



INDRAPRASTHA GAS LIMITED



12th Annual Report
2010-11





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VISION

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



Letter from Chairman, IGL



“ IGL can today boast of supplying CNG to the world's largest public transport system in Delhi running on CNG. The “CNG success story” of your Company has earned it global recognition for its expertise and experience”



Dear co-owners of IGL

IGL has traversed a journey spanning over twelve years in the gas retailing business in India. Over these years, it has achieved numerous distinctions in the City Gas Distribution and Compressed Natural Gas (CNG) segments. For example, IGL can today boast of supplying CNG to the world's largest public transport system in Delhi running on CNG. The "CNG success story" of your Company has earned it global recognition for its expertise and experience.

As the business of your Company transitions from a monopoly to a competitive market, **we are leaving no efforts in ensuring customer loyalty through customer delight.** Your Company is the first CGD Company in the country to come up with an interactive customer friendly portal which shall not only increase customers' awareness about our services but also quickly address their needs and grievances, thereby **leading to stronger relationship with customers.**

Remaining a step ahead of the growing demand, your Company is expanding infrastructure rapidly to ensure a delightful experience to its consumers. There is **strong potential of sustaining a high growth** in the various business segments of your Company. Our efforts to tap this potential are also yielding results. In less than 3 years, the company has added more than 100 new CNG Stations and the compression capacity has become two and half times. In the Piped Natural Gas (PNG) segment, your company endeavours to provide atleast **60 thousand domestic connections every year.** In the industrial & commercial segment, almost 100 % annual growth in volume is being registered .

Your Company has been promoting various gas appliances jointly with the manufacturers, such as gas geysers, gas generators etc. for maximum realization from existing assets. Your company is facilitating workshops by renowned suppliers of CNG kits for faster expansion. At the same time, **your Company is seriously considering various opportunities to expand** its national footprint. For instance, it has recently participated in the competitive bidding process initiated by the Regulator for city gas distribution projects in Ludhiana and Jalandhar cities. Your Company may also selectively bid for other cities which may come up in future for bidding. Your Company is also examining other emerging possibilities for business expansion and diversification.

To meet the future challenges and make best use of opportunities in our fast growing economy, your Company has drawn up a 5 year business plan and chalked out a strategy to accelerate its growth. I am pleased to inform you that '**Project Nav-nirman**' has been rolled out with the aim to transform the organization from inside by cultivating and nurturing professional culture through transparent and robust policies and practices. This shall help in galvanizing the entire IGL team along the chosen path of growth and prosperity for all its stakeholders and employees.

I am confident that through the determined efforts of the human talent of your Company and with support of our valuable stakeholders, your Company shall be able to fulfill its aspiration to become **a billion dollar company in 3 years time.**

With best wishes,

Yours sincerely

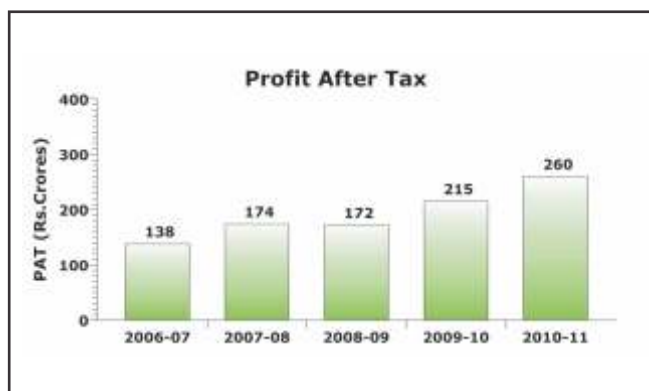
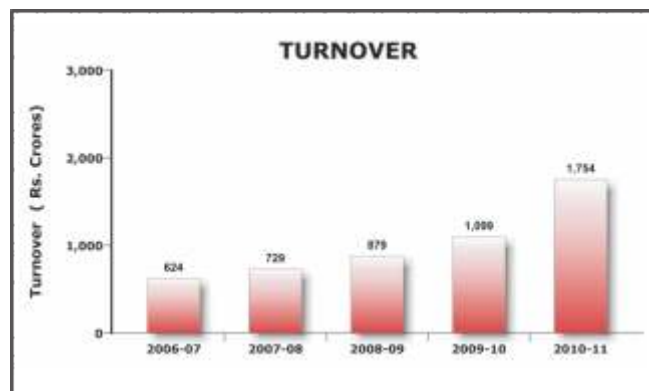
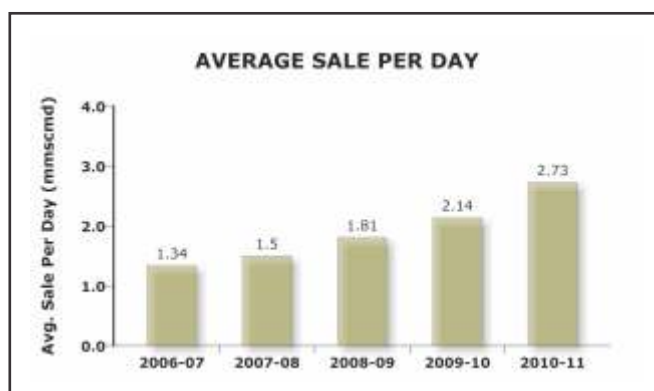
(B.C. Tripathi)

