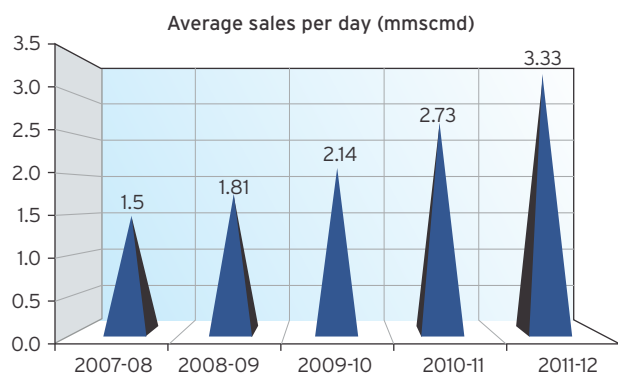
I am confident that with your support and trust in us, your Company would achieve new heights in times to come.

With best wishes,

Yours sincerely



(S. Venkatraman)
Chairman

Financial Highlights


Board of Directors

INDRAPRASTHA GAS LIMITED



Shri S. Venkatraman
Chairman



Shri M. Ravindran
Managing Director



Shri Manmohan Singh
Director (Commercial)



Shri K. K. Gupta
Director



Shri R. Chandra Mohan
Director



Shri S. S. Rao
Director



Prof. V. Ranganathan
Director

Bankers	• Canara Bank • ICICI Bank Limited • IDBI Bank Limited • State Bank of India • Axis Bank Limited • Kotak Mahindra Bank Limited • HDFC Bank Limited
Statutory Auditors	M/s Deloitte Haskins & Sells
Cost Auditors	M/s Chandra Wadhwa & Co.
Company Secretary	Shri S. K. Jain
Registered Office	IGL Bhawan, Plot No. 4, Community Centre Sector 9, R K Puram, New Delhi - 110022

TO,

THE MEMBERS

Your Directors have pleasure in presenting the Thirteenth Annual Report alongwith Audited Accounts of the Company for the year ended March 31, 2012.

PHYSICAL PERFORMANCE

During the year, the Company recorded sales as under :

Figures in Million Standard Cubic Meters (mmscm)			
Product	For the Year		% Growth (YoY)
	2011-12	2010-11	
Compressed Natural Gas (CNG)	937.55	817.76	14.6
Piped Natural Gas (PNG)	282.45	179.89	57.0
Total	1220.00	997.65	22.3
Average Sales Per day (mmscmd)	3.33	2.73	

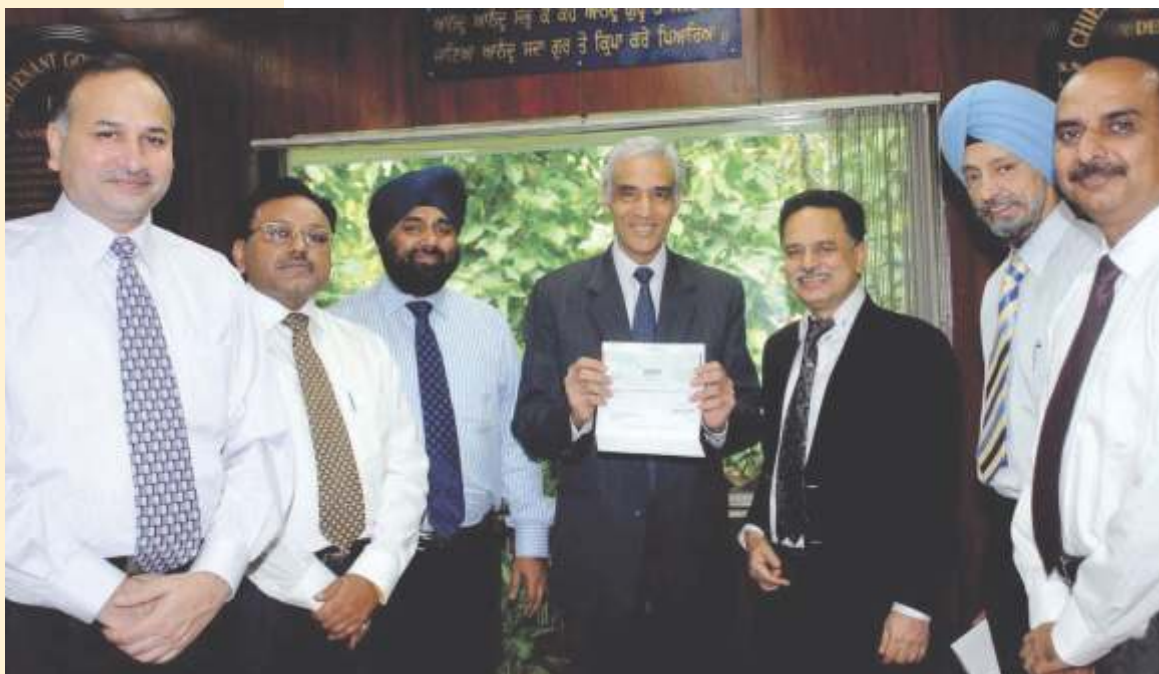
FINANCIAL RESULTS

(Rs. in Crores)

ITEMS	For the Year	
	2011-2012	2010-2011
Net Sales & Other Income	2525.34	1753.55
Profit before Depreciation & Tax	593.30	488.58
Depreciation	143.21	102.87
Profit before tax	450.09	385.71
Provision for tax	143.66	125.94
Profit after tax	306.43	259.77
Profit brought forward from previous year	746.17	593.73
Profit available for appropriations	1052.60	853.50
Appropriations:		
Proposed dividend	70.00	70.00
Corporate dividend tax	11.35	11.35
Transferred to general reserve	30.64	25.98
Profit carried forward	940.61	746.17
	1052.60	853.50



Shri M. Ravindran, Managing Director, Shri Manmohan Singh, Director (Commercial) and Shri Manjeet Singh, VP (E&P) receiving the Infrastructure Excellence Award 2012 for Urban Infrastructure on behalf of IGL for the project - City Gas Distribution in Delhi and NCR from Shri Kamal Nath, Union Minister for Urban Development.



Shri Rajesh Vedvyas, then Managing Director and Shri Manmohan Singh, Director (Commercial), along with senior IGL officials present the dividend cheque for 2010-11 to Shri Tejendra Khanna, Hon'ble Lt-Governor of Delhi.

FINANCIAL REVIEW

The Company has been showing consistently good financial performance both in terms of turnover and profitability. During the year, gross turnover of the Company increased by 43% from Rs. 1951.50 crores in year 2010-11 to Rs. 2790.10 crores in the year 2011-12. Profit after tax also went up by 18% from Rs. 259.77 crores in 2010-11 to Rs. 306.43 crores in 2011-12.

DIVIDEND

Your Directors are pleased to recommend dividend of 50% (Rs. 5 per share) as paid in the last year. The proposed dividend including corporate dividend tax would absorb Rs. 81.35 crores.

PERFORMANCE HIGHLIGHTS

COMPRESSED NATURAL GAS BUSINESS

During the year, your Company augmented its CNG distribution infrastructure by enhancing the capacity of existing stations and adding new stations. The number of stations went up from 278 in March 2011 to 308 in March 2012, which included 258 stations in Delhi and 50 stations in National Capital Region (NCR). By capacity enhancement as well as new stations, the installed compression capacity went up by 16.5% from 51.13 Lakhs Kg/day in March 2011 to 59.56 Lakhs Kg/day in March 2012.

New concept of cluster buses took off in NCT of Delhi and 238 cluster buses were operational in March 2012.

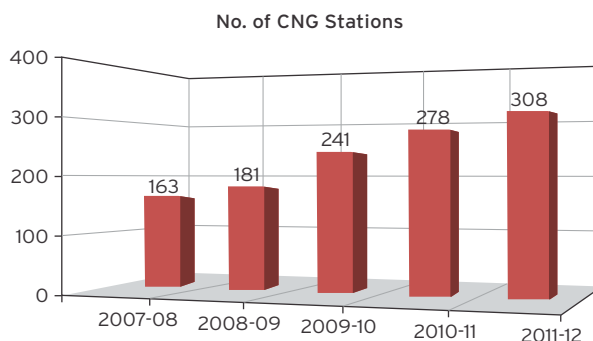
The estimated number of vehicles running on CNG in Delhi and NCR as on 31st March 2012 was over 5,50,000 including 17,000 buses and around 3,20,000 private vehicles.

PIPED NATURAL GAS BUSINESS

PNG - Domestic Connections

A major thrust has been given to the expansion of Piped Natural Gas (PNG) network in Delhi and NCR i.e. Gautam Budh Nagar (Noida, Greater Noida) and Ghaziabad.

Your Company has increased its steel pipeline network from 420 kms in FY 2010-11 to 575 kms by laying additional 155 kms of Steel pipeline during the FY 2011-12.



For PNG domestic connections, Delhi has been divided into 70 areas (each area is equivalent to MLA constituency). The pipeline network is already extended to 56 areas and work is in progress to extend the network to the remaining areas. During the year, your Company has extended the PNG network in various localities in Delhi, namely:

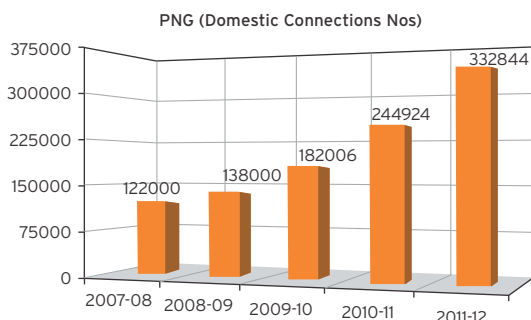
- North Delhi - Rohini (Sectors 15-18, 20-25), B D Estate, Civil Lines, Kamla Nagar, Roop Nagar, Shastri Nagar, Kalyan Nagar, Gulabi Bagh, Nimri Colony, Timarpur, Mukherjee Nagar.
- South Delhi - Vasant Kunj (remaining areas), East of Kailash, Vikram Vihar National Park, Sheikh Sarai Ph-I, Green Park Extension, Saket (remaining areas), Qutub Institutional Area, Shivalik, Geetanjali Enclave, Navjeevan Vihar.
- West Delhi - Dwarka (remaining areas), Nangloi, Bakarwala, Loknayak Puram, Janakpuri (remaining areas), Vaishali (Dabri), Hari Nagar (remaining areas).
- East Delhi - East Guru Angad Nagar, Mayur Vihar Phase-III (C1&2, B1-B8, D1&2), Vivek Vihar -ITI Quarters, BSNL Quarters.
- Central Delhi - Karol Bagh, Rajouri Garden, B-Block, Rajinder Nagar(old &new), NDMC areas (remaining areas), Minto Road, Defence Colony, Siddhartha Enclave.

In Noida, your Company during the year has extended the PNG supply to Sectors- 11, 15-A, 17, 19, 20, 23, 26, 27, 30, 31, 36, 40, 41, 49, 55-60, 62, 63, 65, 67, 82 and 110.

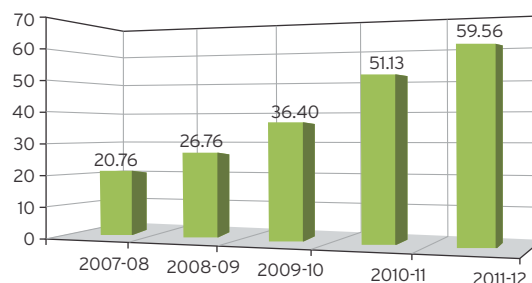
In Greater Noida, your Company during the year has extended the PNG supply to Sectors Omega-I, Zeta-I, II and Delta-I, II, III Chai, Alpha-II, Sigma-I, II, III, Gamma-II.

In Ghaziabad, the PNG supply has been extended to Raj Nagar, Sanjay Nagar, Kavi Nagar, Patel Nagar, Shastri Nagar, Nehru Nagar, Surya Nagar, Chander Nagar, Ramprastha, Brij Vihar, Chiranjivi Vihar, Avantika, Shalimar Garden, Rajender Nagar and Nandgram.

During the year, your Company provided 53,689 PNG connections in Delhi & 34,231 PNG connections in NCR and the total number of connections went up from 2,44,924 in March 2011 to 3,32,844 in March 2012. Addition of 87920 domestic PNG connections is the highest addition in a Financial Year in the history of the Company.



Compression Capacity (Lakh Kg/Day)



Your Company has increased its MDPE network from 4419 kms in FY 2010-11 to 6479 kms in FY 2011-12 by adding 2060 km MDPE pipelines.

PNG - Commercial & Industrial

During the year, the Company gave a major thrust to boost the sales volume of Commercial and Industrial customers. In Delhi and NCR, the total number of commercial customers increased from 463 in March 2011 to 639 in March 2012 and industrial customers from 68 in March 2011 to 223 in March 2012. During the year 2011-12, the sales volume from industrial & commercial customers grew by 71% over the previous year.

In Delhi, the Company has expanded its pipeline network to industrial areas like Wazirpur, Jahangirpuri, Narela, Okhla, Nangloi, Mangolpuri, Naraina, Kirti Nagar, Bawana, Mundka etc.

In Noida, your Company has expanded its pipeline network to industrial areas of Sector 57, 58, 59, 63, 65 and 67. In Greater Noida, your Company has expanded its pipeline network to Industrial areas of Sectors of Omega, Chai, KP-V, Industrial Area-B & C. In Ghaziabad, your Company has expanded its pipeline network to industrial area of Kavi Nagar Industrial Area, Goldhar Industrial Area, Meerut Road Industrial Area, Loni Road Industrial Area, Anand Industrial Area, Sahibabad Industrial Area (Site-IV). Pipeline laying activities are underway in the remaining major industrial areas in NCR which have huge demand potential.

