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## INDRAPRASTHA GAS LIMITED

(A Joint Venture of GAIL (India) Ltd., BPCL & Govt. of NCT of Delhi)

ND/IGL/CS/AR/2016-2017

October 13, 2016

The Manager  
Dept. of Corporate Services  
Bombay Stock Exchange Ltd.  
Rotunda Building, 1<sup>st</sup> Floor  
Dalal Street  
Mumbai – 400 001

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E)  
Mumbai – 400 051

**Sub : Annual Report – 2015-16**

Dear Sir / Madam,

In pursuance of the Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we submit herewith the soft copy of the Annual Report for the financial year 2015-16 duly approved and adopted by the shareholders of the Company at the 17<sup>th</sup> Annual General Meeting held on September 29, 2016.

This is for your information and records.

Thanking you,

Yours sincerely,  
for **Indraprastha Gas Limited,**

(S. K. Jain)  
Company Secretary & Compliance Officer

IGL Bhawan, Plot No. 4, Community Centre, R.K. Puram, Sector - 9, New Delhi-110 022

Phone : 46074607 Fax : 26171863 Website : [www.iglonline.net](http://www.iglonline.net)

CIN : L23201DL1998PLC097614

An ISO 9001:2008, ISO 14001 : 2004, OHSAS 18001 : 2007 Certified Organisation

**With us flows the care for the green**



**INDRAPRASTHA GAS LIMITED**

# VISION

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

## Contents

|                                                  |    |
|--------------------------------------------------|----|
| ■ Chairman's Letter                              | 1  |
| ■ Financial Highlights                           | 2  |
| ■ Board of Directors                             | 3  |
| ■ Director's Report                              | 4  |
| ■ Report on Corporate Governance                 | 37 |
| ■ Management Discussion and Analysis             | 48 |
| ■ Auditors' Report                               | 56 |
| ■ Balance Sheet                                  | 62 |
| ■ Statement of Profit and Loss                   | 63 |
| ■ Cash flow Statement                            | 64 |
| ■ Notes forming part of the financial statements | 66 |
| ■ Consolidated Financial Statements              | 85 |



## Letter from Chairman, IGL



Dear Shareowners,

It gives me great pleasure to share with you that your Company has performed well during financial year 2015-16 and has been conferred **City Gas Distribution – Company of the year 2015 award** by Petroleum Federation of India (PETROFED). The year has been witness to many major events, which have had divergent impact on your Company's performance. The global macroeconomic growth continues to remain sluggish. The crude oil prices continued its

downward trend, recovering only after touching a low of USD 26/barrel in February 2016. This has led to a growing competition from alternate fuels in commercial & industrial segments of the Company. However, the government's decision to place City Gas Distribution (CGD) companies on the priority list for allocation of low cost domestic gas for transport and PNG - domestic, has been a game changer. This gives an advantage to the CGD companies in competition with alternate fuels and would also increase the preference for CNG vehicles.

Your Company continues to witness steady growth in sales volume, backed by a growing CNG and PNG distribution network. During the year, the overall sales volume increased by 4.4% as compared to the previous year. However, due to the lower natural gas input cost, the realization has been lower, leading to a near flat gross sales of Rs. 4,052.14 crores for the year FY16, as against Rs.4,048.58 crores in FY15. The net profit after tax (PAT) decreased by 4.9% to Rs.416.20 crores in FY16, as compared to Rs.437.73 crores in the previous year. However, the Consolidated PAT during FY 2015-16 is Rs. 464.13 crores against Rs. 448.13 crores in the previous year. Your Board has recommended **a dividend of 60%** i.e. Rs. 6.00 per share as paid during the last year.

Our decision to acquire 50% stake in other City Gas Distribution Companies namely, Central UP Gas Ltd. (CUGL) and Maharashtra Natural Gas Limited (MNGL) has proved to be right, with both businesses together contributing Rs. 53.65 crores to your Company's consolidated profit. Your Company continues to look for better opportunities to expand its network, both by the organic as well as the inorganic routes. Your Company participated in the sixth round of PNGRB bidding and has received **letter of intent from PNGRB for grant of authorization for development of CGD network in the Geographical Area of Rewari in Haryana**. We are also participating in the seventh round of bidding organized by PNGRB.

Your Company is continuously expanding its network in both the CNG and PNG segments. We added 16 additional CNG facilities during financial year 2015-16 and 78 new CNG facilities during the Quarter April to June 2016 at the retail outlets of Oil Marketing Companies in Delhi and the NCR districts of Ghaziabad, and Gautam Budh Nagar. This would further increase the comfort of refueling CNG and enhancing the preference for CNG vehicles. During the year we have strengthened our marketing activities for PNG. Our team engages with builders at a very early stage of their construction, encouraging them to incorporate a PNG network in their construction plan. The initiative would give further boost to sales volume in PNG segment.

The steady growth of your Company has been driven by the strong and motivated force of our employees. Our employees are well taken care of by various welfare Human Resource policies. We support our employees by formulating career development and progression plans for them. Various engagements related to employees are systematically addressed with formulated policies such as Promotion Policy, Recruitment Policy through Campus Interviews, Performance Management System, Compensation packages, etc. We also work towards enhancing the skills of our employees by providing various training programs. Your Company, through its '**Naya Prayas**' scheme,

fosters the culture of innovation by encouraging employees to present new ideas in their respective domains. This gives them a sense of ownership and also enables them to actively participate in your Company's growth. We always believe in team work and towards this we have inter departmental sports activities, encourage participation in the marathon events, quiz competition etc.

Safety is always on top of our operations in IGL. Your Company also lays huge emphasis on the safety of all its employees and stakeholders associated in the daily operations. During the year, our safety and security measures were appreciated and we were awarded prestigious safety awards/appreciation certificates, viz. **Green Tech Safety Award (Gold category), Safety Innovation Award by Institute of Engineers and Certificate of Appreciation from National Safety Council** to recognize the excellence in the field of Fire & Safety management. Regular safety trainings are being conducted to increase the awareness.

Upgradation of technology and improvement in the field of Information Technology, digitalization is always on our radar. Your Company is also leveraging the digitalization drive to make its services more user friendly, further increasing customer preference. During the year, we have upgraded our SAP system from SAP R/3 functionalities to SAP ECC 6.0 EHP 7.0. We have also implemented new modules to improvise certain areas pertaining to customer satisfaction, like enhanced customer relationship management, prompt and agile customer complaints handling, enhanced customer connect through multiple channels viz. Mobile, E-mail, web, etc.

Cognizant of our social responsibility, we undertake many CSR activities. Through our comprehensive health management programme, 'IGL Swasth Saarthi', we organize Health checkup camps and Non Communicable Diseases (NCD) camps at various CNG stations for the auto and taxi drivers. We also carry out training programmes for taxi and auto drivers, on Gender Sensitization and Skill Management. Also, through our Skill Development programmes for unemployed youth, we provide technical oriented quality training in the fields of gas plumbing and welding. Your Company has also provided a group accident insurance cover to 3.25 lakh drivers of CNG run public transport, under 'IGL Suraksha Yojna'. We have also actively participated in the government's ambitious project, 'Swachh Bharat Abhiyaan', by developing new public toilet complexes and upgrading toilet facilities in municipal areas and government run schools in association with local bodies.

To further enhance the scope of our CNG business and address the concerns of the growing air pollution, we have collaborated with a renowned market player to introduce retrofitment of CNG kits in the 2-wheelers. Recently, the Company has **launched the pilot project of installation of CNG kits in two wheelers**. This would open new avenues of growth.

On behalf of the Board of Directors, I take this opportunity to thank the Government of India, Petroleum and Natural Gas Regulatory Board and all departments of the Central and State governments, our valued Customers, all the authorities and agencies for their unstinted support to your Company.

I, along with my colleagues on the Board, would also like to thank each and every employee of IGL for all the hard work put in by them.

Finally, I would like to thank each one of you from IGL's family of Shareowners, for the confidence and trust reposed in us. With your support and blessings, I am confident that we can take the Company to greater heights in the days to come. I convey my appreciation and thankfulness to my colleagues on the Board for their valuable contribution in strengthening the Company.

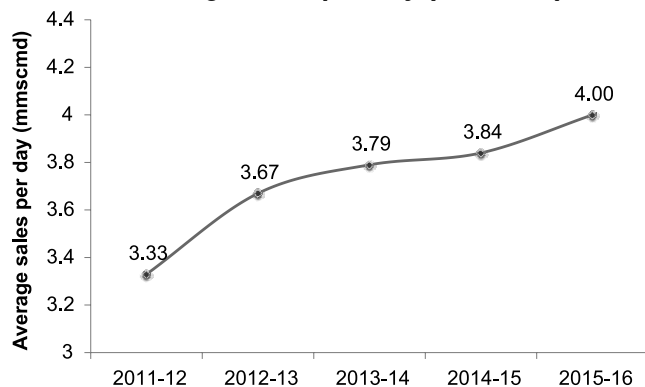
*M. Ravindran*

(M. Ravindran)  
Chairman

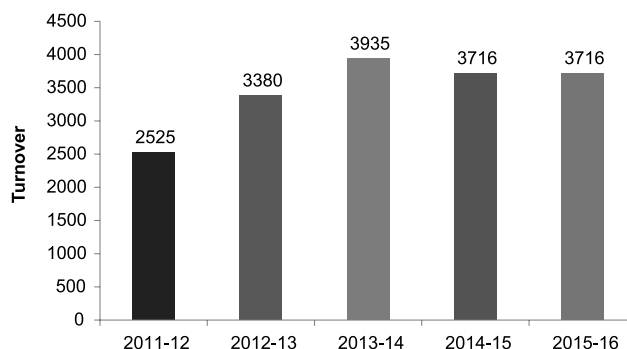


## FINANCIAL HIGHLIGHTS

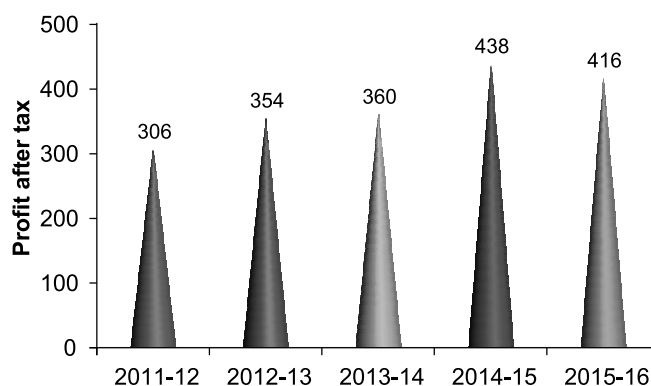
**Average sales per day (mmscmd)**



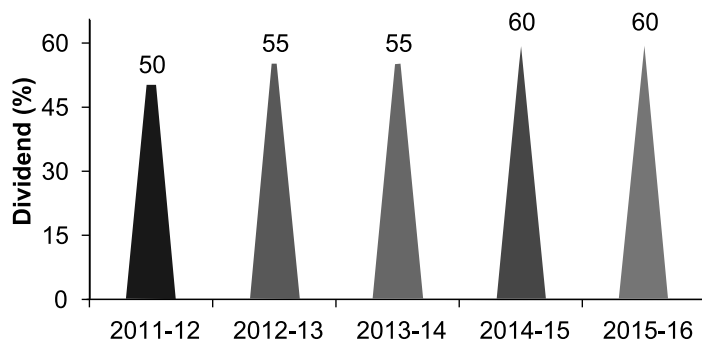
**Turnover (in Rs. Crores)**



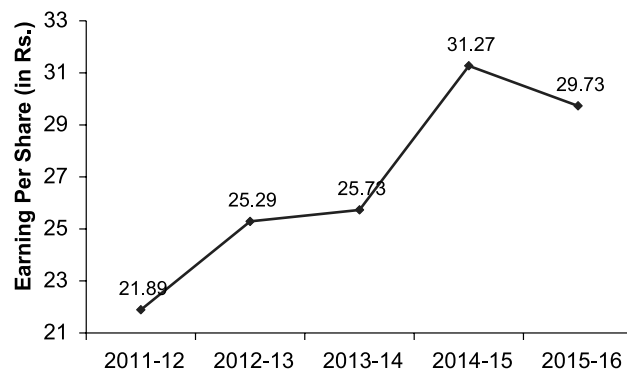
**PAT (in Rs. Crores)**



**Dividend (%)**



**Earning Per Share (in Rs.)**



## BOARD OF DIRECTORS



**Shri M. Ravindran**  
Chairman



**Shri E. S. Ranganathan**  
Managing Director  
(w.e.f. June 1, 2016)



**Shri V. Nagarajan**  
Director (Commercial)



**Shri I.S. Rao**  
Director



**Shri S.S. Rao**  
Director



**Shri V. Ranganathan**  
Director



**Shri Santosh Kumar**  
Director



**Shri Raghu Nayyar**  
Director



**Dr. Sudha Sharma**  
Director

**Smt. Gitanjali  
Gupta Kundra**  
Director  
(Till August 4, 2016)

|                           |                                                                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bankers</b>            | • ICICI Bank Limited • IDBI Bank Limited • State Bank of India • Axis Bank Limited • Andhra Bank<br>• Kotak Mahindra Bank Limited • HDFC Bank Limited • IndusInd Bank Limited • IDFC Bank Limited |
| <b>Statutory Auditors</b> | M/s Deloitte Haskins & Sells                                                                                                                                                                      |
| <b>Cost Auditors</b>      | M/s Chandra Wadhwa & Co.                                                                                                                                                                          |
| <b>Company Secretary</b>  | Shri S. K. Jain                                                                                                                                                                                   |
| <b>Registered Office</b>  | IGL Bhawan, Plot No. 4, Community Centre<br>Sector 9, R K Puram, New Delhi - 110022<br>CIN: L23201DL1998PLC097614                                                                                 |



# INDRAPRASTHA GAS LIMITED

## DIRECTORS' REPORT

TO,

THE MEMBERS

Your Directors have pleasure in presenting the Seventeenth Annual Report and the Company's audited financial statements for the financial year ended March 31, 2016.

### PHYSICAL PERFORMANCE

During the year, the Company recorded sales as under:

Figures in Million Standard Cubic Meters (mmscm)

| Product                        | For the Year   |                | % Growth (YoY) |
|--------------------------------|----------------|----------------|----------------|
|                                | 2015-16        | 2014-15        |                |
| Compressed Natural Gas (CNG)   | 1123.00        | 1073.11        | 4.6            |
| Piped Natural Gas (PNG)        | 342.05         | 330.46         | 3.5            |
| <b>Total</b>                   | <b>1465.05</b> | <b>1403.57</b> | <b>4.4</b>     |
| Average Sales Per day (mmscmd) | 4.00           | 3.84           |                |

## FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2016 is summarised below:

(Rs. in Crores)

| ITEMS                                     | For the Year   |                |
|-------------------------------------------|----------------|----------------|
|                                           | 2015-16        | 2014-15        |
| Net Sales & Other Income                  | 3715.68        | 3715.53        |
| Profit before Depreciation & Tax          | 792.55         | 797.76         |
| Depreciation                              | 157.66         | 148.72         |
| Profit before tax                         | 634.89         | 649.04         |
| Provision for tax                         | 218.69         | 211.31         |
| Profit after tax                          | 416.20         | 437.73         |
| Profit brought forward from previous year | 1696.25        | 1403.39        |
| Profit available for appropriations       | <b>2112.45</b> | <b>1841.12</b> |
| Appropriations:                           |                |                |
| Proposed dividend                         | 84.00          | 84.00          |
| Corporate dividend tax                    | 17.10          | 17.10          |
| Transferred to general reserve            | 41.62          | 43.77          |
| Profit carried forward                    | 1969.73        | 1696.25        |
|                                           | <b>2112.45</b> | <b>1841.12</b> |



Hon'ble Minister of State (I/C), Petroleum and Natural Gas, Shri Dharmendra Pradhan addressing the gathering during launch of Pilot Phase of CNG for Two Wheelers.



Shri Narendra Kumar, then Managing Director, Indraprastha Gas Limited and Shri V. Nagarajan, Director (Commercial) presenting dividend cheque for 2014-15 to Shri Najeeb Jung, Hon'ble Lieutenant Governor of NCT of Delhi, in presence of senior IGL officials.

## FINANCIAL REVIEW

During the year, the gross turnover of the Company increased marginally from Rs. 4048.58 crores in 2014-15 to Rs. 4052.14 crores in 2015-16. The increase of 0.1% in gross turnover, despite an increase of 4.4% in sales volume, is mainly on account of reduction in the selling price of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG)-domestic, due to the allocation of additional domestic gas to the City Gas Distribution (CGD) sector, resulting in a lower input cost of gas which was passed on to the customers, by reducing the selling price of CNG and PNG-domestic, during the year. Further, with the reduction in the price of crude, the alternate fuel prices decreased considerably during the year and to compete with the falling price of alternate fuel, the selling price of gas to industrial and commercial customers was reduced by providing discount.

The Profit after tax (PAT) decreased by 4.9% from Rs. 437.73 crores in 2014-15 to Rs. 416.20 crores in 2015-16. The PAT is lower during the current year mainly due to lower realizations, salary revision of employees and the one time settlement of take or pay liability, in respect of long term gas tied up with GAIL for the calendar year 2014.

The Company has prepared the Consolidated Financial Statements also which includes the Company's share of profit in its Associates combined on a equity method in accordance with Accounting Standard-23. The Consolidated PAT during FY 2015-16 is Rs. 464.13 crores against Rs. 448.13 crores in the previous year.

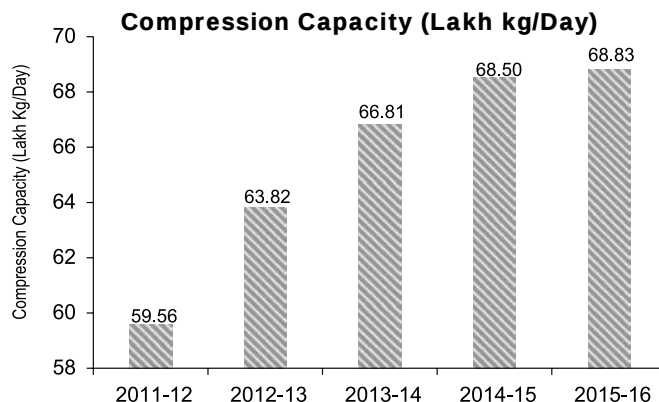
## DIVIDEND

Your Directors are pleased to recommend a dividend of 60% (Rs. 6.00 per share) as paid in the last year. The proposed dividend, including corporate dividend tax, would absorb Rs. 101.10 crores.

## PERFORMANCE HIGHLIGHTS

### COMPRESSED NATURAL GAS BUSINESS

During the year, your Company has played a very active role in working out alternatives to curb the pollution levels in Delhi and the NCR. By March 2016, your Company has added 16 CNG stations by enhancing the installed compression capacity from 68.50 Lakhs Kg/day in March 2015 to 68.83 Lakhs Kg/day in March 2016, which included 294 CNG stations in Delhi and 46 stations in the National Capital Region (NCR).





# INDRAPRASTHA GAS LIMITED

Your Company has worked aggressively on further expanding its CNG infrastructure and has commissioned new CNG facilities at 78 retail outlets of Oil Marketing Companies (OMCs) during the quarter April to June 2016.

Your Company, in close co-ordination with the Government of NCT of Delhi, worked towards the exemption of CNG Private cars from the Odd/Even Scheme, thereby increasing the trust of customers in CNG as a “cleaner fuel”.

Your Company has also taken an initiative to promote the use of CNG and attract customers during non-peak hours, by providing special incentive like discount on the selling price, during non-peak hours in the night time. The estimated number of vehicles running on CNG in Delhi and the NCR as on March 31, 2016 was over 850,000 including 540,000 private vehicles.



Hon'ble Minister of State (I/C) Petroleum & Natural Gas, Shri Dharmendra Pradhan, then Hon'ble Minister of State (I/C) Environment, Forest & Climate Change, Shri Prakash Javadekar and Hon'ble Member of Parliament, Smt. Meenakshi Lekhi launching the Pilot Phase of CNG on Two Wheelers in the presence of Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited.

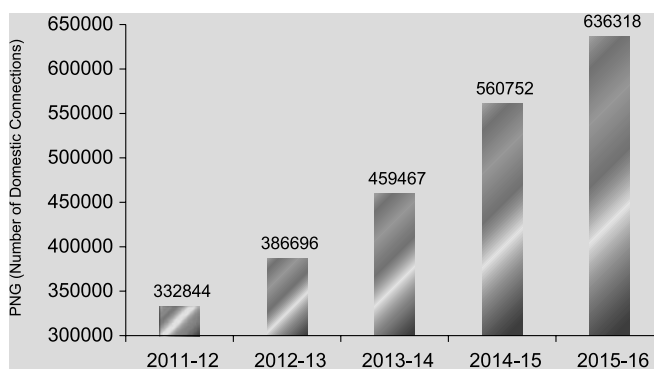
## PIPED NATURAL GAS BUSINESS

### PNG - Domestic Connections

Your Company has increased its steel pipeline network from 680 kms in FY 2014-15 to 707 kms in FY 2015-16 and its MDPE network from 8967 kms in FY 2014-15 to 9443 kms in FY 2015-16.

During the year, your Company provided 46,229 PNG connections in Delhi and 29,337 PNG connections in the NCR and the total number of connections went up from 5,60,752 in March 2015 to 6,36,318 in March 2016. It is noteworthy that your Company provided 75,566 domestic PNG connections in Financial Year 2015-16. The increase in customer base from networked areas / colonies was achieved with the help of aggressive multi-media marketing and publicity drive. The use of innovative street level marketing, combined with print and popular FM channels, enabled your Company to tap additional customers from areas which were considered saturated.

**PNG (Domestic Connections Nos)**



An increased customer base demands an infusion of information technology for more efficient operations. The conventional methods of data storage and retrieval have been discarded and replaced with modern IT tools. Your Company undertook a major transformation of its business processes by implementing state-of-the-art SAP modules for its domestic PNG business, like ECC 6.0, EHP7, SAP-CRM, SAP – MCFU, SAP – BCM, SAP – ECM, SAP – DP, etc. These modules have helped to infuse information technology in all its customer operations to bring better efficiency, by sharing real time information within IGL and with our customers. The customer app on the mobile phone has also been taken up for upgradation. Our PNG customers will experience better interface of services pertaining to their PNG connection through this upgraded mobile app. Your Company is the first CGD in the country to implement these IT modules.

## PNG – Commercial & Industrial

Your Company has maintained its focus on the Industrial & Commercial segment as one of the potential growth areas in the forthcoming years. In spite of stiff competition from alternate fuels prices, like Furnace oil (FO)/Diesel, which have come down drastically due to lower crude prices, there was some marginal growth in sales in Commercial & Industrial segment in financial year 2015-16. However, with concentrated efforts, the total number of commercial customers increased from 1566 in March 2015 to 1811 in March 2016 and the industrial customers from 726 in March 2015 to 821 in March 2016.



Industrial Customers meet with Indraprastha Gas Limited at Gautam Budh Nagar, Uttar Pradesh

Your Company has already expanded its pipeline network to most of the major industrial areas of Delhi and the NCR i.e. Gautam Budh Nagar (Noida, Greater Noida) and Ghaziabad. Pipeline laying activities are underway in the remaining industrial areas in the NCR.

## ASSOCIATE COMPANIES

### CENTRAL U.P. GAS LIMITED (CUGL)

CUGL is engaged in City Gas Distribution in the cities of Kanpur, Bareilly, Jhansi and Unnao in Uttar Pradesh. Your Company holds 50% of the paid-up equity share capital of CUGL.

CUGL has achieved a gross turnover of Rs. 221.29 crores and profit after tax of Rs. 32.62 crores for the financial year ending March 31, 2016.

### MAHARASHTRA NATURAL GAS LIMITED (MNGL)

MNGL is in City Gas Distribution business in Pune, Pimpri, Chinchwad, Chakan, Talegaon and Hinjewadi in the State of Maharashtra. Your Company holds 50% of paid-up equity share capital of MNGL.

MNGL has achieved a gross turnover of Rs. 502.46 crores and profit after tax of Rs. 74.68 crores for the financial year ending March 31, 2016.

The statement containing the salient features of the financial statement of Company's Associates pursuant to the first proviso to sub-section (3) of Section 129, is appended as Annexure 1 to this Report.

## FUTURE OUTLOOK

Your Company has drawn out plans to further consolidate its presence in Delhi and the NCR by investing Rs. 300 Crores during the financial year 2016-17.

As an initiative to address the rising air pollution caused by the 2-wheeler segment, your Company has entered into collaboration with a renowned market player in Iran to introduce retrofitment of CNG kit in the 2-wheelers segment. The Company has launched the pilot project of installation of CNG kit in 2-wheelers recently.

With the kind of CNG infrastructure expansion done by your Company during FY 2015-16, by adding 16 additional CNG facilities and 78 new CNG facilities during the quarter April to June 2016 at retail outlets of Oil Marketing Companies in Delhi and the NCR towns of Ghaziabad, and Gautam Budh Nagar, it is expected that more numbers of CNG private cars would be added due to the comfortable refueling experience, and would boost our CNG volumes. Also, CNG as a fuel, has gained more popularity and has been positioned well as a cleaner fuel during the Odd/ Even Schemes, and so would attract more customers preferring CNG over Diesel for their new purchases also.

It is also expected that in order to further strengthen the Public Transport system in Delhi, the Government of NCT of Delhi has an aggressive plan to introduce additional 1000 cluster busses. Your Company is also planning to setup additional CNG facilities at five new Cluster Bus Depots.

It is also expected, that with an increase in allocation of domestic gas to City Gas Distribution (CGD) entities, the price differential of CNG versus alternate liquid fuel will continue to drive the conversion of petrol driven private vehicles to CNG mode. The introduction of more CNG variant models by car manufacturers would further add to CNG volumes.

Your Company has innovative plans to expand its PNG customer base as a part of mission of expanding PNG launched by the Ministry of Petroleum & Natural Gas, Government of India. Expanding PNG connectivity into newly constructed housing units in Gautam Budh Nagar by builders



# INDRAPRASTHA GAS LIMITED

/ government will be given priority to register ambitious growth. The sustained marketing campaign by the Company in Gautam Budh Nagar and Ghaziabad has encouraged builders and developers to integrate PNG at the drawing board stage itself. Though there has been a slack in demand for new residential units, which is a cause for concern in the short term, it is expected that FY 2016 -17 will witness some surge in demand from prospective buyers of properties. This demand recovery will enable your Company to push for aggressive targets for PNG connections in new residential projects. New high volume industrial & commercial customers will continue to be the target for achieving higher growth by your Company.

The Company is looking forward to expand its footprints in new cities through participation in the bidding process of PNGRB and by way of strategic investment, in other CGD Companies. IGL participated in the 6<sup>th</sup> round of PNGRB bidding and has received letter of intent from PNGRB for grant of authorization for development of CGD network in the Geographical Area of Rewari District of Haryana.

## INFORMATION TECHNOLOGY

Your Company is committed to provide all its customers and stakeholders with the latest IT related services, to enhance their user experience. Your Company has enriched the customer engagement through successfully implementing a new look and user friendly multichannel platform, enabling them to avail of customer services over the web portal, as well as mobile devices. An advanced mobile app shall soon be released to the customers, providing them with new features and facilities. To enable better control of the business process through automation and digitization, your Company has implemented the Business Communication Management (BCM) application to facilitate customers with optimized and improved call center operations over IVR. This enables the business users to track, consolidate and respond in timely manner to customer complaints received through multiple channels.

Your Company has envisioned the importance of integrating the field equipment data with the SAP system, to enable better control and reporting, by implementing the Manufacturing Integration and Intelligence (MII) module. This module's functionality has been leveraged to offer a discount to CNG customers, by implementing differential pricing on the basis of dispenser sales data.

Your Company has automated the process of embedding the image of gas meter counter on the customer's invoices through a specially designed meter reading app to ensure transparency and accuracy of the billing process.

Your Company has further strengthened the reporting capabilities of the system by implementing the Business Intelligence application, facilitating the management to take quick decisions, based on the analysis of the user friendly reports conveniently generated from the system, as and when needed.

Your Company has also realized the need to recover valuable and critical information/data from any natural or human induced disaster. The replication of data to a Disaster Recovery site in Pune has been established and successfully tested for the ERP application. A similar set up for the new modules and applications developed recently shall soon be established.

## HUMAN RESOURCES

We believe that human resource is the most important resource which drives the organization towards growth and achievements. So, the Company is taking care of its employees through different interventions viz. revision in compensation through industry benchmarking, through better deployment of manpower at work places, etc.



Indraprastha Gas Limited observed International Yoga Day on 21st June 2016

The continual imparting of training, both technical and also non-technical, is necessary for the growth of employees, personally as well professionally. During the year, our employees were provided with the best of trainings viz. SAP functional/technical etc.

During the year, your Company also organized various events, viz. sports activities, preventive health checkups, marathon participation, etc., to take care of the employees 'health and fitness'.

Also your Company inducted various talented young professionals to infuse knowledge and talent. Your Company maintained harmonious and healthy relations among its employees.

Your Company recognizes the contribution of its employees in its growth.

## HEALTH SAFETY AND ENVIRONMENT (HSE)

Your Company has always accorded the top most priority to Fire and Safety related issues and has focused its continual efforts to maintain a good safety culture and to improve Fire and Safety standards.



Conducting of Fire & Safety training at ABES Engineering College, Ghaziabad

It is a matter of pride that your Company has crossed 87 Million Man Hours accident free till 31<sup>st</sup> March 2016. This is a milestone achievement which has resulted from the continuous efforts of all the individuals working directly and indirectly for your Company. During FY 2015-16, your Company has been conferred with various prestigious safety awards/ appreciation certificates viz. Green Tech Safety Award (Gold category), Safety Innovation Award by Institute of Engineers and Certificate of Appreciation from National Safety Council to recognize the excellence in the field of Fire & Safety management.

Training is regularly imparted to the employees, contract staff at CNG stations, DTC drivers and consumers of CNG and PNG. To create safety awareness and to impart training to all categories of consumers, a dedicated group of trainers with a fully equipped training van is deployed, which conducts safety clinics along with practical demonstration.

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

In line with your Company's HSE policy, Safety Audits and other statutory compliances are done to ensure safety in all facets of IGL's operations.

The Emergency Control Centres (ECC) established at strategic locations across Delhi and the NCR, are manned round the clock to respond fast to any gas leak or emergency situation. Three Emergency Response Vehicles (ERVs) have been added during the FY 2015-16, to respond to emergencies.

## IMPLEMENTATION OF INTEGRATED MANAGEMENT SYSTEM

Your Company has successfully implemented and been certified for Energy Conservation (ISO 50001:2011) in 2015-16.

## CORPORATE SOCIAL RESPONSIBILITY

Keeping in view the requirements under the Companies Act, 2013, the Board approved CSR Policy is being followed while undertaking all CSR programmes. In addition to carrying forward various CSR projects started in the earlier year, many new ones have also been initiated in FY 2015-16 as well, as per the CSR Policy.

Your Company has been supporting meritorious students from under-privileged strata of society for specialized coaching for engineering entrance examination, through a scheme run by an NGO for the last six years. It is again a matter of satisfaction that in FY 2015-16, all the fifteen students sponsored by your Company have qualified for admission in top engineering colleges.

Your Company realizes that good health is paramount to ensure safety on the roads. Therefore, your Company is carrying forward 'IGL Swasth Saarthi' – a comprehensive health management programme for auto and taxi drivers in Delhi and the NCR, wherein a series of comprehensive Health checkup camps and Non Communicable Diseases (NCD) camps are being organized at various CNG stations, through a leading hospital.

In addition to carrying forward the funding of the training programme for taxi drivers on Gender Sensitization and Skill Management, being organized by Transport Department, the Government of NCT of Delhi, for the taxi drivers, your Company has extended the scope of its funding to include the training of auto drivers of Delhi and Noida. A group accident insurance cover is provided to 3.25 lakh drivers of CNG run public transport in the region under 'IGL Suraksha Yojna'.



Shri V. Nagarajan, Director (Commercial) Indraprastha Gas Limited and Chief Engineer, East Delhi Municipal Corporation (EDMC) exchange documents in the presence of Shri Mohanjeet Singh, IAS, Commissioner, EDMC and Shri E.S. Ranganathan, Managing Director, IGL after signing an MOU for Construction of Toilet Complexes in EDMC Area as a part of Swachh Bharat Abhiyan under the CSR programme of IGL.



# INDRAPRASTHA GAS LIMITED

Considering the ever growing demand for skilled manpower across sectors as a result of the 'Make in India' programme, your Company is contributing towards Skill Development programmes for unemployed youth, in the fields of gas plumbing and welding, by providing technical oriented quality training. Your Company is also contributing towards the setting up of workshops on gas plumbing to students from government run ITIs for providing skills on gas plumbing.

As a part of Swachh Bharat programme, your Company has been working with the local authorities towards development of new public toilet complexes and up gradation of toilet facilities in government run schools. While the provision of public toilets has been completed with one civic agency, a MOU has been signed with another civic body for the same.



Shri V. Nagarajan, Director (Commercial), Indraprastha Gas Limited exchanges documents with Shri Manoj Kumar, IAS, Director, Directorate of Training and Technical Education, Govt. of NCT of Delhi after signing an MOU for setting up workshop on Gas in a government run ITI for providing skill training, under the CSR programme of IGL.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is appended as Annexure 2 to this report.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

- i) in the preparation of Annual Accounts for the financial year ended March 31, 2016, 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 that period;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv) they have prepared the Annual Accounts for the Financial Year ended March 31, 2016 on a going concern basis;
- v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DIRECTORS

Shri E.S. Ranganathan, nominee of Gail (India) Limited (GAIL), was appointed as the Managing Director of the Company in place of Shri Narendra Kumar w.e.f. June 1, 2016.

The shareholders of the Company at 16th Annual General Meeting had appointed Dr. Sudha Sharma and Shri. Raghu Nayyar as Independent Directors of the Company w.e.f. March 20, 2015 to March 19, 2018.

The Board takes this opportunity to place on record its appreciation for valuable contribution made by Shri Narendra Kumar during his tenure as the Managing Director of the Company.