Chairman





Financial Highlights





ACHIEVEMENTS 2010-11

- Ministry of Petroleum & Natural Gas issued **Authorisation** to IGL to implement City Gas Distribution Project in **Ghaziabad**
- Online CNG Supply started in Ghaziabad
- IGL successfully ensured **uninterrupted gas supply** during the entire period of **Common Wealth Games 2010**
- Huge build up in **CNG capacity** through **increase** in Compression Capacity by **40.5%** by ramping up of existing CNG stations and building 37 new stations
- Big thrust to **Industrial & Commercial segment**- sale volume jumped by 136%
- **Highest number of PNG Domestic connections** (~63000 nos.) provided in the history of IGL
- **IGL and DTC** signed a long term gas supply **agreement** for a period of **10 years**
- IGL set up the world's single largest CNG bus filling facility at millennium park DTC Depot
- All seven students sponsored by IGL as part of CSR program successfully qualified in the IIT-JEE examination 2011



INDRAPRASTHA GAS LIMITED

BOARD OF DIRECTORS



Shri B.C. Tripathi
Chairman





Shri Rajesh Vedvyas
Managing Director



Shri Manmohan Singh
Director (Commercial)



Shri K. K. Gupta
Director



Shri R. K. Verma
Director



Shri S.S. Dalal
Director



Shri S.S. Rao
Director



Prof. V. Ranganathan
Director

Bankers

State Bank of India
HDFC Bank Ltd
Syndicate Bank
ICICI Bank Ltd
IDBI Bank Ltd
Kotak Mahindra Bank Ltd
Axis Bank Ltd.

Auditors

M/s Deloitte Haskins & Sells
Chartered Accountants
Gurgaon

Registered Office

IGL Bhawan
Plot No. 4,
Community Centre,
Sector-9
R. K. Puram,
New Delhi 110022

Company Secretary

Shri S.K. Jain



DIRECTORS' REPORT

To,

THE MEMBERS

Your Directors have pleasure in presenting the Twelfth Annual Report alongwith Audited Accounts of the Company for the year ended March 31, 2011.

PHYSICAL PERFORMANCE

During the year, the Company recorded sales as under

Figures in Million Standard Cubic Meters (mmscm)

Product	For the Year		% Growth (YoY)
	2010-2011	2009-2010	
Compressed Natural Gas (CNG)	817.76	695.13	17.6
Piped Natural Gas (PNG)	179.89	87.31	106.0
Total	997.65	782.44	27.5
Average Sales Per day (mmscmd)	2.73	2.14	27.5

FINANCIAL RESULTS

(Rs. in Crores)

ITEMS	For the year	
	2010-2011	2009-2010
Net Sales & Other Income	1753.55	1099.22
Profit before Depreciation & Tax	488.58	401.89
Depreciation	102.87	77.45
Profit before tax	385.71	324.44
Provision for tax	125.94	108.94
Profit after tax	259.77	215.50
Profit brought forward from previous year	593.73	473.25
Profit available for appropriations	853.50	688.75
Appropriations:		
Proposed dividend	70.00	63.00
Corporate dividend tax	11.35	10.46
Transferred to general reserve	25.98	21.55
Profit carried forward	746.17	593.74
	853.50	688.75



Mr. Rajesh Vedvyas, Managing Director and Mr. Manmohan Singh, Director (Commercial) present the dividend cheque for financial year 2009 – 10 to Mr Tejendra Khanna, Hon'ble Lt-Governor of Delhi.