REGULATORY DEVELOPMENTS

Petroleum and Natural Gas Regulatory Board (PNGRB) vide its order no. TO/03/2012 dated 9th April 2012 determined the per unit network tariff and compression charge for the CGD Network of IGL for Delhi, based on submission of data by the Company in May 2009 and certain assumptions taken by PNGRB in this regard. The tariffs determined by PNGRB were much lower than the rates submitted by the Company.

Further, PNGRB made the determined tariffs applicable with retrospective effect from 01st April 2008. In its order PNGRB stated that the modalities and time frame for refund of differential Network Tariff and Compression Charge shall be decided subsequently.

IGL filed a writ petition on 10th April 2012 against the order of PNGRB challenging the vires of Network Tariff

Regulations and order dated 9th April 2012 before the Hon'ble Delhi High Court.

The Hon'ble Delhi High Court in its judgement delivered on 1st June 2012 has held that PNGRB is not empowered to fix or regulate maximum retail price at which gas is to be sold by IGL to its consumers. The judgement has also held that the Board is not empowered to fix any component of Network Tariff and Compression Charge for any entity like IGL having its own distribution network. The Hon'ble Court has quashed PNGRB Order dated 9th April 2012.

FUTURE OUTLOOK

Your Company has drawn out plans to further consolidate its presence in Delhi and NCR by investing over Rs. 500 crores during the financial year 2012-13.

In CNG, the new concept of Private Bus Cluster introduced by Government of Delhi is expected to reach 1,000 buses by the end of 2012-13. Decision of Delhi Government to introduce 45,000 new auto rickshaws will add to volume in sales. The growth in private car owners segment is expected to maintain the trend of previous years.

Your Company has aggressive plans to expand its pipeline infrastructure to increase the coverage and penetration of the network. It shall be the continuous endeavour to expand

fast the customer base on both industrial & commercial and domestic fronts.

The pipeline expansion plans have been aligned with development of industrial belts in coming years in NCT of Delhi & NCR cities of Noida, Greater Noida and Ghaziabad. Your Company has made plans to expand pipeline network to take advantage of the recent notification of regulations and guidelines for redevelopment of industrial clusters in NCT of Delhi which will witness substantial improvement in their infrastructure & facilities. Endeavours will be made to realize full market potential by tapping gas volumes from industries, predominantly Small Scale Industries, which will come up during the redevelopment phase in notified clusters of NCT of Delhi.

Your Company also has plans to provide PNG supplies to upcoming industrial belts along Delhi Mumbai Railway Freight Corridor in Dadri Noida Ghaziabad Investment Zone and part of Ludhiana Kolkata freight corridor which will pass through Ghaziabad District.

Your Company alongwith Delhi Jal Board (DJB) and a group Company of Bharat Forge, M/s KG Renewables Limited has signed an MOU to set up a Pilot Project for production of Compressed Natural Gas (CNG) out of Sewage Treatment Plant (STP) situated at Keshopur, Delhi. The project includes



Shri R.P.N. Singh, Union Minister of State for Petroleum & Natural Gas inaugurates IGL stall at the 6th Asian Gas Partnership Summit in the presence of Shri S. Venkatraman, Chairman and Shri M. Ravindran, Managing Director.



Shri P.K. Tripathi, Chief Secretary, Govt. of NCT of Delhi and HE Shri Lars - Olof Lindgren, Ambassador of Sweden to India along with Shri S. Venkatraman, Chairman and Shri M. Ravindran, Managing Director at the signing of MoU with Delhi Jal Board towards developing India's first CBG (Compressed Biogas) plant to convert waste into CNG.

converting Sewage Gas generated from STP's to usable Energy which can be utilized for fueling CNG vehicles. Detailed Feasibility Report (DFR) is under preparation to evaluate the techno-commercial feasibility of the project.

INFORMATION TECHNOLOGY

Your Company has taken initiatives for Disaster Recovery and Business Continuity planning. This Project is in advance phase and scheduled to be completed during the financial year 2012-13. This will help your Company to continue its business during and after any disaster.

Your Company has implemented customer portal which includes CRM (Customer Relationship Management) functionalities last year. This portal extends facilities such as online PNG bill viewing & payment, complaint logging etc. as self service to customers. This system also provides common platform for IGL employees, customers and third parties to work collaboratively and achieve greater customer satisfaction. Your Company is continuously making efforts to improve and reap more benefits from this system.

Apart from this, your Company has also taken initiative for technology enhancement at primary data centre alongwith up-gradation of SAP (ERP System). An initiative has also been taken for advanced surveillance of CNG stations.

GIS (Geographical Information System) Project which has been taken up for effective Asset Management, Network Planning and Operations Management is in advance phase and is scheduled to be completed during the financial year 2012-13.

HUMAN RESOURCES

During the year, your Company enjoyed harmonious and cordial human relations among all its employees. Your Company inducted employees at entry level from various premier technical institutes / colleges to infuse new talent in the workforce of the Company. There has been a continuous emphasis on building capabilities & learning of all employees aimed at better organizational performance.

There was no employee in the Company drawing remuneration more than the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

HEALTH SAFETY AND ENVIRONMENT (HSE)

Your Company has always accorded top most priority to Fire and Safety related issues. To maintain a good safety culture throughout the Company, continuous efforts have been made.



Shri S. Venkatraman, Chairman and all directors on the Board of IGL - Shri R. Chandra Mohan, Shri K.K Gupta, Shri S.S. Rao and Prof. V. Ranganathan along with Shri M. Ravindran, Managing Director and Shri Manmohan Singh, Director (Commercial) at a function to felicitate successful students from underprivileged backgrounds sponsored for IIT JEE 2012 coaching by IGL as a part of its CSR programme.

Regular training is being imparted to the employees, contract staff at CNG Stations, DTC Drivers and consumers of CNG and PNG. To create safety awareness and impart training to all category of consumers, a dedicated group of trainers with fully equipped training van is deployed which conducts safety clinics alongwith practical demonstration.

For Safety of CNG vehicles, free safety camps are periodically organized where inspection of CNG kits is undertaken. Safety inspection of CNG vehicles is also done periodically on random basis to check compliances of safety standards and to prevent unsafe conditions arising out of gas leakage from the CNG kits.

To add a cutting edge to the safety at CNG Stations, dry chemical powder based fire protection systems for roof mounted cascades have been successfully installed at various CNG Stations.

In line with Company's HSE policy, Safety Audit, HAZOP & Risk Assessment of CNG Stations and PNG installations are carried out by third parties. The onsite emergency action plan is regularly rehearsed and updated. Emergency Control Centres have already been established at strategic locations. Emergency response vehicles are under procurement, which shall be stationed at emergency control centres, manned round the clock to respond fast to any gas leak or emergency situation.

SOCIAL RESPONSIBILITY

Your Company has formulated a CSR policy under which 1% of Profit After Tax (PAT) each year is earmarked for social causes. Thrust areas for CSR programme have been identified as Health & Environment, Education, and Care & Empowerment of underprivileged. The Company is supporting meritorious students from underprivileged strata of society for IIT coaching through a scheme run by an NGO. It is a matter of satisfaction that all the 10 children who were sponsored by the Company qualified in the IIT JEE examination 2012. The Company has also extended help to DTC by providing equipment and facilities aimed at inculcating safe driving habits among the drivers.



Shri S. Venkatraman, Chairman, Shri M. Ravindran, Managing Director, Shri S.S. Rao, Director and Prof. V. Ranganathan, Director with the successful students from underprivileged backgrounds sponsored for IIT JEE 2012 coaching by IGL as a part of its CSR programme.



A mock drill in operation at IGL's CNG station as a part of mock drills conducted by National Disaster Management Authority (NDMA) and Delhi Disaster Management Authority (DDMA) across Delhi to check preparedness of agencies in the event of an earthquake. The mock drill was a part of a 2-month-long earthquake preparedness exercise launched by DDMA and NDMA.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- i) in the preparation of Annual Accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed;
- ii) they have selected such accounting policies and applied them consistently except where otherwise stated in the Notes to Accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) they have prepared the Annual Accounts for the Financial Year ended 31st March, 2012 on a going concern basis.

BOARD OF DIRECTORS

Shri S. Venkatraman, nominee of GAIL was appointed as Chairman of the Board in place of Shri B. C. Tripathi w.e.f. October 21, 2011.

Shri M. Ravindran, nominee of GAIL (India) Ltd. was appointed as Managing Director in place of Shri Rajesh Vedvyas w.e.f. October 27, 2011.

Shri R. Chandra Mohan, nominee of Government of NCT of Delhi was appointed as Additional Director in place of Shri R. K. Verma w.e.f. October 31, 2011.

Shri Manmohan Singh, nominee of BPCL was re-appointed as Director (Commercial) for a period of one year from December 1, 2011 to November 30, 2012.

Shri S. S. Rao, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board takes this opportunity to place on record its appreciation for valuable contribution made by Shri B.C. Tripathi, Shri Rajesh Vedvyas and Shri R.K. Verma, during their tenure as Board Members.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

COST AUDITORS

Pursuant to the directions of the Central Government for audit of cost accounts, your Company appointed M/s. Chandra Wadhwa & Co as Cost Auditors for the financial year 2011-12.

CORPORATE GOVERNANCE

As per the requirements of the Clause 49 of the Listing Agreement with the Stock Exchanges a detailed Report on Corporate Governance is annexed as part of the Annual Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

CORPORATE AWARDS

- The Company was finalist in the category of "Industry Leadership" at Platts Global Energy Awards 2011
- Received "Special Jury Award for Contribution to the Society" in India Pride Awards 2011
- Declared as the winner in the category of Urban Infrastructure at the Infrastructure Excellence Awards 2012.

ACKNOWLEDGEMENTS

Your Directors express their gratitude to the Ministry of Petroleum & Natural Gas, State Governments of NCT of Delhi & Uttar Pradesh, Petroleum and Natural Gas Regulatory Board, and Promoter Companies (GAIL & BPCL) for their continuous support throughout the year.

The Directors also acknowledge the support of all Statutory & Local Authorities, Bankers, Media, Station Operators & their employees, contractors, vendors and suppliers.

The Directors place on record their deep appreciation towards IGL's valued customers for their continued co-operation & support and look forward to the continuance of this relationship in future also.



Shri Rajesh Vedvyas, then Managing Director receiving 'Award of Excellence' on behalf of IGL for being a finalist in the category of 'Industry Leadership' in Platts Global Energy Awards 2011.

The Directors wish to express their gratitude to all the shareholders for their continued trust and support.

The Directors also sincerely acknowledge the contributions made by all the employees of IGL for their dedicated services to the Company.

For and on behalf of Board of Directors

sd/-
Manmohan Singh
Director (Commercial)

sd/-
M. Ravindran
Managing Director

Place: New Delhi
Date: June 21, 2012



Shri Rajesh Vedvyas, then Managing Director receiving the Special Jury Award on behalf of IGL for contribution to the society from Shri Montek Singh Ahluwalia, Dy. Chairman, Planning Commission, Govt. of India at India Pride Awards.

ANNEXURE TO DIRECTORS' REPORT
A. CONSERVATION OF ENERGY

Your Company has taken various steps for conservation of Energy, which are as under:

1. Diesel Gensets have been replaced by Gas Gensets at all IGL mother and online stations. In addition to energy saving, this has also contributed in reduction of pollution levels and is in line with IGL's commitment towards "Green" concept.
2. Venting kit modification has been completed in all Delta compressors to avoid gas venting during power cut. Necessary software modification in control philosophy has also been incorporated.
3. In CNG stations where more than one air compressor is installed a modification was carried out using timer based control system which resulted in even load sharing of air compressors and optimization of running of air compressor motor also.
4. Higher capacity of Metering skid was installed in the IGL pilot line at Gail Desu terminal which resulted in reducing the low pressure problem in the pilot line. This has also reduced the running hours of the compressor packages which in turn have increased the efficiency of the stations.
5. In Dresser-Rand Compressors Exhaust fan was running continuously even after machine stopped. Interlocking of exhaust fan supply was done through PLC wherein if the 3 phase supply to the fan fails it will automatically

trip the machine and vice-versa, which has brought in savings in terms of energy.

6. Continuous efforts in field by implementation of modification, training of operational personnel and improved maintenance practices has resulted in controlling overall gas loss.

Disclosure of particulars with respect to conservation of energy is given in Form-A annexed.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are given in Form-B annexed.

C. FOREIGN EXCHANGE EARNING AND OUTGO
a. Activities relating to Exports :

The Company is in retail distribution business of natural gas in Delhi and NCR. Considering the area of operations and product of the Company, export related activities are not pertinent.

b.Total foreign exchanged used & earned :

During the year under review, the foreign exchange earning and outgo are given below:

(Rs. in Crores)

Foreign Exchange Earned	Nil
Foreign Exchange Used	74.40



Shri Rajesh Vedvyas, then Managing Director and Shri Manmohan Singh, Director (Commercial), present the dividend cheque for 2010-11 to Shri B.C. Tripathi, Chairman & Managing Director, GAIL (India) Ltd. in presence of senior officials of GAIL (India) Ltd. and IGL.