In terms of Section 152 of the Companies Act, 2013, Shri M. Ravindran, the Chairman of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Smt. Gitanjali Gupta Kundra, a Director of the Company has not attended all the meetings of the Board of Directors of the Company held during the period of previous twelve months. Accordingly, in view of the provisions of Section 167 of the Companies Act, 2013, her office of Director in the Company has become vacant w.e.f. August 5, 2016.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the "Listing Regulations").

The details of programmes for familiarization of Independent Directors with the Company are put up on the website of the Company (<http://www.iglonline.net/Documents/Familiarization-Programmes-for-Independent-Directors.pdf>).

The Nomination & Remuneration committee considers various criteria such as age, qualification, expertise, diversity in composition of Board and likely contribution to the Company while recommending the name of the Independent Director.

During the financial year 2015-16, the Nomination & Remuneration Committee recommended to the Board, the revised compensation package and other related benefits/policies for the employees of the Company based on a study carried out by a reputed HR consultant.

The Nomination & Remuneration Committee has laid down the criteria such as attendance and participation in the meetings, adherence to ethical standards, integrity, code of conduct, interpersonal relations with the other Directors, safeguarding of confidential information of the Company, observing corporate governance standards, etc., to carry out evaluation of every Director's performance.

The Board of Directors carried out the evaluation of every Director, committees of Board and the Board as a whole, based on the laid down criteria of performance evaluation.

## CORPORATE GOVERNANCE

As per the requirements of the Listing Regulations, a detailed Report on Corporate Governance and a certificate regarding compliance of conditions of Corporate Governance are annexed as part of the Annual Report.

## DEPOSITS

During the financial year 2015-16, your Company has not

accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year 2015-16, IGL has made investment of Rs. 9.50 crores in M/s Maharashtra Natural Gas Ltd. on July 10, 2015.

## AMOUNT WHICH THE COMPANY PROPOSES TO CARRY TO ANY RESERVES, IF ANY

For the year 2015-16, your Company has proposed to transfer Rs. 41.62 crores to the general reserve of the Company.

## NUMBER OF MEETINGS OF THE BOARD AND AUDIT COMMITTEE

The details of the number of meetings of the Board and Audit Committee held during the financial year ended March 31, 2016 and composition of Audit Committee are given in Corporate Governance Report.

## RELATED PARTY TRANSACTIONS

Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions has been disclosed



Indraprastha Gas Limited awarded as City Gas Distribution Company of the year at Petrofed Oil & Gas Awards 2015.



# INDRAPRASTHA GAS LIMITED



Indraprastha Gas Limited awarded as City Gas Distribution Company of the year at Petrofed Oil & Gas Awards 2015.

on the website of the Company at weblink <http://iglonline.net/Related-Party-Policy.pdf>.

During the financial year 2015-16, your Company has not entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014.

However, your Company has entered into transaction with parties which falls in the definition of "Related Parties" defined under Listing Regulations. Details of transactions with related parties are being disclosed separately in the Annual Report and since transactions in two contracts with GAIL qualify as material transactions, the same are being placed for shareholders' approval in the ensuing Annual General Meeting (AGM).

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted Internal Complaints Committee (ICC). During the financial year 2015-16, one case of Sexual Harassment of woman at workplace has been reported. Inquiry was conducted by ICC and report was submitted to disciplinary authority. Subsequently, order has been passed by disciplinary authority.

## RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL ADEQUACY

Your Company has Risk Management System in place including The Risk Policy & identification of the Risks which are reviewed periodically.

Your Company has laid down a set of standards, processes and structure for internal financial control across the organization and ensures that the same are adequate and operating effectively.

## VIGIL MECHANISM

The Company has a Whistle Blower Policy as part of the vigil mechanism, which provides a platform to the employees, directors, vendors and suppliers of the Company to come forward and raise their genuine concerns without any fear of retaliation and victimization. The Company has engaged an independent third party service provider to manage the operations of the whistle-blower hotline. The details of the Whistle Blower Policy are available on the website of the Company [www.iglonline.net](http://www.iglonline.net).

## STATUTORY AUDITORS

In exercise of powers conferred by Section 139 of the Companies Act, 2013, the Comptroller and Auditor General



Shri Narendra Kumar, then Managing Director, Indraprastha Gas Limited and Shri V. Nagarajan, Director (Commercial) presenting dividend cheque for 2014-15 to Shri B.C. Tripathi, Chairman, GAIL (India) Ltd in the presence of senior IGL and GAIL officials.

of India vide its letter dated August 12, 2016, has appointed M/s Walker Chandio & Co LLP, Chartered Accountants as Statutory Auditors of the Company for the financial Year 2016-17. M/s. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company will retire at the ensuing Annual General Meeting of the Company.

The Notes on financial statements referred to in the Auditors' Report for FY 2015-16 of M/s. Deloitte Haskins & Sells, Chartered Accountants are self-explanatory and do not call for any further comments.

## **COST AUDITORS**

Your Company had appointed M/s. Chandra Wadhwa & Co., New Delhi as Cost Auditors for the financial year 2015-16.

As per Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of your Company has re-appointed M/s. Chandra Wadhwa & Co., New Delhi, Cost Accountants, as the Cost Auditors of the Company for the financial year 2016-17. The remuneration proposed to be paid to the Cost Auditors is subject to the ratification by the members at the ensuing Annual General Meeting of the Company.

## **SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

Pursuant to Section 204 of the Companies Act, 2013, your Company had appointed M/s V.K. Sharma & Co., Practicing Company Secretaries, Noida, as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2015-16. The Report of Secretarial Auditor for the financial year 2015-16 is appended as Annexure 3 to this report.

## **DISCLOSURES REGARDING REMUNERATION**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure 4 to this report.

## **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is appended as Annexure 5 to this report.

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

The information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule (8)



Shri Narendra Kumar, then Managing Director, Indraprastha Gas Limited and Shri V. Nagarajan, Director (Commercial) presenting dividend cheque for 2014-15 to Shri S. Varadarajan, Chairman & Managing Director, BPCL in the presence of senior IGL and BPCL officials.

(3) of the Companies (Accounts) Rules, 2014 is appended as Annexure 6 to this report.

## 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 patronage & 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.

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/-

**V. Nagarajan**  
Director (Commercial)

sd/-

**E.S. Ranganathan**  
Managing Director

Place: New Delhi  
Date: August 22, 2016



## ANNEXURE 1

### FORM NO. AOC.1

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in Rs )

1. Sl. No.
2. Name of the subsidiary
3. The date since when subsidiary was acquired
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.
6. Share capital
7. Reserves & surplus
8. Total assets **NOT APPLICABLE**
9. Total Liabilities
10. Investments
11. Turnover
12. Profit before taxation
13. Provision for taxation
14. Profit after taxation
15. Proposed Dividend
16. Extent of shareholding (in percentage)

**Notes:** The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

### **PART "B": ASSOCIATES AND JOINT VENTURES**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates or Joint Ventures                                                | Central UP Gas Limited (CUGL) | Maharashtra Natural Gas Limited (MNGL) |
|-------------------------------------------------------------------------------------|-------------------------------|----------------------------------------|
| <b>1. Latest audited Balance Sheet Date</b>                                         | 31.03.2016                    | 31.03.2016                             |
| <b>2. Date on which Associate or Joint Venture was associated or acquired</b>       | 21.06.2013                    | 26.03.2015                             |
| <b>3. Shares of Associate or Joint Ventures held by the company on the year end</b> |                               |                                        |
| No.                                                                                 | 30000000                      | 50000000                               |
| Amount of Investment in Associates or Joint Venture                                 | Rs. 69.17 crores              | Rs. 190.00 crores                      |



# INDRAPRASTHA GAS LIMITED

| Extend of Holding (in percentage)                                                   | 50%                         | 50%                         |
|-------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>4. Description of how there is significant influence</b>                         | Holding 50% (Equity shares) | Holding 50% (Equity shares) |
| <b>5. Reason why the associate/joint venture is not consolidated</b>                | Consolidated                | Consolidated                |
| <b>6. Networth attributable to shareholding as per latest audited Balance Sheet</b> | Rs. 164.00 Crores           | Rs. 285.59 Crores           |
| <b>7. Profit / Loss for the year</b>                                                |                             |                             |
| i. Considered in Consolidation                                                      | Rs. 16.31 Crores            | Rs. 37.34 Crores.           |
| ii. Not Considered in Consolidation                                                 | Rs. 16.31 Crores            | Rs. 37.34 Crores.           |

For and on behalf of the Board of Directors

sd/-

**E.S. Ranganathan**  
Managing Director

sd/-

**S.K. Jain**  
Company Secretary

sd/-

**V. Nagarajan**  
Director (Commercial)

sd/-

**Rajesh Agrawal**  
Chief Financial Officer

Place: New Delhi

Date : August 22, 2016

## ANNEXURE 2

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

#### 1. Outline of CSR Policy

Indraprastha Gas Limited (IGL) recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.

A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates. IGL follows the Board approved CSR Policy which is in line with the requirements of The Companies Act, 2013.

The contents of CSR Policy of IGL are displayed on IGL's website at <http://iglonline.net/CSR.aspx>.

#### 2. Composition of the CSR Committee (As on March 31, 2016)

Mr. Santosh Kumar – Chairman

Mr. Narendra Kumar – Member

Mr. V. Nagarajan - Member

Mr. Raghu Nayyar – Member

#### 3. Average Net Profit of the company in the last three financial years – Rs. 572.34 Crores

#### 4. Prescribed CSR expenditure (2% of the amount mentioned in 3 above) – Rs. 11.45 Crores

#### 5. a) Total Amount to be spent in the financial year – Rs. 11.45 Crores

#### b) Amount unspent – Rs. 7.02 Crores

#### c) Amount spent given in table below – Rs. 4.43 Crores

| 1      | 2                                            | 3                                                    | 4                                                                                                                             | 5                                                             | 6                                                                                                                  | 7                                                             | 8                                                                |
|--------|----------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|
| S. No. | CSR Project or activity identified           | Sector in which project is covered                   | Projects or programs<br>1) Local area or other<br>2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or programme wise (Rs in lakh) | Amount spent on projects or programs (Rs in lakh)<br>1) Direct expenditure on projects or programs<br>2) Overheads | Cumulative expenditure upto the reporting period (Rs in lakh) | Amount spent: Direct or through implementing agency (Rs in lakh) |
| 1      | IGL Suraksha Yojna                           | Eradicating poverty                                  | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 18.19                                                         | 1) 18.19                                                                                                           | 18.19                                                         | Direct                                                           |
| 2      | IIT Students sponsorship                     | Education & employment enhancing vocational skills   | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 37.50                                                         | 1) 37.50                                                                                                           | 37.50                                                         | Centre for Social Responsibility and Leadership                  |
| 3      | IGL Swasth Saarthi Programme (Jan'15-Dec'15) | Promoting Healthcare including Preventive Healthcare | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 63.60                                                         | 1) 32.04<br>2) 0.95                                                                                                | 43.14                                                         | Direct                                                           |



# INDRAPRASTHA GAS LIMITED

| 1      | 2                                                                                                         | 3                                                    | 4                                                                                                                             | 5                                                             | 6                                                                                                                  | 7                                                             | 8                                                                |
|--------|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|
| S. No. | CSR Project or activity identified                                                                        | Sector in which project is covered                   | Projects or programs<br>1) Local area or other<br>2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or programme wise (Rs in lakh) | Amount spent on projects or programs (Rs in lakh)<br>1) Direct expenditure on projects or programs<br>2) Overheads | Cumulative expenditure upto the reporting period (Rs in lakh) | Amount spent: Direct or through implementing agency (Rs in lakh) |
| 4      | IGL Swasth Saarthi Programme (Feb'16-Feb'17)                                                              | Promoting Healthcare including Preventive Healthcare | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 60.39                                                         | 1) 12.08<br>2) 0.26                                                                                                | 12.34                                                         | Direct                                                           |
| 5      | Education of underprivileged rural children                                                               | Education & employment enhancing vocational skills   | Outside the local area in South India                                                                                         | 4.0                                                           | 1) 4.0                                                                                                             | 4.0                                                           | Isha Foundation                                                  |
| 6      | Taxi Driver Training for Gender Sensitization (Feb'15-Feb'16)                                             | Vocational Skills                                    | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 88.64                                                         | 1) 26.59                                                                                                           | 88.64                                                         | Manas Foundation                                                 |
| 7      | Taxi Driver Training for Gender Sensitization (Mar'16-Mar'17)                                             | Vocational Skills                                    | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 89.01                                                         | 1) 35.61                                                                                                           | 35.61                                                         | Manas Foundation                                                 |
| 8      | Auto Driver Training for Gender Sensitization in Delhi (Jan'16-Dec'16)                                    | Vocational Skills                                    | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 89.25                                                         | 1) 67.24                                                                                                           | 67.24                                                         | Manas Foundation                                                 |
| 9      | Auto Driver Training for Gender Sensitization In Noida (Mar'16-Feb'17)                                    | Vocational Skills                                    | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 44.74                                                         | 1) 17.90                                                                                                           | 17.90                                                         | Manas Foundation                                                 |
| 10     | Skill Development Training                                                                                | Education & employment enhancing vocational skills   | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 21.20                                                         | 1) 12.72                                                                                                           | 21.20                                                         | National Yuva Cooperative Society                                |
| 11     | Road Safety Summer Camp for students by Delhi Traffic Police                                              | Promoting Education                                  | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 4.02                                                          | 1) 4.02                                                                                                            | 4.02                                                          | Direct                                                           |
| 12     | Construction of Toilet Complexes at key locations in SDMC Area                                            | Promoting Sanitation                                 | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 131.16                                                        | 1) 95.57                                                                                                           | 95.57                                                         | South Delhi Municipal Corporation                                |
| 13     | Construction & redevelopment of toilets in Schools run by Directorate of Education, Govt. of NCT of Delhi | Promoting Sanitation                                 | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 43.14                                                         | 1) 28.13                                                                                                           | 28.13                                                         | Sulabh International                                             |

| 1                           | 2                                                                                 | 3                                  | 4                                                                                                                             | 5                                                             | 6                                                                                                                  | 7                                                             | 8                                                                |
|-----------------------------|-----------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------|
| S. No.                      | CSR Project or activity identified                                                | Sector in which project is covered | Projects or programs<br>1) Local area or other<br>2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or programme wise (Rs in lakh) | Amount spent on projects or programs (Rs in lakh)<br>1) Direct expenditure on projects or programs<br>2) Overheads | Cumulative expenditure upto the reporting period (Rs in lakh) | Amount spent: Direct or through implementing agency (Rs in lakh) |
| 14                          | Printing of Stickers to identify CNG run vehicles during Clean Delhi restrictions | Maintaining quality of Air         | Local area i.e. Delhi/Noida/ Greater Noida and Ghaziabad                                                                      | 50.70                                                         | 1) 50.46                                                                                                           | 50.46                                                         | Direct                                                           |
| <b>TOTAL PROJECT AMOUNT</b> |                                                                                   |                                    |                                                                                                                               | <b>745.56</b>                                                 | <b>AMOUNT SPENT (March 31, 2016)</b>                                                                               |                                                               | <b>443.26</b>                                                    |

(Rs. 4.43 Crores)

**6. In case company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.**

In line with the Board approved CSR Policy, a number of new CSR projects had been identified and initiated in FY 2015-16 apart from the ongoing ones. The amount spent in FY 2015-16 on CSR projects was more than three times the amount spent in FY 2014-15.

Many new CSR Projects have been identified for 2016-17, for which approvals have already been taken and work has been initiated. In addition, the successful CSR projects initiated in 2015-16 are being scaled up in 2016-17 after gauging their impact.

All these projects would be ramped up in the subsequent years after gauging impact of these initiatives through impact assessment studies.

## 7. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

sd/-  
**E.S. Ranganathan**  
Managing Director

sd/-  
**Santosh Kumar**  
Chairman, CSR Committee

Place : New Delhi  
Date : August 22, 2016



### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

To,

The Members,

**M/s Indraprastha Gas Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Indraprastha Gas Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **M/s Indraprastha Gas Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s Indraprastha Gas Limited** ("the Company") for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



(vi) and other applicable laws which in our opinion were applicable to the Company i.e. The Petroleum and Natural Gas Regulatory Board Act, 2006, The Petroleum Act, 1934 and Explosives Act, 1884.

We have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Ltd. (Bombay Stock Exchange) and National Stock Exchange of India Ltd and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent they were applicable. The Company has incurred an expenditure of Rs.4.43 Crores (Previous year 1.33Crores) on Corporate Social Responsibility activity specified under the provisions of the Companies Act, 2013, as against the required spend of Rs. 11.45 Crores (Previous year 10.12 crores).

## **We further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no specific event/action which has a major bearing on the affairs of the Company in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

for **V. K. Sharma & Co.**  
Company Secretaries

sd/-  
**(V. K. Sharma)**  
FCS: 3440  
C. P. No.:2019

Place: Noida

Date : August 22, 2016

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report



## 'Annexure A'

To,  
**The Members,**  
**M/s Indraprastha Gas Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification procedures on test basis.
5. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **V. K. Sharma & Co.**  
Company Secretaries

sd/-  
**(V. K. Sharma)**  
FCS: 3440  
C. P. No.:2019

Place: Noida  
Date: August 22, 2016



## ANNEXURE 4

### DISCLOSURES WITH RESPECT TO REMUNERATION AND OTHER DETAILS AS REQUIRED UNDER SECTION 197(12) OF COMPANIES ACT, 2013 AND RULE 5(1) & (2) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16;

| Sl. No | Name of Director (Executive)             | Director's Remuneration (Rs. In lacs)* | Employee Median Remuneration (Rs. In lacs) | Ratio  |
|--------|------------------------------------------|----------------------------------------|--------------------------------------------|--------|
| 1      | Shri Narendra Kumar, Managing Director   | 59.09                                  | 9.38                                       | 6.30:1 |
| 2      | Shri V. Nagarajan, Director (Commercial) | 47.48                                  | 9.38                                       | 5.06:1 |

\* Excluding commission on profit payable to parent organisations.

#### NOTES:

1. Ratio of remuneration is not considered for non-executive directors.
- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

| Sl. No | Name of Director and KMP                     | % increase in remuneration |
|--------|----------------------------------------------|----------------------------|
| 1      | Shri Narendra Kumar, Managing Director       | 8.64                       |
| 2      | Shri V. Nagarajan, Director (Commercial)     | 16.12                      |
| 3      | Shri Rajesh Agrawal, Chief Financial Officer | 20.50                      |
| 4      | Shri S.K. Jain, Company Secretary            | 17.39                      |

- c) In the financial year 2015-16, there was an increase of 15.50% in the median remuneration of employees.
- d) The number of permanent employees on the rolls of company as on March 31, 2016 was 554. The Company has maintained peaceful and harmonious relations with all its employees.
- e) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 23% whereas the increase in the salary of Managing Director was 8.64% and Director (Commercial) was 16.12%.
- f) Details of top ten employees in terms of remuneration drawn for the financial year 2015 -16 are as under:

| Name                | Designation                    | Remuneration (Rs.) | Qualification         | Experience (years) | Joining Date | Age (years) | Last employment             |
|---------------------|--------------------------------|--------------------|-----------------------|--------------------|--------------|-------------|-----------------------------|
| Shri Ashim Batra    | Sr. Vice President – Marketing | 65,52,101          | BE, MBA (Mktg.)       | 32                 | 23.06.2003   | 54          | Vietrans Pvt. Ltd.          |
| Shri Rajesh Agrawal | CFO                            | 62,54,280          | CA, CS                | 33                 | 16.01.2006   | 58          | IBP Company Limited         |
| Shri Manjeet Singh  | Vice President-JV Coord.       | 57,48,326          | B.Tech., PGDM (Mktg.) | 31                 | 27.09.2006   | 54          | Bharat Petroleum Corp. Ltd. |



# INDRAPRASTHA GAS LIMITED

|                            |                                     |           |                       |    |            |    |                                       |
|----------------------------|-------------------------------------|-----------|-----------------------|----|------------|----|---------------------------------------|
| Shri Praveen Kumar Pandey  | Vice President-CNG O&M              | 57,81,182 | BE (Mech)             | 31 | 02.01.2006 | 53 | Sriram Fertilizer & Chemicals Limited |
| Shri Sudhanshu Pant        | Vice President-CNG Projects         | 47,04,181 | BE (Mech)             | 32 | 02.12.2003 | 55 | TIL Limited                           |
| Shri Navnit Chandra Mangla | Chief General Manager-ERP& IT       | 46,53,426 | BE (Mech)             | 29 | 31.05.2004 | 51 | JCB India Limited                     |
| Shri Vinod Kumar Dhaaka    | Chief General Manager-Marketing     | 44,19,360 | MBA -Marketing        | 27 | 24.11.2003 | 52 | LG Polymers India Pvt. Ltd.           |
| Shri Ajai Tyagi            | Chief General Manager-Q&IM          | 43,79,661 | B. Tech. (Electrical) | 26 | 23.06.2003 | 47 | India Glycols Limited                 |
| Shri Sunil Kumar Jain      | Company Secretary                   | 43,62,167 | CS, CMA, LLB          | 27 | 18.06.2004 | 51 | Maharashtra Seamless Ltd.             |
| Shri Alok Sharma           | Chief General Manager-Fire & Safety | 41,21,751 | BE (Fire)             | 24 | 26.06.2006 | 48 | GAIL India Ltd.                       |
| Shri Susheel Jad           | Chief General Manager-Legal         | 41,21,751 | LLM                   | 24 | 31.07.2006 | 48 | NFL                                   |

## NOTES:

1. Remuneration includes salary, allowances, Leave Travel Allowances, Performance Linked Incentive, Company contribution to PF, gratuity, NPS and other perks.
  2. None of the employees mentioned above hold more than 2% of the shares of your Company, along with their spouse and dependent children.
  3. None of the employees mentioned above is a relative of any director.
- g) It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.



## ANNEXURE 5

### FORM NO. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

|                                                                                |   |                                                                                                                                                                            |
|--------------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i. CIN                                                                         | : | L23201DL1998PLC097614                                                                                                                                                      |
| ii. Registration Date                                                          | : | 23/12/1998                                                                                                                                                                 |
| iii. Name of the Company                                                       | : | INDRAPRASTHA GAS LIMITED                                                                                                                                                   |
| iv. Category / Sub-Category of the Company                                     | : | Company limited by shares/Indian Non-Government Company                                                                                                                    |
| v. Address of the Registered office and contact details                        | : | IGL BHAWAN, PLOT NO.4, COMMUNITY CENTRE, SECTOR-9, R. K. PURAM, NEW DELHI - 110022                                                                                         |
| vi. Whether listed company                                                     | : | Yes                                                                                                                                                                        |
| vii. Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Karvy Computershare Private Limited<br>Karvy Selenium Tower B, Plot No 31 & 32<br>Gachibowli, Financial District,<br>Nanakramguda, Serilingampally<br>Hyderabad – 500 032, |
| Tel. No's                                                                      | : | 040-67162222                                                                                                                                                               |
| Fax No's                                                                       | : | 040-23001153                                                                                                                                                               |
| Toll Free no.                                                                  | : | 1800-345-4001                                                                                                                                                              |
| E-Mail Address                                                                 | : | einward.ris@karvy.com                                                                                                                                                      |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--------------------------------------------------|----------------------------------|------------------------------------|
| 1       | NATURAL GAS                                      | 3520                             | 100                                |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

| Sl. No. | NAME AND ADDRESS OF THE COMPANY                                                                        | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % of shares held                    | Applicable Section                   |
|---------|--------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|-------------------------------------|--------------------------------------|
| 1.      | Central U.P. Gas limited<br>A-1/4 Lakhanpur,<br>UPSIDC Complex,<br>Lakhanpur, Kanpur -<br>208024, U.P. | U40200UP2005PLC029538 | Associate                      | 50% of paid-up equity share capital | Section 2 (6) of Companies Act, 2013 |



# INDRAPRASTHA GAS LIMITED

|    |                                                                                                                                                                      |                       |           |                                     |                                      |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------|-------------------------------------|--------------------------------------|
| 2. | Maharashtra Natural Gas Limited<br>A-Block, Plot No 27, Narveer Tanaji Wadi, PMT Bus Depot Commercial Building, First Floor, Shivaji Nagar, Pune-411005, Maharashtra | U11102PN2006PLC021839 | Associate | 50% of paid-up equity share capital | Section 2 (6) of Companies Act, 2013 |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------|-------------------------------------|--------------------------------------|

## (IV) SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

### (i) Category - Wise Shareholding

| CATEGORY OF SHAREHOLDER  |                                        | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2015 |          |                 |                   | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2016 |          |                 |                   | % CHANGE DURING THE YEAR |
|--------------------------|----------------------------------------|------------------------------------------------------------|----------|-----------------|-------------------|------------------------------------------------------|----------|-----------------|-------------------|--------------------------|
|                          |                                        | DEMAT                                                      | PHYSICAL | TOTAL           | % OF TOTAL SHARES | DEMAT                                                | PHYSICAL | TOTAL           | % OF TOTAL SHARES |                          |
| <b>(A)</b>               | <b>PROMOTER AND PROMOTER GROUP</b>     |                                                            |          |                 |                   |                                                      |          |                 |                   |                          |
| (1)                      | INDIAN                                 |                                                            |          |                 |                   |                                                      |          |                 |                   |                          |
| (a)                      | Individual /HUF                        | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| (b)                      | Central Government/State Government(s) | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| (c)                      | Bodies Corporate                       | 63000080                                                   | 0        | 63000080        | 45.00             | 63000080                                             | 0        | 63000080        | 45.00             | 0.00                     |
| (d)                      | Financial Institutions / Banks         | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| (e)                      | Others                                 | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| <b>Sub-Total A(1) :</b>  |                                        | <b>63000080</b>                                            | <b>0</b> | <b>63000080</b> | <b>45.00</b>      | <b>63000080</b>                                      | <b>0</b> | <b>63000080</b> | <b>45.00</b>      | <b>0.00</b>              |
| (2)                      | FOREIGN                                |                                                            |          |                 |                   |                                                      |          |                 |                   |                          |
| (a)                      | Individuals (NRIs/Foreign Individuals) | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| (b)                      | Bodies Corporate                       | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| (c)                      | Institutions                           | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| (d)                      | Qualified Foreign Investor             | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| (e)                      | Others                                 | 0                                                          | 0        | 0               | 0.00              | 0                                                    | 0        | 0               | 0.00              | 0.00                     |
| <b>Sub-Total A(2) :</b>  |                                        | <b>0</b>                                                   | <b>0</b> | <b>0</b>        | <b>0.00</b>       | <b>0</b>                                             | <b>0</b> | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total A=A(1)+A(2)</b> |                                        | <b>63000080</b>                                            | <b>0</b> | <b>63000080</b> | <b>45.00</b>      | <b>63000080</b>                                      | <b>0</b> | <b>63000080</b> | <b>45.00</b>      | <b>0.00</b>              |
| <b>(B)</b>               | <b>PUBLIC SHAREHOLDING</b>             |                                                            |          |                 |                   |                                                      |          |                 |                   |                          |
| (1)                      | INSTITUTIONS                           |                                                            |          |                 |                   |                                                      |          |                 |                   |                          |
| (a)                      | Mutual Funds /UTI                      | 9884358                                                    | 0        | 9884358         | 7.06              | 13258557                                             | 0        | 13258557        | 9.47              | 2.41                     |



|                              |                                                                       |                  |                |                  |               |                  |                |                  |               |              |
|------------------------------|-----------------------------------------------------------------------|------------------|----------------|------------------|---------------|------------------|----------------|------------------|---------------|--------------|
| (b)                          | Financial Institutions /Banks                                         | 782196           | 0              | 782196           | 0.56          | 888066           | 0              | 888066           | 0.64          | 0.08         |
| (c)                          | Central Government / State Government(s)                              | 0                | 7000000        | 7000000          | 5.00          | 0                | 7000000        | 7000000          | 5.00          | 0.00         |
| (d)                          | Venture Capital Funds                                                 | 0                | 0              | 0                | 0.00          | 0                | 0              | 0                | 0.00          | 0.00         |
| (e)                          | Insurance Companies                                                   | 12938744         | 0              | 12938744         | 9.24          | 8194213          | 0              | 8194213          | 5.85          | -3.39        |
| (f)                          | Foreign Institutional Investors                                       | 25595100         | 0              | 25595100         | 18.28         | 29130658         | 0              | 29130658         | 20.81         | 2.53         |
| (g)                          | Foreign Venture Capital Investors                                     | 0                | 0              | 0                | 0.00          | 0                | 0              | 0                | 0.00          | 0.00         |
| (h)                          | Qualified Foreign Investor                                            | 0                | 0              | 0                | 0.00          | 0                | 0              | 0                | 0.00          | 0.00         |
| (i)                          | Others - Foreign Nationals                                            | 0                | 0              | 0                | 0.00          | 300              | 0              | 300              | 0.00          | 0.00         |
| <b>Sub-Total B(1) :</b>      |                                                                       | <b>49200398</b>  | <b>7000000</b> | <b>56200398</b>  | <b>40.14</b>  | <b>51471794</b>  | <b>7000000</b> | <b>58471794</b>  | <b>41.77</b>  | <b>1.63</b>  |
| (2)                          | NON-INSTITUTIONS                                                      |                  |                |                  |               |                  |                |                  |               |              |
| (a)                          | Bodies Corporate                                                      |                  |                |                  |               |                  |                |                  |               |              |
|                              | (i) Indian                                                            | 11770518         | 0              | 11770518         | 8.41          | 9920650          | 0              | 9920650          | 7.09          | -1.32        |
|                              | (ii) Overseas                                                         | 0                | 0              | 0                | 0             | 0                | 0              | 0                | 0             | 0            |
| (b)                          | Individuals                                                           |                  |                |                  |               |                  |                |                  |               |              |
|                              | (i) Individuals holding nominal share capital upto Rs.1 lakh          | 6811259          | 12365          | 6823624          | 4.88          | 7167471          | 12725          | 7180196          | 5.13          | 0.25         |
|                              | (ii) Individuals holding nominal share capital in excess of Rs.1 lakh | 1712903          | 0              | 1712903          | 1.22          | 729912           | 0              | 729912           | 0.52          | -0.70        |
| (c)                          | Others                                                                |                  |                |                  |               |                  |                |                  |               |              |
|                              | CLEARING MEMBERS                                                      | 88062            | 0              | 88062            | 0.06          | 313544           | 0              | 313544           | 0.22          | 0.16         |
|                              | NON RESIDENT INDIANS                                                  | 277388           | 0              | 277388           | 0.20          | 327309           | 0              | 327309           | 0.23          | 0.03         |
|                              | TRUSTS                                                                | 127187           | 0              | 127187           | 0.09          | 3375             | 0              | 3375             | 0.00          | -0.09        |
|                              | NBFCs Registered with RBI                                             | 0                | 0              | 0                | 0             | 53300            | 0              | 53300            | 0.04          | 0.04         |
| <b>Sub-Total B(2) :</b>      |                                                                       | <b>20787317</b>  | <b>12365</b>   | <b>20799682</b>  | <b>14.86</b>  | <b>18515561</b>  | <b>12725</b>   | <b>18528286</b>  | <b>13.23</b>  | <b>-1.63</b> |
| <b>Total B=B(1)+B(2) :</b>   |                                                                       | <b>69987715</b>  | <b>7012365</b> | <b>77000080</b>  | <b>55.00</b>  | <b>69987355</b>  | <b>7012725</b> | <b>77000080</b>  | <b>55.00</b>  | <b>0.00</b>  |
| <b>Total (A+B) :</b>         |                                                                       | <b>132987795</b> | <b>7012365</b> | <b>140000160</b> | <b>100.00</b> | <b>132987435</b> | <b>7012725</b> | <b>140000160</b> | <b>100.00</b> | <b>0.00</b>  |
| (C)                          | Shares held by custodians, for GDRs and ADRs                          | 0                | 0              | 0                | 0             | 0                | 0              | 0                | 0             | 0            |
| <b>GRAND TOTAL (A+B+C) :</b> |                                                                       | <b>132987795</b> | <b>7012365</b> | <b>140000160</b> | <b>100.00</b> | <b>132987435</b> | <b>7012725</b> | <b>140000160</b> | <b>100.00</b> | <b>0</b>     |



# INDRAPRASTHA GAS LIMITED

## (ii) Shareholding of Promoters

| S. No | Shareholder's Name                | Shareholding at the beginning of the year |                   |                                                 | Shareholding at the end of the year |                   |                                                 | % Change During the year |
|-------|-----------------------------------|-------------------------------------------|-------------------|-------------------------------------------------|-------------------------------------|-------------------|-------------------------------------------------|--------------------------|
|       |                                   | No. of Shares                             | % of Total Shares | % of Shares Pledged/ encumbered to total shares | No. of Shares                       | % of Total Shares | % of Shares Pledged/ encumbered to total shares |                          |
| 1     | Bharat Petroleum Corporation Ltd. | 31500080                                  | 22.50             | 0                                               | 31500080                            | 22.50             | 0                                               | Nil                      |
| 2     | GAIL (India) Ltd.                 | 31500000                                  | 22.50             | 0                                               | 31500000                            | 22.50             | 0                                               | Nil                      |
|       | Total                             | 63000080                                  | 45.00             | 0                                               | 63000080                            | 45.00             | 0                                               | Nil                      |