Mr. Jitin Prasada, Minister of State for Petroleum and Natural Gas, inaugurates the IGL Stall at NGV India 2010 in Mumbai in the presence of Mr. B. C. Tripathi, Chairman and Managing Director, GAIL (India) Ltd. and other senior officials.

FINANCIAL REVIEW

The Company has been showing consistently good financial performance both in terms of turnover and profitability. During the year, gross turnover of the Company increased by 60.86% from Rs. 1213.13 crores in year 2009-10 to Rs. 1951.50 crores in the year 2010-11. Profit after tax also went up by 20.54% from Rs. 215.50 crores in 2009-10 to Rs. 259.77 crores in 2010-11.

DIVIDEND

Your Directors are pleased to recommend higher dividend of 50% (Rs 5 per share) as against 45% (Rs 4.50 per share) in the last year. The proposed dividend including corporate dividend tax would absorb Rs. 81.35 crores.

PERFORMANCE HIGHLIGHTS

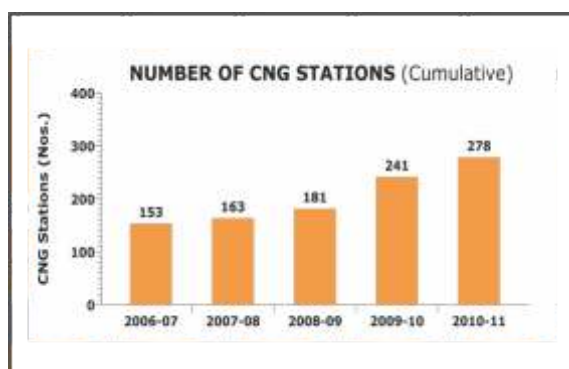
CNG BUSINESS

During the year, your Company augmented its CNG distribution infrastructure significantly by enhancing the capacity of existing stations and adding new stations. The number of stations went up from 241 in March 2010 to 278 in March 2011, which included 240 stations in Delhi and 38 stations in National

Capital Region (NCR). By capacity enhancement as well as new stations, the installed compression capacity went up substantially by 40.5% from 36.40 Lakh Kg/day in March 2010 to 51.13 Lakh Kg/day in March 2011.

During the year 2010-11, the Company for the first time started online CNG supply to vehicles in Ghaziabad.

The estimated number of vehicles running on CNG in Delhi and NCR as on 31st March 2011 was over 4,30,000 including 16,500 buses and 2,70,000 private vehicles.





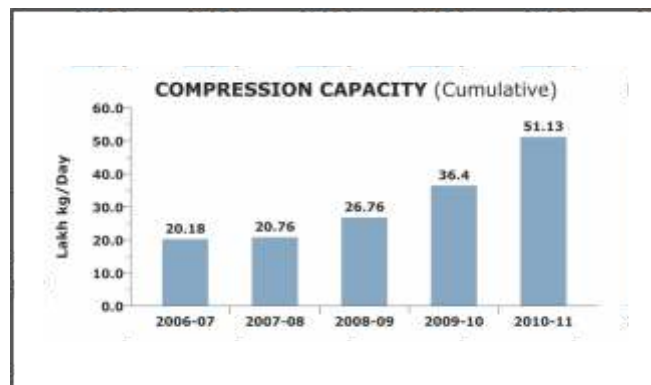
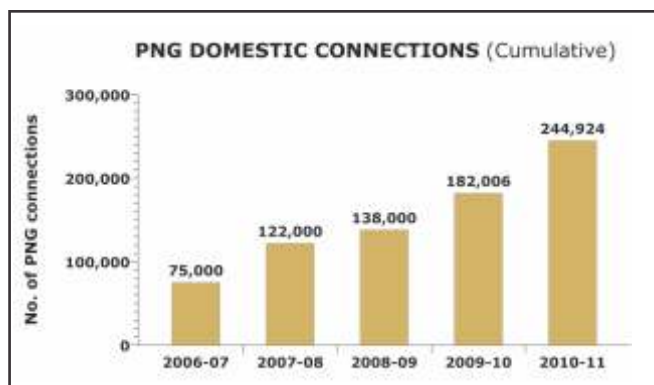
PIPED NATURAL GAS BUSINESS