FORM - A
DISCLOSURE OF PARTICULARS WITH RESPECT TO
CONSERVATION OF ENERGY

Power and Fuel Consumption	Current Year 2011-12	Previous Year 2010-11
1. Electricity		
a) Purchased Units (KVAH)	5,00,10,285	4,57,39,727
Total Amount (Rs. in Crores)	34.57	28.26
Rate / Unit (Rs.)	6.91	6.18
b) Own Generation		
(i) Through Diesel Generator (KWH)	66,438	441,779
Units (KWH) Per Litre of Diesel Oil	3.87	3.87
Cost per Unit (Rs.)	10.31	9.87
(ii) Through Gas Generator (KWH)	242,000	210,000
Units (KWH) per SCM of Gas	3.63	3.63
Cost per Unit (Rs.)	6.34	3.72
2. Coal	NIL	NIL
3. Furnace Oil / Liquid Fuel (LSHS)	NIL	NIL
Qty (MT)		
Total Amount (Rs.)		
Avg. Rate (Rs./MT)		
4. Other / Internal Generation	NIL	NIL
Gas Quantity		
Total Cost (Rs.)		
Rate / Unit		



Shri Rajesh Vedvyas, then Managing Director and Shri Manmohan Singh, Director (Commercial), present the dividend cheque for 2010-11 to Shri R.K. Singh, Chairman & Managing Director, BPCL in presence of senior officials of BPCL and IGL.

FORM - B
EFFORTS MADE IN TECHNOLOGY ABSORPTION ARE GIVEN BELOW
Research & Development

1. Specific areas in which R&D carried out by Company	i) Instrumentation & Control wiring details were traced, developed and rewired for DR package. This has reduced false alarms and tripping of the machines. ii) Pilot trial of Network Automation of CNG equipments like Compressor, dispenser, metering skid etc has been successfully tried at three sites. iii) Software logic improvement carried out to reduce BDV pressure in Dresser Rand packages so that gas venting can be avoided. iv) On line measurement of Gas loss, through compressor piston rod packing has been developed & implemented for all DR packages. This has resulted in better monitoring & control of gas loss.
2. Benefits derived as a result of the above R&D	The Company has derived benefits in the form of cost savings and improved operational efficiency of equipments.
3. Expenditure incurred on R&D I. Capital ii. Recurring iii. Total iv. % of total R&D expenditure with total turnover	No direct expenditure

Technological Adaptation and Innovation

1. Efforts in brief made towards technology adaptation & innovation,	Continued indigenous development of various spares of gas compressor like piston rods, interstage gas packing, valves etc.
2. Benefits derived as a result of the above effort e.g. product improvement, cost reduction, product development, import Substitution etc.	Overall reduction of cost on spares
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.	
a) Technology imported	Nil
b) Year of import	
c) Has technology been fully absorbed?	Nil
d) If not fully absorbed, areas where this has not taken place reasons therefore and future plans of action.	

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on the Code of Corporate Governance is:

- (a) To ensure transparency, high degree of disclosure and adequate control system;
- (b) To ensure that the decision making process is systematic and rational;
- (c) To ensure full commitment of the Management to maximize shareholders value;
- (d) To ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct

II. BOARD OF DIRECTORS

COMPOSITION:

The Company has seven Directors on its Board comprising two Executive Directors namely Managing Director and Director (Commercial) and five Non-Executive Directors.

The composition and category of Directors alongwith other Directorships or Memberships in Board Committees as on March 31, 2012 :

Name of Directors	Category	Directorships in other Public Limited Companies (*)	Membership in Committees of Board of other Companies	Chairmanship in Committees of Board of other Companies
Shri S. Venkatraman (Chairman)	Non-Executive	4	1	NIL
Shri M. Ravindran (Managing Director)	Executive	1	NIL	NIL
Shri Manmohan Singh Director (Commercial)	Executive	NIL	NIL	NIL
Shri K. K. Gupta	Non-Executive	3	1	NIL
Shri S. S. Rao	Non-Executive, Independent	6	4	NIL
Shri R. Chandra Mohan	Non-Executive, Independent	6	1	NIL
Prof. V. Ranganathan	Non-Executive, Independent	NIL	NIL	NIL

(*) This does not include Unlimited Companies, Foreign Companies, Private Limited Companies and Companies under Section 25 of the Companies Act, 1956 and Alternate Directorship in a Company.

As per requirement of Clause 49 of Listing Agreement, membership of Directors in Audit and Share Transfer & Investors Grievance Committee has been considered.

The Board of the Company comprises seven directors, of which three are independent directors. As per the requirement of Clause 49 I (A), relating to the composition of Board, atleast one half of the Board should comprise independent directors. The Company is in the process of inducting one more independent director on its Board.

BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

1. Shri S. Venkatraman

Shri S. Venkatraman, aged 57 years is Director (Business Development) of GAIL (India) Limited. He is in-charge of Business Development, Project Development, Exploration & Production and global ventures of GAIL.

2. **Shri M. Ravindran**

Shri M. Ravindran, aged 55 years, was appointed as Managing Director of the Company on October 27, 2011. He is B.E. (Mechanical) from NIT Kurukshetra and is diploma holder in Management. He is having a rich and diverse experience encompassing over 31 years in Fertilizers, Petrochemicals, Gas Pipelines, Transmission and City Gas Business. Prior to joining IGL, he was Chief Executive Officer of GAIL Gas Ltd.

3. **Shri Manmohan Singh**

Shri Manmohan Singh, aged 56 years, joined the Company on December 01, 2006 as Director (Commercial). He is B.E. (Mechanical) Hons. from Punjab Engineering College, Chandigarh. Shri Singh has an overall experience of more than 35 years of which 29 years is with BPCL dealing with functions like Operations, Distribution, Sales, Marketing, Engineering and Projects. His areas of expertise include Formulation and Management of major projects.

4. **Shri S. S. Rao**

Shri S. S. Rao, aged 52 years, is Chief Risk Officer in IDFC Ltd. He holds a Post Graduate Diploma in Management from IIM, Bangalore and B.Tech from IIT, Kanpur. His area of expertise includes lending and finance. He has also acted in advisory capacities in Infrastructure & energy sectors and finance. He has an overall experience of more than 27 years and has worked with Reliance Capital Ltd., ICICI Ltd., Hindustan Petroleum Corporation Ltd. and Proctor & Gamble.

5. **Shri R. Chandra Mohan**

Shri R. Chandra Mohan aged 59 years, is a senior IAS officer of 1978 batch, presently holding position of Principal Secretary-cum-Commissioner (Transport), Government of NCT of Delhi.

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING:

During the Financial Year ended March 31, 2012, six Board meetings were held on May 30, 2011, June 14, 2011, August 01, 2011, September 26, 2011, October 19, 2011 and January 24, 2012. The last Annual General Meeting was held on August 01, 2011.

The attendance of each Director at Board Meetings and the last Annual General Meeting was as under:

Name of Directors	No. of Meetings Attended	Attendance (% thereof)*	Attendance at Last AGM
Shri B. C. Tripathi **	5	100	Present
Shri S. Venkatraman ***	1	100	Not Applicable
Shri Rajesh Vedvyas #	5	100	Present
Shri M. Ravindran ##	1	100	Not Applicable
Shri Manmohan Singh	6	100	Present
Shri K. K. Gupta	5	83	Present
Shri S. S. Dalal ®	Nil	Nil	Absent
Shri S. S. Rao	5	83	Present
Shri R. K. Verma ^	Nil	Nil	Absent
Shri R. Chandra Mohan ^^	1	100	Not Applicable
Prof. V. Ranganathan	6	100	Present

* Percentage computed by considering the meetings attended with the total meetings held during their tenure.

** Shri B. C. Tripathi ceased to be a Director w.e.f. October 21, 2011.

*** Shri S. Venkatraman appointed as Chairman of Board of Directors of the Company w.e.f. October 21, 2011.

Shri Rajesh Vedvyas ceased to be a Director w.e.f. October 27, 2011.

Shri M. Ravindran appointed as Managing Director w.e.f. October 27, 2011.

® Shri S. S. Dalal ceased to be a Director w.e.f. August 1, 2011.

^ Shri R. K. Verma ceased to be a Director w.e.f. October 31, 2011.

^^ Shri R. Chandra Mohan appointed as an Additional Director w.e.f. October 31, 2011.

CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct, which is applicable to all Directors and Senior Management of the Company. The Code has also been posted on the website of the Company.

All Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct.

The declaration signed by the CEO affirming compliance to the Code by the Board of Directors and the Senior Management has been placed as an annexure to the Report.

III. AUDIT COMMITTEE

COMPOSITION:

The Audit Committee comprises of three Directors of which two are Non-Executive Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director. All Members of the Committee have good financial and accounting knowledge. The Managing Director, Director (Commercial) and Auditors are invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee.

The minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting. The constitution of the Audit Committee as on 31st March 2012: -

1)	Shri S. S. Rao	:	Chairman, Independent, Non-Executive.
2)	Prof. V. Ranganathan	:	Member, Independent, Non-Executive.
3)	Shri K. K. Gupta	:	Member, Non-Executive.

SCOPE & FUNCTIONS OF AUDIT COMMITTEE:

The Term of Reference of Audit Committee includes overseeing the audit functions, review of Company's financial performance, review critical findings of Internal Audit, compliance with the Accounting Standards & all other matters specified under Clause 49 of the Listing Agreement with the Stock Exchanges and in Section 292A of the Companies Act, 1956.

MEETINGS AND ATTENDANCE:

During the financial year ended March 31, 2012, six Audit Committee Meetings were held on May 18, 2011, May 30, 2011, August 1, 2011, October 19, 2011, November 21, 2011 and January 24, 2012.

The attendance of Audit Committee Meetings was as under: -

Name of Members	No. of Meetings Attended
Shri S. S. Rao	6
Shri S. S. Dalal *	Nil
Prof. V. Ranganathan	6
Shri K. K. Gupta	5

* Shri S. S. Dalal ceased to be a member w.e.f. August 1, 2011.

IV. REMUNERATION / SITTING FEES PAID TO DIRECTORS

(a) Executive Directors:

The Managing Director and Director (Commercial) are nominated by GAIL (India) Ltd. and BPCL respectively and the terms and conditions of their appointment including remuneration are advised by their parent organizations.

The remuneration paid to the Executive Directors during the financial year is given below:

(Rs. in Lakhs)

S. No.	Name of Directors	Salary & Allowances	Perquisites	Contribution to PF & Other Funds	Total
1.	Shri M. Ravindran *	12.44	2.31	1.81	16.56
2.	Shri Manmohan Singh	23.87	5.55	12.76	42.18
3.	Shri Rajesh Vedvyas **	16.86	1.10	2.27	20.23

* Appointed as Managing Director w.e.f. October 27, 2011.

** Ceased to be Managing Director w.e.f. October 27, 2011.

Notes:

The aforesaid remuneration does not include:

- Rs. 24.78 lakhs payable to the parent organizations viz. GAIL and BPCL of the Executive Directors as commission on profit for the financial year ended March 31, 2012.

Executive Directors are not paid any sitting fees for attending Board/ Committee meetings.

(b) Non-Executive Directors:

Total commission on profit of Rs. 66.10 lakhs is payable to non-executive directors / their parent organizations for the financial year 2011-12.

Non-Executive Directors are paid sitting fees of Rs.20,000/- & Rs.10,000/- for attending each Board meeting & Committee meeting respectively. Total sitting fees paid during the financial year under review was Rs.8,60,000 /-.

The Non-Executive Directors have disclosed that they do not hold any shares in the Company.

V. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

COMPOSITION:

The Share Transfer & Investors Grievance Committee constituted by the Board comprises of three members with an Independent Non-Executive Director as Chairman of the Committee.

The constitution of the Share Transfer & Investors Grievance Committee as on March 31, 2012:

(1)	Shri S. S. Rao	:	Chairman, Independent, Non-Executive
(2)	Shri M. Ravindran	:	Member, Executive
(3)	Shri Manmohan Singh	:	Member, Executive

SCOPE & FUNCTIONS OF SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

The scope & functions of the Committee inter alia include approval of transfer and transmission of shares and other matters like consolidation/splitting of certificates, issue of duplicate share certificates, dematerialization / rematerialisation of shares in stipulated period of time. The Committee also supervises the system of redressal of investors grievances and ensures cordial investor relations. Details of share transfer/rematerialisation/transmission etc. as approved by the Committee are placed at the Board Meetings from time to time.

COMPLIANCE OFFICER:

Shri S.K. Jain, Company Secretary is the Compliance Officer.

DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED & REPLIED TO THE SATISFACTION OF SHAREHOLDERS:

The Company received 80 complaints during the year, which were duly attended & replied. There was no complaint pending as on March 31, 2012.

VI. GENERAL BODY MEETINGS

The location, time and details of Special Resolutions passed in the last three Annual General Meetings were as under:

Meeting	Date	Time	Venue	Detail of Special Resolutions Passed
10 th AGM	July 29, 2009	12 Noon	Sri Sathya Sai International Centre, New Delhi	1. Appointment of Statutory Auditors of the Company. 2. Appointment of Shri Rajesh Vedvyas as Managing Director & approval of his remuneration.
11 th AGM	August 30, 2010	11: 30 a.m.	Air Force Auditorium, New Delhi	1. Appointment of Statutory Auditors of the Company
12 th AGM	August 1, 2011	11:30 a.m.	Air Force Auditorium, New Delhi	1. Appointment of Statutory Auditors of the Company. 2. Amendment in Article 121 A (ii) of Articles of Association of the Company. 3. Holding an Office or place of profit by a relative of a Director. 4. Re-appointment of Shri Rajesh Vedvyas as Managing Director.