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in Promoters' Shareholding

## (iv) Shareholding pattern of top 10 Shareholders (other than Directors and Promoters)

| S.No | Name of the Share Holder            | Shareholding at the beginning of the Year |                                  |            |                                     | Reason   | Cumulative Shareholding during the Year |                                  |
|------|-------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|      |                                     | No of Shares                              | % of total shares of the company | Date       | Increase/ Decrease in share holding |          | No of Shares                            | % of total shares of the company |
| 1    | LIFE INSURANCE CORPORATION OF INDIA | 11165980                                  | 7.98                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                     |                                           |                                  | 15/05/2015 | 66112                               | Transfer | 11232092                                | 8.02                             |
|      |                                     |                                           |                                  | 22/05/2015 | 363520                              | Transfer | 11595612                                | 8.28                             |
|      |                                     |                                           |                                  | 29/05/2015 | 461225                              | Transfer | 12056837                                | 8.61                             |
|      |                                     |                                           |                                  | 05/06/2015 | 109143                              | Transfer | 12165980                                | 8.69                             |
|      |                                     |                                           |                                  | 17/07/2015 | -327852                             | Transfer | 11838128                                | 8.46                             |
|      |                                     |                                           |                                  | 24/07/2015 | -151362                             | Transfer | 11686766                                | 8.35                             |
|      |                                     |                                           |                                  | 31/07/2015 | -20786                              | Transfer | 11665980                                | 8.33                             |
|      |                                     |                                           |                                  | 14/08/2015 | -106469                             | Transfer | 11559511                                | 8.26                             |
|      |                                     |                                           |                                  | 21/08/2015 | -123409                             | Transfer | 11436102                                | 8.17                             |
|      |                                     |                                           |                                  | 18/09/2015 | -253028                             | Transfer | 11183074                                | 7.99                             |
|      |                                     |                                           |                                  | 25/09/2015 | -147385                             | Transfer | 11035689                                | 7.88                             |
|      |                                     |                                           |                                  | 30/09/2015 | -134396                             | Transfer | 10901293                                | 7.79                             |
|      |                                     |                                           |                                  | 09/10/2015 | -306838                             | Transfer | 10594455                                | 7.57                             |
|      |                                     |                                           |                                  | 16/10/2015 | -18887                              | Transfer | 10575568                                | 7.55                             |
|      |                                     |                                           |                                  | 23/10/2015 | -104227                             | Transfer | 10471341                                | 7.48                             |
|      |                                     |                                           |                                  | 30/10/2015 | -416464                             | Transfer | 10054877                                | 7.18                             |
|      |                                     |                                           |                                  | 06/11/2015 | -123282                             | Transfer | 9931595                                 | 7.09                             |
|      |                                     |                                           |                                  | 13/11/2015 | -54855                              | Transfer | 9876740                                 | 7.05                             |
|      |                                     |                                           |                                  | 20/11/2015 | -9615                               | Transfer | 9867125                                 | 7.05                             |
|      |                                     |                                           |                                  | 25/12/2015 | -40635                              | Transfer | 9826490                                 | 7.02                             |
|      |                                     |                                           |                                  | 31/12/2015 | -715088                             | Transfer | 9111402                                 | 6.51                             |
|      |                                     |                                           |                                  | 01/01/2016 | -123397                             | Transfer | 8988005                                 | 6.42                             |
|      |                                     |                                           |                                  | 08/01/2016 | -429920                             | Transfer | 8558085                                 | 6.11                             |
|      |                                     |                                           |                                  | 15/01/2016 | -200902                             | Transfer | 8357183                                 | 5.97                             |
|      |                                     |                                           |                                  | 22/01/2016 | -281747                             | Transfer | 8075436                                 | 5.77                             |
|      |                                     |                                           |                                  | 29/01/2016 | -276634                             | Transfer | 7798802                                 | 5.57                             |



| S.No | Name of the Share Holder                       | Shareholding at the beginning of the Year |                                  |            |                                     | Reason   | Cumulative Shareholding during the Year |                                  |
|------|------------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|      |                                                | No of Shares                              | % of total shares of the company | Date       | Increase/ Decrease in share holding |          | No of Shares                            | % of total shares of the company |
|      |                                                |                                           |                                  | 05/02/2016 | -188426                             | Transfer | 7610376                                 | 5.44                             |
|      |                                                |                                           |                                  | 12/02/2016 | -72316                              | Transfer | 7538060                                 | 5.38                             |
|      |                                                |                                           |                                  | 11/03/2016 | -51958                              | Transfer | 7486102                                 | 5.35                             |
|      |                                                |                                           |                                  | 18/03/2016 | -189509                             | Transfer | 7296593                                 | 5.21                             |
|      |                                                |                                           |                                  | 25/03/2016 | -235142                             | Transfer | 7061451                                 | 5.04                             |
|      |                                                |                                           |                                  | 31/03/2016 | -249387                             | Transfer | 6812064                                 | 4.87                             |
|      |                                                |                                           |                                  | 31/03/2016 |                                     |          | 6812064                                 | 4.87                             |
| 2    | GOVT OF NCT OF DELHI                           | 7000000                                   | 5.00                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                |                                           |                                  | 31/03/2016 |                                     |          | 7000000                                 | 5.00                             |
| 3    | HDFC STANDARD LIFE INSURANCE COMPANY LIMITED # | 4824698                                   | 3.45                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                |                                           |                                  | 10/04/2015 | -28330                              | Transfer | 4796368                                 | 3.43                             |
|      |                                                |                                           |                                  | 17/04/2015 | -110000                             | Transfer | 4686368                                 | 3.35                             |
|      |                                                |                                           |                                  | 24/04/2015 | -111034                             | Transfer | 4575334                                 | 3.27                             |
|      |                                                |                                           |                                  | 01/05/2015 | -18038                              | Transfer | 4557296                                 | 3.26                             |
|      |                                                |                                           |                                  | 08/05/2015 | 96                                  | Transfer | 4557392                                 | 3.26                             |
|      |                                                |                                           |                                  | 19/06/2015 | 35                                  | Transfer | 4557427                                 | 3.26                             |
|      |                                                |                                           |                                  | 30/06/2015 | -46962                              | Transfer | 4510465                                 | 3.22                             |
|      |                                                |                                           |                                  | 03/07/2015 | -229589                             | Transfer | 4280876                                 | 3.06                             |
|      |                                                |                                           |                                  | 10/07/2015 | -26494                              | Transfer | 4254382                                 | 3.04                             |
|      |                                                |                                           |                                  | 07/08/2015 | 200000                              | Transfer | 4454382                                 | 3.18                             |
|      |                                                |                                           |                                  | 28/08/2015 | 65000                               | Transfer | 4519382                                 | 3.23                             |
|      |                                                |                                           |                                  | 04/09/2015 | -8290                               | Transfer | 4511092                                 | 3.22                             |
|      |                                                |                                           |                                  | 11/09/2015 | -1275000                            | Transfer | 3236092                                 | 2.31                             |
|      |                                                |                                           |                                  | 09/10/2015 | -200000                             | Transfer | 3036092                                 | 2.17                             |
|      |                                                |                                           |                                  | 16/10/2015 | -109936                             | Transfer | 2926156                                 | 2.09                             |
|      |                                                |                                           |                                  | 11/12/2015 | -260000                             | Transfer | 2666156                                 | 1.90                             |
|      |                                                |                                           |                                  | 18/12/2015 | -100000                             | Transfer | 2566156                                 | 1.83                             |
|      |                                                |                                           |                                  | 31/12/2015 | -8093                               | Transfer | 2558063                                 | 1.83                             |
|      |                                                |                                           |                                  | 08/01/2016 | -50000                              | Transfer | 2508063                                 | 1.79                             |
|      |                                                |                                           |                                  | 15/01/2016 | -52648                              | Transfer | 2455415                                 | 1.75                             |
|      |                                                |                                           |                                  | 22/01/2016 | -145387                             | Transfer | 2310028                                 | 1.65                             |
|      |                                                |                                           |                                  | 29/01/2016 | -260955                             | Transfer | 2049073                                 | 1.46                             |
|      |                                                |                                           |                                  | 05/02/2016 | -46282                              | Transfer | 2002791                                 | 1.43                             |
|      |                                                |                                           |                                  | 12/02/2016 | -407555                             | Transfer | 1595236                                 | 1.14                             |
|      |                                                |                                           |                                  | 19/02/2016 | -34390                              | Transfer | 1560846                                 | 1.11                             |
|      |                                                |                                           |                                  | 26/02/2016 | -412966                             | Transfer | 1147880                                 | 0.82                             |
|      |                                                |                                           |                                  | 04/03/2016 | 645                                 | Transfer | 1148525                                 | 0.82                             |
|      |                                                |                                           |                                  | 18/03/2016 | 25000                               | Transfer | 1173525                                 | 0.84                             |
|      |                                                |                                           |                                  | 25/03/2016 | 50000                               | Transfer | 1223525                                 | 0.87                             |
|      |                                                |                                           |                                  | 31/03/2016 | -97143                              | Transfer | 1126382                                 | 0.80                             |
|      |                                                |                                           |                                  | 31/03/2016 |                                     |          | 1126382                                 | 0.80                             |
| 4    | ALLARD GROWTH FUND                             | 3868286                                   | 2.76                             | 01/04/2015 |                                     |          |                                         |                                  |



# INDRAPRASTHA GAS LIMITED

| S.No | Name of the Share Holder                                                         | Shareholding at the beginning of the Year |                                  |            |                                     | Reason   | Cumulative Shareholding during the Year |                                  |
|------|----------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|      |                                                                                  | No of Shares                              | % of total shares of the company | Date       | Increase/ Decrease in share holding |          | No of Shares                            | % of total shares of the company |
|      |                                                                                  |                                           |                                  | 10/04/2015 | 18684                               | Transfer | 3886970                                 | 2.78                             |
|      |                                                                                  |                                           |                                  | 17/04/2015 | 103161                              | Transfer | 3990131                                 | 2.85                             |
|      |                                                                                  |                                           |                                  | 24/04/2015 | -16004                              | Transfer | 3974127                                 | 2.84                             |
|      |                                                                                  |                                           |                                  | 01/05/2015 | -161492                             | Transfer | 3812635                                 | 2.72                             |
|      |                                                                                  |                                           |                                  | 08/05/2015 | -14259                              | Transfer | 3798376                                 | 2.71                             |
|      |                                                                                  |                                           |                                  | 29/05/2015 | -28095                              | Transfer | 3770281                                 | 2.69                             |
|      |                                                                                  |                                           |                                  | 30/06/2015 | -33874                              | Transfer | 3736407                                 | 2.67                             |
|      |                                                                                  |                                           |                                  | 03/07/2015 | -29861                              | Transfer | 3706546                                 | 2.65                             |
|      |                                                                                  |                                           |                                  | 07/08/2015 | -31758                              | Transfer | 3674788                                 | 2.62                             |
|      |                                                                                  |                                           |                                  | 21/08/2015 | -187204                             | Transfer | 3487584                                 | 2.49                             |
|      |                                                                                  |                                           |                                  | 28/08/2015 | -14688                              | Transfer | 3472896                                 | 2.48                             |
|      |                                                                                  |                                           |                                  | 11/09/2015 | -60736                              | Transfer | 3412160                                 | 2.44                             |
|      |                                                                                  |                                           |                                  | 30/09/2015 | -18268                              | Transfer | 3393892                                 | 2.42                             |
|      |                                                                                  |                                           |                                  | 02/10/2015 | -107812                             | Transfer | 3286080                                 | 2.35                             |
|      |                                                                                  |                                           |                                  | 30/10/2015 | -89802                              | Transfer | 3196278                                 | 2.28                             |
|      |                                                                                  |                                           |                                  | 25/12/2015 | -42233                              | Transfer | 3154045                                 | 2.25                             |
|      |                                                                                  |                                           |                                  | 15/01/2016 | -222772                             | Transfer | 2931273                                 | 2.09                             |
|      |                                                                                  |                                           |                                  | 31/03/2016 |                                     |          | 2931273                                 | 2.09                             |
| 5    | PINEBRIDGE INVESTMENTS ASIA LIMITED A/C PINEBRIDGE INVESTMENTS GF MAURITIUS LTD. | 3194297                                   | 2.28                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                                                  |                                           |                                  | 10/04/2015 | 124459                              | Transfer | 3318756                                 | 2.37                             |
|      |                                                                                  |                                           |                                  | 17/04/2015 | 135000                              | Transfer | 3453756                                 | 2.47                             |
|      |                                                                                  |                                           |                                  | 24/04/2015 | 74343                               | Transfer | 3528099                                 | 2.52                             |
|      |                                                                                  |                                           |                                  | 01/05/2015 | 116823                              | Transfer | 3644922                                 | 2.60                             |
|      |                                                                                  |                                           |                                  | 08/05/2015 | 100000                              | Transfer | 3744922                                 | 2.67                             |
|      |                                                                                  |                                           |                                  | 12/06/2015 | 16243                               | Transfer | 3761165                                 | 2.69                             |
|      |                                                                                  |                                           |                                  | 19/06/2015 | 50000                               | Transfer | 3811165                                 | 2.72                             |
|      |                                                                                  |                                           |                                  | 26/06/2015 | 44493                               | Transfer | 3855658                                 | 2.75                             |
|      |                                                                                  |                                           |                                  | 30/06/2015 | 200000                              | Transfer | 4055658                                 | 2.90                             |
|      |                                                                                  |                                           |                                  | 14/08/2015 | -11271                              | Transfer | 4044387                                 | 2.89                             |
|      |                                                                                  |                                           |                                  | 28/08/2015 | 113599                              | Transfer | 4157986                                 | 2.97                             |
|      |                                                                                  |                                           |                                  | 04/12/2015 | 48857                               | Transfer | 4206843                                 | 3.00                             |
|      |                                                                                  |                                           |                                  | 11/12/2015 | 130000                              | Transfer | 4336843                                 | 3.10                             |
|      |                                                                                  |                                           |                                  | 18/12/2015 | -300000                             | Transfer | 4036843                                 | 2.88                             |
|      |                                                                                  |                                           |                                  | 12/02/2016 | -3408                               | Transfer | 4033435                                 | 2.88                             |
|      |                                                                                  |                                           |                                  | 18/03/2016 | 100000                              | Transfer | 4133435                                 | 2.95                             |
|      |                                                                                  |                                           |                                  | 31/03/2016 |                                     |          | 4133435                                 | 2.95                             |
| 6    | OPPENHEIMER INTERNATIONAL SMALL COMPANY FUND#                                    | 1869377                                   | 1.34                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                                                  |                                           |                                  | 11/12/2015 | -600868                             | Transfer | 1268509                                 | 0.91                             |
|      |                                                                                  |                                           |                                  | 18/12/2015 | -1020777                            | Transfer | 247732                                  | 0.18                             |



| S.No | Name of the Share Holder                        | Shareholding at the beginning of the Year |                                  |            |                                     | Reason   | Cumulative Shareholding during the Year |                                  |
|------|-------------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|      |                                                 | No of Shares                              | % of total shares of the company | Date       | Increase/ Decrease in share holding |          | No of Shares                            | % of total shares of the company |
|      |                                                 |                                           |                                  | 25/12/2015 | -247732                             | Transfer | 0                                       | 0.00                             |
|      |                                                 |                                           |                                  | 31/03/2016 |                                     |          | 0                                       | 0.00                             |
| 7    | SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP | 1828036                                   | 1.31                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                 |                                           |                                  | 07/08/2015 | -3036                               | Transfer | 1825000                                 | 1.30                             |
|      |                                                 |                                           |                                  | 31/03/2016 |                                     |          | 1825000                                 | 1.30                             |
| 8    | ALLARD GROWTH FUND 2#                           | 1488346                                   | 1.06                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                 |                                           |                                  | 10/04/2015 | 11474                               | Transfer | 1499820                                 | 1.07                             |
|      |                                                 |                                           |                                  | 17/04/2015 | 40819                               | Transfer | 1540639                                 | 1.10                             |
|      |                                                 |                                           |                                  | 15/05/2015 | 76830                               | Transfer | 1617469                                 | 1.16                             |
|      |                                                 |                                           |                                  | 05/06/2015 | 149181                              | Transfer | 1766650                                 | 1.26                             |
|      |                                                 |                                           |                                  | 03/07/2015 | -9000                               | Transfer | 1757650                                 | 1.26                             |
|      |                                                 |                                           |                                  | 28/08/2015 | -4793                               | Transfer | 1752857                                 | 1.25                             |
|      |                                                 |                                           |                                  | 11/09/2015 | -25907                              | Transfer | 1726950                                 | 1.23                             |
|      |                                                 |                                           |                                  | 02/10/2015 | -54556                              | Transfer | 1672394                                 | 1.19                             |
|      |                                                 |                                           |                                  | 30/10/2015 | -5866                               | Transfer | 1666528                                 | 1.19                             |
|      |                                                 |                                           |                                  | 11/12/2015 | -55000                              | Transfer | 1611528                                 | 1.15                             |
|      |                                                 |                                           |                                  | 18/12/2015 | -955271                             | Transfer | 656257                                  | 0.47                             |
|      |                                                 |                                           |                                  | 08/01/2016 | -365525                             | Transfer | 290732                                  | 0.21                             |
|      |                                                 |                                           |                                  | 15/01/2016 | -213372                             | Transfer | 77360                                   | 0.06                             |
|      |                                                 |                                           |                                  | 22/01/2016 | -77360                              | Transfer | 0                                       | 0.00                             |
|      |                                                 |                                           |                                  | 31/03/2016 |                                     |          | 0                                       | 0.00                             |
| 9    | M/S VIDYA INVESTMENT AND TRADING CO PVT LTD#    | 1321292                                   | 0.94                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                 |                                           |                                  | 01/05/2015 | -114793                             | Transfer | 1206499                                 | 0.86                             |
|      |                                                 |                                           |                                  | 08/05/2015 | -505627                             | Transfer | 700872                                  | 0.50                             |
|      |                                                 |                                           |                                  | 15/05/2015 | -90796                              | Transfer | 610076                                  | 0.44                             |
|      |                                                 |                                           |                                  | 22/05/2015 | -246766                             | Transfer | 363310                                  | 0.26                             |
|      |                                                 |                                           |                                  | 29/05/2015 | -7520                               | Transfer | 355790                                  | 0.25                             |
|      |                                                 |                                           |                                  | 26/06/2015 | -355790                             | Transfer | 0                                       | 0.00                             |
|      |                                                 |                                           |                                  | 31/03/2016 |                                     |          | 0                                       | 0.00                             |
| 10   | KOTAK SELECT FOCUS FUND                         | 1022000                                   | 0.73                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                                 |                                           |                                  | 17/04/2015 | 28000                               | Transfer | 1050000                                 | 0.75                             |
|      |                                                 |                                           |                                  | 15/05/2015 | 8026                                | Transfer | 1058026                                 | 0.76                             |
|      |                                                 |                                           |                                  | 12/06/2015 | 16974                               | Transfer | 1075000                                 | 0.77                             |
|      |                                                 |                                           |                                  | 19/06/2015 | 35800                               | Transfer | 1110800                                 | 0.79                             |



# INDRAPRASTHA GAS LIMITED

| S.No | Name of the Share Holder                   | Shareholding at the beginning of the Year |                                  |            |                                     | Reason   | Cumulative Shareholding during the Year |                                  |
|------|--------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|      |                                            | No of Shares                              | % of total shares of the company | Date       | Increase/ Decrease in share holding |          | No of Shares                            | % of total shares of the company |
|      |                                            |                                           |                                  | 02/10/2015 | 14200                               | Transfer | 1125000                                 | 0.80                             |
|      |                                            |                                           |                                  | 16/10/2015 | 11247                               | Transfer | 1136247                                 | 0.81                             |
|      |                                            |                                           |                                  | 06/11/2015 | 13753                               | Transfer | 1150000                                 | 0.82                             |
|      |                                            |                                           |                                  | 18/12/2015 | 86600                               | Transfer | 1236600                                 | 0.88                             |
|      |                                            |                                           |                                  | 08/01/2016 | 13400                               | Transfer | 1250000                                 | 0.89                             |
|      |                                            |                                           |                                  | 12/02/2016 | 100000                              | Transfer | 1350000                                 | 0.96                             |
|      |                                            |                                           |                                  | 19/02/2016 | 50000                               | Transfer | 1400000                                 | 1.00                             |
|      |                                            |                                           |                                  | 26/02/2016 | 75000                               | Transfer | 1475000                                 | 1.05                             |
|      |                                            |                                           |                                  | 11/03/2016 | 25000                               | Transfer | 1500000                                 | 1.07                             |
|      |                                            |                                           |                                  | 18/03/2016 | 50000                               | Transfer | 1550000                                 | 1.11                             |
|      |                                            |                                           |                                  | 31/03/2016 |                                     |          | 1550000                                 | 1.11                             |
| 11   | PLATINUM ASIA FUND*                        | 779999                                    | 0.56                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                            |                                           |                                  | 09/10/2015 | 306922                              | Transfer | 1086921                                 | 0.78                             |
|      |                                            |                                           |                                  | 16/10/2015 | 146629                              | Transfer | 1233550                                 | 0.88                             |
|      |                                            |                                           |                                  | 30/10/2015 | 520000                              | Transfer | 1753550                                 | 1.25                             |
|      |                                            |                                           |                                  | 31/03/2016 |                                     |          | 1753550                                 | 1.25                             |
| 12   | UTI-MID CAP FUND*                          | 518548                                    | 0.37                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                            |                                           |                                  | 24/07/2015 | 153000                              | Transfer | 671548                                  | 0.48                             |
|      |                                            |                                           |                                  | 14/08/2015 | 97000                               | Transfer | 768548                                  | 0.55                             |
|      |                                            |                                           |                                  | 04/09/2015 | 30996                               | Transfer | 799544                                  | 0.57                             |
|      |                                            |                                           |                                  | 11/09/2015 | 61596                               | Transfer | 861140                                  | 0.62                             |
|      |                                            |                                           |                                  | 18/09/2015 | 100000                              | Transfer | 961140                                  | 0.69                             |
|      |                                            |                                           |                                  | 25/09/2015 | 126600                              | Transfer | 1087740                                 | 0.78                             |
|      |                                            |                                           |                                  | 30/09/2015 | 279                                 | Transfer | 1088019                                 | 0.78                             |
|      |                                            |                                           |                                  | 09/10/2015 | 100000                              | Transfer | 1188019                                 | 0.85                             |
|      |                                            |                                           |                                  | 18/03/2016 | 74031                               | Transfer | 1262050                                 | 0.90                             |
|      |                                            |                                           |                                  | 31/03/2016 |                                     |          | 1262050                                 | 0.90                             |
| 13   | BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.* | 654737                                    | 0.47                             | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                            |                                           |                                  | 01/05/2015 | 450000                              | Transfer | 1104737                                 | 0.79                             |
|      |                                            |                                           |                                  | 08/05/2015 | 100000                              | Transfer | 1204737                                 | 0.86                             |
|      |                                            |                                           |                                  | 05/06/2015 | 106000                              | Transfer | 1310737                                 | 0.94                             |
|      |                                            |                                           |                                  | 12/06/2015 | 200000                              | Transfer | 1510737                                 | 1.08                             |
|      |                                            |                                           |                                  | 24/07/2015 | 125000                              | Transfer | 1635737                                 | 1.17                             |
|      |                                            |                                           |                                  | 14/08/2015 | 230000                              | Transfer | 1865737                                 | 1.33                             |
|      |                                            |                                           |                                  | 21/08/2015 | 100000                              | Transfer | 1965737                                 | 1.40                             |
|      |                                            |                                           |                                  | 28/08/2015 | 216877                              | Transfer | 2182614                                 | 1.56                             |
|      |                                            |                                           |                                  | 09/10/2015 | 125000                              | Transfer | 2307614                                 | 1.65                             |
|      |                                            |                                           |                                  | 23/10/2015 | 50000                               | Transfer | 2357614                                 | 1.68                             |
|      |                                            |                                           |                                  | 30/10/2015 | -60000                              | Transfer | 2297614                                 | 1.64                             |
|      |                                            |                                           |                                  | 04/12/2015 | 188434                              | Transfer | 2486048                                 | 1.78                             |
|      |                                            |                                           |                                  | 11/12/2015 | 401827                              | Transfer | 2887875                                 | 2.06                             |



| S.No | Name of the Share Holder                  | Shareholding at the beginning of the Year |                                  |            |                                     | Reason   | Cumulative Shareholding during the Year |                                  |
|------|-------------------------------------------|-------------------------------------------|----------------------------------|------------|-------------------------------------|----------|-----------------------------------------|----------------------------------|
|      |                                           | No of Shares                              | % of total shares of the company | Date       | Increase/ Decrease in share holding |          | No of Shares                            | % of total shares of the company |
|      |                                           |                                           |                                  | 18/12/2015 | 126766                              | Transfer | 3014641                                 | 2.15                             |
|      |                                           |                                           |                                  | 25/12/2015 | 14000                               | Transfer | 3028641                                 | 2.16                             |
|      |                                           |                                           |                                  | 31/12/2015 | -32314                              | Transfer | 2996327                                 | 2.14                             |
|      |                                           |                                           |                                  | 01/01/2016 | 100000                              | Transfer | 3096327                                 | 2.21                             |
|      |                                           |                                           |                                  | 08/01/2016 | -350000                             | Transfer | 2746327                                 | 1.96                             |
|      |                                           |                                           |                                  | 15/01/2016 | -1150000                            | Transfer | 1596327                                 | 1.14                             |
|      |                                           |                                           |                                  | 12/02/2016 | 220000                              | Transfer | 1816327                                 | 1.30                             |
|      |                                           |                                           |                                  | 19/02/2016 | 30000                               | Transfer | 1846327                                 | 1.32                             |
|      |                                           |                                           |                                  | 04/03/2016 | 50000                               | Transfer | 1896327                                 | 1.35                             |
|      |                                           |                                           |                                  | 11/03/2016 | 10000                               | Transfer | 1906327                                 | 1.36                             |
|      |                                           |                                           |                                  | 18/03/2016 | 91092                               | Transfer | 1997419                                 | 1.43                             |
|      |                                           |                                           |                                  | 25/03/2016 | 341049                              | Transfer | 2338468                                 | 1.67                             |
|      |                                           |                                           |                                  | 31/03/2016 | 125000                              | Transfer | 2463468                                 | 1.76                             |
| 14   | BIRLA SUN LIFE INSURANCE COMPANY LIMITED* | 0                                         | 0                                | 01/04/2015 |                                     |          |                                         |                                  |
|      |                                           |                                           |                                  | 24/04/2015 | 74000                               | Transfer | 74000                                   | 0.05                             |
|      |                                           |                                           |                                  | 15/05/2015 | -430                                | Transfer | 73570                                   | 0.05                             |
|      |                                           |                                           |                                  | 17/07/2015 | 20800                               | Transfer | 94370                                   | 0.07                             |
|      |                                           |                                           |                                  | 13/11/2015 | 49000                               | Transfer | 143370                                  | 0.10                             |
|      |                                           |                                           |                                  | 27/11/2015 | -94370                              | Transfer | 49000                                   | 0.03                             |
|      |                                           |                                           |                                  | 25/12/2015 | 48000                               | Transfer | 97000                                   | 0.07                             |
|      |                                           |                                           |                                  | 08/01/2016 | 451170                              | Transfer | 548170                                  | 0.39                             |
|      |                                           |                                           |                                  | 15/01/2016 | 275000                              | Transfer | 823170                                  | 0.59                             |
|      |                                           |                                           |                                  | 22/01/2016 | 99000                               | Transfer | 922170                                  | 0.66                             |
|      |                                           |                                           |                                  | 29/01/2016 | 67000                               | Transfer | 989170                                  | 0.71                             |
|      |                                           |                                           |                                  | 05/02/2016 | 90000                               | Transfer | 1079170                                 | 0.77                             |
|      |                                           |                                           |                                  | 19/02/2016 | 30000                               | Transfer | 1109170                                 | 0.79                             |
|      |                                           |                                           |                                  | 04/03/2016 | 150000                              | Transfer | 1259170                                 | 0.90                             |
|      |                                           |                                           |                                  | 18/03/2016 | 71900                               | Transfer | 1331070                                 | 0.95                             |
|      |                                           |                                           |                                  | 31/03/2016 | 10000                               | Transfer | 1341070                                 | 0.96                             |
|      |                                           |                                           |                                  | 31/03/2016 |                                     |          | 1341070                                 | 0.96                             |

\* Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2016.

# Ceased to be in the list of Top 10 shareholders as on 31-03-2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2015.

## (v) Shareholding of Directors and Key Managerial Personnel:

Directors and Key Managerial Personnel are holding nil equity shares in the Company as on March 31, 2016.



# INDRAPRASTHA GAS LIMITED

## V. INDEBTEDNESS

**INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31.03.16 (Rs. in crores)

|                                                            | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total Indebtedness |
|------------------------------------------------------------|-------------------------------------|--------------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                    |
| i) Principal Amount                                        | 145.31                              | -                  | -        | 145.31             |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                  |
| iii) Interest accrued but not due                          | -                                   | -                  | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | 145.31                              | -                  | -        | 145.31             |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                    |
| * Addition                                                 | -                                   | -                  | -        | -                  |
| * Reduction                                                | 145.31                              | -                  | -        | 145.31             |
| Net Change                                                 | -145.31                             | -                  | -        | -145.31            |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                    |
| i) Principal Amount                                        | -                                   | -                  | -        | -                  |
| ii) Interest due but not paid                              | -                                   | -                  | -        | -                  |
| iii) Interest accrued but not due                          | -                                   | -                  | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | 0.00                                | -                  | -        | 0.00               |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakhs)

| S. No | Particulars of Remuneration                                                         | Name of MD/WTD/ Manager |                   | Total Amount  |
|-------|-------------------------------------------------------------------------------------|-------------------------|-------------------|---------------|
|       |                                                                                     | Shri Narendra Kumar     | Shri V. Nagarajan |               |
| 1     | Gross salary                                                                        | 46.57                   | 31.90             | 78.47         |
|       | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 39.98                   | 27.82             | 67.80         |
|       | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 6.59                    | 4.08              | 10.67         |
|       | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | -                       | -                 | -             |
| 2     | Stock Option                                                                        | -                       | -                 | -             |
| 3     | Sweat Equity                                                                        | -                       | -                 | -             |
| 4     | Commission<br>- as % of profit<br>- others, specify...                              | 7.50*                   | 7.50*             | 15.00*        |
| 5     | Others (Retirement benefits and reimbursements)                                     | 12.52                   | 15.58             | 28.10         |
|       | <b>Total (A)</b>                                                                    | <b>66.59</b>            | <b>54.98</b>      | <b>121.57</b> |
|       | Ceiling as per the Act**                                                            |                         |                   |               |

\*Payable to Parent Organizations

\*\* Remuneration is within ceiling prescribed under Companies Act, 2013

## b. Remuneration to other directors:

(Rs.)

| S No.                            | Particulars of Remuneration                                        | Name of Directors |                           |                      |                             |                  |  | Total Amount   |
|----------------------------------|--------------------------------------------------------------------|-------------------|---------------------------|----------------------|-----------------------------|------------------|--|----------------|
|                                  |                                                                    | Shri S. S. Rao    | Shri Santosh Kumar Bajpai | Prof. V. Ranganathan | Shri Raghu Nayyar           | Dr. Sudha Sharma |  |                |
| 1.                               | Independent Directors Fee for attending board / committee meetings | 755000            | 605000                    | 530000               | 200000                      | 170000           |  | 2260000        |
|                                  | Commission                                                         | 750000            | 750000                    | 750000               | 750000                      | 750000           |  | 3750000        |
|                                  | Others, please specify                                             | -                 | -                         | -                    | -                           | -                |  | -              |
|                                  | <b>Total (1)</b>                                                   | <b>1505000</b>    | <b>1355000</b>            | <b>1280000</b>       | <b>950000</b>               | <b>920000</b>    |  | <b>6010000</b> |
| 2.                               | Other Non-Executive Directors                                      | Shri M. Ravindran | Shri I.S. Rao             | Shri Gyanesh Bharti  | Smt. Gitanjali Gupta Kundra |                  |  |                |
|                                  | Fee for attending board / committee meetings                       | 180000            | 295000                    | -                    | 30000                       |                  |  | 505000         |
|                                  | Commission                                                         | 750000            | 750000                    | 40984                | 709016                      |                  |  | 2250000        |
|                                  | Others, please specify                                             | -                 | -                         | -                    | -                           |                  |  | -              |
|                                  | <b>Total (2)</b>                                                   | <b>930000*</b>    | <b>1045000*</b>           | <b>40984*</b>        | <b>739016*</b>              |                  |  | <b>2755000</b> |
|                                  | <b>Total (B)=(1+2)</b>                                             |                   |                           |                      |                             |                  |  | <b>8765000</b> |
| Overall Ceiling as per the Act** |                                                                    |                   |                           |                      |                             |                  |  |                |

\* Payable to parent organizations.

\*\* Total Managerial Remuneration is within ceiling prescribed under Companies Act, 2013.

Note: Commission to Directors is in proportion to their period of Directorship during the year.

## c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| S. No. | Particulars of Remuneration                                                         | Key Managerial Personnel |                |                 |
|--------|-------------------------------------------------------------------------------------|--------------------------|----------------|-----------------|
|        |                                                                                     | CS                       | CFO            | Total           |
| 1      | Gross salary                                                                        | Rs.                      | Rs.            | Rs.             |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3698564                  | 5642348        | 9340912         |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 19272                    | 20998          | 40270           |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -              | -               |
| 2      | Stock Option                                                                        | -                        | -              | -               |
| 3      | Sweat Equity                                                                        | -                        | -              | -               |
| 4      | Commission                                                                          | -                        | -              | -               |
|        | - as % of profit                                                                    | -                        | -              | -               |
|        | others, specify...                                                                  | -                        | -              | -               |
| 5      | Others, please specify – Benefits                                                   | 644331                   | 590934         | 1235265         |
|        | <b>Total</b>                                                                        | <b>4362167</b>           | <b>6254280</b> | <b>10616447</b> |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.



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

#### A. CONSERVATION OF ENERGY

- i. Your Company has taken various steps for conservation of energy, which are as under:
  1. Successfully implemented and certified for Energy Conservation (ISO 50001:2011) at IGL Corporate office and at two CNG Stations in 2015-16.
  2. LED lights are being installed in phase manner for energy conservation.
- ii. Steps taken by the Company for utilising alternate sources of energy  
PV Solar Panels are being installed as a pilot project to reduce electrical power consumption from power distribution companies.
- iii. The capital investment on energy conservation equipment  
Nil

#### B. TECHNOLOGY ABSORPTION

|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 1. The efforts made towards technology Absorption;                                                                                                                                                                                                                                                                                                            | Continued indigenous development of various spares of gas compressor like piston rods, interstage gas packing, valves etc. |
| 2. The benefits derived like product improvement, cost reduction, product development or import Substitution;                                                                                                                                                                                                                                                 | Overall reduction of cost of spares.                                                                                       |
| 3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), -<br><br>a) The details of technology imported;<br><br>b) Year of import;<br><br>c) Whether the technology been fully absorbed;<br><br>d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof. | Nil<br><br><br><br><br>Nil                                                                                                 |
| 4. The expenditure incurred on Research and Development                                                                                                                                                                                                                                                                                                       | No direct expenditure                                                                                                      |

#### C. FOREIGN EXCHANGE EARNING AND OUTGO

Total foreign exchanged used & earned :

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

|                         |                 |
|-------------------------|-----------------|
|                         | (Rs. in Crores) |
| Foreign Exchange Earned | -               |
| Foreign Exchange Used   | 20.85           |



## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

- (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:

As on March 31, 2016, the Board of the Company consist of 10 (ten) Directors on its Board comprising 2 (two) Executive Directors namely Managing Director and Director (Commercial) and 8 (eight) Non-Executive Directors.