PNG - Domestic Connections

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

For PNG domestic connections, Delhi has been divided into 70 areas (each area is equivalent to MLA constituency). The pipeline network is already extended to 55 areas and work is in progress to extend the network to the remaining areas. During the year, your Company has extended the PNG network in various localities in Delhi, namely:

- North Delhi – Rohini (sectors 1 to 8), Ashok Vihar, Tagore Park, Outram Lines, Hudson Lane, Keshav Puram.
- South Delhi – Anand Niketan, Shanti Niketan, West End, IIT, NCERT, Kaushalya Park, Hauz Khas, Ayurvigyan Nagar.
- West Delhi – Paschim Vihar (remaining areas), Vikas Puri, Hari Nagar, Arihant Nagar, Madipur, Tagore Garden, Rajouri Garden, Punjabi Bagh West and Extn. (remaining areas), Janak Puri (remaining areas).
- East Delhi – Preet Vihar, Nirman Vihar, Vikas Marg Societies, Chitra Vihar, GTB Janta Flats, Jafrabad, Gagan Vihar, Madhuban Enclave, Nirman Vihar, Ramnagar, Mansarovar DDA Flats, Swasthya Vihar.
- Central Delhi – Patel Nagar, Ramesh Nagar, Bali Nagar, Kirti Nagar, Mansarovar Garden, Saraswati Garden, Punjabi Bagh (East).



In Noida, your Company during the year has extended the PNG supply to Sectors 33 – 35, 39 – 41, 50 – 53, 55 and 56.

In Greater Noida, your Company during the year has extended the PNG supply to Sectors Beta I & II and Pie.

In Ghaziabad, the PNG supply has been extended to Indirapuram, Vaishali, Vasundhara, Surya Nagar, Chander Nagar, Rampuri, Shalimar Garden, Rajender Nagar and Lajpat Nagar.

During the year, your Company provided total 62,918 new domestic PNG connections in Delhi and NCR and the total number of connections went up from 1,82,006 in March 2010 to 2,44,924 in March 2011. In Delhi, your Company provided 45,289 PNG connections as against the target of 35,000 connections set by the Petroleum & Natural Gas Regulatory Board (PNGRB).

PNG – Commercial & Industrial

During the year, the Company gave a major thrust to boost the sales volume of Commercial and Industrial customers. In Delhi and NCR, the total number of commercial customers increased from 355 in March 2010 to 463 in March 2011 and industrial customers from 14 in March 2010 to 68 in March 2011. During the year 2010-11, the sales volume from industrial & commercial customers grew by 136% over the previous year.

In Delhi, the Company has expanded its network to industrial areas of Mayapuri, Lawrence Road, Nangla Macchi, Badli etc, while MDPE laying activities are in progress in other industrial areas like Wazirpur, Jahangirpuri, Narela, Okhla, Nangloi, Mangolpuri, Naraina, Kirtinagar, Bawana, Mundka etc.



Sh. Jitin Prasada, Minister of State for Petroleum and Natural Gas unveils the plaque to mark the dedication of Ghaziabad City Gas Distribution Project to the people.

In Noida, your Company has expanded its pipeline network to industrial areas of sector 60, 63 and 65. In Greater Noida, your Company has expanded its pipeline network to Industrial areas of Kasma Site IV & V, Udyog Vihar, Udyog Kendra & Surajpur Site B & C. In Ghaziabad, your Company has expanded its pipeline network to industrial area of Sahibabad. Pipeline laying activities are underway in the remaining major industrial areas in NCR which have huge demand potential.

FUTURE OUTLOOK

Your Company has drawn out plans to further consolidate its presence in Delhi and NCR by investing over Rs. 500 crores during the financial year 2011-12.