During the year ended March 31, 2012 there have been no resolutions passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

VII. DISCLOSURES

(a) Related Party Transactions

Although the Company has entered into transactions of material nature with the Promoters, Directors or the Management, they do not have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed separately in the Annual Report.

(b) Compliances by the Company

During the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital markets.

VIII. MEANS OF COMMUNICATION

The quarterly and half-yearly results are forthwith communicated to the Bombay Stock Exchange Limited and the National Stock Exchange, with whom the Company has listing arrangements, as soon as these are approved and taken on record by the Board of Directors of the Company. The results are published in leading newspapers, such as Business Standard / Financial Express in English, Rashtriya Sahara / Jansatta in Hindi, alongwith the official news releases.

The results are also put up on Company's website www.iglonline.net

For investors, the Company has created a separate e-mail ID investors@igl.co.in

Management Discussion & Analysis is separately annexed and is forming a part of Annual Report.


IX. GENERAL SHAREHOLDERS INFORMATION
(a) Annual General Meeting:

The 13th Annual General Meeting of the Company is scheduled to be held on: -

Date and Time : August 06, 2012 at 11:30 A.M.

Venue : Air Force Auditorium, Subroto Park, New Delhi

(b) Financial Calendar (Tentative):

The Quarterly results will be taken on record by the Board of Directors as per the following schedule:

Quarter ending June 30, 2012 : On or before 15.08.2012

Quarter ending September 30, 2012 : On or before 15.11.2012

Quarter ending December 31, 2012 : On or before 15.02.2013

Quarter ending March 31, 2013 : On or before 15.05.2013

(c) Date of Book Closure for Dividend : July 26, 2012 to August 06, 2012
(both days inclusive)

(d) Dividend Payment Date : On or after August 13, 2012

(e) Listing on Stock Exchanges:

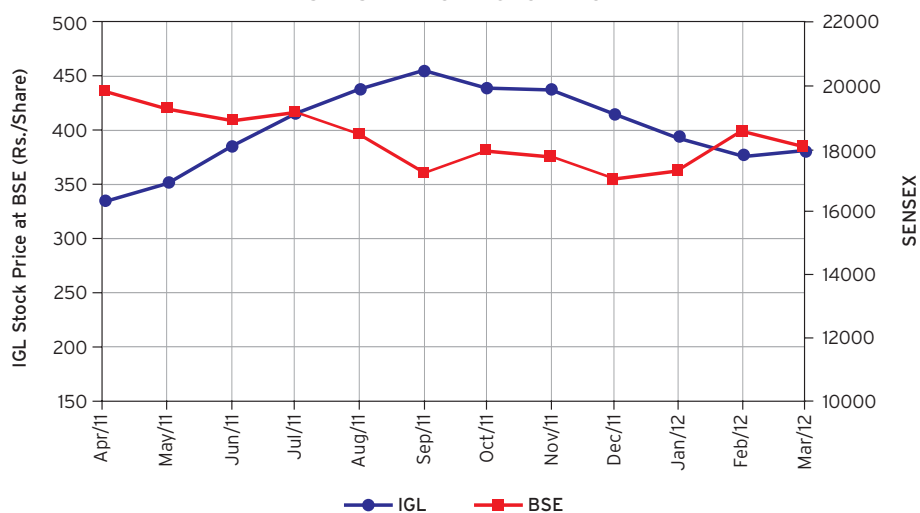
Name of Stock Exchanges	Stock Code
The Stock Exchange, Mumbai	532514
National Stock Exchange	IGL

(f) ISIN Number : INE203G01019

(g) Market Price Data & Share price performance:
AT BOMBAY STOCK EXCHANGE (BSE)

MONTH	IGL		BSE (SENSEX)	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
April 2011	329	300	19811	18978
May 2011	353	309	19254	17786
June 2011	384	336	18873	17314
July 2011	416	381	19132	18132
August 2011	438	389	18440	15766
September 2011	453	404	17212	15801
October 2011	439	386	17908	15745
November 2011	436	377	17702	15479
December 2011	411	348	17004	15136
January 2012	394	311	17259	15358
February 2012	374	314	18524	17062
March 2012	381	353	18041	16921

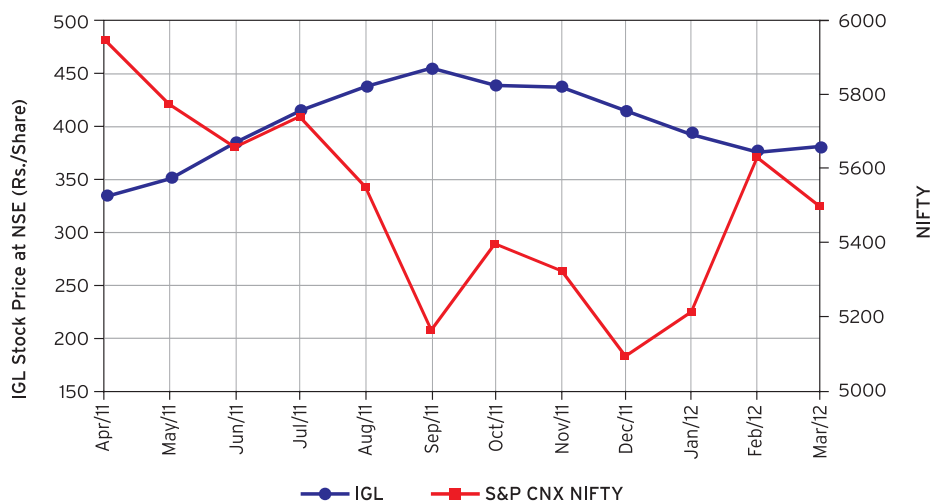
SENSEX HIGH Vs IGL HIGH



AT NATIONAL STOCK EXCHANGE (NSE)

MONTH	IGL		NSE (NIFTY)	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
April 2011	335	300	5944	5693
May 2011	352	309	5775	5329
June 2011	385	335	5658	5196
July 2011	416	381	5740	5454
August 2011	438	390	5552	4720
September 2011	454	403	5169	4759
October 2011	439	386	5400	4728
November 2011	437	375	5326	4639
December 2011	415	348	5099	4531
January 2012	393	305	5217	4588
February 2012	376	323	5630	5159
March 2012	381	344	5499	5136

NIFTY HIGH Vs IGL HIGH




(h) Registrar and Share Transfer Agent:

The Company has appointed M/s. Karvy Computershare Private Limited, Hyderabad as its Registrar and Share Transfer Agent, to whom communications regarding change of address, transfer of shares, change of mandate etc. can be addressed. The address of the Registrar and Share Transfer Agents is as under: -

**Karvy Computershare Private Limited,
Unit- Indraprastha Gas Limited
Plot No: 17- 24, Vittal Rao Nagar,
Madhapur
Hyderabad - 500081**

**Tel. No's : 040-23420818
Fax No's : 040-23420814
E-Mail Address : einward.ris@karvy.com
Website : www.karvycomputershare.com**

(i) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 30 days from the date of receipt of request subject to documents being found valid and complete in all respects.

(j) Share-holding Pattern by Size as on March 31, 2012:

S.NO.	CATEGORY AMOUNT (RS.)		NO. OF SHARE- HOLDERS	% OF SHARE- HOLDERS	AMOUNT (RS.)	% OF AMOUNT
	FROM	TO				
1	1	5000	67213	95.75	59186750	4.23
2	5001	10000	1572	2.24	12603450	0.90
3	10001	20000	658	0.94	9675720	0.69
4	20001	30000	203	0.29	5162510	0.37
5	30001	40000	86	0.12	3088020	0.22
6	40001	50000	76	0.11	3551530	0.25
7	50001	100000	125	0.18	9490980	0.68
8	100001 & ABOVE		262	0.37	1297242640	92.66
	TOTAL		70195	100.00	1400001600	100.00

(k) Categories of Shareholding as on March 31, 2012 :

S. NO.	CATEGORY	NO. OF SHARES HOLDERS	TOTAL NO. OF SHARES HELD	% TO SHARE CAPITAL
A	PROMOTERS HOLDING			
	- Indian Promoters	2	63000080	45.00
B	NON PROMOTERS HOLDING			
	Institutions			
	- Mutual Funds/UTI	91	15936751	11.38
	- Financial Institutions/ Banks	8	2051819	1.47
	- State Govt.	1	7000000	5.00
	- Insurance Companies	4	5740628	4.10
	- Foreign Institutional Investors	115	24937546	17.81
	Non- Institutions			
	- Bodies Corporate	1105	10226150	7.30
	- Individuals	67802	10348061	7.40
	- Any Other :			
	(i) Non resident Indians	906	456020	0.33
	(ii) Trusts	8	3130	0.00
	(iii) Clearing Members	153	299975	0.21
	TOTAL	70195	140000160	100.00

(l) Dematerialisation of Shares and Liquidity: -

The shares of the Company are compulsorily traded in dematerialized form, 94.99% of equity shares have been dematerialized as on March 31, 2012.

The equity shares of the Company are actively traded at BSE & NSE.

(m) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company had not issued any GDRs/ADRs/Warrants etc.

(n) Address for Correspondence: -

The Company Secretary,
Indraprastha Gas Limited,
IGL Bhawan,
Plot No. 4, Community Centre,
Sector-9, R.K. Puram,
New Delhi-110022
Tel No's : 011-46074607
Fax No : 011-26171863
E-Mail IDs : skjain@igl.co.in, investors@igl.co.in

(o) Plant Locations: -

The Company has 258 CNG stations as on March 31, 2012 spread all around the National Capital Territory of Delhi, besides 50 stations in National Capital Region.



NON-MANDATORY REQUIREMENTS

(1) CHAIRMAN OF THE BOARD

The Company has a Non-Executive Chairman and it bears the expenses, if any, incurred by him while performing duties for the Company.

(2) SHAREHOLDERS' RIGHT

As the Company's half-yearly results are published in English newspapers having circulation all over India and in a Hindi newspaper widely circulated in New Delhi, the same are not sent to each household of shareholders.

Quarterly/Half yearly financial performance of the Company, are displayed on the website of the Company at www.iglonline.net.

(3) WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy for employees to report irregularities/suspensions of fraud and unethical behaviour to the Chairman of Audit Committee.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock exchange (s), it is hereby declared that all the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2012.

Place : New Delhi
Date : June 21, 2012

sd/-
(M. Ravindran)
Managing Director

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF
INDRAPRASTHA GAS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **Indraprastha Gas Limited ('the Company')**, for the year ended on 31 March, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, except with regard to requirement of inducting one more independent Director on the Board of Directors the Company as mentioned in paragraph II of the Report on Corporate Governance, the Company has complied with the conditions of Corporate Governance in all material aspects, as stipulated in clause 49 of the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 015125N)

sd/-

JITENDRA AGARWAL
Partner
(Membership No. 87104)

Seville
21 June, 2012



MANAGEMENT DISCUSSION AND ANALYSIS

NATURE OF BUSINESS

IGL is engaged in retail gas distribution business for supply of Compressed Natural Gas (CNG) to transport sector and Piped Natural Gas (PNG) to Domestic, Industrial & Commercial sectors in Delhi and NCR.

CNG is a safe, economical and environment friendly fuel for transport sector. It is replacing traditional fossil fuels of petrol and diesel, as in running cost of the vehicles it is currently 63 % cheaper than petrol & 14 % cheaper than diesel. The popularity of CNG as an alternate fuel continues to grow. Your Company has the distinction of being the largest CNG distribution Company in the country.

PNG, the other fuel supplied by the Company is a safe, convenient and reliable fuel for domestic, commercial and industrial consumers. Its demand continues to grow with potential consumers in new areas eagerly awaiting the network to connect them.

INDIAN ECONOMIC SCENARIO AND DEMAND FOR ENERGY

The consistent high economic growth rate of well over 8% annually in the past few years, increasing industrialisation and a burgeoning population has created a lot of concern for India's energy scenario as India has only 0.8% of the oil and gas resources of the world though it has over 17% of the world's population. This makes India heavily dependent on the import of the crude oil and natural gas for its energy needs. The demand for natural gas is met largely through domestic production with imports contributing to roughly 20% of the total consumption as compared to over 75% imports in case of oil.

Though major economies of the world have been affected after the financial crisis of 2009 and are still coping with the same, the effects of the slow down have been relatively lesser on India. Recent estimates indicate that India is still maintaining a growth rate of 7%, which is good enough to generate a strong demand for energy in the next few years.

Despite the growth momentum in the Indian economy, a large part of India's population is still dependent on highly polluting energy options like biomass for their daily needs. The limited penetration of modern day commercial energy options offers a huge opportunity for growth in the sector with the government taking a number of initiatives to ensure energy security in the country.

NATURAL GAS SCENARIO IN INDIA

Natural Gas is an environment friendly, economical, safe and efficient fuel. It has emerged as an important component in the energy basket all over the world. In India also, its share in total energy basket is picking up and the same is expected to grow at a fast pace in the coming years.

The usage of natural gas in terms of overall gas supply in the country, natural gas volumes in the country increased to 166 mmcmd in 2011-12 from 148 mmcmd in the year 2009-10.

In India, natural gas is being looked at as fuel of the future to meet the energy requirements of power, fertilizer and new emerging sector of city gas distribution business in the country. The natural gas sector in India has been witness to major developments in the recent past which has altered the dynamics for the end consumers. The industry had been quite upbeat till 2010 with new gas discoveries in the last decade and beginning of production from KG D6 fields as per schedule.