The composition and category of Directors along with other Directorships or Memberships in Board Committees as on March 31, 2016:

| 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 M. Ravindran (Chairman)            | Non-Executive              | 4                                                   | 2                                                     | NIL                                                     |
| Shri Narendra Kumar (Managing Director) | Executive                  | 1                                                   | 1                                                     | NIL                                                     |
| Shri V. Nagarajan Director (Commercial) | Executive                  | 1                                                   | NIL                                                   | NIL                                                     |
| Shri I.S. Rao                           | Non-Executive              | 5                                                   | NIL                                                   | NIL                                                     |
| Smt. Gitanjali Gupta Kundra             | Non-Executive              | 3                                                   | NIL                                                   | NIL                                                     |
| Shri S. S. Rao                          | Non-Executive, Independent | 1                                                   | NIL                                                   | NIL                                                     |
| Shri Santosh Kumar Bajpai               | Non-Executive, Independent | 1                                                   | 1                                                     | NIL                                                     |
| Prof. V. Ranganathan                    | Non-Executive, Independent | NIL                                                 | NIL                                                   | NIL                                                     |
| Shri Raghu Nayyar                       | Non-Executive, Independent | NIL                                                 | NIL                                                   | NIL                                                     |
| Dr. Sudha Sharma                        | Non-Executive, Independent | NIL                                                 | NIL                                                   | NIL                                                     |

None of the Directors is holding any share of the Company. There are no relationships between Directors inter-se.

(\*) This does not include Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

(#) In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all public limited companies have been considered.



# INDRAPRASTHA GAS LIMITED

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

During the Financial Year ended March 31, 2016, six Board meetings were held on May 28, 2015, August 05, 2015, November 7, 2015, January 8, 2016, February 11, 2016 and March 26, 2016. The last Annual General Meeting was held on September 22, 2015.

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 M. Ravindran            | 6                        | 100                     | Present                |
| Shri Narendra Kumar          | 6                        | 100                     | Present                |
| Shri V. Nagarajan            | 6                        | 100                     | Present                |
| Shri I.S. Rao                | 4                        | 67                      | Present                |
| Smt Gitanjali Gupta Kundra** | 1                        | 17                      | Absent                 |
| Shri S. S. Rao               | 6                        | 100                     | Present                |
| Prof. V. Ranganathan         | 6                        | 100                     | Present                |
| Shri Santosh Kumar Bajpai    | 6                        | 100                     | Present                |
| Dr. Sudha Sharma             | 4                        | 67                      | Present                |
| Shri Raghu Nayyar            | 5                        | 83                      | Present                |

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

\*\* Smt Gitanjali Gupta Kundra joined w.e.f. April 20, 2015.

Brief details of familiarization programmes of Independent Directors are uploaded on the website of the Company - <http://iglonline.net/Documents/Familiarization-Programmes-for-Independent-Directors.pdf>

## CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct, which is applicable to all Board Members 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 Managing Director affirming compliance to the Code by the Board Members and the Senior Management forms part of this Report.

## III. AUDIT COMMITTEE

### COMPOSITION:

The Audit Committee comprises of four Directors of which three 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 March 31, 2016: -

|    |                      |   |                                       |
|----|----------------------|---|---------------------------------------|
| 1) | Shri S. S. Rao       | : | Chairman, Independent, Non-Executive. |
| 2) | Prof. V. Ranganathan | : | Member, Independent, Non-Executive.   |
| 3) | Shri I.S. Rao        | : | Member, Non-Executive.                |
| 4) | Dr. Sudha Sharma     | : | Member, Independent, Non-Executive.   |

## TERMS OF REFERENCE AUDIT COMMITTEE:

The Term of reference of Audit Committee for the financial year ended March 31, 2016 includes overseeing the audit functions, review of Company's financial performance, review critical findings of Internal Audit, compliance with the Accounting Standards, approval or any subsequent modification of transactions of the Company with the related parties, evaluation of internal financial controls and risk management systems & all other matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in Section 177 of the Companies Act, 2013.

## MEETINGS AND ATTENDANCE:

During the financial year ended March 31, 2016, seven Audit Committee Meetings were held on May 5, 2015, May 28, 2015, August 05, 2015, November 7, 2015, December 24, 2015, February 11, 2016 and March 25, 2016.

The attendance of the Members of Audit Committee Meetings was as under: -

| Name of Members      | No. of Meetings Attended |
|----------------------|--------------------------|
| Shri S. S. Rao       | 7                        |
| Prof. V. Ranganathan | 7                        |
| Shri I.S. Rao        | 4                        |
| Dr. Sudha Sharma*    | 1                        |

\* Dr. Sudha Sharma appointed as a member of the Audit Committee w.e.f. February 15, 2016.

## IV NOMINATION AND REMUNERATION COMMITTEE

### COMPOSITION

The Nomination and Remuneration Committee comprises of three Non-Executive Directors. The Chairman of the Committee is a Non-Executive Independent Director. The Company Secretary acts as a Secretary to the Committee.

The constitution of the Nomination and Remuneration Committee as on March 31, 2016: -

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

The minutes of the Nomination and Remuneration Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

## MEETINGS AND ATTENDANCE:

During the financial year ended March 31, 2016, three Nomination and Remuneration Committee Meetings were held on August 5, 2015, October 17, 2015 and December 24, 2015.



# INDRAPRASTHA GAS LIMITED

The attendance of the Members of Nomination and Remuneration Committee Meetings was as under: -

| Name of Members      | No. of Meetings Attended |
|----------------------|--------------------------|
| Prof. V. Ranganathan | 3                        |
| Shri S. S. Rao       | 3                        |
| Shri I.S. Rao        | 3                        |

## TERMS OF REFERENCE

The term of reference of the Nomination and Remuneration Committee includes determining the criteria of appointment to the Board and to identify candidates for appointment to the Board of Directors and senior management and evaluate their performance.

The Nomination & Remuneration Committee has laid down criteria such as attendance and participation in the meetings, adherence to ethical standards, integrity, code of conduct, interpersonal relations with other Directors, safeguard of confidential information of the Company, observing corporate governance standards, safeguard the interest of all stakeholders in the decision making etc. to carry out evaluation of every Director's performance.

## REMUNERATION / SITTING FEES PAID TO DIRECTORS

### (a) Executive Directors:

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 Narendra Kumar | 44.70               | 6.59        | 7.80                             | 59.09   |
| 2      | Shri V. Nagarajan   | 38.24               | 4.08        | 5.16                             | 47.48   |

# The aforesaid remuneration does not include Rs.15 lakhs payable to the parent organizations viz. GAIL and BPCL of the Executive Directors as commission on profit for the financial year ended on March 31, 2016 and Executive Directors are not paid any sitting fees for attending Board/ Committee meetings.

### (b) Non-Executive Directors:

Total commission on profit of Rs.60 lakhs is payable to non-executive directors / their parent organizations for the financial year 2015-16.

Non-Executive Directors were paid sitting fees of Rs.30,000/- and Rs.25,000/- for attending each Board meeting & Committee meeting respectively. Total sitting fees paid during the financial year under review was Rs.27,65,000/-.

The Non-Executive Directors do not hold any shares in the Company.

## REMUNERATION POLICY

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

During the financial year 2015-16, a reputed HR consultant made a study of revision of remuneration and other related benefits/policies for employees of the Company and presented the same to Nomination & Remuneration Committee of the Company. After considering the findings of the study, the Committee made its recommendations for consideration and approval of the Board. Board after considering the recommendations of Nomination & Remuneration Committee, approved revision of remuneration and other related benefits/policies for employees of the Company.



## V. SHARE TRANSFER & STAKEHOLDERS RELATIONSHIP COMMITTEE:

### COMPOSITION:

The Share Transfer & Stakeholders' Relationship 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 & Stakeholders Relationship Committee as on March 31, 2016:

|    |                     |   |                                      |
|----|---------------------|---|--------------------------------------|
| 1) | Shri S. S. Rao      | : | Chairman, Independent, Non-Executive |
| 2) | Shri Narendra Kumar | : | Member, Executive                    |
| 3) | Shri V. Nagarajan   | : | Member, Executive                    |

The minutes of the Share Transfer & Stakeholder Relationship Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

### SCOPE & FUNCTIONS OF SHARE TRANSFER & STAKEHOLDERS RELATIONSHIP 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 considered and resolves the grievances of the security holders including complaints related to transfer of shares / non receipt of annual reports, dividends and ensures cordial investor relations.

### 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 20 complaints during the year, which were duly attended & replied. There was no complaint pending as on March 31, 2016.

## 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                                                                                                                                                                                                               |
|----------|--------------------|------------|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 14th AGM | September 02, 2013 | 11:30 A.M. | Air Force Auditorium, New Delhi | Appointment of Statutory Auditors of the Company.<br>Appointment of Shri Narendra Kumar as Managing Director and approval of his remuneration.<br>Appointment of Shri Rajesh Chaturvedi as Director (Commercial) and approval of his remuneration. |
| 15th AGM | September 12, 2014 | 11:30 A.M. | Air Force Auditorium, New Delhi | Nil                                                                                                                                                                                                                                                |
| 16th AGM | September 22, 2015 | 11:30 A.M. | Manekshaw Centre, New Delhi     | Nil                                                                                                                                                                                                                                                |

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



## VII. DISCLOSURES

### (a) Related Party Transactions

The Company has entered into transactions with the Promoters, Directors or the Management, but 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.

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions and the same has been disclosed on the website of the Company at web link <http://iglonline.net/Related-Party-Policy.pdf>.

### (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.

### (c) Whistle Blower Policy

The Company has a Whistle Blower Policy for employees, directors, vendors and suppliers of the Company to come forward and raise their genuine concerns without any fear of retaliation and victimization. The Company has appointed an independent third party as service provider to manage the operations of whistle-blower hotline. The complainant may also reach out to Chairman of the Audit Committee directly in appropriate or exceptional circumstances by submitting a written complaint. No personnel was denied access to the Audit Committee.

The Whistle Blower policy is available on website of the Company [www.iglonline.net](http://www.iglonline.net).

## VIII. MEANS OF COMMUNICATION

The quarterly and half-yearly results are forthwith communicated to the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE), where the shares of the Company are listed, 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, Danik Jagran / Jansatta in Hindi, along with the official news releases. The results are also put-up on Company's website [www.iglonline.net](http://www.iglonline.net)

For investors, the Company has created a separate e-mail ID [investors@igl.co.in](mailto: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 17<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on: -

**Date and Time** : September 29, 2016 at 11:30 A.M.

**Venue** : Manekshaw Centre

Parade Road,

Delhi Cantonment

New Delhi - 110010

**(b) Financial Year** : April 1 to March 31

### (c) 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, 2016 : On or before September 14, 2016

Quarter ending September 30, 2016 : On or before December 14, 2016

Quarter ending December 31, 2017 : On or before February 14, 2017

Quarter/Year ending March 31, 2017 : On or before May 30, 2017

**(d) Date of Book Closure for Dividen** : **September 20, 2016 to September 29, 2016 (both days inclusive)**

**(e) Dividend Payment Date** : On or after October 5, 2016



**(f) Listing on Stock Exchanges:**

| Name of Stock Exchanges                     | Address                                                                                                    | Stock Code |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------|------------|
| BSE Ltd. (BSE)                              | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra.                                    | 532514     |
| National Stock Exchange of India Ltd. (NSE) | Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra. | IGL        |

The Company has paid the listing fees to BSE and NSE for the financial year 2015-16 within due date.

**(g) ISIN Number** : INE203G01019

**(h) Market Price Data & Share price performance:**

**AT BOMBAY STOCK EXCHANGE (BSE)**

| MONTH          | IGL        |           | BSE (SENSEX) |       |
|----------------|------------|-----------|--------------|-------|
|                | HIGH (Rs.) | LOW (Rs.) | HIGH         | LOW   |
| April 2015     | 455        | 401       | 29095        | 26898 |
| May 2015       | 425        | 386       | 28071        | 26424 |
| June 2015      | 436        | 376       | 27969        | 26307 |
| July 2015      | 492        | 425       | 28578        | 27416 |
| August 2015    | 523        | 433       | 28418        | 25298 |
| September 2015 | 498        | 456       | 26472        | 24834 |
| October 2015   | 507        | 461       | 27618        | 26169 |
| November 2015  | 497        | 457       | 26824        | 25451 |
| December 2015  | 539        | 454       | 26256        | 24868 |
| January 2016   | 607        | 518       | 26197        | 23840 |
| February 2016  | 581        | 484       | 25002        | 22495 |
| March 2016     | 576        | 508       | 25480        | 23133 |

**AT NATIONAL STOCK EXCHANGE (NSE)**

| MONTH          | IGL        |           | NSE (NIFTY) |      |
|----------------|------------|-----------|-------------|------|
|                | HIGH (Rs.) | LOW (Rs.) | HIGH        | LOW  |
| April 2015     | 455        | 401       | 8845        | 8145 |
| May 2015       | 425        | 385       | 8490        | 7997 |
| June 2015      | 435        | 375       | 8467        | 7940 |
| July 2015      | 493        | 429       | 8655        | 8315 |
| August 2015    | 523        | 434       | 8622        | 7667 |
| September 2015 | 499        | 454       | 8055        | 7539 |
| October 2015   | 508        | 461       | 8336        | 7931 |
| November 2015  | 497        | 459       | 8116        | 7714 |

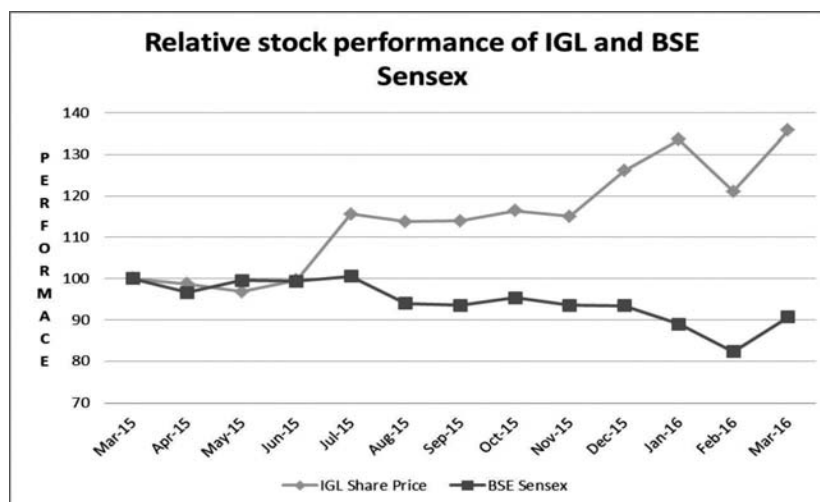


# INDRAPRASTHA GAS LIMITED

|               |     |     |      |      |
|---------------|-----|-----|------|------|
| December 2015 | 539 | 453 | 7979 | 7551 |
| January 2016  | 608 | 517 | 7973 | 7241 |
| February 2016 | 573 | 484 | 7600 | 6826 |
| March 2016    | 576 | 507 | 7778 | 7035 |

**Chart I: Performance in comparison to BSE Sensex**

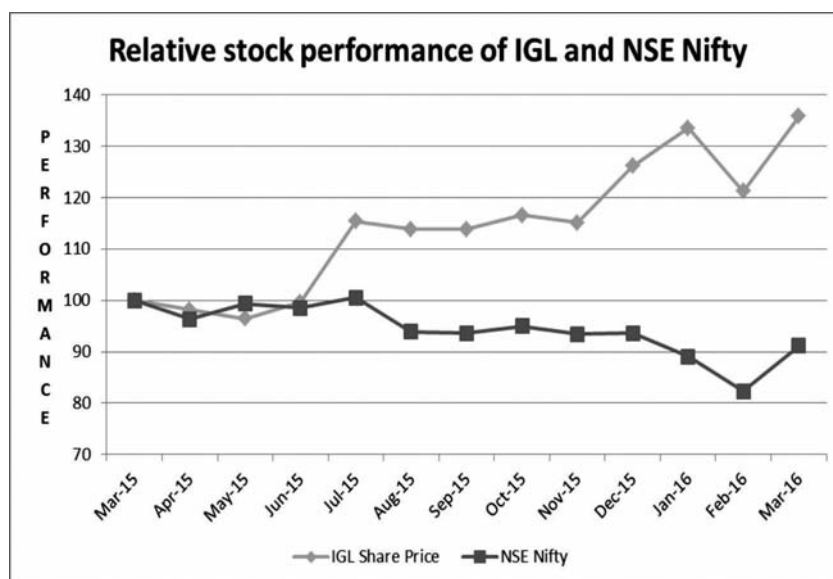
Indraprastha Gas Limited (IGL) stock performance Vs. BSE Sensex, indexed to 100 on 31 March 2015.



\* Data as on closing of the month

**Chart II: Performance in comparison to NSE Nifty**

Indraprastha Gas Limited stock performance Vs. NSE Nifty, indexed to 100 on 31 March 2015



\* Data as on closing of the month



**(i) 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**  
**Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli,**  
**Financial District, Nanakramguda, Serilingampally**  
**Hyderabad – 500 032**  
**Tel. No's : 040-67162222**  
**Fax No's : 040-23001153**  
**Toll Free no. : 1800-345-4001**  
**E-Mail Address : einward.ris@karvy.com**  
**Website : www.karvycomputershare.com**

**(j) 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 15 days from the date of receipt of request subject to documents being found valid and complete in all respects.

**(k) Distribution of shareholding as on March 31, 2016:**

| S.NO. | CATEGORY AMOUNT (RS.) |        | NO. OF SHARE-HOLDERS | % OF SHARE-HOLDERS | AMOUNT (RS.) | % OF AMOUNT |
|-------|-----------------------|--------|----------------------|--------------------|--------------|-------------|
|       | FROM                  | TO     |                      |                    |              |             |
| 1     | 1                     | 5000   | 55617                | 95.88              | 45453580     | 3.25        |
| 2     | 5001                  | 10000  | 1195                 | 2.06               | 9504790      | 0.68        |
| 3     | 10001                 | 20000  | 468                  | 0.81               | 6981840      | 0.50        |
| 4     | 20001                 | 30000  | 165                  | 0.28               | 4099650      | 0.29        |
| 5     | 30001                 | 40000  | 85                   | 0.15               | 2987630      | 0.21        |
| 6     | 40001                 | 50000  | 66                   | 0.11               | 3056670      | 0.22        |
| 7     | 50001                 | 100000 | 117                  | 0.20               | 8646200      | 0.62        |
| 8     | 100001 & ABOVE        |        | 295                  | 0.51               | 1319271240   | 94.23       |
| TOTAL |                       |        | 58008                | 100.00             | 1400001600   | 100.00      |

**(l) Categories of Shareholding as on March 31, 2016:**

| 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                              | 81                    | 13258557                  | 9.47               |
|        | - Financial Institutions/ Banks             | 9                     | 888066                    | 0.64               |
|        | - State Govt.                               | 1                     | 7000000                   | 5.00               |
|        | - Insurance Companies                       | 4                     | 8194213                   | 5.85               |
|        | - Foreign Portfolio/Institutional Investors | 177                   | 29130658                  | 20.81              |
|        | - Any Other : Foreign Nationals             | 1                     | 300                       | 0.00               |
|        | Non- Institutions                           |                       |                           |                    |
|        | - Bodies Corporate                          | 772                   | 9920650                   | 7.09               |
|        | - Individuals                               | 55904                 | 7910108                   | 5.65               |
|        | - Any Other :                               |                       |                           |                    |
|        | (i) Non resident Indians                    | 893                   | 327309                    | 0.23               |
|        | (ii) Trusts                                 | 6                     | 3375                      | 0.00               |



# INDRAPRASTHA GAS LIMITED

|                                |              |                  |               |
|--------------------------------|--------------|------------------|---------------|
| (iii) Clearing Members         | 150          | 313544           | 0.22          |
| (iv) NBFCs Registered with RBI | 8            | 53300            | 0.04          |
| <b>TOTAL</b>                   | <b>58008</b> | <b>140000160</b> | <b>100.00</b> |

**(m) 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, 2016.

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

**(n) 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.

**(o) 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

**(p) Plant Locations: -**

The Company has 340 CNG stations as on March 31, 2016 spread all around the National Capital Territory of Delhi and 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](http://www.iglonline.net).

## DECLARATION

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016.

Place : New Delhi  
Date : August 22, 2016

sd/-  
**(E. S. Ranganathan)**  
Managing Director



## 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 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.
2. The compliance of the conditions of Corporate governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations, as applicable.
4. We further state that the compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management conducted the affairs of the Company.

**For V. K. SHARMA & CO**  
Company Secretaries

sd/-

**(V. K. Sharma)**

Date : August 22, 2016  
Place : Noida

FCS: 3440  
C.P. No. 2019



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDRAPRASTHA GAS LIMITED IN BRIEF

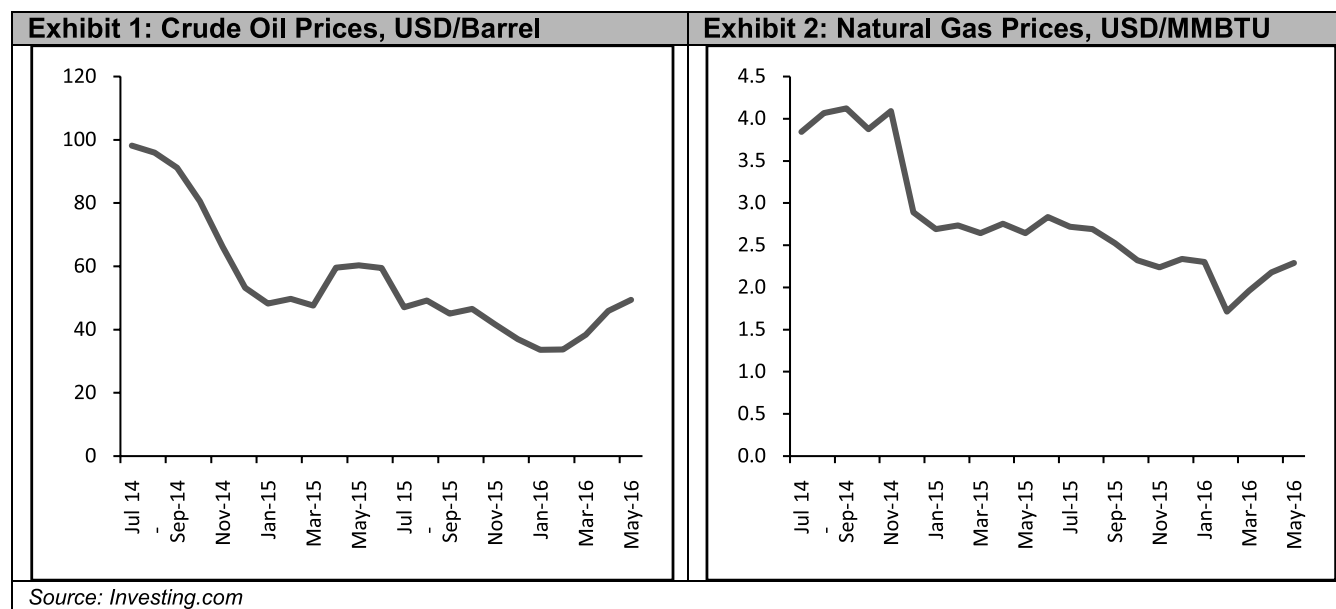
Indraprastha Gas Limited (The Company) is a City Gas Distribution Company incorporated in 1998. The Company supplies Compressed Natural Gas (CNG) to the transport sector and Piped Natural Gas (PNG) to the Domestic, Industrial and Commercial sectors in Delhi and the NCR.

The Company has two associates which also operate as City Gas Distribution companies. One, Central UP Gas Limited (CUGL), which caters to the cities of Kanpur, Bareilly, Unnao and Jhansi in Uttar Pradesh and second, Maharashtra Natural Gas Limited (MNGL), which caters to the city of Pune and nearby areas of Pimpri, Chinchwad, Chakan, Talegaon and Hinjewadi in the State of Maharashtra.

### GLOBAL CRUDE OIL AND NATURAL GAS SCENARIO

To counter the global recession triggered by the financial crisis in the USA in 2008-09, the government of China significantly increased its public expenditure. The key focus area for budgetary allocation has been the infrastructure sector. However, significant expenditure has led to unsustainable investments resulting in growing NPAs in the banking system. To address this scenario, the Chinese government has curbed its infrastructure investments and has started to shift from a government pushed investment driven growth to more domestic consumption driven economy.

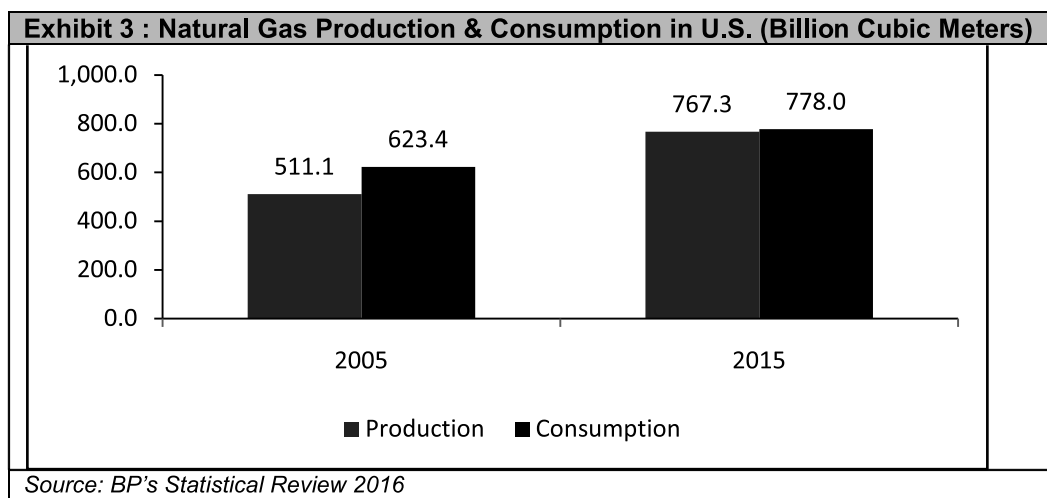
This shift had an adverse impact on the global commodities where China has been one of the key consumers for many commodities. Crude oil has been one of the most adversely impacted (Exhibit 1) where the demand-supply imbalance has been growing. As per the BP's Statistical Review 2016, the global oil consumption has grown by 1.9% in 2015. However, the production has outpaced consumption with a growth of 3.2%. This has led to rising inventories. As per the BP's Statistical Review 2016, the Brent crude oil prices have averaged around USD 52.39 per barrel in 2015. It has witnessed a fall of USD 46.56 per barrel from 2014 levels, one of the highest falls, in value terms.



Natural gas prices have also been adversely impacted (Exhibit 2) due to the demand-supply imbalance. As per the BP's Statistical Review 2016, the global consumption of natural gas during the year 2015 grew by 1.7%. However, the growth in consumption has been lower as compared to its 10 year average of 2.3%. China has been amongst the fastest growing nations in natural gas consumption with 4.7% growth in 2015. However, the growth has been significantly lower as compared to its 10 year average consumption growth of 15.1%.

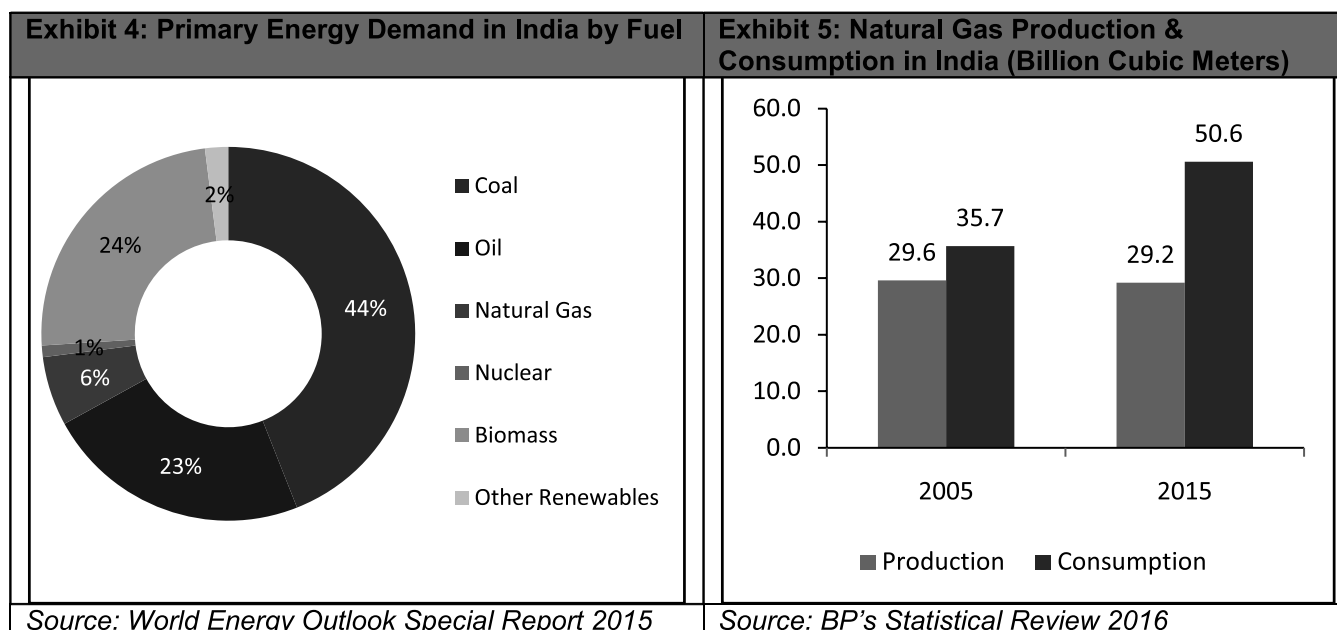
The global natural gas production growth has outpaced consumption growth with 2.2% growth in 2015. The production growth has been close to its 10 year average growth of 2.4% as per the BP's Statistical Review 2016. Norway (7.7%), Iran (5.7%) and USA (5.4%) are some of the fastest growing nations in natural gas production.

As per BP's Statistical Review 2016, the trade in natural gas has been better in 2015 with a growth of 3.3% in 2015. The global Liquefied Natural Gas (LNG) trade in 2015 grew by 1.8%. The growth in exports of LNG has largely come from Australia (25.3%) and Papua New Guinea (104.8%). The U.S. has started to export Liquefied Natural Gas (LNG) in 2016, for the first time over the last few decades. The boom in shale gas production has led to significant growth in natural gas availability in the U.S (Exhibit 3). This has led to the setting up of LNG export terminals in the U.S. which used to be one of the major importers of natural gas. Growth in exports from the U.S. may further add pressure on global LNG prices.



## NATURAL GAS SCENARIO IN INDIA

Natural Gas in India forms close to 6.0% (Exhibit 4) of the total primary energy mix demand. The demand of natural gas has been steadily growing in India, due to its comparative low cost and low emission. Being a clean fuel, the government has also tried to increase the use of natural gas.





# INDRAPRASTHA GAS LIMITED

Natural gas in India is currently supplied mainly from the nominated blocks, operated by the ONGC and OIL, private and joint venture fields like Panna-Mukta and Tapti (PMT) and from the fields awarded under NELP like RIL's KG D-6. However, natural gas production in India has been significantly lower, as compared to its demand (Exhibit 5), hence there is a need to enhance the domestic natural gas production by developing new potential natural gas fields.

To address the gap, the government has increased its impetus on growing the domestic production. The government has introduced a new Hydrocarbon Exploration and Licensing Policy (HELP) and a new fiscal model based on Revenue Sharing Contract. This is an upgraded version as compared to the previous New Exploration Licensing Policy (NELP) and Production Sharing Contract (PSC). It also addresses various industry concerns that contributed to a slowdown in upstream oil and gas investment over the last few years.

Under the new Hydrocarbon Exploration and Licensing Policy (HELP), the government has initiated Discovered Small Field Policy. Under this scheme, the government is offering for bidding 67 discovered small fields in 46 contract areas, spread over nine sedimentary basins on land and in shallow and deep water areas. The fields offered hold 625 million barrels of oil and oil equivalent gas in-place volumes spread over 1,500 square kilometers of areas. This would add to future supply.

Currently the supply-demand gap is addressed through import of Liquefied Natural Gas. India currently has R-LNG capacity of 25 mtpa (Exhibit 6). Further, many companies have planned to add R-LNG capacity as the domestic production would not be sufficient to meet the growing demand. This would lead to a continuous supply of natural gas in India.

Exhibit 6: R-LNG Capacity in India

| COMPANY  | REGION | CAPACITY (MTPA) |
|----------|--------|-----------------|
| Petronet | Dahej  | 10.0            |
| Shell    | Hazira | 5.0             |
| RGPPPL   | Dabhol | 5.0             |
| Petronet | Kochi  | 5.0             |
| Total    |        | 25.0            |

Source: Petroleum.nic.in

The government is also prospecting newer means of making natural gas available in India. The second alternative mode is importing natural gas through the pipeline. At present, the government has proposed two major pipelines projects, the Turkmenistan-Afghanistan-Pakistan-India pipeline (TAPI) and the Iran-Pakistan-India pipeline (IPI). Both the projects are currently delayed due to geo-political issues.

## CITY GAS DISTRIBUTION SECTOR IN INDIA

The City Gas Distribution (CGD) sector comprises of the sale and distribution of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG). The Petroleum & Natural Gas Regulatory Board (PNGRB) is the regulatory body for CGD. PNGRB has conducted six rounds of bidding for various new regions and the seventh round is in progress.

Since Natural Gas is a clean fuel, the government wants to promote its use in transport vehicles. Also, as there is no fuel subsidy attached to PNG, the government is in favour of promoting CGD companies. This makes the CGD sector one of the most prominent growth sectors in India.