In CNG, the new concept of Private Bus Cluster introduced by Government of Delhi is expected to add to good volume in sales. A significant growth is also expected from the private car owners in line with current trend of CNG conversion and launch of CNG variants by vehicle manufactures, in view of the economy offered by CNG in comparison to other fuels.

Your Company has aggressive plans to expand its pipeline infrastructure to increase the coverage and penetration of the network. It shall be the continuous endeavour to expand fast the customer base on both Industrial & Commercial and domestic fronts.

TOWARDS CUSTOMER DELIGHT

In view of the changing dynamics in the business environment, your Company has been proactive in taking various initiatives towards customer delight. Your Company is the first city gas



Mr. Jitin Prasada, Minister of State for Petroleum and Natural Gas, switches on the compressor at Ghaziabad's CNG station while dedicating Ghaziabad City Gas Distribution Project to the people.



distribution Company to have launched an interactive customer portal to address customer needs and ensure speedy complaint redressal alongwith a 24x7 single number dialing customer care facility. The Company has taken a number of initiatives to promote wider use of natural gas such as through gas geysers, gas gensets etc. In this regard, the Company has tied up with leading manufacturers of gas gensets and gas geysers. With a view to promote genuine CNG retrofitment, the Company alongwith reputed suppliers is setting up model workshops at selected CNG stations.

INFORMATION TECHNOLOGY

Your Company has recently implemented customer portal which includes CRM (Customer Relationship Management) functionalities. The portal extends facilities such as PNG bill viewing & payment, complaint logging, new connection

application etc as self service to customers. This system also provides single platform for IGL employees, customers and third parties to work collaboratively and achieve customer satisfaction. The Company has taken initiatives for advanced surveillance for its CNG stations, Disaster Recovery and Business Continuity planning, and GIS (Geographical Information System) use for effective Asset Management, Network Planning and Operations Management.

HUMAN RESOURCES

During the year, your Company enjoyed harmonious and cordial human relations amongst all its employees. Your Company undertook various HR initiatives to further infuse professionalism in the workforce, such as revised performance management system, induction only through campus recruitment of GETs / ETs and streamlining other HR policies.



Mr. Rajesh Vedvyas, Managing Director, signs a 10 year contract with Mr. Naresh Kumar, CMD, Delhi Transport Corporation (DTC) in the presence of Mr. Manmohan Singh, Director (Commercial) for the sale of CNG from IGL CNG stations located at DTC depots.



A cross functional, Fire & Safety Training being held in Dwarka for IGL employees

Comprehensive induction training was provided to new employees in association with GAIL's Training Institute at Noida. Training was imparted to employees on regular basis for knowledge and skill enhancement.

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

HEALTH SAFETY AND ENVIRONMENT (HSE)

Your Company has always accorded highest priority to Fire and Safety related issues. It is a matter of pride that your Company has crossed 78 million man hours without any reportable lost time accident.

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 impart training to all category of consumers, a dedicated group of trainers with fully equipped training van is deployed which conducts safety clinics alongwith practical demonstration.

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

As per your Company's HSE policy, Safety Audit, HAZOP & Risk assessment of CNG Stations and PNG installations are



Live demonstration takes place as a part of the Fire and Safety Training held in Dwarka

carried out by third parties. The onsite emergency action plan is regularly rehearsed and updated. Emergency response vehicles are under procurement, which shall be stationed at emergency control centers, manned round the clock to respond fast to any gas leak or emergency situation.

SOCIAL RESPONSIBILITY

Your Company has formulated a CSR policy under which 1% of Profit After Tax (PAT) each year is earmarked for social causes. Thrust areas for CSR programme have been identified as Health & Environment, Education and Care & Empowerment of underprivileged. The Company is making regular contribution to NGOs and charitable institutions towards social welfare. Your Company organizes regular medical health and eye check up camps for CNG vehicle drivers. The Company is supporting meritorious students from under-privileged strata of society for IIT coaching through a scheme run by an NGO. It is a matter of satisfaction that all the 7 children who were sponsored by the Company qualified in the IIT JEE examination 2011. The Company is also extending help to DTC by providing equipment and facilities aimed at inculcating safe driving habits among the drivers.



DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of Annual Accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed;
- ii) they have selected such accounting policies and applied them consistently except where otherwise stated in the Notes to Accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) they have prepared the Annual Accounts for the Financial Year ended 31st March, 2011 on a going concern basis.



Mr. T.R. Thomas, Chief Controller of Explosives visits the IGL stall at NGV India 2010 held in Mumbai

BOARD OF DIRECTORS

Shri B. C. Tripathi, nominee of GAIL was appointed as Chairman of the Board w.e.f. January 14, 2011 in place of Shri S. Radhakrishnan.

Shri K. K. Gupta, nominee of BPCL was appointed as Additional Director in place of Shri S. Radhakrishnan w.e.f. March 01, 2011 and in terms of Section 260 of the Companies Act, 1956, he holds office until the ensuing Annual General Meeting. Notice under Section 257 of the



A view of the IGL Stall at the NGV India exhibition 2010 held in Mumbai.



Companies Act, 1956 has been received proposing his name for appointment as Director at the Annual General Meeting.

Shri Rajesh Vedvyas, nominee of GAIL was appointed as Managing Director for a period of three years i.e. upto July 28, 2011. GAIL has extended the secondment period of Shri Vedvyas upto March 31, 2012 and accordingly it is proposed to re-appoint him in the ensuing Annual General Meeting.

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

Shri S. S. Dalal, retires by rotation at the ensuing Annual General Meeting and does not offer himself for re-appointment.

The Board takes this opportunity to place on record its appreciation for valuable contribution made by Shri S. Radhakrishnan, during his tenure as Chairman and Director of the Company.

AUDITORS

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

CORPORATE GOVERNANCE

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

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

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

ACKNOWLEDGEMENTS

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

The Directors also acknowledge the support of all the 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/-
Manmohan Singh
Director (Commercial)

sd/-
Rajesh Vedvyas
Managing Director

Place : New Delhi
Date : June 14, 2011



Mr. L. Mansingh, Chairman Petroleum & Natural Gas Regulatory Board (PNGRB) visits IGL stall at NGV India 2010 and shares a point with Mr. Rajesh Vedvyas, Managing Director and Mr. Manmohan Singh Director (Commercial)





ANNEXURE TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

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

1. Conversion of mechanical carburetor to electronic carburetor has now been completed in the entire gas engine driven Packages. This has contributed to the reduction in specific fuel consumption.
2. In 10 Delta Compressors loss of gas by popping up BDV safety valve during power outage has been avoided by modifying the vent circuit. Necessary software modification in the control philosophy has also been incorporated. The same is being planned in the rest of the machines.
3. In DR Compressors frequent failure of engine and its components were observed due to manual coolant top up irrespective of coolant temperature. One electrovalve was incorporated alongwith software interlock with coolant temperature to avoid such breakdowns. This has reduced the downtime of machines and gas loss also.
4. In DR Compressors frequent popping up BDV safety valve was observed during Auto Start/Stop condition. Necessary software modification in the control philosophy was incorporated to reduce the BDV pressure. This has reduced gas loss of the machines.

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNING AND OUTGO

a. Activities relating to Exports :

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

b. Total foreign exchanged used & earned :

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

(Rs. in Crores)

Foreign Exchange Earned	0.01
Foreign Exchange Used	163.62



Mr. L. Mansingh, Chairman, PNGRB and Mr. Prabhat Singh, Director (Marketing), GAIL (India) Ltd. along with Mr. Manjeet Singh, VP (E&P), IGL at the special track on Fuel Retailing organised by FICCI concurrent to PETROTECH 2010.