Given the increased conversion across user segments to natural gas, there is a gap between demand and indigenous supply of gas, which is met through import of Liquefied Natural Gas (LNG). As far as domestic production is concerned, the supplies from KG basin have been declining in the last one year and are expected to dip further. Global LNG demand suddenly shot up after the Japanese nuclear accident in March 2011 with the supplies being diverted leading to major increase in Spot LNG prices thereby increasing the differential between prices of domestically produced gas and imported Regasified Liquid Natural Gas (RLNG).

Though imported LNG is the only option available till now to cover the approximately 40% deficit between domestic gas demand and production, the recent signing of deal for setting up of Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline is a major step forward towards ensuring assured supply of natural gas in view of growing energy requirements. The recent initiatives on shale gas indicate that in the coming future, shale gas is expected to contribute significantly to the world's energy portfolio. India has been taking up the issue of shale gas exports to countries outside North American Free Trade Area



with United States government. Indian companies have already initiated the process of accessing India's shale gas reserves so that they can be explored in the future. In addition, there have also been new deep sea off-shore finds like that in Australia, which have the potential to alter dynamics of India's LNG sourcing portfolio.

Indian government has already set the ball rolling for reforms in gas pricing. The current market dynamics warrant that the price regulation regime should slowly give way to the market realities in the near future. Thus, every player in the market would have a level playing field and option to diversify its sourcing portfolio.

CITY GAS DISTRIBUTION IN INDIA

The City Gas Distribution (CGD) business in India dates back to 1857 in cities of Calcutta and Bombay where coal gas was the primary input. However, the real impetus to the sector came in late eighties and the nineties when companies like Gujarat Gas Company Limited (GGCL), Indraprastha Gas Limited (IGL) and Mahanagar Gas Limited (MGL) commenced their businesses in their respective areas of operations.

These companies struggled in the initial years of their business. However, the historical order of Hon'ble Supreme Court of India directing conversion of entire public transport fleet in Delhi national capital due to environmental concerns came as a shot in the arm for entire CGD sector in the country. Subsequently, the judiciary as well as the executive also mandated the usage of natural gas to replace polluting fuels in transport as well as industrial segments in various cities which were battling the ill effects of alarmingly high pollution levels.

In 2007, the Petroleum and Natural Gas Regulatory Board (PNGRB) was set up by an Act of Parliament, which apart from other responsibilities also has the mandate of rolling out CGD networks in various cities of the country. The Board has already outlined its vision of setting up of CGD networks in 300 cities of the country in synchronization with commissioning of the gas pipelines. Only 77 cities and towns of the country have currently been connected with CGD network. Thus, there exists a huge potential for setting up of CGD networks in various cities across the country.

With its growing demand and increased supply options, City Gas Distribution Business has attracted considerable interest from prospective players. The prospects for the City Gas Distribution business are expected to remain good in the long term, given the lesser penetration of city gas in India. Currently City Gas Distribution accounts for only 9% of total natural gas consumption in the country.

The cost economics and convenience remain the growth drivers in the success of CGD business in the country. While the eco friendly nature of the fuel being supplied through CGD network has been the trigger for its expansion from the point of view of policy makers, the real reason for its popularity has been its affordability vis-à-vis its alternate fuels for the end consumer. Though CNG prices have nearly doubled in the entire country in the last 3-4 years, the economics in its favour as compared to petrol has always been 60 -70%.

OUTLOOK ON OPPORTUNITIES

In metros like Delhi and Mumbai, usage of CNG has become extremely popular in all segments of vehicles except two-wheelers. While its usage has been mandated in the case of public transport, the switch over to CNG has been purely voluntary in case of private car segment due to economics weighing heavily in its favour. The burgeoning prices of alternate liquid fuel i.e. petrol and introduction of factory fitted CNG variants by leading car manufacturers has given a big boost to the CNG sector in the cities where commuter travel long distances everyday. This provides an opportunity to CGD companies to have better utilization of existing infrastructure and also expand their network to cater to the increase in demand.

The convenience associated with PNG has already established it as the preferred fuel for modern India with its demand growing exponentially in domestic, commercial as well as industrial segments. Due to strict enforcement by various statutory authorities of the norms deterring use of polluting fuels by industries due to environmental concerns, the usage of natural gas while utilizing the existing City Gas Distribution network is bound to grow.

IGL, while enjoying the first mover advantage in the region has already demonstrated its expertise in developing and fast rolling out CGD network in the adjoining NCR towns of Noida, Greater Noida and Ghaziabad in a short span. This gives your Company an edge to tap the emerging opportunities in this sector in new geographies for future growth. The Company has strongly established itself in Delhi and NCR which have good potential for Natural gas in coming years. Apart from consolidating in its existing areas of operation, your Company is looking at expansion in new geographical areas independently and through strategic alliances.

Your Company has a robust infrastructure of CNG stations and Pipeline network to ensure easy availability of CNG and PNG to its customers. IGL expects volume growth to the tune of 26% in 2012-13 over 2011-12.

The growth drivers and opportunities in our existing areas of operations are as follows:

CNG :

- The price differential of CNG versus alternate liquid fuel will continue to drive the large scale conversion of petrol driven private vehicles into CNG mode.
- Introduction of more CNG variant models by car manufacturers is providing a fillip to CNG sales.
- Long term (ten years) gas sale contract has already been signed with the largest customer - Delhi Transport Corporation (DTC), which accounts for nearly 20% of the Company's CNG volumes.
- Expansion of Private Bus Clusters in Public Transport System. More than 5,000 buses are expected to be added under this system by 2015-16.
- The public transport bus fleet comprising DTC as well as cluster buses is expected to grow nearly 75% by 2015-16 as per plans of the government.
- Expected addition in number of auto rickshaws by another 45,000 in Delhi as per directive of the government.
- IGL expects to register volume growth of 20% in CNG volumes in 2012-13.

PNG :

- Piped Natural Gas (PNG) is fast becoming a preferred fuel for domestic kitchens to replace LPG cylinders. Considering the total number of LPG users in Delhi and NCR, there is a huge demand potential.
- Domestic PNG segment expects to register a growth of 26% in volumes in 2012-13.
- PNG is gradually emerging as the key energy source for commercial & industrial users offering immense opportunities for growth. The Company has plans to exploit significant demand potential for gas from commercial & industrial consumers in Delhi and NCR - Gautambudh Nagar (Noida, Greater Noida) and Ghaziabad. The Company also look forward to opportunities in the field of cogeneration for commercial & industrial consumers.
- The volumes in industrial and commercial segments are expected to grow by 46% in 2012-13.

OUTLOOK ON THREATS, RISKS & CONCERNS AND MITIGATIONS
A. Regulatory Regime

The City Gas Distribution business is under Regulatory regime wherein the Regulatory Board (PNGRB) has framed various Regulations, which have direct bearing on the day to day business operations of a CGD entity.

a) Marketing Exclusivity

Post Marketing exclusivity, an authorised entity is subject to competition and is governed by relevant regulations for Open Access. However, with its first mover advantage and better understanding of the needs of its customers, your Company is capable of retaining its position in the market.

Long term supply agreement has already been signed with Delhi Transport Corporation, which contributes approximately 20% of CNG sales, will ensure secured CNG volumes. All industrial & commercial customers are signed for a minimum of 5 year contract.

Your Company has the infrastructure exclusivity in NCT of Delhi for another decade. Setting up of new CGD infrastructure would be major challenge for any new entrant in the market as per the current trends in the real estate market.

b) CGD networks in new areas

The process of rolling out City Gas Distribution projects by PNGRB in new Geographical Areas as had been envisaged earlier has slowed down, thereby affecting the future expansion plans of many City Gas Distribution companies.



Your Company has not been affected by this development as its expansion plans in its existing areas of operation are well on track as per schedule. The CNG volume growth has been consistent for last few years and demand for new PNG connections has been growing with many new colonies being added every year.

In addition, industrial and commercial segments in NCR towns of Noida, Greater Noida and Ghaziabad offers huge potential in the next few year as well as network is still being laid in industrial belts in these areas and many units are still to be connected. No competition is expected in these markets in the next few years.

The industrial and commercial establishments in NCR towns are running a number of applications on natural gas including back up to grid power. Due to high load requirements in these areas, the establishments have to face frequent power shutdowns. Gas based power generation has been offering a safe, eco-friendly, uninterrupted and convenient option to the industries as compared to alternate fuels which apart from being polluting also require handling of logistics.

The demand from industrial and commercial segments has been showing exponential growth in the last few years.

B. Gas Sourcing

The assured gas supply at competitive price is vital for the growth plans of your Company. Ministry of Petroleum and Natural Gas, Government of India has allocated domestic gas to your Company which is supplied through GAIL (India) Limited, one of the promoters of the Company. Gas purchase agreement with GAIL not only assures IGL of receiving firm quantities but also ensures priority supply in the event of any stoppage/disruption in gas supply. Firm allocation of domestic gas for the region allows your Company to sell CNG at one of the lowest retail price in the country while maintaining good financial health and protecting its margins.

To meet the growing demand of CNG, domestic PNG and PNG demand of commercial & industrial consumers, the Company is procuring R-LNG quantities (both on term & spot basis). In this regard, the Company has already signed necessary gas supply agreements with GAIL and BPCL. Company also has KG-D6 Gas allocation on firm basis and also on fallback basis, but the supplies from RIL have reduced to nil due to fall in production of KG-D6 Gas.

To strengthen IGL's gas sourcing portfolio, your Company has also entered into framework agreements with other major suppliers. The Company is actively looking at a variety of options for sourcing its gas requirements.

C. Gas Prices

Gas prices in the recent past have shown increasing trend which is affecting competitive advantage of gas over alternative fuels especially in industrial segment to a certain extent. Your Company's cost of sourcing gas has gone up by 30% in 2011-12 as compared to the cost incurred in 2010-11. However, this is expected to be short term phenomena and in the long run, it is expected that the gas prices will stabilize at lower levels as compared to alternate fuels.

The anticipated lower availability of domestic gas and higher dependence on expensive R-LNG might limit demand to some extent in price sensitive segments such as PNG-domestic and CNG which compete with subsidized fuels such as domestic LPG and Diesel respectively.

However, the entire public transport fleet in Delhi has been mandated by the highest court of the land to run on CNG due to environmental reasons and this segment accounts for nearly two-thirds of total CNG volumes. Delhi is the only state in the country where tax concessions have been allowed on CNG, thereby contributing to its competitive pricing. Thus, the demand for CNG in Delhi is not likely to plummet in the years to come.

In urban centres like Delhi and NCR towns, where your Company is operating, the lifestyle and daily pressures drive the demand for highly convenient PNG which has changed the cooking habits of its users. Therefore, it is highly unlikely that PNG can be dislodged from its position as the preferred cooking fuel. Apart from this, the government is also mulling the idea of limiting the supply of subsidized LPG to non - Below Poverty Line (BPL) families, which would push up the cost of domestic LPG.

Your Company is fully aware of the challenge to keep the overall procurement cost of gas under check in order to supply CNG and PNG at competitive price as compared to alternate competing fuels.

**D. Macro Economic Scenario**

The fast changing macro-economic scenario also has an impact on the financials of your Company. The volatility in forex rates and in Brent Crude prices has a direct impact on the cost of sourcing of your Company.

Since basic cost of gas from all sources - domestic as well as imported is dollar linked, it becomes vulnerable to any fluctuation in the forex rates. Variation in Brent Crude prices impact the price of imported LNG as its basic price has been linked to Brent Crude.

Your Company has been undertaking necessary revisions in the retail price to account for changes in the macro economic scenario.

E. Value Creation through Operational Excellence

In the competitive environment, creating value for the end customer is of utmost importance for any Company. IGL has taken various initiatives such as enhancing operational excellence, cost reduction, customer satisfaction, IT enablement, Human resource development and streamlining of systems and procedures to meet the challenges and have a competitive edge.

PERFORMANCE REVIEW- CNG & PNG

Both CNG & PNG business have performed well during the year 2011-12. On an overall basis, sales volume has shown a growth of 22.3% over the previous year.

During the year, CNG sales volume has increased to 937.55 mmSCM from 817.76 mmSCM in the previous year and PNG sales volume has increased to 282.45 mmSCM from 179.89 mmSCM in the previous year showing a growth of 14.6% and 57% respectively.

The Company has a network of 308 stations for supply of CNG as on March 31, 2012. The estimated number of vehicles using CNG was over 5.5 lakhs in March 2012 and our back-end infrastructure, compression capacity and dispensing outlets are under continuous augmentation to meet the growing demand. The Company has provided PNG connections to 3.3 lakhs domestic and around 860 commercial & industrial customers as on March 31, 2012.

FINANCIAL PERFORMANCE

Gross turnover of Rs. 2790.10 crores for the year ended March 31, 2012 showed a growth of 43% over the previous year turnover of Rs.1951.50 crores.

During the year the cost of Natural Gas purchased was Rs.1540.10 crores (1268.96 mmSCM) as compared to Rs.984.30 crores (1046.15 mmSCM) in the previous year. The increase is due to both increase in volume and also due to increase in gas cost. Due to increase in sales, the dependence on imported gas which is costlier has increased, resulting in higher cost of input gas.

Profit before tax has been Rs.450.09 crores as against Rs. 385.71 crores in the previous year. Profit after tax has been Rs. 306.43 crores as compared to Rs. 259.77 crores in the previous year.

The Company is meeting its fund requirement through internal accruals and borrowings from the banks. The total bank borrowings as on March 31, 2012 are Rs.539.02 crores.

SHARE CAPITAL

Share Capital of the Company comprises Equity Share Capital of Rs.140 crores.

RESERVES & SURPLUS

Reserves & Surplus of the Company was Rs. 1088.94 crores as at March 31, 2012 as against Rs. 863.86 crores as at March 31, 2011.