The PNGRB has planned to rollout the CGD network through competitive bidding. Also, to promote the CGD sector, the government has assigned first priority to it in low cost domestic natural gas, in February, 2014. This decision has brought down the price of CNG (Transport) and PNG (domestic) across the nation and has led to the increase in the consumption of natural gas.



## OPPORTUNITIES AND THREATS

### Opportunities

**Cost Benefit:** As compared to other fuels such as Petrol and Diesel, the CNG is cost effective. This drives the demand for switching over to CNG vehicles.

**Smart Cities:** The government of India has planned to develop 100 Smart Cities. The government has also emphasized that for clean and efficient fuel there is a need for City Gas distribution network. The government has recently announced first list of 20 smart cities. Of the 20 cities, 9 are already authorized for CGD. Further, the PNGRB has initiated bidding for 6 new cities. This would lead to a continuous demand for the expansion of the network.

**Expansion in Bus Cluster:** The government has increased its focus on the expansion of Private Bus Clusters in the Public Transport System. It is expected that there would be nearly 2500 cluster buses by March'17. To strengthen the Public Transport system in Delhi, the government of NCT of Delhi has an aggressive plan to introduce an additional 1000 cluster buses.

**Concern for Pollution:** In the recent Paris Climate Change Conference, India has laid significant stress on reducing pollution. With the determination to increase the use of Natural Gas, which is a clean fuel, the government has given first priority to CNG for domestic natural gas.

**Odd-Even Formula:** In the recent Odd-Even scheme by the Delhi government, to curb pollution, the CNG vehicles were exempt. Such exemptions would help increase the demand prospects for CNG vehicles. Also, many states are contemplating the Odd-Even formula, which, if and when brought into effect, would further increase the growth prospects for CNG vehicles, which in turn, would lead to the growth of the CGD sector.

**CNG for two-wheelers:** The Company in collaboration with a renowned market player in Iran has recently introduced retrofitting of CNG kit in 2-wheelers on pilot basis. If this becomes sustainable then it would open new avenues of growth for the Company.

**Expansion to New Cities:** The Company has participated in the sixth round of bidding for new cities by PNGRB and has received letter of intent for setting up CGD network in Rewari, Haryana. The Company would continue to participate in the bidding for new cities which would open new opportunities of business expansion.

### THREATS/CONCERNS

**Change in regulation:** The CGD sector is regulated through the PNGRB. Any change in regulation may have an adverse impact on the Company. The Company has the infrastructure exclusivity in the NCT of Delhi for another decade. Your Company has already established the CGD infrastructure across all parts of the city. With regard to Marketing Exclusivity, IGL has challenged Regulations 5 and 6 of the PNGRB Exclusivity Regulations in the High Court of Delhi and the matter is presently sub-judice. The setting up of new CGD infrastructure would be major challenge for any new entrant as per the prevailing trends in the real estate market.

**Delay in Bidding Processes:** The authorization of the CGD network is through a bidding process organized by the PNGRB. Any delay in the bidding process would have an adverse impact on the Company's growth/expansion plans.

**Non-availability of Natural Gas:** Domestic Natural Gas is a scarce resource. The non-allocation of the required amount of low cost natural gas may have an adverse impact on margins.

**Competition from Alternate Fuels:** The Company's customers also have an alternative to move towards other fuels if there is a cost advantage. If such a scenario arises then it would impact Company's business.

### OPERATIONAL REVIEW

The CNG and PNG business have grown during the year 2015-16. On an overall basis, the sales volume has shown a growth of around 4.4% over the previous year.

During the year, the CNG sales volume has increased to 1,123 mmscm from 1,073.11 mmscm in the previous year, showing a growth of 4.6% and the PNG sales volume has increased to 342.05 mmscm from 330.46 mmscm in the previous year, thereby showing a growth of 3.5%.



# INDRAPRASTHA GAS LIMITED

The Company has a network of 340 stations for the supply of CNG as on March 31, 2016. The estimated number of vehicles using CNG was over 8.5 lakhs in March 2016 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 6.36 lakhs domestic households and around 2632 commercial and industrial customers, as on March 31, 2016.

Recently, the Company has been conferred City Gas Distribution – Company of the year 2015 award by the Petroleum Federation of India (PETROFED).

## FINANCIAL PERFORMANCE

The gross turnover of Rs.4052.14 crores for the year ended March 31, 2016 showed a marginal increase of 0.1% over the previous year turnover of Rs.4,048.58 crores. The increase of 0.1% in the gross turnover, despite an increase of 4.4% in sales volume, is mainly on account of the reduction in the selling price of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG)-domestic, due to allocation of additional domestic gas to the City Gas Distribution (CGD) sector, resulting in a lower input cost of gas which was passed on to the customers by reducing the selling price of CNG and PNG-domestic during the year. Further, with the reduction in the price of crude, the alternate fuel prices decreased considerably during the year and to compete with the falling price of alternate fuel, the selling price of gas to industrial and commercial customers was reduced by providing discount.

During the year, the cost of Natural Gas purchased was Rs.2330.29 crores (1524.07 mmSCM) as compared to Rs.2,395.83 crores (1,486.01 mmSCM) in the previous year. The decrease in cost is due to the higher allocation of domestic gas during the year.

The profit before tax (PBT) has been Rs.634.89 crores as against Rs.649.04 crores in the previous year. The profit after tax has been Rs.416.20 crores as compared to Rs.437.73 crores in the previous year. The PAT is lower during the current year mainly due to lower realizations, salary revision of employees and a one time settlement of take or pay liability in respect of long term gas tied up with GAIL for the calendar year 2014.

The Company has prepared the Consolidated Financial Statements also which includes the Company's share of profit in its Associates combined on an equity method in accordance with Accounting Standard-23. The Consolidated PAT during FY 2015-16 is Rs. 464.13 crores against Rs. 448.13 crores in the previous year.

The Company is meeting its funds requirement through internal accruals. There are no bank borrowings as on March 31, 2016.

## Share Capital

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

## Reserves & Surplus

Reserves & Surplus of the Company was Rs.2,273.23 crores as at March 31, 2016 as against Rs.1,958.13 crores as at March 31, 2015.

## Net worth

The net worth of the Company was Rs. 2,413.23 crores as at March 31, 2016 as against Rs. 2,098.13 as at March 31, 2015.

## Earnings per Share

Earnings per share for the financial year 2015-16 have been Rs.29.73 compared to Rs.31.27 in the previous year.

## Interest and Finance Charges

During the year interest and finance charges paid to the banks for borrowed funds is Rs.9.05 crores as compared to Rs.29.82 crores in previous year.

## OUTLOOK

The Company has been continuously growing its CNG and PNG network. During the year the Company has added 16 additional CNG facilities at retail outlets of Oil Marketing Companies in Delhi and the NCR towns of Ghaziabad and Gautam Budh Nagar.



This would further add to the Company's CNG volumes. Also, CNG as a fuel continues to gain more popularity and is positioned well as a cleaner fuel during Odd- Even schemes. This would attract more customers who would prefer CNG over Diesel for their new purchases also.

Your Company in close co-ordination with Oil Marketing Companies (OMCs) has worked very aggressively on further expanding its CNG infrastructure during the quarter April to June 2016 by adding another 64 new retail outlets at OMCs in Delhi and the NCR towns of Gautam Budh Nagar and Ghaziabad.

Domestic, commercial as well as industrial segments have been regularly switching over to PNG as a preferred fuel over the years. Prospective customers including builder / institutions now include PNG for domestic and commercial applications in their future projects at drawing board stage. The penetration of PNG in areas / colonies covered, continues to increase regularly. The growth of the PNG business is now closely linked with the growth in the real estate business due to efforts made by your Company in the preceding years. The growth in the commercial segment of the PNG business has shown parallel volume growth within the expanded network of pipeline infrastructure. The lower prices of competing fuels in all the PNG segments present a tough challenge to PNG growth in the domestic and commercial segment. The past experience of your Company allows for innovative repositioning of PNG as superior alternative to other fuels. The innovative technical solutions implemented by your Company to extend PNG supplies to commercial customers in a hub, like shopping malls, would open new avenues for volume growth.

The NCR town of Noida, Greater Noida and Ghaziabad gives your Company a wide canvas for future growth in the newly designed up-market property segment. The Company has increased its customer base in Delhi and the NCR which would help the Company to maintain its growth trajectory. The Company is looking at expansion in new geographical areas independently and through strategic alliances, to further consolidate its position as the leading CGD Company in times to come.

The Company has a robust infrastructure of CNG stations and Pipeline network to ensure easy availability of CNG and PNG to its customers.

## RISK REVIEW

Any business in the current macroeconomic scenario is subject to various systematic and non-systematic risks. The Company is very proactive in assessing the various risks the Company may face and also forms mitigations measures.

### Economic Risk

Risk: The slowdown in business environment can have an adverse impact on the CNG & PNG segment.

Mitigation Measures: Although this risk cannot be completely nullified, however, through market exclusivity and low cost fuel advantage the impact would be minimal.

### Natural Gas Availability Risk

Risk: If there is no adequate supply of natural gas the Company's revenue and profitability may be adversely impacted.

Mitigation: The Company has long-term tie-ups for natural gas. Also the Government has placed CGD on the top priority for Natural Gas. With GAIL, India's largest Natural Gas Pipeline Company as its promoter, the Company's requirement for Natural Gas would be secured.

### Fire Risk

Risk: Natural Gas being highly inflammable can lead to any accident.

Mitigation: The Company has successfully crossed 87 Million Man Hours accident free till 31st March 2016. The Company has very robust system of quality check for products sourced and also takes great care in maintenance.

## INTERNAL CONTROLS

The Company has adequate internal control procedures commensurate with the size and nature of its business. During the financial year 2015-16, M/s KPMG, Chartered Accountants and in-house audit team carried out internal audits and the internal audit reports prepared by them were placed before the Audit Committee.



## **HUMAN RESOURCES**

The Company believes that its employees are its biggest strength. It is their hard work and dedication that has enabled the Company to continuously move along its growth trajectory. To attract and retain resources, the Company takes many initiatives. It promotes a very open and healthy culture of growth for all its employees. It has taken various HR initiatives to add value to its pool of human talent and integration of individual goals with that of the Company. Training and Development of the employees forms an integral part of Company's policy towards achieving its objectives. The Company also takes utmost care about the safety of its employees and provides them with the best equipment.

## **ENVIRONMENT CONSCIOUSNESS**

Natural gas intrinsically being the cleanest of the fossil fuels, it is the endeavour of the Company to promote its wider use among all categories of prospective customers. To achieve this, all the users are made aware of the economical and environmental advantages of natural gas compared to other fuels.

## **CAUTIONARY STATEMENT**

The Statement in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include demand-supply conditions, changes in Government and international regulations, tax regimes, economic developments within and outside India and other factors such as litigation and labour relations.



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## **STANDALONE FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDRAPRASTHA GAS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INDRAPRASTHA GAS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it 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 aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer note 27.1 in standalone financial statements);
    - ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

Sd/-

**Khazat A. Kotwal**

Partner

(Membership No. 103707)

Place: Gurgaon

Date: 13 May, 2016



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **INDRAPRASTHA GAS Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to



the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No.015125N)

Sd/-

**(Khazat A. Kotwal)**

(Partner)

(Membership No. 103707)

Place: Gurgaon  
Date: 13 May, 2016



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Other than fixed assets related to the underground natural gas distribution system which as per the Management cannot be physically verified, the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered transfer agreements/ registered title deeds provided to us, we report that, the transfer agreements / title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

- (ii) The inventories of the Company comprise inventory of stores and spare parts and inventory of natural gas. As explained to us, the inventories of stores and spares were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

As explained to us, having regard to the nature of inventory of natural gas, the procedures followed by the Management for estimation of natural gas quantities which is based on volume of pipelines and the volume of cascades containing the natural gas considering standard temperature and pressure, are reasonable and adequate in relation to the size of the Company and the nature of its business.

- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. According to the information and explanations given to us, the Company also did not have any unclaimed deposits during the year. Accordingly, the provision clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) 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, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) There are no dues relating to Income Tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax as at March 31, 2016 which have not been deposited on account of any dispute. Details of dues of Excise Duty which have not been deposited as on March 31, 2016 on account of disputes are given below:



| Name of Statute          | Nature of Dues                                                    | Forum where Dispute is Pending                   | Period to which the Amount Relates | Amount Involved (Rs. crores) | Amount Unpaid (Rs. crores) |
|--------------------------|-------------------------------------------------------------------|--------------------------------------------------|------------------------------------|------------------------------|----------------------------|
| Central Excise Act, 1944 | Matters relating to levy of Excise duty on discounts to customers | Customs and Central Excise settlement commission | 2008-2010                          | 4.84                         | 2.42                       |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. In our opinion and according to the information and explanations given to us, the Company has neither obtained any loans or borrowings from financial institutions or government, nor issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm Registration No. 015125N)

Sd/-  
**(Khazat A. Kotwal)**  
(Partner)  
(Membership No. 103707)

Place: Gurgaon  
Date: 13 May, 2016



# INDRAPRASTHA GAS LIMITED

## BALANCE SHEET AS AT 31 MARCH, 2016

|                                                                                             | Note No. | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|---------------------------------------------------------------------------------------------|----------|-------------------------------------|-------------------------------------|
| <b>I EQUITY AND LIABILITIES</b>                                                             |          |                                     |                                     |
| <b>1 Shareholders' funds</b>                                                                |          |                                     |                                     |
| (a) Share capital                                                                           | 3        | 140.00                              | 140.00                              |
| (b) Reserves and surplus                                                                    | 4        | 2,273.23                            | 1,958.13                            |
|                                                                                             |          | <b>2,413.23</b>                     | <b>2,098.13</b>                     |
| <b>2 Non current liabilities</b>                                                            |          |                                     |                                     |
| (a) Long-term borrowings                                                                    | 5        | -                                   | 145.31                              |
| (b) Deferred tax liabilities (Net)                                                          | 6        | 164.70                              | 127.18                              |
| (c) Long-term provisions                                                                    | 7        | 14.52                               | 11.28                               |
|                                                                                             |          | <b>179.22</b>                       | <b>283.77</b>                       |
| <b>3 Current liabilities</b>                                                                |          |                                     |                                     |
| (a) Trade payables                                                                          | 8        |                                     |                                     |
| (i) Total outstanding dues of micro enterprises and small enterprises                       |          | 1.38                                | 1.03                                |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 203.44                              | 188.13                              |
| (b) Other current liabilities                                                               | 9        | 467.14                              | 397.42                              |
| (c) Short-term provisions                                                                   | 10       | 101.70                              | 105.01                              |
|                                                                                             |          | <b>773.66</b>                       | <b>691.59</b>                       |
|                                                                                             |          | <b>3,366.11</b>                     | <b>3,073.49</b>                     |
| <b>II ASSETS</b>                                                                            |          |                                     |                                     |
| <b>1 Non current assets</b>                                                                 |          |                                     |                                     |
| (a) Fixed assets                                                                            |          |                                     |                                     |
| (i) Tangible assets                                                                         | 11(a)    | 1,993.87                            | 1,950.45                            |
| (ii) Intangible assets                                                                      | 11(b)    | 15.78                               | 5.36                                |
| (iii) Capital work in progress                                                              |          | 294.85                              | 254.10                              |
| (b) Non current investments                                                                 | 12       | 259.17                              | 249.67                              |
| (c) Long-term loans and advances                                                            | 13       | 13.45                               | 12.74                               |
|                                                                                             |          | <b>2,577.12</b>                     | <b>2,472.32</b>                     |
| <b>2 Current assets</b>                                                                     |          |                                     |                                     |
| (a) Current investments                                                                     | 14       | -                                   | 41.19                               |
| (b) Inventories                                                                             | 15       | 47.17                               | 40.89                               |
| (c) Trade receivables                                                                       | 16       | 240.03                              | 235.19                              |
| (d) Cash and cash equivalents                                                               | 17       | 453.76                              | 231.20                              |
| (e) Short-term loans and advances                                                           | 18       | 32.59                               | 36.42                               |
| (f) Other current assets                                                                    | 19       | 15.44                               | 16.28                               |
|                                                                                             |          | <b>788.99</b>                       | <b>601.17</b>                       |
|                                                                                             |          | <b>3,366.11</b>                     | <b>3,073.49</b>                     |

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/-

**Khazat A. Kotwal**

Partner

**For and on behalf of the Board of Directors**

sd/-

**Narendra Kumar**

Managing Director  
(DIN No.06571708)

sd/-

**Rajesh Agrawal**

Chief Financial Officer

sd/-

**V. Nagarajan**

Director (Commercial)  
(DIN No.06971361)

sd/-

**S.K. Jain**

Company Secretary

Place: New Delhi

Date: 13 May 2016

Place: New Delhi

Date: 13 May 2016



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

|                                                                 | Note No.        | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|-----------------------------------------------------------------|-----------------|------------------------------------------|------------------------------------------|
| 1 Revenue from operations                                       | 20              | 4,064.21                                 | 4,059.64                                 |
| Less: Excise duty                                               |                 | 378.42                                   | 378.65                                   |
| Revenue from operations (Net)                                   |                 | 3,685.79                                 | 3,680.99                                 |
| 2 Other income                                                  | 21              | 29.89                                    | 34.54                                    |
| 3 Total revenue (1 + 2)                                         |                 | 3,715.68                                 | 3,715.53                                 |
| 4 Expenses:                                                     |                 |                                          |                                          |
| (a) Cost of natural gas                                         | 22              | 2,275.37                                 | 2,340.98                                 |
| (b) Decrease/(Increase) in natural gas stock                    | 23              | 0.74                                     | (0.17)                                   |
| (c) Employee benefits expense                                   | 24              | 79.58                                    | 66.01                                    |
| (d) Finance cost                                                | 25              | 9.05                                     | 29.82                                    |
| (e) Depreciation and amortisation expense                       | 11(a) and 11(b) | 157.66                                   | 148.72                                   |
| (f) Other expenses                                              | 26              | 558.39                                   | 481.13                                   |
| Total expenses                                                  |                 | 3,080.79                                 | 3,066.49                                 |
| 5 Profit before tax (3 - 4)                                     |                 | 634.89                                   | 649.04                                   |
| 6 Tax expense:                                                  |                 |                                          |                                          |
| (a) Current tax expense                                         |                 | 182.08                                   | 180.48                                   |
| (b) Excess provision of tax relating to prior year              |                 | (0.91)                                   | (0.95)                                   |
| (c) Deferred tax                                                |                 | 37.52                                    | 31.78                                    |
| Net tax expenses                                                |                 | 218.69                                   | 211.31                                   |
| 7 Profit for the year (5 - 6)                                   |                 | 416.20                                   | 437.73                                   |
| 8 Earnings per equity share: (Face value of Rs. 10/- per share) |                 |                                          |                                          |
| (a) Basic (in Rs.)                                              |                 | 29.73                                    | 31.27                                    |
| (b) Diluted (in Rs.)                                            |                 | 29.73                                    | 31.27                                    |

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/-

**Khazat A. Kotwal**

Partner

**For and on behalf of the Board of Directors**

sd/-

**Narendra Kumar**

Managing Director  
(DIN No.06571708)

sd/-

**Rajesh Agrawal**

Chief Financial Officer

sd/-

**V. Nagarajan**

Director (Commercial)  
(DIN No.06971361)

sd/-

**S.K. Jain**

Company Secretary

Place: New Delhi

Date: 13 May 2016

Place: New Delhi

Date: 13 May 2016



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

|                                                                        | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                         |                                          |                                          |
| Profit before tax                                                      | 634.89                                   | 649.04                                   |
| <i>Adjustments for:</i>                                                |                                          |                                          |
| - Depreciation and amortisation for the year                           | 157.66                                   | 148.72                                   |
| - Loss on fixed assets sold or discarded (Net)                         | 0.65                                     | 0.07                                     |
| - Provision for gratuity and compensated absence (Net)                 | 3.45                                     | 3.19                                     |
| - Provision for doubtful debts (Net)                                   | 0.80                                     |                                          |
| - Write down/write off of inventories                                  | 0.68                                     | 0.07                                     |
| - Finance cost                                                         | 9.05                                     | 29.82                                    |
| - Interest income on short term deposits with banks                    | (1.87)                                   | (3.84)                                   |
| - Dividend received from mutual fund investments                       | (18.32)                                  | (23.60)                                  |
| - Dividend on investment in equity instruments-Associate               | (5.72)                                   | (3.75)                                   |
| - Liabilities/provisions no longer required, written back              | (0.19)                                   | (0.08)                                   |
| <b>Operating profit before working capital changes</b>                 | <b>781.08</b>                            | <b>799.64</b>                            |
| <i>Changes in working capital:</i>                                     |                                          |                                          |
| Adjustments for (increase)/decrease in operating assets:               |                                          |                                          |
| - Long term loans and advances                                         | (0.22)                                   | (2.97)                                   |
| - Inventories                                                          | (6.71)                                   | (3.87)                                   |
| - Trade receivables                                                    | (5.64)                                   | (15.60)                                  |
| - Short term loans and advances                                        | 3.84                                     | 1.94                                     |
| - Other current assets                                                 | 1.01                                     | 3.50                                     |
| Adjustments for increase/(decrease) in operating liabilities:          |                                          |                                          |
| - Trade payables                                                       | 15.66                                    | 4.74                                     |
| - Other current liabilities                                            | 59.96                                    | 53.38                                    |
| Cash generated from operations                                         | 848.98                                   | 840.76                                   |
| Net income tax paid (net of refund)                                    | (187.50)                                 | (176.99)                                 |
| <b>Net cash flow from operating activities (A)</b>                     | <b>661.48</b>                            | <b>663.77</b>                            |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                         |                                          |                                          |
| - Payment for Purchase of fixed assets, including capital advances     | (240.87)                                 | (214.82)                                 |
| - Purchase of long term investment-Associate                           | (9.50)                                   | (180.50)                                 |
| - Proceeds from sale of fixed assets                                   | -                                        | 0.33                                     |
| - Income received on short term deposits with Banks                    | 1.70                                     | 3.93                                     |
| - Income received from mutual fund investments                         | 18.32                                    | 23.60                                    |
| - Dividend received-Associate                                          | 5.72                                     | 3.75                                     |
| <b>Net cash flow used in investing activities (B)</b>                  | <b>(224.63)</b>                          | <b>(363.71)</b>                          |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                         |                                          |                                          |
| - Repayment of long term borrowings                                    | (145.31)                                 | (173.45)                                 |
| - Proceeds/(Repayment) of short term loans                             | -                                        | (33.73)                                  |
| - Finance cost                                                         | (9.05)                                   | (29.93)                                  |
| - Dividend and dividend distribution tax paid                          | (101.10)                                 | (90.09)                                  |
| <b>Net cash flow used in financing activities (C)</b>                  | <b>(255.46)</b>                          | <b>(327.20)</b>                          |
| <b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | <b>181.39</b>                            | <b>(27.14)</b>                           |
| <b>E. Cash and cash equivalents as at the beginning of the year</b>    | <b>271.88</b>                            | <b>299.02</b>                            |
| <b>F. Cash and cash equivalents as at the end of the year</b>          | <b>453.27</b>                            | <b>271.88</b>                            |



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016 (CONTD...)

|                                                                                                                                                | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>                                                                     |                                          |                                          |
| a. Cash and bank balances as per Balance Sheet (Refer Note 17)                                                                                 | 453.76                                   | 231.20                                   |
| b. Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements                                     |                                          |                                          |
| - Balances in unpaid dividend account                                                                                                          | 0.49                                     | 0.51                                     |
| 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 14) | -                                        | 41.19                                    |
| d. Cash and cash equivalents at the end of the year                                                                                            | <b>453.27</b>                            | <b>271.88</b>                            |

### See accompanying notes forming part of the financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

**For and on behalf of the Board of Directors**

sd/-  
**Khazat A. Kotwal**  
Partner

sd/-  
**Narendra Kumar**  
Managing Director  
(DIN No.06571708)

sd/-  
**V. Nagarajan**  
Director (Commercial)  
(DIN No.06971361)

sd/-  
**Rajesh Agrawal**  
Chief Financial Officer

sd/-  
**S.K. Jain**  
Company Secretary

Place: New Delhi  
Date: 13 May 2016

Place: New Delhi  
Date: 13 May 2016



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1 COMPANY OVERVIEW

Indraprastha Gas Limited (the 'Company') was incorporated on 23 December 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 Natural Gas.

### 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 Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs and the relevant provision of the 2013 Act as applicable. The financial statements have been prepared on accrual basis under 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

- Stores and spares are valued at the lower of cost computed on weighted average basis and net realisable value.
- Stock of Natural Gas in pipelines and cascades is valued at the lower of cost computed on First in First out (FIFO) basis and net realisable value.

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

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with 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 an insignificant risk of change 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 at rates prescribed in Schedule II to the Companies Act, 2013, except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.:

| Asset class                                                                                               | Depreciation |
|-----------------------------------------------------------------------------------------------------------|--------------|
| <b>Tangible Fixed Assets</b>                                                                              |              |
| - Mother Compressors, Online Compressors and Booster Compressors<br>(Forming part of plant and equipment) | 10 years     |
| - Pipeline (Forming part of plant and equipment)                                                          | 25 Years     |
| - Signages<br>(Forming part of buildings)                                                                 | 10 years     |
| Cost associated with lease hold land is depreciated over the period of lease                              |              |
| Asset class                                                                                               | Amortisation |
| <b>Intangible Assets</b>                                                                                  |              |
| - Computer Software & Licences                                                                            | 5 years      |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.7 Revenue recognition

- i. Revenue on sale of natural gas is recognised on transfer of significant risks and rewards of ownership to the buyer. Revenue includes excise duty but excludes central sales tax and value added tax.
- ii. Income from bank deposits is recognised on a time proportion basis. Dividend income is recognised when the Company's right to receive payment is established.

### 2.8 (a) Fixed assets

- i. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.
- ii. 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 Piped Natural Gas (PNG) customers towards the cost of installation of PNG pipeline network, if any.
- iii. Gas distribution systems are commissioned when ready for 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.
- iv. Insurance spares are capitalised with the cost of plant and machinery and depreciated over the useful life of the principal item of the relevant asset.
- v. Intangible assets comprise computer software/license.
- vi. 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.

### (b) Capital Work in Progress

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. Capital Work in Progress includes capital inventory.

### 2.9 Foreign currency transactions and translations

#### i. Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.

#### ii. Measurement at the Balance Sheet Date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the company are carried at historical cost.

#### iii. Treatment of Exchange Difference

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.

#### iv. Accounting of Forward Contracts

Premium on forward contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

### 2.10 Investments

Non-Current investments are carried individually at cost less provision for diminution, other than temporary, in the value of such 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 2.11 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

#### *Defined contribution plans*

The Company's contribution to provident fund and pension 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 and when services are rendered by the employees.

#### *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. 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.

### 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 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 are 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 straight line basis.

### 2.14 Earnings per share

Basic earning per share is computed by dividing the profit after tax by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit after tax by 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 a 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.18 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between purchase of natural gas and their realisation in cash or cash equivalents, the company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 3 SHARE CAPITAL

|                                                                         | As at 31.03.2016 |              | As at 31.03.2015 |              |
|-------------------------------------------------------------------------|------------------|--------------|------------------|--------------|
|                                                                         | Number of shares | (Rs. Crores) | Number of shares | (Rs. Crores) |
| (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 31.03.2016 |              | For the year ended 31.03.2015 |              |
|-------------------------------------------------|-------------------------------|--------------|-------------------------------|--------------|
|                                                 | Number of shares              | (Rs. Crores) | Number of shares              | (Rs. Crores) |
| Equity shares:                                  |                               |              |                               |              |
| 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 31.03.2016      |           | As at 31.03.2015      |           |
|------------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                          | Number of shares held | % holding | Number of shares held | % holding |
| (a) GAIL (India) Limited                 | 31,500,000            | 22.50%    | 31,500,000            | 22.50%    |
| (b) Bharat Petroleum Corporation Limited | 31,500,080            | 22.50%    | 31,500,080            | 22.50%    |
| (c) Life Insurance Corporation of India  | -                     | -         | 11,165,980            | 7.98%     |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                                                                                                                                                                                                                              | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>4 RESERVES AND SURPLUS</b>                                                                                                                                                                                                                |                                     |                                     |
| (a) General reserve:                                                                                                                                                                                                                         |                                     |                                     |
| Opening balance                                                                                                                                                                                                                              | 261.88                              | 219.77                              |
| Less: Adjustment in opening balance                                                                                                                                                                                                          | -                                   | 1.66                                |
| Balance                                                                                                                                                                                                                                      | 261.88                              | 218.11                              |
| Add: Transferred from surplus in Statement of Profit and Loss                                                                                                                                                                                | 41.62                               | 43.77                               |
| Closing balance                                                                                                                                                                                                                              | 303.50                              | 261.88                              |
| (b) Surplus in Statement of Profit and Loss:                                                                                                                                                                                                 |                                     |                                     |
| Opening balance                                                                                                                                                                                                                              | 1,696.25                            | 1,403.39                            |
| Add:                                                                                                                                                                                                                                         |                                     |                                     |
| Profit for the year                                                                                                                                                                                                                          | 416.20                              | 437.73                              |
| Less:                                                                                                                                                                                                                                        |                                     |                                     |
| - Dividends proposed to be distributed to equity shareholders (Rs. 6.00 per share (Previous year Rs. 6.00 per share))                                                                                                                        | 84.00                               | 84.00                               |
| - Corporate dividend tax on proposed dividend                                                                                                                                                                                                | 17.10                               | 17.10                               |
| - Transfer to General reserve                                                                                                                                                                                                                | 41.62                               | 43.77                               |
| Closing balance                                                                                                                                                                                                                              | 1,969.73                            | 1,696.25                            |
|                                                                                                                                                                                                                                              | <b>2,273.23</b>                     | <b>1,958.13</b>                     |
| 4.1 Adjustment in opening balance of General Reserve of previous year of Rs. 1.66 crores was due to revision in useful life of certain assets for complying with useful life specified under schedule II of The Companies Act, 2013.         |                                     |                                     |
| <b>5 LONG-TERM BORROWINGS</b>                                                                                                                                                                                                                |                                     |                                     |
| Secured term loan from banks                                                                                                                                                                                                                 | -                                   | 145.31                              |
|                                                                                                                                                                                                                                              | -                                   | <b>145.31</b>                       |
| 5.1 Term loan from banks referred above in the previous year was secured by charge on all the movable assets (plant and machinery) of the Company both present and future except current assets. The loan was repaid during the year.        |                                     |                                     |
| 5.2 Rate of interest on the above term loans was as follows:                                                                                                                                                                                 |                                     |                                     |
| Loan from Allahabad Bank (Current year Rs. Nil)                                                                                                                                                                                              |                                     |                                     |
| (Previous year Rs. 145.31 crores)                                                                                                                                                                                                            |                                     |                                     |
| Base rate of Allahabad Bank as on 31 March                                                                                                                                                                                                   |                                     | 10.25%                              |
| 5.3 Maturity Profile of the above term loans are as set out below:                                                                                                                                                                           |                                     |                                     |
| 1 to 2 years                                                                                                                                                                                                                                 | -                                   | 32.81                               |
| 2 to 3 years                                                                                                                                                                                                                                 | -                                   | 50.00                               |
| 3 to 4 years                                                                                                                                                                                                                                 | -                                   | 45.31                               |
| 4 to 5 years                                                                                                                                                                                                                                 | -                                   | 17.19                               |
|                                                                                                                                                                                                                                              | -                                   | <b>145.31</b>                       |
| Loan amounting to Rs. 145.31 crores referred above in the previous year was payable in 32 quarterly instalments (8 installment of Rs. 1.56 crores each, 11 installments of Rs. 4.69 crores each and 13 installments of Rs. 6.25 crores each) |                                     |                                     |
| <b>6 DEFERRED TAX LIABILITIES (NET)</b>                                                                                                                                                                                                      |                                     |                                     |
| (a) Deferred tax liability on:                                                                                                                                                                                                               |                                     |                                     |
| Difference between book balance and tax balance of fixed assets (Refer Note 6.1)                                                                                                                                                             | 173.20                              | 133.73                              |
| (b) Deferred tax assets on:                                                                                                                                                                                                                  |                                     |                                     |
| Provision for gratuity                                                                                                                                                                                                                       | 2.14                                | 1.60                                |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                                                                                                                                                                                                                                                                                              | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Provision for compensated absences                                                                                                                                                                                                                                                                           | 3.09                                | 2.39                                |
| Provision for inventory obsolescence                                                                                                                                                                                                                                                                         | 1.04                                | 0.89                                |
| Provision for doubtful debts/doubtful advance/security deposit                                                                                                                                                                                                                                               | 1.96                                | 1.67                                |
| Borrowing Cost included in the cost of Capital work in progress                                                                                                                                                                                                                                              | 0.27                                | -                                   |
|                                                                                                                                                                                                                                                                                                              | <b>8.50</b>                         | <b>6.55</b>                         |
|                                                                                                                                                                                                                                                                                                              | <b>164.70</b>                       | <b>127.18</b>                       |
| 6.1 Deferred tax liability on difference between book balance and tax balance of fixed assets of previous year is net of adjustment of Rs. 0.86 crores carried out consequent upon adoption of useful life specified under schedule II of Companies Act, 2013 with respect to certain tangible fixed assets. |                                     |                                     |
| <b>7 LONG-TERM PROVISIONS</b>                                                                                                                                                                                                                                                                                |                                     |                                     |
| Provision for employee benefits:                                                                                                                                                                                                                                                                             |                                     |                                     |
| (a) Compensated absences                                                                                                                                                                                                                                                                                     | 8.52                                | 6.76                                |
| (b) Gratuity (Refer Note 32.1)                                                                                                                                                                                                                                                                               | 6.00                                | 4.52                                |
|                                                                                                                                                                                                                                                                                                              | <b>14.52</b>                        | <b>11.28</b>                        |
| <b>8 TRADE PAYABLES</b>                                                                                                                                                                                                                                                                                      |                                     |                                     |
| Total outstanding dues-other than acceptances                                                                                                                                                                                                                                                                |                                     |                                     |
| (a) Micro enterprises and small enterprises (Refer Note 31)                                                                                                                                                                                                                                                  | 1.38                                | 1.03                                |
| (b) Creditors other than micro enterprises and small enterprises                                                                                                                                                                                                                                             | 203.44                              | 188.13                              |
|                                                                                                                                                                                                                                                                                                              | <b>204.82</b>                       | <b>189.16</b>                       |
| <b>9 OTHER CURRENT LIABILITIES</b>                                                                                                                                                                                                                                                                           |                                     |                                     |
| (a) Security deposits from customers (Refer Note 29)                                                                                                                                                                                                                                                         | 425.17                              | 368.12                              |
| (b) Unclaimed dividends (Refer Note 9.1)                                                                                                                                                                                                                                                                     | 0.49                                | 0.51                                |
| (c) Security deposits from vendors                                                                                                                                                                                                                                                                           | 2.14                                | 1.87                                |
| (d) Other payables:                                                                                                                                                                                                                                                                                          |                                     |                                     |
| - Payable on purchase of fixed assets                                                                                                                                                                                                                                                                        | 12.75                               | 3.22                                |
| - Statutory dues                                                                                                                                                                                                                                                                                             | 9.57                                | 6.54                                |
| - Employee benefits payable                                                                                                                                                                                                                                                                                  | 8.82                                | 9.18                                |
| - Advance for shifting of pipeline                                                                                                                                                                                                                                                                           | 8.20                                | 7.98                                |
|                                                                                                                                                                                                                                                                                                              | <b>467.14</b>                       | <b>397.42</b>                       |
| 9.1 There is no amount due and outstanding as at 31 March 2016 (Previous year Nil) to be credited to Investors Education and Protection Fund.                                                                                                                                                                |                                     |                                     |
| <b>10 SHORT-TERM PROVISIONS</b>                                                                                                                                                                                                                                                                              |                                     |                                     |
| (a) Dividends proposed to be distributed to equity shareholders                                                                                                                                                                                                                                              | 84.00                               | 84.00                               |
| (b) Corporate dividend tax on proposed dividend                                                                                                                                                                                                                                                              | 17.10                               | 17.10                               |
| (c) Compensated absences                                                                                                                                                                                                                                                                                     | 0.41                                | 0.24                                |
| (d) Gratuity (Refer Note 32.1)                                                                                                                                                                                                                                                                               | 0.19                                | 0.14                                |
| (e) Provision for tax (Net of advance tax and tax deducted at source Rs. Nil) (Previous year Rs. 176.95 crores)                                                                                                                                                                                              | -                                   | 3.53                                |
|                                                                                                                                                                                                                                                                                                              | <b>101.70</b>                       | <b>105.01</b>                       |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 11 FIXED ASSETS:

(Refer Notes 2.6, 2.8 and 2.16)

#### (a) Tangible Assets

As at 31 March 2016

| Particulars                         | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | (Rs. Crores)        |                     |
|-------------------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|---------------------|---------------------|
|                                     | As at<br>01.04.2015 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2016      | As at<br>01.04.2015 | For the<br>year | As at<br>31.03.2016 | As at<br>31.03.2016 |
| Freehold land                       | 17.91               | -                         | -                     | 17.91                    | -                   | -               | -                   | 17.91               |
| Leasehold land<br>(Refer Note 11.1) | 21.41               | -                         | -                     | 21.41                    | 4.25                | 0.36            | 4.61                | 16.80               |
| Buildings (Refer Note 11.2)         | 380.56              | 13.82                     | 1.19                  | 393.19                   | 87.90               | 15.91           | 103.17              | 290.02              |
| Plant and equipment                 | 2,713.80            | 177.18                    | 27.14                 | 2,863.84                 | 1,107.24            | 135.63          | 1,215.86            | 1,647.98            |
| Furniture and fixtures              | 15.70               | 1.02                      | 0.04                  | 16.68                    | 5.64                | 1.68            | 7.31                | 9.37                |
| Vehicles                            | 1.94                | 6.75                      | -                     | 8.69                     | 0.58                | 0.58            | 1.16                | 7.53                |
| Data processing equipment           | 10.85               | 1.15                      | 0.36                  | 11.64                    | 6.11                | 1.63            | 7.38                | 4.26                |
| <b>Total</b>                        | <b>3,162.17</b>     | <b>199.92</b>             | <b>28.73</b>          | <b>3,333.36</b>          | <b>1,211.72</b>     | <b>155.79</b>   | <b>1,339.49</b>     | <b>1,993.87</b>     |

As at 31 March 2015

| Particulars                         | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | (Rs. Crores)        |                     |
|-------------------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|---------------------|---------------------|
|                                     | As at<br>01.04.2014 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2015      | As at<br>01.04.2014 | For the<br>year | As at<br>31.03.2015 | As at<br>31.03.2015 |
| Freehold land                       | 17.91               | -                         | -                     | 17.91                    | -                   | -               | -                   | 17.91               |
| Leasehold land<br>(Refer Note 11.1) | 20.66               | 0.75                      | -                     | 21.41                    | 3.89                | 0.36            | 4.25                | 17.16               |
| Buildings (Refer Note 11.2)         | 371.03              | 9.53                      | -                     | 380.56                   | 72.51               | 15.39           | 87.90               | 292.66              |
| Plant and equipment                 | 2,528.18            | 194.47                    | 8.85                  | 2,713.80                 | 985.88              | 128.09          | 1,107.24            | 1,606.56            |
| Furniture and fixtures              | 11.56               | 4.32                      | 0.18                  | 15.70                    | 4.05                | 1.44            | 5.64                | 10.06               |
| Vehicles                            | 1.73                | 0.21                      | -                     | 1.94                     | 0.33                | 0.25            | 0.58                | 1.36                |
| Data processing equipment           | 8.30                | 2.84                      | 0.29                  | 10.85                    | 4.56                | 1.37            | 6.11                | 4.74                |
| <b>Total</b>                        | <b>2,959.37</b>     | <b>212.12</b>             | <b>9.32</b>           | <b>3,162.17</b>          | <b>1,071.22</b>     | <b>146.90</b>   | <b>1,211.72</b>     | <b>1,950.45</b>     |

#### (b) Intangible Assets

As at 31 March 2016

| Particulars               | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | (Rs. Crores)        |                     |
|---------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|---------------------|---------------------|
|                           | As at<br>01.04.2015 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2016      | As at<br>01.04.2015 | For the<br>year | As at<br>31.03.2016 | As at<br>31.03.2016 |
| Computer software/license | 13.96               | 12.29                     | -                     | 26.25                    | 8.60                | 1.87            | 10.47               | 15.78               |
| <b>Total</b>              | <b>13.96</b>        | <b>12.29</b>              | <b>-</b>              | <b>26.25</b>             | <b>8.60</b>         | <b>1.87</b>     | <b>10.47</b>        | <b>15.78</b>        |

As at 31 March 2015

| Particulars               | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | (Rs. Crores)        |                     |
|---------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|---------------------|---------------------|
|                           | As at<br>01.04.2014 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2015      | As at<br>01.04.2014 | For the<br>year | As at<br>31.03.2015 | As at<br>31.03.2015 |
| Computer software/license | 13.88               | 0.08                      | -                     | 13.96                    | 6.78                | 1.82            | 8.60                | 5.36                |
| <b>Total</b>              | <b>13.88</b>        | <b>0.08</b>               | <b>-</b>              | <b>13.96</b>             | <b>6.78</b>         | <b>1.82</b>     | <b>8.60</b>         | <b>5.36</b>         |

11.1 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 and Development Office, New Delhi, under licensing arrangement and pending execution of the related lease agreements.

11.2 Buildings include buildings which have been constructed on land acquired on lease from various Government Authorities. (Refer note 28)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|      |                                                                                                                                                                          |                                              | As at<br>31.03.2016<br>(Rs. Crores)          | As at<br>31.03.2015<br>(Rs. Crores) |                                     |            |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|-------------------------------------|-------------------------------------|------------|
| 12   | <b>NON CURRENT INVESTMENTS</b>                                                                                                                                           |                                              |                                              |                                     |                                     |            |
|      | <b>Investments (at cost)</b>                                                                                                                                             |                                              |                                              |                                     |                                     |            |
|      | <b>Trade (Unquoted)</b>                                                                                                                                                  |                                              |                                              |                                     |                                     |            |
|      | (Refer Note 2.10)                                                                                                                                                        |                                              |                                              |                                     |                                     |            |
|      | Investments in equity instruments of Associates:                                                                                                                         |                                              |                                              |                                     |                                     |            |
|      | (a) 30,000,000 (Previous year: 30,000,000) equity shares of Rs. 10/- each fully paid up in Central UP Gas Limited, acquired at a premium of Rs. 13/- per share.          |                                              | 69.17                                        | 69.17                               |                                     |            |
|      | (b) 50,000,000 (Previous year: 47,500,000) equity shares of Rs. 10/- each fully paid up in Maharashtra Natural Gas Limited, acquired at a premium of Rs. 28/- per share. |                                              | 190.00                                       | 180.50                              |                                     |            |
|      |                                                                                                                                                                          |                                              | 259.17                                       | 249.67                              |                                     |            |
| 13   | <b>LONG-TERM LOANS AND ADVANCES</b>                                                                                                                                      |                                              |                                              |                                     |                                     |            |
|      | (Unsecured and considered good)                                                                                                                                          |                                              |                                              |                                     |                                     |            |
|      | (a) Capital advances                                                                                                                                                     |                                              | 0.04                                         | 2.35                                |                                     |            |
|      | (b) Security deposits                                                                                                                                                    |                                              | 6.04                                         | 5.82                                |                                     |            |
|      | (c) Advance tax [Net of provision for tax Rs. 679.99 crores<br>(Previous year Rs. 168.17 crores)]                                                                        |                                              | 7.12                                         | 4.32                                |                                     |            |
|      | (d) Balance with banks in fixed deposits<br>(under lien against Bank Guarantee)                                                                                          |                                              | 0.25                                         | 0.25                                |                                     |            |
|      |                                                                                                                                                                          |                                              | 13.45                                        | 12.74                               |                                     |            |
| 14   | <b>CURRENT INVESTMENTS</b>                                                                                                                                               |                                              |                                              |                                     |                                     |            |
|      | (Unquoted)                                                                                                                                                               |                                              |                                              |                                     |                                     |            |
|      | (Refer Note 2.10)                                                                                                                                                        |                                              |                                              |                                     |                                     |            |
|      | Investments in mutual funds:                                                                                                                                             |                                              |                                              |                                     |                                     |            |
|      | (a) Reliance Liquidity Fund                                                                                                                                              |                                              | -                                            | 10.06                               |                                     |            |
|      | (b) Taurus Liquid Fund                                                                                                                                                   |                                              | -                                            | 5.01                                |                                     |            |
|      | (c) Franklin India Ultra Short Bond Fund                                                                                                                                 |                                              | -                                            | 26.12                               |                                     |            |
|      |                                                                                                                                                                          |                                              | -                                            | 41.19                               |                                     |            |
| 14.1 | Details of units and Net Asset Value (NAV):                                                                                                                              |                                              |                                              |                                     |                                     |            |
|      |                                                                                                                                                                          | NAV per unit<br>as on<br>31.03.2016<br>(Rs.) | NAV per unit<br>as on<br>31.03.2015<br>(Rs.) | As at<br>31.03.2016<br>(Units)      | As at<br>31.03.2015<br>(Units)      |            |
|      | (a)                                                                                                                                                                      | Reliance Liquidity Fund                      | -                                            | 1,000.51                            | -                                   | 100,558    |
|      | (b)                                                                                                                                                                      | Taurus Liquid Fund                           | -                                            | 1,000.26                            | -                                   | 50,097     |
|      | (c)                                                                                                                                                                      | Franklin India Ultra Short Bond Fund         | -                                            | 10.06                               | -                                   | 25,950,180 |
|      | Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is                                                     |                                              |                                              |                                     | -                                   | 41.19      |
|      |                                                                                                                                                                          |                                              |                                              | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |            |
| 15   | <b>INVENTORIES</b>                                                                                                                                                       |                                              |                                              |                                     |                                     |            |
|      | (Refer Note 2.3)                                                                                                                                                         |                                              |                                              |                                     |                                     |            |
|      | (a) Natural Gas                                                                                                                                                          |                                              |                                              | 2.48                                | 3.22                                |            |
|      | (b) Stores and spares                                                                                                                                                    |                                              |                                              | 47.70                               | 40.25                               |            |
|      |                                                                                                                                                                          |                                              |                                              | 50.18                               | 43.47                               |            |
|      | Less: Write down / write off of inventories                                                                                                                              |                                              |                                              | 3.01                                | 2.58                                |            |
|      |                                                                                                                                                                          |                                              |                                              | 47.17                               | 40.89                               |            |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                                                                                                      | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>16 TRADE RECEIVABLES</b>                                                                                          |                                     |                                     |
| (a) Over six months from the due date of payment:                                                                    |                                     |                                     |
| i. Secured, considered good                                                                                          | 0.43                                | 0.40                                |
| ii. Unsecured:                                                                                                       |                                     |                                     |
| - Considered good                                                                                                    | 2.67                                | 0.83                                |
| - Considered doubtful                                                                                                | 1.17                                | 0.37                                |
|                                                                                                                      | 4.27                                | 1.60                                |
| iii. Less: Provision for doubtful debts                                                                              | 1.17                                | 0.37                                |
|                                                                                                                      | 3.10                                | 1.23                                |
| (b) Others, considered good:                                                                                         |                                     |                                     |
| i. Secured                                                                                                           | 75.65                               | 36.38                               |
| ii. Unsecured                                                                                                        | 161.28                              | 197.58                              |
|                                                                                                                      | 236.93                              | 233.96                              |
|                                                                                                                      | 240.03                              | 235.19                              |
| <b>17 CASH AND CASH EQUIVALENTS</b>                                                                                  |                                     |                                     |
| (a) Cash                                                                                                             |                                     |                                     |
| i. Cash on hand                                                                                                      | 4.85                                | 4.90                                |
| ii. Balances with banks in current accounts                                                                          | 22.11                               | 44.87                               |
| iii. Balances with banks in fixed deposits                                                                           | 426.31                              | 180.92                              |
|                                                                                                                      | 453.27                              | 230.69                              |
| (b) Other bank balances:                                                                                             |                                     |                                     |
| i. Earmarked balances with banks in current accounts-Unpaid dividends                                                | 0.49                                | 0.51                                |
|                                                                                                                      | 0.49                                | 0.51                                |
|                                                                                                                      | 453.76                              | 231.20                              |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is | 453.27                              | 230.69                              |
| <b>18 SHORT-TERM LOANS AND ADVANCES</b>                                                                              |                                     |                                     |
| (Unsecured)                                                                                                          |                                     |                                     |
| (a) Considered good                                                                                                  |                                     |                                     |
| i. Loans and advances to related parties (Refer Note 18.1)                                                           | 0.52                                | 0.15                                |
| ii. Security deposits                                                                                                | 1.40                                | 2.34                                |
| iii. Cenvat recoverable                                                                                              | 20.55                               | 25.98                               |
| iv. Prepaid expenses                                                                                                 | 9.61                                | 7.72                                |
| v. Employee advances                                                                                                 | 0.27                                | 0.16                                |
| vi. Advances to vendors                                                                                              | 0.01                                | 0.02                                |
| vii. Advances to others                                                                                              | 0.23                                | 0.05                                |
|                                                                                                                      | 32.59                               | 36.42                               |
| (b) Considered doubtful                                                                                              |                                     |                                     |
| i. Security deposits                                                                                                 | 4.50                                | 4.50                                |
| ii. Less: Provision for doubtful deposits                                                                            | 4.50                                | 4.50                                |
|                                                                                                                      | -                                   | -                                   |
|                                                                                                                      | 32.59                               | 36.42                               |
| 18.1 Loans and advances to related parties comprise:                                                                 |                                     |                                     |
| (a) Security deposits with GAIL (India) Limited                                                                      | 0.51                                | 0.10                                |
| (b) Security deposits with Bharat Petroleum Corporation Limited                                                      | 0.01                                | 0.05                                |
|                                                                                                                      | 0.52                                | 0.15                                |
| <b>19 OTHER CURRENT ASSETS</b>                                                                                       |                                     |                                     |
| (Unsecured and considered good)                                                                                      |                                     |                                     |
| (a) Unbilled revenue                                                                                                 | 15.09                               | 16.10                               |
| (b) Interest accrued on fixed deposits                                                                               | 0.35                                | 0.18                                |
|                                                                                                                      | 15.44                               | 16.28                               |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                                              | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|--------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>20 REVENUE FROM OPERATIONS</b>                            |                                          |                                          |
| (a) Sale of Natural Gas                                      | 4,052.14                                 | 4,048.58                                 |
| (b) Other operating revenues                                 | 12.07                                    | 11.06                                    |
|                                                              | <b>4,064.21</b>                          | <b>4,059.64</b>                          |
| <b>21 OTHER INCOME</b>                                       |                                          |                                          |
| (a) Interest on short term deposits with banks               | 1.87                                     | 3.84                                     |
| (b) Dividend received from mutual fund investments           | 18.32                                    | 23.60                                    |
| (c) Dividend income from non current investment- Associate   | 5.72                                     | 3.75                                     |
| (d) Liabilities/ provisions no longer required, written back | 0.19                                     | 0.08                                     |
| (e) Other non operating income                               | 3.79                                     | 3.27                                     |
|                                                              | <b>29.89</b>                             | <b>34.54</b>                             |
| <b>22 COST OF NATURAL GAS</b>                                |                                          |                                          |
| Natural gas                                                  | 2,275.37                                 | 2,340.98                                 |
|                                                              | <b>2,275.37</b>                          | <b>2,340.98</b>                          |
| <b>23 DECREASE/(INCREASE) IN NATURAL GAS STOCK</b>           |                                          |                                          |
| (a) Closing stock of Natural Gas                             | 2.48                                     | 3.22                                     |
| (b) Opening stock of Natural Gas                             | 3.22                                     | 3.05                                     |
|                                                              | <b>0.74</b>                              | <b>(0.17)</b>                            |
| <b>24 EMPLOYEE BENEFITS EXPENSE</b>                          |                                          |                                          |
| (Refer Note 32.1)                                            |                                          |                                          |
| (a) Salaries and wages                                       | 71.07                                    | 57.75                                    |
| (b) Contribution to provident fund                           | 2.73                                     | 2.02                                     |
| (c) Gratuity                                                 | 1.60                                     | 1.56                                     |
| (d) Staff welfare expenses                                   | 4.18                                     | 4.68                                     |
|                                                              | <b>79.58</b>                             | <b>66.01</b>                             |
| <b>25 FINANCE COST</b>                                       |                                          |                                          |
| (a) Interest expense on borrowings                           | 9.00                                     | 28.74                                    |
| (b) Other borrowing cost                                     | 0.05                                     | 1.08                                     |
|                                                              | <b>9.05</b>                              | <b>29.82</b>                             |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

|                                                                                   | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|-----------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>26 OTHER EXPENSES</b>                                                          |                                          |                                          |
| (a) Operating expenses at CNG stations                                            | 97.19                                    | 88.66                                    |
| (b) CNG distribution expenses                                                     | 27.23                                    | 26.45                                    |
| (c) Stores and spares consumed                                                    | 28.94                                    | 25.45                                    |
| (d) Power and fuel                                                                | 147.10                                   | 136.16                                   |
| (e) Rent                                                                          | 34.22                                    | 32.38                                    |
| (f) Hire charges:                                                                 |                                          |                                          |
| - Vehicle                                                                         | 14.25                                    | 12.21                                    |
| - Equipment                                                                       | 0.03                                     | 0.02                                     |
| (g) Rates and taxes                                                               | 1.83                                     | 1.88                                     |
| (h) Repairs and maintenance:                                                      |                                          |                                          |
| - Buildings                                                                       | 5.12                                     | 3.64                                     |
| - Plant and equipment                                                             | 114.72                                   | 91.44                                    |
| (i) Security expenses                                                             | 25.35                                    | 23.54                                    |
| (j) Insurance                                                                     | 1.41                                     | 1.45                                     |
| (k) PNG selling and bill distribution expenses                                    | 8.72                                     | 7.24                                     |
| (l) Cash/Cheque collection charges                                                | 4.21                                     | 4.08                                     |
| (m) Legal and professional fees                                                   | 6.27                                     | 7.58                                     |
| (n) Auditor's remuneration (Refer Note 26.1)                                      | 0.42                                     | 0.24                                     |
| (o) Travelling and conveyance                                                     | 2.96                                     | 3.10                                     |
| (p) Office maintenance                                                            | 4.08                                     | 3.20                                     |
| (q) Advertisement expenses                                                        | 4.04                                     | 2.15                                     |
| (r) Loss on fixed assets sold or discarded (net)                                  | 0.68                                     | 0.10                                     |
| (s) Provision for doubtful debts/ Bad debts written off                           | 0.80                                     | -                                        |
| (t) Write down/write off of inventories                                           | 0.68                                     | 0.73                                     |
| (u) Bank charges                                                                  | 0.79                                     | 0.62                                     |
| (v) Net loss on foreign currency transaction and translations                     | 0.09                                     | 0.21                                     |
| (w) Corporate Social Responsibility (CSR) activity expenses                       | 4.43                                     | 1.33                                     |
| (x) Take or Pay Charges (Refer Note 27.9)                                         | 14.03                                    | -                                        |
| (y) Miscellaneous expenses                                                        | 8.80                                     | 7.27                                     |
|                                                                                   | <b>558.39</b>                            | <b>481.13</b>                            |
| <b>26.1 Auditors' remuneration (net of input credit of service tax) includes:</b> |                                          |                                          |
| (a) Statutory audit                                                               | 0.32                                     | 0.16                                     |
| (b) Limited review                                                                | 0.08                                     | 0.06                                     |
| (c) Other services                                                                | -                                        | 0.01                                     |
| (d) Reimbursement of expenses                                                     | 0.02                                     | 0.01                                     |
|                                                                                   | <b>0.42</b>                              | <b>0.24</b>                              |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 27 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

#### 27.1 Contingent liabilities

- (a) Claims against the Company not acknowledged as debt ;

The company expects a favourable outcome against all the cases

- (i) Excise Case

The Company had received a show cause notice dated 5 June 2012 from the Directorate General of Central Excise Intelligence for not paying excise duty on the facility discount paid to Delhi Transport Corporation from December 2008 to August 2010 and raised a demand of Rs. 2.42 crores (previous year Rs. 2.42 crores). The company has already deposited Rs. 2.42 crores and filed an appeal on 20 August 2013 with the Commissioner of Central Excise. The demand was confirmed by the Commissioner of Excise in its order dated 30 September 2013 and further imposed a penalty of Rs. 2.42 crores excluding interest. The company filed an appeal on 10 January 2014 against the demand including penalty with Central Excise and Service Tax Appellate Tribunal and the stay has been granted by the tribunal against the demand. The case is pending with Central Excise and Service Tax Appellate Tribunal.

- (ii) Delhi Development Authority (DDA) case

Delhi Development Authority (DDA) has raised a total demand of Rs.155.64 crores during FY 2013-14 on account of increase in license fees in respect of 61 sites taken by the company on lease from DDA for setting up CNG stations in Delhi. This increase in license fee is related to the period from 1 April 2007 to 31 March 2014. The Company has filed a writ petition on 11 October 2013 before Hon'ble Delhi High Court against the demand raised by DDA as revised licence fees has been increased manifold and made applicable retrospectively from financial year 2007-08. The matter is pending in the Hon'ble High Court of Delhi.

- (iii) During the year, North Delhi Municipal Corporation has issued a circular in relation to recovery of usage charges for granting of way leave facility used by the Company for its network of underground gas pipelines under North Delhi Municipal Corporation's jurisdiction ('way leave facility'). North Delhi Municipal Corporation has issued the circular to various telecom service providers and other service providers who use land under North Delhi Municipal Corporation's jurisdiction for their business operation.

Subsequently North Delhi Municipal Corporation has issued a letter requesting to pay an amount of Rs.75,162 per meter per annum ('way leave facility charge') towards the existing way leave facility used by the Company. As per the circular, the way leave facility charge for usage of existing way leave facility is to be accrued from the date of permission granted for laying the pipeline facility and the way leave facility charge will also be applicable for new installations.

The Company has not received any communication from North Delhi Municipal Corporation specifying the total amount payable in this regard. Based on legal opinion, the Company believes that the imposition of way leave facility charge is unsustainable under the law. Further, the Company believes that the rates for way leave charges as per the circular are exorbitant and the Company has taken up the matter with appropriate government authorities. The Company plans to contest the way leave facility charge levied by North Delhi Municipal Corporation and as of March 31, 2016, the Company has not accounted for the way leave facility liability.

- (b) Bank guarantees

The Company's total liability towards un-expired Bank Guarantees is Rs. 0.25 crores (Previous year Rs. 0.25 crores).

- 27.2 (a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 317.71 crores (Previous year Rs. 164.37 crores).



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 27.3 Information regarding purchases, sales and stock

| Particulars                             | Year ended 31.03.2016 |                 | Year ended 31.03.2015 |                 |
|-----------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                         | Quantity              | Rs. Crores      | Quantity              | Rs. Crores      |
| <i>Opening stock:</i>                   |                       |                 |                       |                 |
| Natural Gas (SCM)                       | 818,291               | 2.16            | 850,730               | 2.36            |
| CNG (SCM)                               | 587,632               | 1.06            | 436,175               | 0.69            |
|                                         | <b>1,405,923</b>      | <b>3.22</b>     | <b>1,286,905</b>      | <b>3.05</b>     |
| <i>Purchases of Natural Gas (SCM)</i>   | <b>1,524,073,827</b>  | <b>2,330.29</b> | 1,486,013,819         | 2,395.83        |
| <i>Less: Internal consumption (SCM)</i> | <b>36,034,211</b>     | <b>54.92</b>    | 34,020,071            | 54.85           |
| <i>Cost of Natural Gas (SCM)</i>        | <b>1,488,039,616</b>  | <b>2,275.37</b> | 1,451,993,748         | 2,340.98        |
| <i>Sales:</i>                           |                       |                 |                       |                 |
| PNG (SCM)                               | 342,045,382           | 972.67          | 330,461,506           | 1,046.16        |
| CNG (SCM)*                              | 1,123,004,103         | 3,079.47        | 1,073,113,968         | 3,002.42        |
|                                         | <b>1,465,049,485</b>  | <b>4,052.14</b> | <b>1,403,575,474</b>  | <b>4,048.58</b> |
| <i>*CNG (Kgs)</i>                       | 834,071,581           |                 | 805,375,595           |                 |
| <i>Closing stock:</i>                   |                       |                 |                       |                 |
| Natural Gas (SCM)                       | 837,004               | 1.44            | 818,291               | 2.16            |
| CNG (SCM)                               | 641,796               | 1.04            | 587,632               | 1.06            |
|                                         | <b>1,478,800</b>      | <b>2.48</b>     | <b>1,405,923</b>      | <b>3.22</b>     |

Notes:

- Difference in opening stock, purchases, sales and closing stock of gas quantities is on account of gas distribution process loss of 22,917,254 SCM (Previous year 48,299,256 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.

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

| Particulars               | Year ended 31.03.2016 |                | Year ended 31.03.2015 |                |
|---------------------------|-----------------------|----------------|-----------------------|----------------|
|                           | Rs. Crores            | % of total     | Rs. Crores            | % of total     |
| <i>Stores and spares:</i> |                       |                |                       |                |
| Imported                  | 7.91                  | 27.33%         | 2.84                  | 11.16%         |
| Indigenous                | 21.03                 | 72.67%         | 22.61                 | 88.84%         |
|                           | <b>28.94</b>          | <b>100.00%</b> | <b>25.45</b>          | <b>100.00%</b> |

| Particulars                                 | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|---------------------------------------------|------------------------------------------|------------------------------------------|
| <b>27.5 Value of imports on CIF basis</b>   |                                          |                                          |
| Capital goods (Plant and Equipment)         | 19.44                                    | 11.06                                    |
| Stores and Spares                           | 0.62                                     | 0.66                                     |
|                                             | <b>20.06</b>                             | <b>11.72</b>                             |
| <b>27.6 Expenditure in foreign currency</b> |                                          |                                          |
| Travelling and conveyance                   | 0.13                                     | 0.08                                     |
| Repairs and maintenance-Plant and Machinery | 0.66                                     | 0.62                                     |
|                                             | <b>0.79</b>                              | <b>0.70</b>                              |
| <b>27.7 Earnings in foreign currency</b>    |                                          |                                          |
| Sale of tender documents                    | -                                        | 0.03                                     |
|                                             | <b>-</b>                                 | <b>0.03</b>                              |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 27.8** 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 31.03.2016 |              | As at 31.03.2015 |              |
|----------|------------------|--------------|------------------|--------------|
|          | FC               | (Rs. Crores) | FC               | (Rs. Crores) |
| USD      | 201,180          | 1.33         | 135,742          | 0.85         |
| EURO     | 22,327           | 0.17         | 40,012           | 0.27         |
|          |                  | <u>1.50</u>  |                  | <u>1.12</u>  |

- 27.9** As per the terms of the Gas Supply Agreement (including amendments) between the Company and GAIL (India) Limited (GAIL), the Company had a minimum take or pay commitment to purchase natural gas quantities on a yearly basis. In case the Company does not offtake the minimum quantities in a year, the Company had the right to purchase the short drawn quantities of natural gas in future periods.

The Company had not purchased the minimum committed natural gas quantities for the year ended December 31, 2014. On 17 August, 2015, the Company entered into a one-time settlement with GAIL under which the Company paid an amount of Rs. 14.03 crores (including service tax) to GAIL as net settlement of its purchase obligation and surrender of its right to purchase the short drawn quantities of natural gas in future periods.

- 28** 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 II to the Companies Act, 2013, as the Management does not foresee non-renewal of the above lease arrangements by the Authorities.
- 29** Security deposits from customers of Natural Gas, refundable on termination/alteration of the gas sales agreements, are considered as current liabilities.
- 30** During the year 2015-16, the company was required to spend a gross amount of Rs. 11.45 crores (Previous year Rs. 10.12 crores) for CSR activity specified under the provision of Companies Act 2013. Against the same, the company has spent Rs. 4.43 crores (Previous year Rs. 1.33 crores) on CSR expenditure during the year in cash for purpose other than construction/acquisition of any asset.
- 31** The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

|                                                                                                                                                                                                                            | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| (a) (i) the principal amount remaining unpaid to any supplier                                                                                                                                                              | 1.38                                     | 1.03                                     |
| (ii) interest due thereon                                                                                                                                                                                                  | -                                        | -                                        |
| (b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day                                          | -                                        | -                                        |
| (c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006                                               | -                                        | -                                        |
| (d) interest accrued and remaining unpaid                                                                                                                                                                                  | -                                        | -                                        |
| (e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -                                        | -                                        |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 32 DISCLOSURES UNDER ACCOUNTING STANDARDS

#### 32.1 Employee benefit plans

##### *Defined Contribution Plan*

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2.73 crores for provident fund contributions (Previous Year Rs. 2.02 crores) in the statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

##### *Defined Benefit-Gratuity*

The gratuity liability arises on retirement, resignation or 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:

|                                                                                                                                                    | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>A. Change in benefit obligations:</b>                                                                                                           |                                          |                                          |
| a. Present value of obligations at the beginning of the year                                                                                       | 4.66                                     | 3.31                                     |
| b. Current service cost                                                                                                                            | 0.69                                     | 0.57                                     |
| c. Interest cost                                                                                                                                   | 0.37                                     | 0.30                                     |
| d. Actuarial (gain)/loss on obligation                                                                                                             | 0.54                                     | 0.70                                     |
| e. Benefits paid                                                                                                                                   | (0.07)                                   | (0.22)                                   |
| f. Present value of obligations at the end of the year                                                                                             | 6.19                                     | 4.66                                     |
| <b>B. Expenses recognised in the statement of profit and loss:</b>                                                                                 |                                          |                                          |
| a. Current service cost                                                                                                                            | 0.69                                     | 0.57                                     |
| b. Interest cost                                                                                                                                   | 0.37                                     | 0.30                                     |
| c. Actuarial (gain)/loss recognised during the year                                                                                                | 0.54                                     | 0.70                                     |
| d. Expense charged to the statement of profit and loss                                                                                             | 1.60                                     | 1.57                                     |
| <b>C. Balance sheet reconciliation:</b>                                                                                                            |                                          |                                          |
| a. Opening net liability                                                                                                                           | 4.66                                     | 3.31                                     |
| b. Expenses charged to the statement of profit and loss                                                                                            | 1.60                                     | 1.57                                     |
| c. Benefits paid                                                                                                                                   | (0.07)                                   | (0.22)                                   |
| d. Closing liability                                                                                                                               | 6.19                                     | 4.66                                     |
| <b>D. The above liabilities have been presented in the balance sheet after bifurcating between current and non-current liabilities as follows:</b> |                                          |                                          |
| a. Current                                                                                                                                         | 0.19                                     | 0.14                                     |
| b. Non- Current                                                                                                                                    | 6.00                                     | 4.52                                     |
|                                                                                                                                                    | 6.19                                     | 4.66                                     |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Principal actuarial assumptions for gratuity and compensated absences:

|                                   | Refer note below | Year ended 31.03.2016 | Year ended 31.03.2015 |
|-----------------------------------|------------------|-----------------------|-----------------------|
| i. Discount rate (p.a.)           | 1                | 8.00%                 | 7.86%                 |
| ii. Salary escalation rate (p.a.) | 2                | 5.70%                 | 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 takes into account the inflation, seniority, promotion and other relevant factors.