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

Power and Fuel Consumption	Current Year 2010-2011	Previous Year 2009-2010
1. Electricity		
a) Purchased Units (KVAH)	4,57,39,727	3,62,23,642
Total Amount (Rs. in Crores)	28.26	22.88
Rate / Unit (Rs.)	6.18	6.32
b) Own Generation		
(i) Through Diesel Generator (KWH)	441,779	5,29,563
Units (KWH) Per Litre of Diesel Oil	3.87	3.87
Cost per Unit (Rs.)	9.87	8.75
(ii) Through Gas Generator (KWH)	210,000	-
Units (KWH) per SCM of Gas	3.63	-
Cost per Unit (Rs.)	3.72	-
2. Coal	NIL	NIL
3. Furnace Oil / Liquid Fuel (LSHS)	NIL	NIL
Qty (MT)		
Total Amount (Rs.)		
Avg. Rate (Rs./MT)		
4. Other / Internal Generation	NIL	NIL
Gas Quantity		
Total Cost (Rs.)		
Rate / Unit		



Ms. H.E. Sheikha Lubna Bint Khalid Al Qasimi, UAE Minister for Foreign Trade is being welcomed at the IGL stall at the "Made in India" show in Dubai by Mr. Rajesh Vedvyas, Managing Director



FORM B

Efforts made in Technology Absorption are given below:

Research & Development

1. Specific areas in which R&D carried out by the Company

- i) Network Automation of Compac dispenser started successfully and work is in progress on other make dispensers/ equipments.
- ii) Digital Indicator Flow Totaliser has been successfully developed for 'Galileo' and 'Safe' dispensers. This is helping to monitor the gas loss inside the dispenser.
- iii) Modification in the emerson metering skid PRV has been successfully done. This has reduced the pressure drop across the skid and has resulted in the increase of station efficiency.
- iv) Thermowell in all Ghergo compressors has been designed and successfully installed, this has helped in reducing breakdown & gas loss.
- v) Old dispenser display illumination improved by using backlight of higher intensity LED's.
- vi) Repairing of costly Electronic items like Siemens PLC, Flow Computer etc has been started successfully.

2. Benefits derived as a result of the above R&D

The Company has derived benefits in the form of cost savings and improved operational efficiency of equipments.

3. Expenditure incurred on R&D

No direct expenditure

- i) Capital
- ii) Recurring
- iii) Total
- iv) % of total R&D expenditure with total turnover



Mr. Rajesh Vedvyas, Managing Director welcomes Mr. Anand Sharma, Union Minister of Commerce and Industry to IGL Stall at the "Made in India Show" in Dubai.



Technological Adaptation and Innovation

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



Senior officials from IGL and GAIL in a discussion with delegation from Egypt led by Mr. Hassan Raef, Vice Chairman, EGAS which visited IGL.



REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

II. BOARD OF DIRECTORS

COMPOSITION:

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

The composition and category of Directors alongwith other Directorships or Memberships in Board Committees as on March 31, 2011:

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 B. C. Tripathi (Chairman)	Non-Executive	4	NIL	NIL
Shri Rajesh Vedvyas (Managing Director)	Executive	NIL	NIL	NIL
Shri Manmohan Singh Director (Commercial)	Executive	NIL	NIL	NIL
Shri K. K. Gupta	Non-Executive	4	NIL	NIL
Shri S. S. Dalal	Non-Executive, Independent	11	6	1
Shri S. S. Rao	Non-Executive, Independent	9	2	NIL
Shri R. K. Verma	Non-Executive, Independent	5	NIL	NIL
Prof. V. Ranganathan	Non-Executive, Independent	NIL	NIL	NIL

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

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



BRIEF RESUME OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

1. Shri Rajesh Vedvyas

Shri Rajesh Vedvyas, aged 57 years, was appointed as Managing Director of the Company on July 29, 2008. He is an Electronics Engineer and has over 34 years of experience in Marketing, Projects and Operations in Indian Oil Corporation and GAIL. Prior to joining IGL, he was Zonal Marketing Head of GAIL at Hyderabad.

2. Shri K. K. Gupta

Shri. K.K. Gupta, aged 55 years, is Director (Marketing) of Bharat Petroleum Corporation Limited. He is a Mechanical Engineer with over 32 years of experience. He joined Bharat Petroleum Corporation Limited in 1979 and has played an important role in the areas of planning and consolidating logistic infrastructure, brand building of products, marketing etc. He has the distinction of heading three major business units i.e. Lubes, LPG and Retail before taking over as Director (Marketing) in BPCL.