NETWORTH

The networth of the Company was Rs.1228.94 crores as at March 31, 2012 as against Rs. 1003.86 crores as at March 31, 2011.

**EARNING PER SHARE**

Earning per share for the financial year 2011-12 has been Rs. 21.89 compared to Rs. 18.55 in the previous year.

INTEREST AND FINANCE CHARGES

During the year interest and finance charges paid to the banks for borrowed funds is Rs.47.88 crores as compared to Rs.13.16 crores in previous year.

INTERNAL CONTROLS

The Company has adequate internal control procedures commensurate with its size and nature of its business. During the financial year 2011-12, M/s KPMG, Chartered Accountants carried out internal audits and the internal audit reports prepared by them were placed before the Audit Committee.

HUMAN RESOURCES

The Company recognizes that the challenges of the future can be best met with competent and motivated human resources. The Company has taken various HR endeavors to add value to its pool of human talent and integration of individual goals with that of the Company. Training/ Development of the employees forms an integral part of Company's policy towards achieving its objectives.

ENVIRONMENT CONSCIOUSNESS

Natural gas intrinsically being the cleanest of the fossil fuels, it is endeavour of the Company to promote its wider use among all categories of prospective customers. Towards this direction, the Company is promoting new applications of natural gas use by domestic consumers as well as by commercial & industrial consumers through sustained campaigns whereby all the users are made aware of the economical and environmental advantages of natural gas compared to other fuels, alongwith assurance of timely and uninterrupted supply of natural gas. The Company has approached Pollution Control Board (PCB) to send advisory to all the industries to switch over to natural gas. The Company is aggressively expanding its CNG infrastructure and facilities to facilitate convenient refueling of CNG so that more and more consumers could switch over to this environment friendly fuel.



AUDITORS' REPORT TO THE MEMBERS OF INDRAPRASTHA GAS LIMITED

1. We have audited the attached Balance Sheet of **Indraprastha Gas Limited** ("the Company") as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a) we have 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 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors, as on 31 March, 2012 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 015125N)

Sd/-
JITENDRA AGARWAL
Partner
(Membership No. 87104)

Seville
21 June, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business, clauses (xiii), (xiv) (xix) and (xx) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. According to the information and explanations given to us, the Company has a phased programme of physical verification of its fixed assets by which all fixed assets, other than underground gas distribution systems which are not physically verifiable, are verified over a period of two years. The fixed assets were physically verified by the management in accordance with this programme. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - a. Inventory comprises Gas and Stores and spares. According to the information and explanations given to us, inventory of stores and spares has been physically verified during the year by the Management. In our opinion, the frequency of verification of stores and spares is reasonable. According to the information and explanations given to us, the stock of gas in pipeline cannot be physically verified and is estimated on volumetric basis.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) Based on the examination of the books of account and related records and according to the information and explanations given to us, there are no contracts or arrangements with companies, firms or other parties which need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposits from the public as defined under the provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(x) According to the information and explanations given to us in respect of statutory dues:

- a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the operations of the Company during the year did not give rise to any liability for Wealth Tax.
- b. There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2012 for a period of more than six months from the date they became payable.
- c. The dues of Income Tax and Sales Tax, which have not been deposited by the Company on account of various disputes are as follows:

Name of statute	Nature of dues	Amount demanded (Rs. crores)	Amount paid under protest (Rs. crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	2.40	2.40	Assessment Year 2005-2006	Hon'ble High Court of Delhi
Income Tax Act, 1961	Income Tax	3.00	3.00	Assessment Year 2008-2009	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	3.36	3.36	Assessment Year 2009-2010	Commissioner of Income Tax (Appeals)
UP Trade Tax Act, 1948	Trade Tax	0.66	0.42	Assessment year 2007-08	Remanded back by Commercial Tax Tribunal, Noida to Assessing Officer

We are informed that there are no dues in respect of Service tax, Customs Duty, Excise Duty and Cess, which have not been deposited on account of any dispute.

- (xi) The Company does not have any accumulated losses and has not incurred cash losses during the current financial year and the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks. The Company has not taken any loans from financial institutions and has not issued any debentures.
- (xiii) According to the information and explanations given to us and the records of Company examined by us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.



- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used during the year for long term investment.
- (xvii) According to information and explanation given to us and the records of the Company examined by us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Registration No. 015125N)

Sd/-

JITENDRA AGARWAL

Partner
(Membership No. 87104)

Seville
21 June, 2012



BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at 31.03.2012 (Rs. Crores)	As at 31.03.2011 (Rs. Crores)
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	140.00	140.00
(b) Reserves and surplus	4	1,088.94	863.86
		1,228.94	1,003.86
2 Non current liabilities			
(a) Long term borrowings	5	337.50	237.50
(b) Deferred tax liabilities (Net)	6	62.72	40.77
(c) Other long term liabilities	7	192.81	116.80
(d) Long term provisions	8	5.41	4.36
		598.44	399.43
3 Current liabilities			
(a) Short term borrowings	9	51.52	44.34
(b) Trade payables	10	181.16	142.57
(c) Other current liabilities	11	181.15	94.92
(d) Short term provisions	12	81.55	81.51
		495.38	363.34
		2,322.76	1,766.63
II ASSETS			
1 Non current assets			
(a) Fixed assets	13		
(i) Tangible assets		1,578.77	1,158.14
(ii) Intangible assets		0.82	1.31
(iii) Capital work in progress		375.13	327.21
(b) Long term loans and advances	14	5.40	39.05
		1,960.12	1,525.71
2 Current assets			
(a) Current investments	15	98.41	41.64
(b) Inventories	16	37.38	35.90
(c) Trade receivables	17	129.80	74.48
(d) Cash and cash equivalents	18	31.99	17.31
(e) Short term loans and advances	19	55.61	57.49
(f) Other current assets	20	9.45	14.10
		362.64	240.92
		2,322.76	1,766.63
See accompanying notes forming part of the financial statements	1 to 33		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

sd/-
Jitendra Agarwal
Partner

Place: Seville
Date: 21 June 2012

For and on behalf of the Board of Directors

sd/-
M. Ravindran
Managing Director

sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 21 June 2012

sd/-
Manmohan Singh
Director (Commercial)

sd/-
Rajesh Agrawal
Vice President (Finance)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

	Note No.	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
1 Revenue from operations (Gross)	21	2,793.68	1,953.54
Less: Excise duty		275.02	207.43
Revenue from operations (Net)		2,518.66	1,746.11
2 Other income	22	6.68	7.44
3 Total revenue (1 + 2)		2,525.34	1,753.55
4 Expenses:			
(a) Purchases of stock in trade	23	1,540.10	984.30
(b) Decrease/(Increase) in stock in trade	24	(0.94)	(0.77)
(c) Employee benefits expense	25	43.72	37.91
(d) Finance cost	26	47.88	13.16
(e) Depreciation and amortisation expense	13	143.21	102.87
(f) Other expenses	27	301.28	230.37
Total expenses		2,075.25	1,367.84
5 Profit before tax (3 - 4)		450.09	385.71
6 Tax expense:			
(a) Current tax		121.73	108.98
(b) Deferred tax		21.93	16.96
		143.66	125.94
7 Profit for the year (5 - 6)		306.43	259.77
8 Earnings per equity share:	31.6		
(a) Basic		21.89	18.55
(b) Diluted		21.89	18.55
See accompanying notes forming part of the financial statements	1 to 33		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountantssd/-
Jitendra Agarwal
PartnerPlace: Seville
Date: 21 June 2012

For and on behalf of the Board of Directors

sd/-
M. Ravindran
Managing Director
sd/-
S.K. Jain
Company SecretaryPlace: New Delhi
Date: 21 June 2012sd/-
Manmohan Singh
Director (Commercial)
sd/-
Rajesh Agrawal
Vice President (Finance)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	450.09	385.71
<i>Adjustments for:</i>		
- Depreciation for the year	143.21	102.87
- Unrealised foreign exchange loss/(gain)	0.27	(0.72)
- Loss on sale of fixed assets (net)	0.17	0.02
- Provision for inventory obsolescence/Inventory written off	0.31	0.72
- Provision for doubtful debts/Bad debts written off	0.07	0.09
- Provision for doubtful advances	4.50	-
- Interest and finance charges	47.88	13.16
- Interest on short term deposits with banks	-	(1.11)
- Income from mutual fund investments	(6.12)	(1.98)
- Liabilities/Provisions no longer required, written back	(0.56)	(2.16)
Operating profit before working capital changes	639.82	496.60
<i>Changes in working capital:</i>		
- Adjustments for (increase)/decrease in operating assets:		
Long term loans and advances	10.27	(5.62)
Inventories	(1.79)	(8.81)
Trade receivables	(55.39)	(41.08)
Short term loans and advances	(2.62)	(12.67)
Other current assets	3.31	(6.09)
- Adjustments for increase/(decrease) in operating liabilities:		
Other long term liabilities	76.01	61.58
Long term provisions	1.05	0.40
Trade payables	38.90	48.87
Other current liabilities	0.86	0.71
Short term provisions	0.04	(10.01)
Cash generated from operations	710.46	523.88
Net income tax paid	(98.35)	(114.09)
Net cash flow from operating activities (A)	612.11	409.79
B. CASH FLOW FROM INVESTING ACTIVITIES:		
- Capital expenditure on fixed assets, including capital advances	(611.75)	(765.28)
- Proceeds from sale of fixed assets	0.01	-
- Income received on short term deposits with Banks	-	6.09
- Income received from mutual fund investments	6.12	1.98
Net cash used in investing activities (B)	(605.62)	(757.21)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
- Proceeds of long term borrowings	250.00	300.00
- Repayment of long term borrowings	(62.50)	-
- Proceeds of short term loans	7.18	44.34
- Interest and finance charges paid	(48.37)	(12.82)
- Dividend and dividend distribution tax paid	(81.35)	(63.46)
Net cash from financing activities (C)	64.96	268.06
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	71.45	(79.36)
E. Cash and cash equivalents as at the beginning of the year	58.48	137.84
F. Cash and cash equivalents as at end of the year	129.93	58.48
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
a. Cash and bank balances as per Balance Sheet (Refer Note 18)	31.99	17.31
b. Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
- Balances in unpaid dividend account	0.47	0.47
c. Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Notes 2.4 and 15)	98.41	41.64
d. Cash and cash equivalents at the end of the year	129.93	58.48
See accompanying notes forming part of the financial statements		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

sd/-
Jitendra Agarwal
Partner

Place: Seville
Date: 21 June 2012

For and on behalf of the Board of Directors

sd/-
M. Ravindran
Managing Director

sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 21 June 2012

sd/-
Manmohan Singh
Director (Commercial)

sd/-
Rajesh Agrawal
Vice President (Finance)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****1 COMPANY OVERVIEW**

Indraprastha Gas Limited ('The Company') was incorporated on December 23, 1998 under the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is a joint venture between GAIL (India) Limited and Bharat Petroleum Corporation Limited. The Company's business consists of sale of Piped Natural Gas (PNG) and manufacture and sale of Compressed Natural Gas (CNG).

2 SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

2.3 Inventories

- i. Stores and spares are valued at cost on weighted average basis. Provision for obsolescence is made where necessary.
- ii. Stock of CNG in cascades and Natural Gas in pipelines is valued at the lower of cost, on First in First out (FIFO) basis or net realisable value.
- iii. Closing stock of Natural Gas in pipelines and cascades is estimated on a volumetric basis.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method over the estimated useful life of assets, determined as follows:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Asset class	Depreciation/ Amortisation
- Mother Compressors, Online Compressors and Booster Compressors	10 years
- Leasehold land	Over the period of lease
- Bunkhouses	5 years
- Signages	10 years
- Intangibles	5 years
- All other assets	Rates prescribed under Schedule XIV to the Companies Act, 1956

Assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

2.7 Revenue recognition

- Revenue on sale of PNG is recognised based on consumption by the customers.
- Revenue on sale of CNG is recognised on sale of gas to customers from CNG stations.
- Income from deposits is recognised on a time proportion basis. Dividend income from investment in mutual funds is recognised when the Company's right to receive payment is established.

2.8 Fixed assets

- Fixed assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation and are net of recoveries from PNG customers towards the cost of installation of PNG pipeline network, if any.
- Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective fixed assets.
- Gas distribution systems are commissioned on commencement of supply of gas to consumers. In the case of commissioned assets where final payment to the contractors is pending, capitalisation is made on an estimated basis pending receipt of final bills from the contractors and subject to adjustment in cost and depreciation in the year of final settlement.
- Insurance spares are capitalised with the cost of plant and machinery and depreciated over the useful life of the respective asset.
- Capital inventory represents items of capital nature lying in the stores and valued at cost.
- Intangible assets comprise computer software/license.
- The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

2.9 Foreign currency transactions and translations

Transactions in foreign currency are translated at the exchange rates prevailing on the date of the transaction. Monetary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

foreign currency assets and liabilities are translated at exchange rates prevailing as at the year-end. Exchange gains or losses arising out of fluctuation in exchange rates on settlement during the year and/or translation at year-end are recognised in the statement of profit and loss. The premium paid on forward contracts to hedge foreign currency exposure is recognised over the life of the contract.

2.10 Investments

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.11 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.14 Earnings per share

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti dilutive.

2.15 Taxes on income

Income tax expense comprises current tax and deferred tax. Current Tax is amount of tax for the period determined in accordance with the Income-tax Act, 1961. Deferred Tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liability or deferred tax asset are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in the future. Such assets are reviewed at each balance sheet date to reassess realisation. Where there are unabsorbed depreciation and carry forward losses under tax laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised in future.