*Demographic assumptions:*

Retirement age 60 years

Mortality rate Published rates under Indian Assured Lives Mortality (2006-08) tables

*Experience adjustment:*

(Rs. Crores)

|                                             | 2016 | 2015 | 2014   | 2013   | 2012   |
|---------------------------------------------|------|------|--------|--------|--------|
| Present value of defined benefit obligation | 6.19 | 4.66 | 3.31   | 2.70   | 1.81   |
| Experience gain/(loss) on liability         | 0.96 | 0.02 | (0.45) | (0.36) | (0.03) |

### 32.2 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.

### 32.3 Related party transactions

List of related parties:

- Promoter venturers:
  - GAIL (India) Limited
  - Bharat Petroleum Corporation Limited
- Associates
  - Central UP Gas Limited
  - Maharashtra Natural Gas Limited
- Enterprise owned by major shareholders
  - GAIL Gas Limited
- Key management personnels (KMPs):
  - Mr. Narendra Kumar
  - Mr. V. Nagarajan

Managing Director

Director Commercial



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Transactions / balances outstanding with Related Parties in ordinary course of business:

| Particulars                                            | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|--------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>GAIL (India) Limited</b>                            |                                          |                                          |
| Transactions during the year:                          |                                          |                                          |
| Purchase of natural gas<br>(including VAT)             | 2,011.56                                 | 1,992.42                                 |
| Transportation charges                                 | 11.28                                    | 11.92                                    |
| Take or Pay Charges                                    | 14.03                                    | -                                        |
| Salaries, allowances and other related payments#       | 1.07                                     | 0.96                                     |
| Sale of Asset                                          | -                                        | 0.35                                     |
| Rent                                                   | 1.39                                     | 1.04                                     |
| Interest expenses                                      | -                                        | 2.52                                     |
| Reimbursement of expenses                              | 0.05                                     | 0.02                                     |
| RR Charges                                             | 0.06                                     | -                                        |
| Security deposit paid                                  | 0.41                                     | -                                        |
| Profit Sharing                                         | 0.15                                     | 0.15                                     |
| Other expenses                                         | 0.02                                     | 0.02                                     |
| Standby letter of credit/ Bank Gurantee issued/renewed | 295.78                                   | 148.98                                   |
| Dividend Paid                                          | 18.90                                    | 17.33                                    |
| Balance outstanding as at the year end:                |                                          |                                          |
| Trade payables                                         | 80.74                                    | 98.89                                    |
| Security deposit paid                                  | 0.51                                     | 0.10                                     |
| <b>Bharat Petroleum Corporation Limited</b>            |                                          |                                          |
| Transactions during the year:                          |                                          |                                          |
| Sale of CNG (Gross)                                    | 212.97                                   | 210.27                                   |
| Salaries, allowances and other related payments#       | 0.40                                     | 0.47                                     |
| Reimbursement of Electricity Expenses                  | 8.84                                     | 7.26                                     |
| Facility Charges                                       | 6.30                                     | 6.56                                     |
| Purchases of natural gas                               | 283.00                                   | 434.73                                   |
| Purchases of lubricants                                | 0.19                                     | 0.10                                     |
| Security deposit adjusted/refunded                     | 0.04                                     | -                                        |
| Profit Sharing                                         | 0.15                                     | 0.15                                     |
| Other expenses                                         | 0.03                                     | 0.02                                     |
| Standby letter of credit/ Bank Gurantee issued/renewed | 19.73                                    | 81.79                                    |
| Dividend Paid                                          | 18.90                                    | 17.33                                    |
| <i>Balance outstanding as at the year end:</i>         |                                          |                                          |
| Trade payables                                         | 8.67                                     | 16.03                                    |
| Trade receivables                                      | 8.13                                     | 8.62                                     |
| Security deposit paid                                  | 0.01                                     | 0.05                                     |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars                                            | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|--------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Central UP Gas Limited</b>                          |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Dividend received                                      | 4.20                                     | 3.75                                     |
| Sitting fees received                                  | 0.06                                     | 0.03                                     |
| <b>Maharashtra Natural Gas Limited</b>                 |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Dividend received                                      | 1.52                                     | -                                        |
| Sitting fees received                                  | 0.02                                     | -                                        |
| <b>GAIL Gas Limited</b>                                |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Purchase of natural gas                                | 3.41                                     | -                                        |
| Standby letter of credit/ Bank Gurantee issued/renewed | 8.46                                     | -                                        |
| <i>Balance outstanding as at the year end:</i>         |                                          |                                          |
| Trade payables                                         | 2.06                                     | -                                        |
| <b>Key Management Personnel-Remuneration*</b>          |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Mr. Narendra Kumar#                                    | 0.59                                     | 0.54                                     |
| Mr. Rajesh Chaturvedi#                                 | -                                        | 0.19                                     |
| Mr. V. Nagarajan#                                      | 0.47                                     | 0.23                                     |
| <i>Balance outstanding as at the year end:</i>         |                                          |                                          |
| Salaries payable-Profit sharing                        | 0.15                                     | 0.15                                     |

\*Remuneration of key management personnel is exclusive of service tax and inclusive of reimbursement (if any).

#Salaries, allowances and other related payments includes payments made to the related Companies on account of Key management personnel which are also disclosed seperately.

### 32.4 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.8.06 crores (Previous year Rs.7.73 crores).



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 32.5 Earnings per share

| Particulars                              | Units      | Year ended<br>31.03.2016 | Year ended<br>31.03.2015 |
|------------------------------------------|------------|--------------------------|--------------------------|
| Net profit attributable to Shareholders  | Rs. Crores | <b>416.20</b>            | 437.73                   |
| Weighted average number of equity shares | No.        | <b>140,000,160</b>       | 140,000,160              |
| Nominal value per share                  | Rs.        | <b>10</b>                | 10                       |
| Basic earning per share of Rs. 10 each   | Rs.        | <b>29.73</b>             | 31.27                    |

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.

- 33** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

### For and on behalf of the Board of Directors

sd/-  
**Narendra Kumar**  
Managing Director  
(DIN No.06571708)

sd/-  
**V. Nagarajan**  
Director (Commercial)  
(DIN No.06971361)

sd/-  
**Rajesh Agrawal**  
Chief Financial Officer

sd/-  
**S.K. Jain**  
Company Secretary

Place: New Delhi  
Date: 13 May,2016

A large, faint watermark of the IGL logo is centered on the page, behind the main title. It features the 'igl' text and radiating lines, similar to the logo in the header but much larger and lighter in color.

# **CONSOLIDATED FINANCIAL STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDRAPRASTHA GAS LIMITED

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **INDRAPRASTHA GAS LIMITED** (hereinafter referred to as "the Parent Company") which includes financial statements of the Parent Company and the share of profit of its associates. These consolidated financial statements comprise the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the preparation of the consolidated financial statements which includes the financial statements of the Parent Company and the share of profit of its associates as specified in the explanation to the second proviso to sub-section 3 of Section 129 of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Parent Company, prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The Board of Directors of the Parent Company and the Board of Directors of its associate companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Parent Company as at 31 March 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

### Other Matters

The consolidated financial statements includes the Parent Company's share of net profit of Rs. 53.65 crores for the year ended 31 March, 2016, as considered in the consolidated financial statements, in respect of two associates, whose



financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors of the Parent Company as on 31 March, 2016 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its associate companies, none of the directors of the Parent Company and its associate companies incorporated in India is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditor's reports of the Parent Company and its associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent Company's and associate company's incorporated in India, internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent Company;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its associate companies incorporated in India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)

Sd/-

**Khazat A. Kotwal**

Partner

(Membership No. 103707)

Place: Gurgaon  
Date: 13 May, 2016



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31 2016, we have audited the internal financial controls over financial reporting of Indraprastha Gas Limited (hereinafter referred to as “the Parent Company”) and its associate companies, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent Company and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the associate companies which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Parent Company and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 015125N)

Sd/-

**(Khazat A. Kotwal)**

(Partner)

(Membership No. 103707)

Place: Gurgaon

Date: 13 May, 2016



# INDRAPRASTHA GAS LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2016

|                                                                                             | Note No. | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|---------------------------------------------------------------------------------------------|----------|-------------------------------------|-------------------------------------|
| <b>I EQUITY AND LIABILITIES</b>                                                             |          |                                     |                                     |
| <b>1 Shareholders' funds</b>                                                                |          |                                     |                                     |
| (a) Share capital                                                                           | 3        | 140.00                              | 140.00                              |
| (b) Reserves and surplus                                                                    | 4        | 2,337.57                            | 1,975.40                            |
|                                                                                             |          | <b>2,477.57</b>                     | <b>2,115.40</b>                     |
| <b>2 Non current liabilities</b>                                                            |          |                                     |                                     |
| (a) Long-term borrowings                                                                    | 5        | -                                   | 145.31                              |
| (b) Deferred tax liabilities (Net)                                                          | 6        | 164.70                              | 127.18                              |
| (c) Long-term provisions                                                                    | 7        | 14.52                               | 11.28                               |
|                                                                                             |          | <b>179.22</b>                       | <b>283.77</b>                       |
| <b>3 Current liabilities</b>                                                                |          |                                     |                                     |
| (a) Trade payables                                                                          | 8        |                                     |                                     |
| (i) Total outstanding dues of micro enterprises and small enterprises                       |          | 1.38                                | 1.03                                |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises |          | 203.44                              | 188.13                              |
| (b) Other current liabilities                                                               | 9        | 467.14                              | 397.42                              |
| (c) Short-term provisions                                                                   | 10       | 101.70                              | 105.01                              |
|                                                                                             |          | <b>773.66</b>                       | <b>691.59</b>                       |
|                                                                                             |          | <b>3,430.45</b>                     | <b>3,090.76</b>                     |
| <b>II ASSETS</b>                                                                            |          |                                     |                                     |
| <b>1 Non current assets</b>                                                                 |          |                                     |                                     |
| (a) Fixed assets                                                                            |          |                                     |                                     |
| (i) Tangible assets                                                                         | 11(a)    | 1,993.87                            | 1,950.45                            |
| (ii) Intangible assets                                                                      | 11(b)    | 15.78                               | 5.36                                |
| (iii) Capital work in progress                                                              |          | 294.85                              | 254.10                              |
| (b) Non current investments                                                                 | 12       | 323.51                              | 266.94                              |
| (c) Long-term loans and advances                                                            | 13       | 13.45                               | 12.74                               |
|                                                                                             |          | <b>2,641.46</b>                     | <b>2,489.59</b>                     |
| <b>2 Current assets</b>                                                                     |          |                                     |                                     |
| (a) Current investments                                                                     | 14       | -                                   | 41.19                               |
| (b) Inventories                                                                             | 15       | 47.17                               | 40.89                               |
| (c) Trade receivables                                                                       | 16       | 240.03                              | 235.19                              |
| (d) Cash and cash equivalents                                                               | 17       | 453.76                              | 231.20                              |
| (e) Short-term loans and advances                                                           | 18       | 32.59                               | 36.42                               |
| (f) Other current assets                                                                    | 19       | 15.44                               | 16.28                               |
|                                                                                             |          | <b>788.99</b>                       | <b>601.17</b>                       |
|                                                                                             |          | <b>3,430.45</b>                     | <b>3,090.76</b>                     |

See accompanying notes forming part of the consolidated financial statements

1 to 35

In terms of our report attached

### For DELOITTE HASKINS & SELLS

Chartered Accountants

sd/-

**Khazat A. Kotwal**

Partner

### For and on behalf of the Board of Directors

sd/-

**Narendra Kumar**

Managing Director  
(DIN No. 06571708)

sd/-

**Rajesh Agrawal**

Chief Financial Officer

Place: New Delhi

Date: 13 May 2016

sd/-

**V. Nagarajan**

Director (Commercial)  
(DIN No. 06971361)

sd/-

**S.K. Jain**

Company Secretary

Place: New Delhi

Date: 13 May 2016

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

|                                                                             | Note No.        | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|-----------------------------------------------------------------------------|-----------------|------------------------------------------|------------------------------------------|
| 1 Revenue from operations                                                   | 20              | 4,064.21                                 | 4,059.64                                 |
| Less: Excise duty                                                           |                 | 378.42                                   | 378.65                                   |
| Revenue from operations (Net)                                               |                 | 3,685.79                                 | 3,680.99                                 |
| 2 Other income                                                              | 21              | 24.17                                    | 30.79                                    |
| 3 Total revenue (1 + 2)                                                     |                 | 3,709.96                                 | 3,711.78                                 |
| 4 Expenses:                                                                 |                 |                                          |                                          |
| (a) Cost of natural gas                                                     | 22              | 2,275.37                                 | 2,340.98                                 |
| (b) Decrease/(Increase) in natural gas stock                                | 23              | 0.74                                     | (0.17)                                   |
| (c) Employee benefits expense                                               | 24              | 79.58                                    | 66.01                                    |
| (d) Finance costs                                                           | 25              | 9.05                                     | 29.82                                    |
| (e) Depreciation and amortisation expense                                   | 11(a) and 11(b) | 157.66                                   | 148.72                                   |
| (f) Other expenses                                                          | 26              | 558.39                                   | 481.13                                   |
| Total expenses                                                              |                 | 3,080.79                                 | 3,066.49                                 |
| 5 Profit before tax (3 - 4)                                                 |                 | 629.17                                   | 645.29                                   |
| 6 Tax expense:                                                              |                 |                                          |                                          |
| (a) Current tax expense                                                     |                 | 182.08                                   | 180.48                                   |
| (b) Excess provision of tax relating to prior year                          |                 | (0.91)                                   | (0.95)                                   |
| (c) Deferred tax                                                            |                 | 37.52                                    | 31.78                                    |
| Net tax expenses                                                            |                 | 218.69                                   | 211.31                                   |
| 7 Profit after tax before share of profit of associates (5 - 6)             |                 | 410.48                                   | 433.98                                   |
| 8 Share in profit of Associates                                             |                 | 53.65                                    | 14.15                                    |
| 9 Profit for the year attributable to the shareholders of the company (7+8) |                 | 464.13                                   | 448.13                                   |
| 10 Earnings per equity share: (Face value of Rs. 10/- per share)            |                 |                                          |                                          |
| (a) Basic (in Rs.)                                                          |                 | 33.15                                    | 32.01                                    |
| (b) Diluted (in Rs.)                                                        |                 | 33.15                                    | 32.01                                    |

See accompanying notes forming part of the consolidated financial statements

1 to 35

In terms of our report attached

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

sd/-

**Khazat A. Kotwal**

Partner

**For and on behalf of the Board of Directors**

sd/-

**Narendra Kumar**

Managing Director

(DIN No. 06571708)

sd/-

**Rajesh Agrawal**

Chief Financial Officer

sd/-

**V. Nagarajan**

Director (Commercial)

(DIN No. 06971361)

sd/-

**S.K. Jain**

Company Secretary

Place: New Delhi

Date: 13 May 2016

Place: New Delhi

Date: 13 May 2016



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

|                                                                        | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                         |                                          |                                          |
| Profit before tax and share of profit from associates                  | 629.17                                   | 645.29                                   |
| <i>Adjustments for:</i>                                                |                                          |                                          |
| - Depreciation and amortisation for the year                           | 157.66                                   | 148.72                                   |
| - Loss on fixed assets sold or discarded (Net)                         | 0.65                                     | 0.07                                     |
| - Provision for gratuity and compensated absence (Net)                 | 3.45                                     | 3.19                                     |
| - Provision for doubtful debts (Net)                                   | 0.80                                     |                                          |
| - Write down/write off of inventories                                  | 0.68                                     | 0.07                                     |
| - Finance cost                                                         | 9.05                                     | 29.82                                    |
| - Interest income on short term deposits with banks                    | (1.87)                                   | (3.84)                                   |
| - Dividend received from mutual fund investments                       | (18.32)                                  | (23.60)                                  |
| - Liabilities/provisions no longer required, written back              | (0.19)                                   | (0.08)                                   |
| <i>Operating profit before working capital changes</i>                 | <b>781.08</b>                            | <b>799.64</b>                            |
| <i>Changes in working capital:</i>                                     |                                          |                                          |
| Adjustments for (increase)/decrease in operating assets:               |                                          |                                          |
| - Long term loans and advances                                         | (0.22)                                   | (2.97)                                   |
| - Inventories                                                          | (6.71)                                   | (3.87)                                   |
| - Trade receivables                                                    | (5.64)                                   | (15.60)                                  |
| - Short term loans and advances                                        | 3.84                                     | 1.94                                     |
| - Other current assets                                                 | 1.01                                     | 3.50                                     |
| Adjustments for increase/(decrease) in operating liabilities:          |                                          |                                          |
| - Trade payables                                                       | 15.66                                    | 4.74                                     |
| - Other current liabilities                                            | 59.96                                    | 53.38                                    |
| Cash generated from operations                                         | 848.98                                   | 840.76                                   |
| Net income tax paid (net of refund)                                    | (187.50)                                 | (176.99)                                 |
| <b>Net cash flow from operating activities (A)</b>                     | <b>661.48</b>                            | <b>663.77</b>                            |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>                         |                                          |                                          |
| - Payment for Purchase of fixed assets, including capital advances     | (240.87)                                 | (214.82)                                 |
| - Purchase of long term investment-Associate                           | (9.50)                                   | (180.50)                                 |
| - Proceeds from sale of fixed assets                                   | -                                        | 0.33                                     |
| - Income received on short term deposits with Banks                    | 1.70                                     | 3.93                                     |
| - Income received from mutual fund investments                         | 18.32                                    | 23.60                                    |
| - Dividend received-Associate                                          | 5.72                                     | 3.75                                     |
| <b>Net cash flow used in investing activities (B)</b>                  | <b>(224.63)</b>                          | <b>(363.71)</b>                          |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>                         |                                          |                                          |
| - Repayment of long term borrowings                                    | (145.31)                                 | (173.45)                                 |
| - Proceeds/(Repayment) of short term loans                             | -                                        | (33.73)                                  |
| - Finance cost                                                         | (9.05)                                   | (29.93)                                  |
| - Dividend and dividend distribution tax paid                          | (101.10)                                 | (90.09)                                  |
| <b>Net cash flow used in financing activities (C)</b>                  | <b>(255.46)</b>                          | <b>(327.20)</b>                          |
| <b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | <b>181.39</b>                            | <b>(27.14)</b>                           |
| <b>E. Cash and cash equivalents as at the beginning of the year</b>    | <b>271.88</b>                            | <b>299.02</b>                            |
| <b>F. Cash and cash equivalents as at the end of the year</b>          | <b>453.27</b>                            | <b>271.88</b>                            |



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016 (CONTD...)

|                                                                                                                                                | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>                                                                     |                                          |                                          |
| a. Cash and bank balances as per Balance Sheet (Refer Note 17)                                                                                 | <b>453.76</b>                            | 231.20                                   |
| b. Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements                                     |                                          |                                          |
| - Balances in unpaid dividend account                                                                                                          | <b>0.49</b>                              | 0.51                                     |
| 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 14) | -                                        | 41.19                                    |
| d. Cash and cash equivalents at the end of the year                                                                                            | <b>453.27</b>                            | 271.88                                   |

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

sd/-

**Khazat A. Kotwal**

Partner

**For and on behalf of the Board of Directors**

sd/-

**Narendra Kumar**

Managing Director

(DIN No. 06571708)

sd/-

**Rajesh Agrawal**

Chief Financial Officer

Place: New Delhi

Date: 13 May 2016

sd/-

**V. Nagarajan**

Director (Commercial)

(DIN No. 06971361)

sd/-

**S.K. Jain**

Company Secretary

Place: New Delhi

Date: 13 May 2016



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 COMPANY OVERVIEW

Indraprastha Gas Limited (the 'Company') was incorporated on 23 December 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 Natural Gas.

The Company has two associates namely Central U.P. Gas Limited and Maharashtra Natural Gas Limited which are engaged in the business similar to that of the company.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated 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 Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs and the relevant provision of the 2013 Act as applicable. The consolidated financial statements have been prepared on accrual basis under historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

#### 2.2 Principles of consolidation

The consolidated financial statements relate to Indraprastha Gas Limited (the 'Company') and the company's share of profit in its associates. The consolidated Financial Statement have been prepared on the following basis:

Investments in Associates have been accounted for using the equity method in accordance with Accounting Standard AS (23) - "Accounting for investment in Associates in Consolidated Financial Statements". The excess/deficit of cost of investment over the proportionate share in equity of the Associate as at the date of the acquisition of stake has been identified as Goodwill/Capital reserve and included in the carrying value of the investment in associate and disclosed separately. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate.

#### 2.3 Use of estimates

The preparation of the consolidated 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 consolidated 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.

#### 2.4 Inventories

- i. Stores and spares are valued at the lower of cost computed on weighted average basis and net realisable value.
- ii. Stock of Natural Gas in pipelines and cascades is valued at the lower of cost computed on First in First out (FIFO) basis and net realisable value.

#### 2.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with 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 an insignificant risk of change in value.

#### 2.6 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.

#### 2.7 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013, except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.:

| Asset class                                                                                               | Depreciation |
|-----------------------------------------------------------------------------------------------------------|--------------|
| <b>Tangible Fixed Assets</b>                                                                              |              |
| - Mother Compressors, Online Compressors and Booster Compressors<br>(Forming part of plant and equipment) | 10 years     |
| - Pipeline (Forming part of plant and equipment)                                                          | 25 Years     |
| - Signages<br>(Forming part of buildings)                                                                 | 10 years     |
| Cost associated with lease hold land is depreciated over the period of lease                              |              |
| Asset class                                                                                               | Amortisation |
| <b>Intangible Assets</b>                                                                                  |              |
| - Computer Software & Licences                                                                            | 5 years      |

### 2.8 Revenue recognition

- Revenue on sale of natural gas is recognised on transfer of significant risks and rewards of ownership to the buyer. Revenue includes excise duty but excludes central sales tax and value added tax.
- Income from bank deposits is recognised on a time proportion basis. Dividend income is recognised when the Company's right to receive payment is established.

### 2.9 (a) Fixed assets

- Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any.
- 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 Piped Natural Gas (PNG) customers towards the cost of installation of PNG pipeline network, if any.
- Gas distribution systems are commissioned when ready for 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 principal items of the relevant asset.
- 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 consolidated 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 consolidated 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.

### (b) Capital Work in Progress

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. Capital Work in Progress includes capital inventory.

### 2.10 Foreign currency transactions and translations

#### i. Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transaction.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### ii. Measurement at the Consolidated Balance Sheet Date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the consolidated balance sheet date are restated at the year-end rates. Non-monetary items of the company are carried at historical cost.

### iii. Treatment of Exchange Difference

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 consolidated statement of profit and loss.

### iv. Accounting of Forward Contracts

Premium on forward contracts, which are not intended for trading or speculation purposes, are amortized over the period of the contracts if such contracts relate to monetary items as at the consolidated balance sheet date.

## 2.11 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.

## 2.12 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

### *Defined contribution plans*

The Company's contribution to provident fund and pension 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 and when services are rendered by the employees.

### *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 Consolidated Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Consolidated 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 Consolidated Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

## 2.13 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 Consolidated 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 are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.14 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 Consolidated Statement of Profit and Loss on straight line basis.

### 2.15 Earnings per share

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

### 2.16 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 Consolidated Balance Sheet date. Deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in the future. Such assets are reviewed at each consolidated 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.

### 2.17 Impairment of assets

The carrying values of assets / cash generating units at each Consolidated 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 Consolidated Statement of Profit and Loss, except in case of revalued assets.

### 2.18 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. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.19 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between purchase of natural gas and their realisation in cash or cash equivalents, the company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 SHARE CAPITAL

|                                                                         | As at 31.03.2016 |              | As at 31.03.2015 |              |
|-------------------------------------------------------------------------|------------------|--------------|------------------|--------------|
|                                                                         | Number of shares | (Rs. Crores) | Number of shares | (Rs. Crores) |
| (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 31.03.2016 |              | For the year ended 31.03.2015 |              |
|-------------------------------------------------|-------------------------------|--------------|-------------------------------|--------------|
|                                                 | 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 31.03.2016      |           | As at 31.03.2015      |           |
|------------------------------------------|-----------------------|-----------|-----------------------|-----------|
|                                          | Number of shares held | % holding | Number of shares held | % holding |
| (a) GAIL (India) Limited                 | 31,500,000            | 22.50%    | 31,500,000            | 22.50%    |
| (b) Bharat Petroleum Corporation Limited | 31,500,080            | 22.50%    | 31,500,080            | 22.50%    |
| (c) Life Insurance Corporation of India  | -                     | -         | 11,165,980            | 7.98%     |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 4 RESERVES AND SURPLUS

|                                                                                                                                                                                                                                       | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| (a) General reserve:                                                                                                                                                                                                                  |                                     |                                     |
| Opening balance                                                                                                                                                                                                                       | 261.88                              | 219.77                              |
| Less: Adjustment in opening balance                                                                                                                                                                                                   | -                                   | 1.66                                |
| Balance                                                                                                                                                                                                                               | 261.88                              | 218.11                              |
| Add: Transferred from surplus in Statement of Profit and Loss                                                                                                                                                                         | 41.62                               | 43.77                               |
| Closing balance                                                                                                                                                                                                                       | 303.50                              | 261.88                              |
| (b) Surplus in Statement of Profit and Loss:                                                                                                                                                                                          |                                     |                                     |
| Opening balance                                                                                                                                                                                                                       | 1,713.52                            | 1,403.39                            |
| Add:                                                                                                                                                                                                                                  |                                     |                                     |
| Profit for the year                                                                                                                                                                                                                   | 464.13                              | 448.13                              |
| Profit from investment in associates for previous years                                                                                                                                                                               |                                     | 8.03                                |
| Less:                                                                                                                                                                                                                                 |                                     |                                     |
| - Dividends proposed to be distributed to equity shareholders                                                                                                                                                                         | 84.00                               | 84.00                               |
| (Rs. 6.00 per share (Previous year Rs. 6.00 per share))                                                                                                                                                                               |                                     |                                     |
| - Corporate dividend tax on proposed dividend                                                                                                                                                                                         | 17.10                               | 17.10                               |
| - Corporate dividend tax of Associates                                                                                                                                                                                                | 0.86                                | 1.16                                |
| - Transfer to General reserve                                                                                                                                                                                                         | 41.62                               | 43.77                               |
| Closing balance                                                                                                                                                                                                                       | 2,034.07                            | 1,713.52                            |
|                                                                                                                                                                                                                                       | 2,337.57                            | 1,975.40                            |
| 4.1 Adjustment in opening balance of General Reserve of previous year of Rs. 1.66 crores was due to revision in useful life of certain assets for complying with useful life specified under schedule II of the Companies Act, 2013.  |                                     |                                     |
| 5 LONG-TERM BORROWINGS                                                                                                                                                                                                                |                                     |                                     |
| Secured term loan from banks                                                                                                                                                                                                          | -                                   | 145.31                              |
|                                                                                                                                                                                                                                       | -                                   | 145.31                              |
| 5.1 Term loan from banks referred above in the previous year was secured by charge on all the movable assets (plant and machinery) of the Company both present and future except current assets. The loan was repaid during the year. |                                     |                                     |
| 5.2 Rate of interest on the above term loans was as follows:                                                                                                                                                                          |                                     |                                     |
| Loan from Allahabad Bank (Current Year Rs. Nil)                                                                                                                                                                                       |                                     |                                     |
| (Previous year Rs. 145.31 crores)                                                                                                                                                                                                     |                                     |                                     |
| Base rate of Allahabad Bank as on 31 March                                                                                                                                                                                            |                                     | 10.25%                              |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|     |                                                                                                                                                                                                                                                                                                          | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 5.3 | Maturity Profile of the above term loans are as set out below:                                                                                                                                                                                                                                           |                                     |                                     |
|     | 1 to 2 years                                                                                                                                                                                                                                                                                             | -                                   | 32.81                               |
|     | 2 to 3 years                                                                                                                                                                                                                                                                                             | -                                   | 50.00                               |
|     | 3 to 4 years                                                                                                                                                                                                                                                                                             | -                                   | 45.31                               |
|     | 4 to 5 years                                                                                                                                                                                                                                                                                             | -                                   | 17.19                               |
|     |                                                                                                                                                                                                                                                                                                          | -                                   | <b>145.31</b>                       |
|     | Loan amounting to Rs. 145.31 crores referred above in the previous year was payable in 32 quarterly instalments (8 installment of Rs. 1.56 crores each, 11 installments of Rs. 4.69 crores each and 13 installments of Rs. 6.25 crores each)                                                             |                                     |                                     |
| 6   | <b>DEFERRED TAX LIABILITIES (NET)</b>                                                                                                                                                                                                                                                                    |                                     |                                     |
| (a) | Deferred tax liability on:                                                                                                                                                                                                                                                                               |                                     |                                     |
|     | Difference between book balance and tax balance of fixed assets<br>(Refer Note 6.1)                                                                                                                                                                                                                      | <b>173.20</b>                       | 133.73                              |
| (b) | Deferred tax assets on:                                                                                                                                                                                                                                                                                  |                                     |                                     |
|     | Provision for gratuity                                                                                                                                                                                                                                                                                   | <b>2.14</b>                         | 1.60                                |
|     | Provision for compensated absences                                                                                                                                                                                                                                                                       | <b>3.09</b>                         | 2.39                                |
|     | Provision for inventory obsolescence                                                                                                                                                                                                                                                                     | <b>1.04</b>                         | 0.89                                |
|     | Provision for doubtful debts/doubtful advance/security deposit                                                                                                                                                                                                                                           | <b>1.96</b>                         | 1.67                                |
|     | Borrowing Cost included in the cost of Capital work in progress                                                                                                                                                                                                                                          | <b>0.27</b>                         | -                                   |
|     |                                                                                                                                                                                                                                                                                                          | <b>8.50</b>                         | 6.55                                |
|     |                                                                                                                                                                                                                                                                                                          | <b>164.70</b>                       | <b>127.18</b>                       |
| 6.1 | Deferred tax liability on difference between book balance and tax balance of fixed assets of previous year is net of adjustment of Rs. 0.86 crores carried out consequent upon adoption of useful life specified under schedule II of Companies Act, 2013 with respect to certain tangible fixed assets. |                                     |                                     |
| 7   | <b>LONG-TERM PROVISIONS</b>                                                                                                                                                                                                                                                                              |                                     |                                     |
|     | Provision for employee benefits:                                                                                                                                                                                                                                                                         |                                     |                                     |
| (a) | Compensated absences                                                                                                                                                                                                                                                                                     | <b>8.52</b>                         | 6.76                                |
| (b) | Gratuity (Refer Note 32.1)                                                                                                                                                                                                                                                                               | <b>6.00</b>                         | 4.52                                |
|     |                                                                                                                                                                                                                                                                                                          | <b>14.52</b>                        | <b>11.28</b>                        |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                                                                                                                                               | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>8 TRADE PAYABLES</b>                                                                                                                       |                                     |                                     |
| Total outstanding dues-other than acceptances                                                                                                 |                                     |                                     |
| (a) Micro enterprises and small enterprises (Refer Note 31)                                                                                   | 1.38                                | 1.03                                |
| (b) Creditors other than micro enterprises and small enterprises                                                                              | 203.44                              | 188.13                              |
|                                                                                                                                               | <b>204.82</b>                       | <b>189.16</b>                       |
| <b>9 OTHER CURRENT LIABILITIES</b>                                                                                                            |                                     |                                     |
| (a) Security deposits from customers (Refer Note 29)                                                                                          | 425.17                              | 368.12                              |
| (b) Unclaimed dividends (Refer Note 9.1)                                                                                                      | 0.49                                | 0.51                                |
| (c) Security deposits from vendors                                                                                                            | 2.14                                | 1.87                                |
| (d) Other payables:                                                                                                                           |                                     |                                     |
| - Payable on purchase of fixed assets                                                                                                         | 12.75                               | 3.22                                |
| - Statutory dues                                                                                                                              | 9.57                                | 6.54                                |
| - Employee benefits payable                                                                                                                   | 8.82                                | 9.18                                |
| - Advance for shifting of pipeline                                                                                                            | 8.20                                | 7.98                                |
|                                                                                                                                               | <b>467.14</b>                       | <b>397.42</b>                       |
| 9.1 There is no amount due and outstanding as at 31 March 2016 (31 March 2015 Nil) to be credited to Investors Education and Protection Fund. |                                     |                                     |
| <b>10 SHORT-TERM PROVISIONS</b>                                                                                                               |                                     |                                     |
| (a) Dividends proposed to be distributed to equity shareholders                                                                               | 84.00                               | 84.00                               |
| (b) Corporate dividend tax on proposed dividend                                                                                               | 17.10                               | 17.10                               |
| (c) Compensated absences                                                                                                                      | 0.41                                | 0.24                                |
| (d) Gratuity (Refer Note 32.1)                                                                                                                | 0.19                                | 0.14                                |
| (e) Provision for tax (Net of advance tax and tax deducted at source Rs. Nil) (Previous year Rs. 176.95 crores)                               | -                                   | 3.53                                |
|                                                                                                                                               | <b>101.70</b>                       | <b>105.01</b>                       |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 11 FIXED ASSETS: (Refer Notes 2.7, 2.9 and 2.17)

#### (a) Tangible Assets

As at 31 March 2016

| Particulars                         | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | Net Block       |
|-------------------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|-----------------|
|                                     | As at<br>01.04.2015 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2016      | As at<br>01.04.2015 | For the<br>year |                 |
| Freehold land                       | 17.91               | -                         | -                     | 17.91                    | -                   | -               | 17.91           |
| Leasehold land<br>(Refer Note 11.1) | 21.41               | -                         | -                     | 21.41                    | 4.25                | 0.36            | 16.80           |
| Buildings (Refer Note 11.2)         | 380.56              | 13.82                     | 1.19                  | 393.19                   | 87.90               | 15.91           | 290.02          |
| Plant and equipment                 | 2,713.80            | 177.18                    | 27.14                 | 2,863.84                 | 1,107.24            | 135.63          | 1,647.98        |
| Furniture and fixtures              | 15.70               | 1.02                      | 0.04                  | 16.68                    | 5.64                | 1.68            | 9.37            |
| Vehicles                            | 1.94                | 6.75                      | -                     | 8.69                     | 0.58                | 0.58            | 7.53            |
| Data processing equipment           | 10.85               | 1.15                      | 0.36                  | 11.64                    | 6.11                | 1.63            | 4.26            |
| <b>Total</b>                        | <b>3,162.17</b>     | <b>199.92</b>             | <b>28.73</b>          | <b>3,333.36</b>          | <b>1,211.72</b>     | <b>155.79</b>   | <b>1,993.87</b> |

As at 31 March 2015

| Particulars                         | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | Net Block       |
|-------------------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|-----------------|
|                                     | As at<br>01.04.2014 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2015      | As at<br>01.04.2014 | For the<br>year |                 |
| Freehold land                       | 17.91               | -                         | -                     | 17.91                    | -                   | -               | 17.91           |
| Leasehold land<br>(Refer Note 11.1) | 20.66               | 0.75                      | -                     | 21.41                    | 3.89                | 0.36            | 17.16           |
| Buildings (Refer Note 11.2)         | 371.03              | 9.53                      | -                     | 380.56                   | 72.51               | 15.39           | 292.66          |
| Plant and equipment                 | 2,528.18            | 194.47                    | 8.85                  | 2,713.80                 | 985.88              | 128.09          | 1,606.56        |
| Furniture and fixtures              | 11.56               | 4.32                      | 0.18                  | 15.70                    | 4.05                | 1.44            | 10.06           |
| Vehicles                            | 1.73                | 0.21                      | -                     | 1.94                     | 0.33                | 0.25            | 1.36            |
| Data processing equipment           | 8.30                | 2.84                      | 0.29                  | 10.85                    | 4.56                | 1.37            | 4.74            |
| <b>Total</b>                        | <b>2,959.37</b>     | <b>212.12</b>             | <b>9.32</b>           | <b>3,162.17</b>          | <b>1,071.22</b>     | <b>146.90</b>   | <b>1,950.45</b> |

#### (b) Intangible Assets

As at 31 March 2016

| Particulars               | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | Net Block    |
|---------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|--------------|
|                           | As at<br>01.04.2015 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2016      | As at<br>01.04.2015 | For the<br>year |              |
| Computer software/license | 13.96               | 12.29                     | -                     | 26.25                    | 8.60                | 1.87            | 15.78        |
| <b>Total</b>              | <b>13.96</b>        | <b>12.29</b>              | <b>-</b>              | <b>26.25</b>             | <b>8.60</b>         | <b>1.87</b>     | <b>15.78</b> |

As at 31 March 2015

| Particulars               | Gross Block         |                           |                       | Accumulated Depreciation |                     |                 | Net Block   |
|---------------------------|---------------------|---------------------------|-----------------------|--------------------------|---------------------|-----------------|-------------|
|                           | As at<br>01.04.2014 | Additions<br>for the year | Sales/<br>Adjustments | As at<br>31.03.2015      | As at<br>01.04.2014 | For the<br>year |             |
| Computer software/license | 13.88               | 0.08                      | -                     | 13.96                    | 6.78                | 1.82            | 5.36        |
| <b>Total</b>              | <b>13.88</b>        | <b>0.08</b>               | <b>-</b>              | <b>13.96</b>             | <b>6.78</b>         | <b>1.82</b>     | <b>5.36</b> |

11.1 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 and Development Office, New Delhi, under licensing arrangement and pending execution of the related lease agreements.