2.16 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.17 Provisions and contingencies

A provision is recognised in the financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the enterprise, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made.

2.18 Deposits with Government Agencies, Local Authorities and Other Electricity Companies

Deposits given to Government agencies, local authorities and other electricity companies which are perennial in nature are charged to revenue in the year of payment.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012		As at 31.03.2011	
	Number of shares	(Rs. Crores)	Number of shares	(Rs. Crores)
3 SHARE CAPITAL				
(a) Authorised Equity Shares of Rs. 10/- each	220,000,000	220.00	220,000,000	220.00
(b) Issued, Subscribed and Fully Paid up Equity Shares of Rs. 10/- each	140,000,160	140.00	140,000,160	140.00

3.1 The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

3.2 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	For the year ended 31.03.2012		For the year ended 31.03.2011	
	Number of shares	(Rs. Crores)	Number of shares	(Rs. Crores)
<i>Equity shares :</i>				
Shares outstanding at the beginning of the year	140,000,160	140.00	140,000,160	140.00
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	140,000,160	140.00	140,000,160	140.00

3.3 Details of shares held by each shareholder holding more than 5% shares:

	As at 31.03.2012		As at 31.03.2011	
	Number of shares held	% Holding	Number of shares held	% Holding
(a) GAIL (India) Ltd.	31,500,000	22.50%	31,500,000	22.50%
(b) Bharat Petroleum Corporation Ltd.	31,500,080	22.50%	31,500,080	22.50%

	As at 31.03.2012 (Rs. Crores)	As at 31.03.2011 (Rs. Crores)
4 RESERVES AND SURPLUS		
(a) General Reserve:		
Opening balance	117.69	91.71
Add: Transferred from surplus in Statement of Profit and Loss	30.64	25.98
Closing balance	148.33	117.69
(b) Surplus in Statement of Profit and Loss:		
Opening balance	746.17	593.73
Add:		
Profit for the year	306.43	259.77
Less:		
- Dividends proposed to be distributed to equity shareholders (Rs. 5 per share (Previous year Rs. 5 per share))	70.00	70.00
- Corporate dividend tax on proposed dividend	11.35	11.35
- Transfer to General Reserves	30.64	25.98
Closing balance	940.61	746.17
	1,088.94	863.86

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rs. Crores)	As at 31.03.2011 (Rs. Crores)
5 LONG TERM BORROWINGS		
Secured term loans from banks	337.50	237.50
	337.50	237.50
5.1 Term loans from banks referred above are secured by charge on all the movable assets (plant and machinery) of the company both present and future except current assets.		
5.2 Rate of interest on the above loans is as follows:		
Loan of Rs. 62.50 crores (Previous year Rs. 137.50 crores)	BPLR less 6.77%, p.a.	BPLR less 6.77%, p.a.
Loan of Rs. 25 crores (Previous year Rs. 100 crores)	Base rate plus 0.48%, p.a.	Base rate plus 0.48%, p.a.
Loan of Rs. 250 crores (Previous year Rs. Nil)	Base rate plus 1.38%, p.a.	Base rate plus 1.38%, p.a.
5.3 Maturity Profile of the above loans are as set out below:		
1 to 2 years (No. of installments 15 (Previous year 8))	125.00	150.00
2 to 3 years (No. of installments 20 (Previous year 4))	62.50	87.50
3 to 4 years (No. of installments 20 (Previous year Nil))	62.50	0.00
4 to 5 years (No. of installments 20 (Previous year Nil))	62.50	0.00
5 to 6 years (No. of installments 13 (Previous year Nil))	25.00	0.00
	337.50	237.50
6 DEFERRED TAX LIABILITIES (NET)		
(a) Deferred tax liability on:		
Difference between carrying amount of fixed assets in the financial statements and the income tax return	66.97	43.10
(b) Deferred tax assets on:		
Provision for gratuity	0.59	0.48
Provision for leave encashment	1.23	0.99
Provision for inventory/doubtful debts	2.43	0.86
	4.25	2.33
	62.72	40.77
7 OTHER LONG TERM LIABILITIES		
Deposit from customers (Refer Note 30)	192.81	116.80
	192.81	116.80
8 LONG TERM PROVISIONS		
Provision for employee benefits:		
(a) Leave encashment	3.65	2.93
(b) Gratuity	1.76	1.43
	5.41	4.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rs. Crores)	As at 31.03.2011 (Rs. Crores)
9 SHORT TERM BORROWINGS		
Unsecured-From Banks		
Foreign currency loans-Buyers' credit	51.52	44.34
	51.52	44.34
9.1 Period of Foreign currency loans-Buyers' Credit range from 177 days to 360 days.		
10 TRADE PAYABLES		
Trade payables	181.16	142.57
	181.16	142.57
Amounts payable to Micro, Small and Medium Enterprises: Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and interest paid or payable is Rs. Nil (Previous year Rs. Nil) under the terms of the MSMED Act, 2006.		
11 OTHER CURRENT LIABILITIES		
(a) Current maturities of long term borrowings (Refer Note 11.2)	150.00	62.50
(b) Interest accrued and due on borrowings	-	2.15
(c) Interest accrued but not due on borrowings	0.50	0.18
(d) Unclaimed dividends (Refer Note 11.1)	0.47	0.47
(e) Other payables		
- Payable on purchase of fixed assets	24.52	24.82
- Statutory dues	5.66	4.80
	181.15	94.92
11.1 There is no amount due and outstanding at the year end to be credited to Investors Education and Protection Fund.		
11.2 Current maturities of long term borrowings-Refer Note 5.1, 5.2 & 5.3 for details of security and repayment terms.		
12 SHORT TERM PROVISIONS		
(a) Dividends proposed to be distributed to equity shareholders	70.00	70.00
(b) Corporate dividend tax on proposed dividend	11.35	11.35
(c) Leave encashment	0.15	0.12
(d) Gratuity	0.05	0.04
	81.55	81.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

13 FIXED ASSETS

(Refer Notes 2.6, 2.8, 2.16, 31.1 and 31.7)

(Rs. Crores)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 01.04.2011	Additions for the year	Sales/ Adjustments	As at 31.03.2012	As at 01.04.2011	For the year adjustments	As at 31.03.2012	As at 31.03.2011
Tangible assets:								
Leasehold land (Refer Note 13.1)	20.45	7.21	-	27.66	2.78	0.38	24.50	17.67
Buildings (Refer Note 13.2)	236.63	65.55	-	302.18	31.77	10.99	259.42	204.86
Plant and equipment	1,440.32	489.54	12.06	1,917.80	511.74	130.14	1,287.82	928.58
Furniture and fixtures	7.40	0.54	0.03	7.91	2.51	0.48	4.94	4.89
Vehicles	0.30	-	-	0.30	0.07	0.03	0.20	0.23
Data processing equipment	5.23	0.60	0.22	5.61	3.32	0.61	1.89	1.91
	1,710.33	563.44	12.31	2,261.46	552.19	142.63	1,578.77	1,158.14
Previous year	1,100.47	610.05	0.19	1,710.33	450.46	101.90	1,158.14	650.01
Intangible assets:								
Computer software/license	5.71	0.09	-	5.80	4.40	0.58	0.82	1.31
	5.71	0.09	-	5.80	4.40	0.58	0.82	1.31
Previous year	4.82	0.89	-	5.71	3.43	0.97	1.31	1.39
Total	1,716.04	563.53	12.31	2,267.26	556.59	143.21	1,579.59	1,159.45
Previous year	1,105.29	610.94	0.19	1,716.04	453.89	102.87	1,159.45	651.40
Capital work in progress							375.13	327.21

13.1 Gross block of leasehold land includes land amounting to Rs. 6.62 crores (Previous year Rs. 6.62 crores) obtained on lease from the Land & Development Office, New Delhi, under licensing arrangement and pending execution of the related lease agreements.

13.2 Buildings include buildings which have been constructed on land acquired on lease from various Government Authorities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		As at 31.03.2012 (Rs. Crores)	As at 31.03.2011 (Rs. Crores)
14 LONG TERM LOANS AND ADVANCES			
(Unsecured and considered good)			
(a) Capital advances		3.55	14.25
(b) Security deposits		1.22	0.66
(c) Other loans and advances		0.06	0.19
(d) Advance tax [Net of provision for tax Rs. 517.58 crores (Previous year Rs. 624.94 crores)]		0.57	23.95
		5.40	39.05
15 CURRENT INVESTMENTS			
(Unquoted)			
(Refer Note 2.10)			
Investments in mutual funds:			
(a) HDFC Cash Management - Treasury Fund		14.52	-
(b) HDFC Floating Rate Income Fund STF WP		25.05	-
(c) ICICI Prudential Liquid Fund		2.00	-
(d) Reliance Liquid Fund		25.24	-
(e) Reliance Liquidity Fund		6.57	-
(f) Union KBC Liquid Fund		25.03	-
(g) Reliance Liquid Plus/Money Manager Fund		-	13.01
(h) Tata Floater Fund		-	25.17
(i) UTI Treasury Advantage Fund		-	3.46
		98.41	41.64
15.1 Details of units and face value:			
	Face Value Per Units	As at 31.03.2012 Units	As at 31.03.2011 Units
(a) HDFC Cash Management - Treasury Fund	10.0315	14,473,785	-
(b) HDFC Floating Rate Income Fund STF WP	10.0809	24,848,240	-
(c) ICICI Prudential Liquid Fund	10.0226	200,170	-
(d) Reliance Liquid Fund	15.2874	16,510,136	-
(e) Reliance Liquidity Fund	10.0051	6,570,808	-
(f) Union KBC Liquid Fund	1000.1800	250,229	-
(g) Reliance Liquid Plus/Money Manager Fund	1001.3715	-	129,886
(h) Tata Floater Fund	10.0356	-	25,079,685
(i) UTI Treasury Advantage Fund	1000.2141	-	34,603
		62,853,368	25,244,174

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rs. Crores)	As at 31.03.2011 (Rs. Crores)
16 INVENTORIES		
(Refer Note 2.3)		
(a) CNG and Natural Gas	2.14	1.20
(b) Stores and spares	37.87	37.02
	40.01	38.22
Less: Provision for obsolescence	2.63	2.32
	37.38	35.90
17 TRADE RECEIVABLES		
(a) Over six months from the due date:		
i. Secured and considered good	0.02	0.06
ii. Unsecured:		
- Considered good	1.46	0.69
- Considered doubtful	0.37	0.33
	1.85	1.08
iii. Less: Provision for doubtful debts	0.37	0.33
	1.48	0.75
(b) Others, considered good:		
i. Secured	25.57	15.91
ii. Unsecured	102.75	57.82
	128.32	73.73
	129.80	74.48
18 CASH AND CASH EQUIVALENTS		
(a) Cash in hand	3.80	2.87
(b) Cheques in hand	11.57	-
(c) Balances with banks in current accounts	16.15	13.97
(d) Earmarked balances with banks in current accounts-Unpaid dividend	0.47	0.47
	31.99	17.31



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 (Rs. Crores)	As at 31.03.2011 (Rs. Crores)
19 SHORT TERM LOANS AND ADVANCES		
(Unsecured)		
(a) Considered good		
i. Loans and advances to related parties (Refer Note 19.1)	0.06	0.04
ii. Security deposits	5.51	5.87
iii. Balance with excise authorities	7.38	7.45
iv. Cenvat recoverable	27.37	22.05
v. Prepaid expenses	12.81	10.43
vi. Employee advances	0.08	0.09
vii. Advance to vendors	0.53	0.64
viii. Advance others	1.87	6.42
	55.61	52.99
(b) Considered doubtful		
i. Security deposits	4.50	4.50
ii. Less: Provision for doubtful deposits	4.50	-
	-	4.50
	55.61	57.49
19.1 Loans and advances to related parties comprise:		
(a) Security deposits with GAIL (India) Ltd.	0.04	0.04
(b) Security deposits with Bharat Petroleum Corporation Ltd.	0.02	-
	0.06	0.04
20 OTHER CURRENT ASSETS		
(Unsecured and considered good)		
(a) Income accrued but not due	8.80	12.11
(b) Deferred premium (Foreign exchange forward contract)	0.65	1.99
	9.45	14.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
21 REVENUE FROM OPERATIONS		
(a) Sale of gas:		
Sale of Compressed Natural Gas	2,194.35	1,632.45
Less: Discount	20.17	15.42
	2,174.18	1,617.03
Sale of Piped Natural Gas	615.92	334.47
	2,790.10	1,951.50
(b) Other operating revenues	3.58	2.04
	2,793.68	1,953.54
22 OTHER INCOME		
(a) Interest on short term deposits with banks	-	1.11
(b) Income from mutual fund investments (Current investments)	6.12	1.98
(c) Liabilities/ provisions no longer required, written back	0.56	2.16
(d) Foreign exchange gain (Net)	-	2.19
	6.68	7.44
23 PURCHASES OF STOCK IN TRADE		
Purchase of natural gas	1,540.10	984.30
	1,540.10	984.30
24 DECREASE/(INCREASE) IN STOCK IN TRADE		
(a) Closing stock of CNG and Natural Gas	2.14	1.20
(b) Opening stock of CNG and Natural Gas	1.20	0.43
	(0.94)	(0.77)
25 EMPLOYEE BENEFITS EXPENSE (Refer Note 31.2)		
(a) Salaries and wages	38.23	32.24
(b) Contribution to provident and other funds	1.41	1.28
(c) Gratuity	0.36	0.22
(d) Staff welfare expenses	3.72	4.17
	43.72	37.91
26 FINANCE COST		
Interest expenses on borrowings	47.88	13.16
	47.88	13.16

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
27 OTHER EXPENSES		
(a) Operating expenses at CNG stations	65.47	52.03
(b) CNG distribution expenses	20.76	15.81
(c) Stores and spares consumed	27.60	26.98
(d) Power and fuel	47.46	33.69
(e) Rent	17.51	10.23
(f) Hire charges		
- Vehicle	15.27	13.53
- Equipment	0.93	1.33
(g) Rates and taxes	0.90	1.30
(h) Repairs and maintenance		
- Buildings	5.55	6.03
- Plant and machinery	47.84	34.41
(i) Security expenses	15.85	8.76
(j) Insurance	1.63	1.22
(k) PNG selling and bill distribution expenses	2.88	1.43
(l) Cash/Cheque collection charges	4.43	3.00
(m) Legal and professional fees (Refer Note 27.1)	5.72	6.09
(n) Travelling and conveyance	2.61	2.30
(o) Office maintenance	1.79	1.19
(p) Advertisement expenses	1.92	1.80
(q) Loss on assets sold or discarded	0.17	0.02
(r) Provision for doubtful debts/ Bad debts written off	0.07	0.09
(s) Provision for inventory obsolescence/ Inventory written off	0.31	0.72
(t) Provision for doubtful advances	4.50	-
(u) Bank charges	0.70	0.74
(v) Foreign exchange loss (Net)	0.71	-
(w) Other expenses	8.70	7.67
	301.28	230.37
27.1 Legal and professional expenses include Auditors' remuneration (net of input credit of service tax) as follows:		
(a) Statutory audit	0.13	0.12
(b) Limited review	0.07	0.05
(c) Other services	0.01	0.01
(d) Reimbursement of expenses	0.01	0.01
	0.22	0.19

28 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
28.1 Contingent liabilities and commitments
(a) Income tax cases

In respect of Assessment Year 2005-06, the Income Tax Department had disallowed certain claims made by the Company. ITAT had decided the case in favour of the Company. The Income Tax Department has filed an appeal in Hon'ble Delhi High Court against the decision of ITAT. The Tax amount involved in this case is Rs. 2.40 crores (Previous year Rs. 2.40 crores). For Assessment Year 2008-09 and 2009-10 the department has disallowed certain claims made and raised the demand amounting to Rs. 6.36 crores (Previous Year Rs. 3 crores). The entire amount has been adjusted with the refunds receivable for other years. The Company has filed appeals against the above which are pending at various stages.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(b) Trade tax case

In respect of Assessment year 2007-08 the Trade Tax Department, Uttar Pradesh had raised a demand of Rs.0.66 crores (Previous year Rs. 0.66 crores). The demand order has been remanded back by Commercial Tax Tribunal, Noida to Assessing Officer for Re-assessment.

(c) Bank guarantees

The company's total liability towards un-expired Bank Guarantees is Rs. 34.79 crores (Previous year Rs. 45.51 crores).

(d) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 115.37 crores (Previous year Rs. 356.85 crores).

28.2 Petroleum and Natural Gas Regulatory Board (PNGRB) vide its order no. TO/03/2012 dated 9th April 2012 determined the per unit network tariff and compression charge for the CGD Network of IGL for Delhi, based on submission of data by the company in May 2009 and certain assumptions taken by PNGRB in this regard. The tariffs determined by PNGRB are much lower than the rates submitted by the company.

Further, PNGRB made the determined tariffs applicable with retrospective effect from 01.04.2008. In its order PNGRB stated that the modalities and time frame for refund of differential Network Tariff and Compression Charge would be decided subsequently.

The company was advised that validity of such order and refund lacks legal authority and accordingly, IGL filed a writ petition on 10.04.2012 against the order of PNGRB dated 09.04.2012 before the Hon'ble Delhi High Court. The Hon'ble High Court of Delhi has passed the judgement in this case on 01.06.2012 and has quashed the PNGRB order dated 09.04.2012 holding that the PNGRB is not empowered to fix any component of network tariff or compression charge.

28.3 Information regarding purchases, sales and stock

Particulars	Year ended 31.03.2012		Year ended 31.03.2011	
	Quantity	(Rs. Crores)	Quantity	(Rs. Crores)
Opening stock:				
Natural Gas (SCM)	425,790	0.60	257,457	0.13
CNG (SCM)	510,069	0.60	411,208	0.30
	935,859	1.20	668,665	0.43
Purchases of Natural Gas (SCM):	1,268,956,850	1,540.10	1,046,149,554	984.30
Sales:				
PNG (SCM)	282,446,601	615.92	179,889,872	334.47
CNG (SCM)	937,545,829	2,174.18	817,756,435	1,617.03
CNG (Kgs)	(698,842,865)		(609,878,027)	
	1,219,992,430	2,790.10	997,646,307	1,951.50
Internal consumption	34,197,902	35.20	34,506,554	30.32
Closing stock:				
Natural Gas (SCM)	639,245	1.29	425,790	0.60
CNG (SCM)	518,909	0.85	510,069	0.60
	1,158,154	2.14	935,859	1.20

Difference in opening stock, purchases, sales and closing stock of gas quantities is on account of measurement tolerance and normal loss of 14,544,223 SCM (Previous year 13,729,499 SCM).

Natural gas is purchased in SCM and Compressed Natural Gas is sold in Kgs.

Sale of CNG is net of discounts and gross of excise duty.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28.4 Value of imported and indigenous stores and spares and percentage thereof to the total consumption

Particulars	Year ended 31.03.2012		Year ended 31.03.2011	
	Rs. Crores	% of Total	Rs. Crores	% of Total
<i>Stores and spares:</i>				
Imported	4.93	17.86%	4.78	17.72%
Indigenous	22.67	82.14%	22.20	82.28%
	27.60	100.00%	26.98	100.00%

Particulars	Year Ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
28.5 Value of imports on CIF basis		
Capital goods	68.33	154.85
Spares and components	4.99	8.17
	73.32	163.02
28.6 Expenditure in foreign currency		
Travelling	0.06	0.10
Repairs and maintenance - Plant and Machinery	1.02	0.50
	1.08	0.60
28.7 Earnings in foreign currency		
Sale of tender documents	Nil	0.01

28.8 Details on derivatives instruments and unhedged foreign currency exposures

The following derivative positions are open as at 31 March, 2012. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. The accounting for these transactions is stated in Note 2.9.

- (a) Outstanding forward exchange contracts for imports entered into by the Company as at the year end:

Currency	As at 31.03.2012		As at 31.03.2011	
	FCY	INR	FCY	INR
USD	0.9300	47.39	0.9900	44.34
EURO	0.0400	2.81	-	-
CAD	0.0300	1.32	-	-
		51.52		44.34

- (b) Premium on account of forward exchange contracts to be recognised in Statement of Profit and Loss of subsequent accounting period aggregates Rs. 0.65 Crores (Previous year Rs.1.99 Crores).
- (c) The Company's foreign currency exposure on accounts payable that have not been hedged by a derivative instrument or otherwise are given below:

Currency	As at 31.03.2012		As at 31.03.2011	
	FCY	INR	FCY	INR
USD	0.0626	3.20	0.3049	13.61
EURO	0.0083	0.57	0.0111	0.70
CAD	0.0043	0.22	-	-
NZD	0.0003	0.01	0.0003	0.01
		4.00		14.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. The Company has installed various CNG Stations on land leased from various Government authorities under leases for periods ranging from one to five years. However, assets constructed/installed on such land are depreciated generally at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee non-renewal of the above lease arrangements by the Authorities.

30. Deposits from customers of Natural Gas, refundable on termination/alteration of the gas sales agreements, are considered as long term funds.

31. DISCLOSURES UNDER ACCOUNTING STANDARDS

31.1 Based on technical evaluation and past experience, the Company has changed the estimated useful life of some of its assets w.e.f. 01.04.2011. Accordingly, the written down value of these assets as at the beginning of the year is being amortised over the remaining useful life, in accordance with the provisions of Accounting Standard (AS) 6 on 'Depreciation Accounting' and the assets capitalised during the year under this class of assets have been depreciated based on the revised useful life. As a result of this change, depreciation for the year is lower by Rs. 14.75 crores with corresponding impact on net profit before tax.

31.2 Employee benefit plans

Defined benefit plan - Gratuity

The gratuity liability arises on retirement, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary plus dearness allowance) for each completed year of service subject to completion of five years' service.

Policy for recognising actuarial gains and losses

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss as income or expense.

The following tables set out the status of the unfunded gratuity plan and amounts recognised in the Company's financial statements:

S.No.	Particulars	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
	Change in benefit obligations:		
a.	Present value of obligations at the beginning of the year	1.48	1.31
b.	Current service cost	0.30	0.29
c.	Interest cost	0.13	0.11
d.	Actuarial (gain)/loss on obligation	(0.07)	(0.19)
e.	Benefits paid	(0.03)	(0.05)
	Present value of obligations	1.81	1.47
	Expenses recognised in the statement of profit and loss:		
a.	Current service cost	0.30	0.29
b.	Interest cost	0.13	0.11
c.	Actuarial (gain)/loss recognised during the year	(0.07)	(0.19)
	Expense charged to the statement of profit and loss	0.36	0.21
	Balance sheet reconciliation:		
a.	Opening net liability	1.48	1.31
b.	Expenses charged to the statement of profit and loss	0.36	0.21
c.	Benefits paid	(0.03)	(0.05)
	Closing liability	1.81	1.47

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Principal actuarial assumptions:

S.No.	Particulars	Refer note below	Year ended 31.03.2012	Year ended 31.03.2011
i.	Discount rate (p.a.)	1	8.70%	8.30%
ii.	Salary escalation rate (p.a.)	2	6.00%	6.00%

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Demographic assumptions:

Retirement age 60 years

Mortality rate Published rates under LIC (1994-96) mortality tables

Experience adjustment:

(Rs. Crores)

	2012	2011	2010	2009	2008
Present value of DBO	1.81	1.48	1.30	0.78	0.61
Experience gain/(loss) on liability	(0.03)	0.01	(0.21)	0.15	0.00

31.3 Segment reporting

The Company operates in a single segment of Natural Gas Business in the National Capital Region and therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

31.4 Related party transactions

List of related parties:

Promoter venturer:

- GAIL (India) Limited
- Bharat Petroleum Corporation Limited

Key management personnel (KMP):

- Mr. Rajesh Vedvyas Managing Director (upto 26, October 2011)
- Mr. M. Ravindran Managing Director (w.e.f. 27 October, 2011)
- Mr. Manmohan Singh Director Commercial

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Transactions / balance outstanding with Related Parties:

Particulars	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
GAIL (India) Limited		
<i>Transactions during the year</i>		
Purchase of natural gas (including service tax cenvatable and VAT)	1,269.41	835.88
Salaries, allowances and other related payments	0.37	0.37
Reimbursement of expenses	0.22	0.12
Security deposit	-	0.02
Other expenses	0.21	0.19
Balance outstanding as at the year end:		
Trade payables	62.63	40.52
Security deposit paid	0.04	0.04
Bharat Petroleum Corporation Limited		
<i>Transactions during the year</i>		
Sale of CNG (Gross)	157.58	109.06
Salaries, allowances and other related payments	0.42	0.36
Reimbursement of expenses	8.44	6.41
Purchases of natural gas	265.81	113.58
Purchases of lubricants	1.32	1.21
Security deposits	0.02	-
Other expenses	0.21	0.20
<i>Balance outstanding as at the year end:</i>		
Trade payables	9.07	3.64
Security deposit paid	0.02	-
Key Management Personnel-Remuneration		
<i>Transactions during the year</i>		
Mr. Rajesh Vedvyas	0.20	0.37
Mr. M. Ravindaran	0.17	-
Mr. Manmohan Singh	0.42	0.36
<i>Balance outstanding as at the year end:</i>		
Salaries payable-Profit sharing	0.25	0.19

31.5 Operating lease arrangements

The Company has taken certain equipment and vehicles under operating lease agreements. The total lease rentals recognised as expense during the year under the above lease agreements aggregates Rs. 12.90 crores (Previous year Rs. 12.46 crores).

Lease obligations under non-cancellable periods are as follows:

Particulars	Year ended 31.03.2012 (Rs. Crores)	Year ended 31.03.2011 (Rs. Crores)
Amounts payable in next one year	16.78	22.62
Amounts payable in next two to five years	-	-
Amounts payable over 5 years	-	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31.6 Earnings per share

Particulars	Units	Year ended 31.03.2012	Year ended 31.03.2011
Net profit attributable to Shareholders	Rs. Crores	306.43	259.77
Weighted average number of equity shares	No.	140,000,160	140,000,160
Nominal value per share	Rs.	10	10
Basic earnings per share of Rs. 10 each	Rs.	21.89	18.55

The Company does not have any outstanding dilutive potential equity shares.

Consequently, the basic and diluted earnings per share of the Company remain the same.

- 31.7 Management has carried out a review of the carrying value of assets as at 31 March, 2012 in accordance with the provisions of Accounting Standard - 28, Impairment of Assets. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of assets.
32. Interest accrued and due Rs. Nil (Previous year Rs. 2.15 Crores) was funded in the bank account on the balance sheet date and same was debited on the next working day by the bank as per their prevailing practice.
33. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

sd/-
M. Ravindran
Managing Director

sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 21 June 2012

sd/-
Manmohan Singh
Director (Commercial)

sd/-
Rajesh Agrawal
Vice President (Finance)

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