11.2 Buildings include buildings which have been constructed on land acquired on lease from various Government Authorities. (Refer note 28)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|    |                                                                                                                                                                          |  | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------|-------------------------------------|
| 12 | NON CURRENT INVESTMENTS                                                                                                                                                  |  |                                     |                                     |
|    | INVESTMENTS (AT COST)                                                                                                                                                    |  |                                     |                                     |
|    | TRADE (UNQUOTED)                                                                                                                                                         |  |                                     |                                     |
|    | Investments in equity instruments of Associates:                                                                                                                         |  |                                     |                                     |
|    | (a) 30,000,000 (Previous year: 30,000,000) equity shares of Rs. 10/- each fully paid up in Central UP Gas Limited, acquired at a premium of Rs. 13/- per share.          |  | 97.57                               | 86.32                               |
|    | (b) 50,000,000 (Previous year: 47,500,000) equity shares of Rs. 10/- each fully paid up in Maharashtra Natural Gas Limited, acquired at a premium of Rs. 28/- per share. |  | 225.94                              | 180.62                              |
|    |                                                                                                                                                                          |  | 323.51                              | 266.94                              |
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## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|      |                                                                                                                      |                                            | As at<br>31.03.2016<br>(Rs. Crores)        | As at<br>31.03.2015<br>(Rs. Crores) |                                     |            |
|------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|-------------------------------------|-------------------------------------|------------|
| 14   | CURRENT INVESTMENTS                                                                                                  |                                            |                                            |                                     |                                     |            |
|      | (Unquoted)                                                                                                           |                                            |                                            |                                     |                                     |            |
|      | (Refer Note 2.11)                                                                                                    |                                            |                                            |                                     |                                     |            |
|      | Investments in mutual funds:                                                                                         |                                            |                                            |                                     |                                     |            |
|      | (a)                                                                                                                  | Reliance Liquidity Fund                    | -                                          | 10.06                               |                                     |            |
|      | (b)                                                                                                                  | Taurus Liquid Fund                         | -                                          | 5.01                                |                                     |            |
|      | (c)                                                                                                                  | Franklin India Ultra Short Bond Fund       | -                                          | 26.12                               |                                     |            |
|      |                                                                                                                      |                                            | -                                          | 41.19                               |                                     |            |
| 14.1 | Details of units and Net Asset Value (NAV):                                                                          |                                            |                                            |                                     |                                     |            |
|      |                                                                                                                      | NAV per unit<br>as on<br>31.03.2016<br>Rs. | NAV per unit<br>as on<br>31.03.2015<br>Rs. | As at<br>31.03.2016<br>Units        |                                     |            |
|      |                                                                                                                      |                                            |                                            | As at<br>31.03.2015<br>Units        |                                     |            |
|      | (a)                                                                                                                  | Reliance Liquidity Fund                    | -                                          | 1,000.51                            | -                                   | 100,558    |
|      | (b)                                                                                                                  | Taurus Liquid Fund                         | -                                          | 1,000.26                            | -                                   | 50,097     |
|      | (c)                                                                                                                  | Franklin India Ultra Short Bond Fund       | -                                          | 10.06                               | -                                   | 25,950,180 |
|      | Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is |                                            |                                            |                                     | -                                   | 41.19      |
|      |                                                                                                                      |                                            |                                            | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |            |
| 15   | INVENTORIES                                                                                                          |                                            |                                            |                                     |                                     |            |
|      | (Refer Note 2.4)                                                                                                     |                                            |                                            |                                     |                                     |            |
|      | (a)                                                                                                                  | Natural Gas                                | 2.48                                       | 3.22                                |                                     |            |
|      | (b)                                                                                                                  | Stores and spares                          | 47.70                                      | 40.25                               |                                     |            |
|      |                                                                                                                      |                                            | 50.18                                      | 43.47                               |                                     |            |
|      | Less: Write down / write off of inventories                                                                          |                                            | 3.01                                       | 2.58                                |                                     |            |
|      |                                                                                                                      |                                            | 47.17                                      | 40.89                               |                                     |            |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                                                                                                                      | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>16 TRADE RECEIVABLES</b>                                                                                          |                                     |                                     |
| (a) Over six months from the due date of payment:                                                                    |                                     |                                     |
| i. Secured and considered good                                                                                       | 0.43                                | 0.40                                |
| ii. Unsecured:                                                                                                       |                                     |                                     |
| - Considered good                                                                                                    | 2.67                                | 0.83                                |
| - Considered doubtful                                                                                                | 1.17                                | 0.37                                |
|                                                                                                                      | 4.27                                | 1.60                                |
| iii. Less: Provision for doubtful debts                                                                              | 1.17                                | 0.37                                |
|                                                                                                                      | 3.10                                | 1.23                                |
| (b) Others, considered good:                                                                                         |                                     |                                     |
| i. Secured                                                                                                           | 75.65                               | 36.38                               |
| ii. Unsecured                                                                                                        | 161.28                              | 197.58                              |
|                                                                                                                      | 236.93                              | 233.96                              |
|                                                                                                                      | 240.03                              | 235.19                              |
| <b>17 CASH AND CASH EQUIVALENTS</b>                                                                                  |                                     |                                     |
| (a) Cash                                                                                                             |                                     |                                     |
| i. Cash on hand                                                                                                      | 4.85                                | 4.90                                |
| ii. Balances with banks in current accounts                                                                          | 22.11                               | 44.87                               |
| iii. Balances with banks in fixed deposits                                                                           | 426.31                              | 180.92                              |
|                                                                                                                      | 453.27                              | 230.69                              |
| (b) Other bank balances:                                                                                             |                                     |                                     |
| i. Earmarked balances with banks in current accounts-Unpaid dividends                                                | 0.49                                | 0.51                                |
|                                                                                                                      | 0.49                                | 0.51                                |
|                                                                                                                      | 453.76                              | 231.20                              |
| Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is | 453.27                              | 230.69                              |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                                                                 | As at<br>31.03.2016<br>(Rs. Crores) | As at<br>31.03.2015<br>(Rs. Crores) |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>18 SHORT-TERM LOANS AND ADVANCES</b>                         |                                     |                                     |
| (Unsecured)                                                     |                                     |                                     |
| (a) Considered good                                             |                                     |                                     |
| i. Loans and advances to related parties (Refer Note 18.1)      | 0.52                                | 0.15                                |
| ii. Security deposits                                           | 1.40                                | 2.34                                |
| iii. Cenvat recoverable                                         | 20.55                               | 25.98                               |
| iv. Prepaid expenses                                            | 9.61                                | 7.72                                |
| v. Employee advances                                            | 0.27                                | 0.16                                |
| vi. Advances to vendors                                         | 0.01                                | 0.02                                |
| vii. Advances to others                                         | 0.23                                | 0.05                                |
|                                                                 | <b>32.59</b>                        | <b>36.42</b>                        |
| (b) Considered doubtful                                         |                                     |                                     |
| i. Security deposits                                            | 4.50                                | 4.50                                |
| ii. Less: Provision for doubtful deposits                       | 4.50                                | 4.50                                |
|                                                                 | -                                   | -                                   |
|                                                                 | <b>32.59</b>                        | <b>36.42</b>                        |
| 18.1 Loans and advances to related parties comprise:            |                                     |                                     |
| (a) Security deposits with GAIL (India) Limited                 | 0.51                                | 0.10                                |
| (b) Security deposits with Bharat Petroleum Corporation Limited | 0.01                                | 0.05                                |
|                                                                 | <b>0.52</b>                         | <b>0.15</b>                         |
| <b>19 OTHER CURRENT ASSETS</b>                                  |                                     |                                     |
| (Unsecured and considered good)                                 |                                     |                                     |
| (a) Unbilled revenue                                            | 15.09                               | 16.10                               |
| (b) Interest accrued on fixed deposits                          | 0.35                                | 0.18                                |
|                                                                 | <b>15.44</b>                        | <b>16.28</b>                        |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                                                              | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|--------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>20 REVENUE FROM OPERATIONS</b>                            |                                          |                                          |
| (a) Sale of Natural Gas                                      | 4,052.14                                 | 4,048.58                                 |
| (b) Other operating revenues                                 | 12.07                                    | 11.06                                    |
|                                                              | <b>4,064.21</b>                          | <b>4,059.64</b>                          |
| <b>21 OTHER INCOME</b>                                       |                                          |                                          |
| (a) Interest on short term deposits with banks               | 1.87                                     | 3.84                                     |
| (b) Dividend received from mutual fund investments           | 18.32                                    | 23.60                                    |
| (c) Liabilities/ provisions no longer required, written back | 0.19                                     | 0.08                                     |
| (d) Other non operating income                               | 3.79                                     | 3.27                                     |
|                                                              | <b>24.17</b>                             | <b>30.79</b>                             |
| <b>22 COST OF NATURAL GAS</b>                                |                                          |                                          |
| Natural gas                                                  | 2,275.37                                 | 2,340.98                                 |
|                                                              | <b>2,275.37</b>                          | <b>2,340.98</b>                          |
| <b>23 DECREASE/(INCREASE) IN NATURAL GAS STOCK</b>           |                                          |                                          |
| (a) Closing stock of Natural Gas                             | 2.48                                     | 3.22                                     |
| (b) Opening stock of Natural Gas                             | 3.22                                     | 3.05                                     |
|                                                              | <b>0.74</b>                              | <b>(0.17)</b>                            |
| <b>24 EMPLOYEE BENEFITS EXPENSE</b>                          |                                          |                                          |
| (Refer Note 32.1)                                            |                                          |                                          |
| (a) Salaries and wages                                       | 71.07                                    | 57.75                                    |
| (b) Contribution to provident fund                           | 2.73                                     | 2.02                                     |
| (c) Gratuity                                                 | 1.60                                     | 1.56                                     |
| (d) Staff welfare expenses                                   | 4.18                                     | 4.68                                     |
|                                                              | <b>79.58</b>                             | <b>66.01</b>                             |
| <b>25 FINANCE COSTS</b>                                      |                                          |                                          |
| (a) Interest expenses on borrowings                          | 9.00                                     | 28.74                                    |
| (b) Other borrowing cost                                     | 0.05                                     | 1.08                                     |
|                                                              | <b>9.05</b>                              | <b>29.82</b>                             |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

|                                                                                   | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|-----------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>26 OTHER EXPENSES</b>                                                          |                                          |                                          |
| (a) Operating expenses at CNG stations                                            | 97.19                                    | 88.66                                    |
| (b) CNG distribution expenses                                                     | 27.23                                    | 26.45                                    |
| (c) Stores and spares consumed                                                    | 28.94                                    | 25.45                                    |
| (d) Power and fuel                                                                | 147.10                                   | 136.16                                   |
| (e) Rent                                                                          | 34.22                                    | 32.38                                    |
| (f) Hire charges:                                                                 |                                          |                                          |
| - Vehicle                                                                         | 14.25                                    | 12.21                                    |
| - Equipment                                                                       | 0.03                                     | 0.02                                     |
| (g) Rates and taxes                                                               | 1.83                                     | 1.88                                     |
| (h) Repairs and maintenance:                                                      |                                          |                                          |
| - Buildings                                                                       | 5.12                                     | 3.64                                     |
| - Plant and equipment                                                             | 114.72                                   | 91.44                                    |
| (i) Security expenses                                                             | 25.35                                    | 23.54                                    |
| (j) Insurance                                                                     | 1.41                                     | 1.45                                     |
| (k) PNG selling and bill distribution expenses                                    | 8.72                                     | 7.24                                     |
| (l) Cash/Cheque collection charges                                                | 4.21                                     | 4.08                                     |
| (m) Legal and professional fees                                                   | 6.27                                     | 7.58                                     |
| (n) Auditor's remuneration (Refer Note 26.1)                                      | 0.42                                     | 0.24                                     |
| (o) Travelling and conveyance                                                     | 2.96                                     | 3.10                                     |
| (p) Office maintenance                                                            | 4.08                                     | 3.20                                     |
| (q) Advertisement expenses                                                        | 4.04                                     | 2.15                                     |
| (r) Loss on fixed assets sold or discarded (net)                                  | 0.68                                     | 0.10                                     |
| (s) Provision for doubtful debts/ Bad debts written off                           | 0.80                                     | -                                        |
| (t) Write down/write off of inventories                                           | 0.68                                     | 0.73                                     |
| (u) Bank charges                                                                  | 0.79                                     | 0.62                                     |
| (v) Net loss on foreign currency transaction and translations                     | 0.09                                     | 0.21                                     |
| (w) Corporate Social Responsibility (CSR) activity expenses                       | 4.43                                     | 1.33                                     |
| (x) Take or Pay Charges (Refer Note 27.9)                                         | 14.03                                    | -                                        |
| (y) Miscellaneous expenses                                                        | 8.80                                     | 7.27                                     |
|                                                                                   | <b>558.39</b>                            | <b>481.13</b>                            |
| <b>26.1 Auditors' remuneration (net of input credit of service tax) includes:</b> |                                          |                                          |
| (a) Statutory audit                                                               | 0.32                                     | 0.16                                     |
| (b) Limited review                                                                | 0.08                                     | 0.06                                     |
| (c) Other services                                                                | -                                        | 0.01                                     |
| (d) Reimbursement of expenses                                                     | 0.02                                     | 0.01                                     |
|                                                                                   | <b>0.42</b>                              | <b>0.24</b>                              |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 27 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

#### 27.1 Contingent liabilities

- (a) Claims against the Company not acknowledged as debt;

The company expects a favourable outcome against all the cases.

- (i) Excise case

The Company had received a show cause notice dated 5 June 2012 from the Directorate General of Central Excise Intelligence for not paying excise duty on the facility discount paid to Delhi Transport Corporation from December 2008 to August 2010 and raised a demand of Rs. 2.42 crores (previous year Rs. 2.42 crores). The company has already deposited Rs. 2.42 crores and filed an appeal on 20 August 2013 with the Commissioner of Central Excise. The demand was confirmed by the Commissioner of Excise in its order dated 30 September 2013 and further imposed a penalty of Rs. 2.42 crores excluding interest. The company filed an appeal on 10 January 2014 against the demand including penalty with Central Excise and Service Tax Appellate Tribunal and the stay has been granted by the tribunal against the demand. The case is pending with Central Excise and Service Tax Appellate Tribunal.

- (ii) Delhi Development Authority (DDA) case

Delhi Development Authority (DDA) has raised a total demand of Rs.155.64 crores during FY 2013-14 on account of increase in license fees in respect of 61 sites taken by the company on lease from DDA for setting up CNG stations in Delhi. This increase in license fee is related to the period from 1 April 2007 to 31 March 2014. The Company has filed a writ petition on 11 October 2013 before Hon'ble Delhi High Court against the demand raised by DDA as revised licence fees has been increased manifold and made applicable retrospectively from financial year 2007-08. The matter is pending in the Hon'ble High Court of Delhi.

- (iii) During the year, North Delhi Municipal Corporation has issued a circular in relation to recovery of usage charges for granting of way leave facility used by the Company for its network of underground gas pipelines under North Delhi Municipal Corporation's jurisdiction ('way leave facility'). North Delhi Municipal Corporation has issued the circular to various telecom service providers and other service providers who use land under North Delhi Municipal Corporation's jurisdiction for their business operation.

Subsequently North Delhi Municipal Corporation has issued a letter requesting to pay an amount of Rs.75,162 per meter per annum ('way leave facility charge') towards the existing way leave facility used by the Company. As per the circular, the way leave facility charge for usage of existing way leave facility is to be accrued from the date of permission granted for laying the pipeline facility and the way leave facility charge will also be applicable for new installations.

The Company has not received any communication from North Delhi Municipal Corporation specifying the total amount payable in this regard. Based on legal opinion, the Company believes that the imposition of way leave facility charge is unsustainable under the law. Further, the Company believes that the rates for way leave charges as per the circular are exorbitant and the Company has taken up the matter with appropriate government authorities. The Company plans to contest the way leave facility charge levied by North Delhi Municipal Corporation and as of March 31, 2016, the Company has not accounted for the way leave facility liability.

- (b) Bank guarantees

The Company's total liability towards un-expired Bank Guarantees is Rs. 0.25 crores (Previous year Rs. 0.25 crores).

- (c) The Company's share in the contingent liabilities of its associates is Rs. 53.93 crores(Previous year Rs. 61.07 crores).

- 27.2 (a) Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 317.71 crores (Previous year Rs. 164.37 crores)

- (b) The Company's share in the capital commitments of its associates is Rs. 68.65 crores(Previous year Rs. 32.45 crores)



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 27.3 Information regarding purchases, sales and stock

| Particulars                             | Year ended 31.03.2016 |                 | Year ended 31.03.2015 |                 |
|-----------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                         | Quantity              | Rs. Crores      | Quantity              | Rs. Crores      |
| <i>Opening stock:</i>                   |                       |                 |                       |                 |
| Natural Gas (SCM)                       | 818,291               | 2.16            | 850,730               | 2.36            |
| CNG (SCM)                               | 587,632               | 1.06            | 436,175               | 0.69            |
|                                         | <b>1,405,923</b>      | <b>3.22</b>     | <b>1,286,905</b>      | <b>3.05</b>     |
| <i>Purchases of Natural Gas (SCM)</i>   | <b>1,524,073,827</b>  | <b>2,330.29</b> | 1,486,013,819         | 2,395.83        |
| <i>Less: Internal consumption (SCM)</i> | <b>36,034,211</b>     | <b>54.92</b>    | 34,020,071            | 54.85           |
| <i>Cost of Natural Gas (SCM)</i>        | <b>1,488,039,616</b>  | <b>2,275.37</b> | 1,451,993,748         | 2,340.98        |
| <i>Sales:</i>                           |                       |                 |                       |                 |
| PNG (SCM)                               | 342,045,382           | 972.67          | 330,461,506           | 1,046.16        |
| CNG (SCM)*                              | 1,123,004,103         | 3,079.47        | 1,073,113,968         | 3,002.42        |
|                                         | <b>1,465,049,485</b>  | <b>4,052.14</b> | <b>1,403,575,474</b>  | <b>4,048.58</b> |
| <i>*CNG (Kgs)</i>                       | <b>834,071,581</b>    |                 | 805,375,595           |                 |
| <i>Closing stock:</i>                   |                       |                 |                       |                 |
| Natural Gas (SCM)                       | 837,004               | 1.44            | 818,291               | 2.16            |
| CNG (SCM)                               | 641,796               | 1.04            | 587,632               | 1.06            |
|                                         | <b>1,478,800</b>      | <b>2.48</b>     | <b>1,405,923</b>      | <b>3.22</b>     |

Notes:

- Difference in opening stock, purchases, sales and closing stock of gas quantities is on account of gas distribution process loss of 22,917,254 SCM (Previous year 48,299,256 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.

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

| Particulars               | Year ended 31.03.2016 |                | Year ended 31.03.2015 |                |
|---------------------------|-----------------------|----------------|-----------------------|----------------|
|                           | Rs. Crores            | % of total     | Rs. Crores            | % of total     |
| <i>Stores and spares:</i> |                       |                |                       |                |
| Imported                  | 7.91                  | 27.33%         | 2.84                  | 11.16%         |
| Indigenous                | 21.03                 | 72.67%         | 22.61                 | 88.84%         |
|                           | <b>28.94</b>          | <b>100.00%</b> | <b>25.45</b>          | <b>100.00%</b> |

| Particulars | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|-------------|------------------------------------------|------------------------------------------|
|-------------|------------------------------------------|------------------------------------------|

### 27.5 Value of imports on CIF basis

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Capital goods (Plant and Equipment) | 19.44        | 11.06        |
| Stores and Spares                   | 0.62         | 0.66         |
|                                     | <b>20.06</b> | <b>11.72</b> |

### 27.6 Expenditure in foreign currency

|                                             |             |             |
|---------------------------------------------|-------------|-------------|
| Travelling and conveyance                   | 0.13        | 0.08        |
| Repairs and maintenance-Plant and Machinery | 0.66        | 0.62        |
|                                             | <b>0.79</b> | <b>0.70</b> |

### 27.7 Earnings in foreign currency

|                          |          |             |
|--------------------------|----------|-------------|
| Sale of tender documents | -        | 0.03        |
|                          | <b>-</b> | <b>0.03</b> |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 27.8** 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 31.03.2016 |              | As at 31.03.2015 |              |
|----------|------------------|--------------|------------------|--------------|
|          | FC               | (Rs. Crores) | FC               | (Rs. Crores) |
| USD      | 201,180          | 1.33         | 135,742          | 0.85         |
| EURO     | 22,327           | 0.17         | 40,012           | 0.27         |
|          |                  | <b>1.50</b>  |                  | <b>1.12</b>  |

- 27.9** As per the terms of Gas Supply Agreement (including amendments) between the Company and GAIL (India) Limited (GAIL), the Company had a minimum take or pay commitment to purchase natural gas quantities on a yearly basis. In case the Company does not off take the minimum quantities in a year, the Company had the right to purchase the short drawn quantities of natural gas in future periods.  
The Company had not purchased the minimum committed natural gas quantities for the year ended December 31, 2014. On 17 August, 2015, the Company entered into a one-time settlement with GAIL under which the Company paid an amount of Rs.14.03 crores (including service tax) to GAIL, as net settlement of its purchase obligation and surrender of its right to purchase the short drawn quantities of natural gas in future periods.
- 28** 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 II to the Companies Act, 2013, as the Management does not foresee non-renewal of the above lease arrangements by the Authorities.
- 29** Security deposits from customers of Natural Gas, refundable on termination/alteration of the gas sales agreements, are considered as current liabilities.
- 30** During the year 2015-16, the company was required to spend a gross amount of Rs. 11.45 crores (Previous year Rs. 10.12 crores) for CSR activity specified under the provision of Companies Act 2013. Against the same, the company has spent Rs. 4.43 crores (Previous year Rs. 1.33 crores) on CSR expenditure during the year in cash for purpose other than construction/acquisition of any asset.
- 31** The company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

|                                                                                                                                                                                                                            | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| (a) (i) the principal amount remaining unpaid to any supplier                                                                                                                                                              | <b>1.38</b>                              | 1.03                                     |
| (ii) interest due thereon                                                                                                                                                                                                  | -                                        | -                                        |
| (b) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day                                          | -                                        | -                                        |
| (c) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006                                               | -                                        | -                                        |
| (d) interest accrued and remaining unpaid                                                                                                                                                                                  | -                                        | -                                        |
| (e) further interest remaining due and payable even in the succeeding years for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -                                        | -                                        |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 32 DISCLOSURES UNDER ACCOUNTING STANDARDS

#### 32.1 Employee benefit plans

##### *Defined Contribution Plan*

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 2.73 crores for provident fund contributions (Previous Year Rs. 2.02 crores) in the statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

##### *Defined Benefit-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:

|                                                                                                                                             | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| A. Change in benefit obligations:                                                                                                           |                                          |                                          |
| a. Present value of obligations at the beginning of the year                                                                                | 4.66                                     | 3.31                                     |
| b. Current service cost                                                                                                                     | 0.69                                     | 0.57                                     |
| c. Interest cost                                                                                                                            | 0.37                                     | 0.30                                     |
| d. Actuarial (gain)/loss on obligation                                                                                                      | 0.54                                     | 0.70                                     |
| e. Benefits paid                                                                                                                            | (0.07)                                   | (0.22)                                   |
| f. Present value of obligations                                                                                                             | 6.19                                     | 4.66                                     |
| B. Expenses recognised in the statement of profit and loss:                                                                                 |                                          |                                          |
| a. Current service cost                                                                                                                     | 0.69                                     | 0.57                                     |
| b. Interest cost                                                                                                                            | 0.37                                     | 0.30                                     |
| c. Actuarial (gain)/loss recognised during the year                                                                                         | 0.54                                     | 0.70                                     |
| d. Expense charged to the statement of profit and loss                                                                                      | 1.60                                     | 1.57                                     |
| C. Balance sheet reconciliation:                                                                                                            |                                          |                                          |
| a. Opening net liability                                                                                                                    | 4.66                                     | 3.31                                     |
| b. Expenses charged to the statement of profit and loss                                                                                     | 1.60                                     | 1.57                                     |
| c. Benefits paid                                                                                                                            | (0.07)                                   | (0.22)                                   |
| d. Closing liability                                                                                                                        | 6.19                                     | 4.66                                     |
| D. The above liabilities have been presented in the balance sheet after bifurcating between current and non-current liabilities as follows: |                                          |                                          |
| a. Current                                                                                                                                  | 0.19                                     | 0.14                                     |
| b. Non- Current                                                                                                                             | 6.00                                     | 4.52                                     |
|                                                                                                                                             | 6.19                                     | 4.66                                     |



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

*Principal actuarial assumptions for gratuity and compensated absences:*

|                                   | Refer note<br>below | Year ended<br>31.03.2016 | Year ended<br>31.03.2015 |
|-----------------------------------|---------------------|--------------------------|--------------------------|
| i. Discount rate (p.a.)           | 1                   | 8.00%                    | 7.86%                    |
| ii. Salary escalation rate (p.a.) | 2                   | 5.70%                    | 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 Indian Assured Lives Mortality (2006-08) tables

|                                             | 2016 | 2015 | 2014   | 2013   | (Rs. Crores)<br>2012 |
|---------------------------------------------|------|------|--------|--------|----------------------|
| <b>Experience adjustment:</b>               |      |      |        |        |                      |
| Present value of defined benefit obligation | 6.19 | 4.66 | 3.31   | 2.70   | 1.81                 |
| Experience gain/(loss) on liability         | 0.96 | 0.02 | (0.45) | (0.36) | (0.03)               |

### 32.2 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.

### 32.3 Related party transactions

*List of related parties:*

- Promoter venturers:
  - GAIL (India) Limited
  - Bharat Petroleum Corporation Limited
- Associates
  - Central UP Gas Limited
  - Maharashtra Natural Gas Limited
- Enterprise owned by major shareholders
  - GAIL Gas Limited
- Key management personnels (KMPs):
  - Mr. Narendra Kumar Managing Director
  - Mr. V. Nagarajan Director Commercial



# INDRAPRASTHA GAS LIMITED

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

*Transactions / balances outstanding with Related Parties in ordinary course of business:*

| Particulars                                            | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|--------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>GAIL (India) Limited</b>                            |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Purchase of natural gas<br>(including VAT)             | 2,011.56                                 | 1,992.42                                 |
| Transportation charges                                 | 11.28                                    | 11.92                                    |
| Take or Pay Charges                                    | 14.03                                    | -                                        |
| Salaries, allowances and other related payments#       | 1.07                                     | 0.96                                     |
| Sale of Asset                                          | -                                        | 0.35                                     |
| Rent                                                   | 1.39                                     | 1.04                                     |
| Interest expenses                                      | -                                        | 2.52                                     |
| Reimbursement of expenses                              | 0.05                                     | 0.02                                     |
| RR Charges                                             | 0.06                                     | -                                        |
| Security deposit paid                                  | 0.41                                     | -                                        |
| Profit Sharing                                         | 0.15                                     | 0.15                                     |
| Other expenses                                         | 0.02                                     | 0.02                                     |
| Standby letter of credit/ Bank Gurantee issued/renewed | 295.78                                   | 148.98                                   |
| Dividend paid                                          | 18.90                                    | 17.33                                    |
| <i>Balance outstanding as at the year end:</i>         |                                          |                                          |
| Trade payables                                         | 80.74                                    | 98.89                                    |
| Security deposit paid                                  | 0.51                                     | 0.10                                     |
| <b>Bharat Petroleum Corporation Limited</b>            |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Sale of CNG (Gross)                                    | 212.97                                   | 210.27                                   |
| Salaries, allowances and other related payments#       | 0.40                                     | 0.47                                     |
| Reimbursement of Electricity Expenses                  | 8.84                                     | 7.26                                     |
| Facility Charges                                       | 6.30                                     | 6.56                                     |
| Purchases of natural gas                               | 283.00                                   | 434.73                                   |
| Purchases of lubricants                                | 0.19                                     | 0.10                                     |
| Security deposit adjusted/refunded                     | 0.04                                     | -                                        |
| Profit Sharing                                         | 0.15                                     | 0.15                                     |
| Other expenses                                         | 0.03                                     | 0.02                                     |
| Standby letter of credit/ Bank Gurantee issued/renewed | 19.73                                    | 81.79                                    |
| Dividend paid                                          | 18.90                                    | 17.33                                    |
| <i>Balance outstanding as at the year end:</i>         |                                          |                                          |
| Trade payables                                         | 8.67                                     | 16.03                                    |
| Trade receivables                                      | 8.13                                     | 8.62                                     |
| Security deposit paid                                  | 0.01                                     | 0.05                                     |

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

| Particulars                                            | Year ended<br>31.03.2016<br>(Rs. Crores) | Year ended<br>31.03.2015<br>(Rs. Crores) |
|--------------------------------------------------------|------------------------------------------|------------------------------------------|
| <b>Central UP Gas Limited</b>                          |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Sitting Fees received                                  | 0.06                                     | 0.03                                     |
| <b>Maharashtra Natural Gas Limited</b>                 |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Sitting Fees received                                  | 0.02                                     | -                                        |
| <b>GAIL Gas Limited</b>                                |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Purchase of natural gas                                | 3.41                                     | -                                        |
| Standby letter of credit/ Bank Gurantee issued/renewed | 8.46                                     | -                                        |
| <i>Balance outstanding as at the year end:</i>         |                                          |                                          |
| Trade payables                                         | 2.06                                     | -                                        |
| <b>Key Management Personnel-Remuneration*</b>          |                                          |                                          |
| <i>Transactions during the year:</i>                   |                                          |                                          |
| Mr. Narendra Kumar#                                    | 0.59                                     | 0.54                                     |
| Mr. Rajesh Chaturvedi#                                 | -                                        | 0.19                                     |
| Mr. V. Nagarajan#                                      | 0.47                                     | 0.23                                     |
| <i>Balance outstanding as at the year end:</i>         |                                          |                                          |
| Salaries payable-Profit sharing                        | 0.15                                     | 0.15                                     |

\* Remuneration of key management personnel is exclusive of service tax and inclusive of reimbursement (if any).

# Salaries, allowances and other related payments includes payments made to the related Companies on account of Key management personnel which are also disclosed seperately.

### 32.4 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.8.06 crores (Previous year Rs.7.73 crores).

### 32.5 Earnings per share

| Particulars                              | Units        | Year ended<br>31.03.2016 | Year ended<br>31.03.2015 |
|------------------------------------------|--------------|--------------------------|--------------------------|
| Net profit attributable to Shareholders  | (Rs. Crores) | 464.13                   | 448.13                   |
| Weighted average number of equity shares | No.          | 140,000,160              | 140,000,160              |
| Nominal value per share                  | Rs.          | 10                       | 10                       |
| Basic earning per share of Rs. 10 each   | Rs.          | 33.15                    | 32.01                    |

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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 33 Additional information with regard to consolidation as required by Schedule III of Companies Act 2013 is given below:

(Rs. in Crores)

| Name of Entity                                                                                                                                | Net Asset<br>(i.e. Total Asset minus<br>Total Liabilities) |          | Share of Profit or Loss                   |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------|-------------------------------------------|--------|
|                                                                                                                                               | As % of<br>consolidated<br>Net Asset                       | Amount   | As % of<br>consolidated<br>Profit or Loss | Amount |
| Indraprastha Gas Limited                                                                                                                      | 97.40%                                                     | 2,413.23 | 88.44%                                    | 410.48 |
| Central UP Gas Limited (30,000,000 equity shares purchased on 21.06.2013)                                                                     | 1.15%                                                      | 28.40    | 3.51%                                     | 16.31  |
| Maharashtra Natural Gas Limited<br>(47,500,000 equity shares purchased on 26.03.2015 and additional 2,500,000 shares purchased on 10.07.2015) | 1.45%                                                      | 35.94    | 8.05%                                     | 37.34  |

- 34 The financial statements of the associates used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.
- 35 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

### For and on behalf of the Board of Directors

sd/-

**Narendra Kumar**  
Managing Director  
(DIN No.06571708)

sd/-

**Rajesh Agrawal**  
Chief Financial Officer

sd/-

**V. Nagarajan**  
Director (Commercial)  
(DIN No.06971361)

sd/-

**S.K. Jain**  
Company Secretary

Place: New Delhi  
Date: 13 May, 2016





**INDRAPRASTHA GAS LIMITED**

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