3. Shri R. K. Verma

Shri R. K. Verma aged 52 years, is a senior IAS officer of 1984 batch, presently holding position of Principal Secretary-cum-Commissioner (Transport), Government of NCT of Delhi.

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

During the Financial Year ended March 31, 2011, six Board meetings were held on May 22, 2010, August 12, 2010, August 30, 2010, November 12, 2010, January 08, 2011 and March 30, 2011. The last Annual General Meeting was held on August 30, 2010.

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

Name of Directors	No. of Meetings Attended	Attendance (% thereof)*	Attendance at Last AGM
Shri B. C. Tripathi **	3	50	Absent
Shri Rajesh Vedvyas	6	100	Present
Shri Manmohan Singh	6	100	Present
Shri S. S. Dalal	1	17	Absent
Shri S. S. Rao	6	100	Present
Shri R. K. Verma	Nil	Nil	Absent
Shri S. Radhakrishnan #	5	100	Present
Shri K. K. Gupta ##	1	100	Not Applicable
Prof. V. Ranganathan	6	100	Present

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

** Shri B. C. Tripathi appointed as Chairman of Board of Directors of the Company w.e.f. January 14, 2011.

Shri S. Radhakrishnan ceased to be a Director w.e.f. March 1, 2011.

Shri K. K. Gupta appointed as an Additional Director w.e.f. March 1, 2011

**CODE OF CONDUCT**

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

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

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

III. AUDIT COMMITTEE**COMPOSITION:**

The Audit Committee comprises of four Directors of which all are Non-Executive and three are 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), Statutory Auditors and Internal 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 were noted by the Board of Directors at the subsequent Board Meeting.

The constitution of the Audit Committee as on 31st March 2011:-

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

SCOPE & FUNCTIONS OF AUDIT COMMITTEE:

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

MEETINGS AND ATTENDANCE:

During the financial year ended March 31, 2011, five Audit Committee Meetings were held on May 22, 2010, August 12, 2010, November 12, 2010, January 8, 2011 and February 24, 2011.

The attendance of Audit Committee Meetings was as under:-

Name of Members	No. of Meetings Attended
Shri S. S. Rao	5
Shri S. S. Dalal	1
Shri B.C. Tripathi *	1
Prof. V. Ranganathan	5
Shri K. K. Gupta **	–

* Shri B. C. Tripathi ceased to be a member w.e.f. March 1, 2011.

** Shri K. K. Gupta appointed as Additional Director and Member of Audit Committee w.e.f. March 1, 2011.



IV. REMUNERATION / SITTING FEES PAID TO DIRECTORS

(a) Executive Directors:

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

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

(Rs. in Lakhs)

S. No.	Name of Directors	Salary & Allowances	Perquisites	Contribution to PF & Other Funds	Total
1.	Shri Rajesh Vedvyas	24.33	9.16	3.61	37.10
2.	Shri Manmohan Singh	26.64	6.15	3.62	36.41

Notes:

The aforesaid remuneration does not include:

- Rs. 19.40 lakhs payable to the parent organizations viz. GAIL and BPCL of the Executive Directors as commission on profit based on the period of directorship held during the financial year ended on March 31, 2011.

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

(b) Non-Executive Directors:

Total commission on profit of Rs. 58.20 lakhs is payable to non-executive directors / their parent organizations for the financial year 2010-11.

Non-Executive Directors are paid sitting fees of Rs.20,000/- & Rs.10,000/- for attending each Board meeting & Committee meeting respectively. Total sitting fees paid during the financial year under review was Rs.6,90,000/-.

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

V. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE:

COMPOSITION:

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

The constitution of the Share Transfer & Investors Grievance Committee as on March 31, 2011:

(1)	Shri S. S. Rao	:	Chairman, Independent, Non-Executive
(2)	Shri S. S. Dalal	:	Member, Independent, Non-Executive
(3)	Shri Rajesh Vedvyas	:	Member, Executive
(4)	Shri Manmohan Singh	:	Member, Executive

SCOPE & FUNCTIONS OF SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE: -

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



COMPLIANCE OFFICER: -

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

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

The Company received 110 complaints during the year, which were duly attended & replied. There was no complaint pending as on March 31, 2011.

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
9th AGM	July 22, 2008	11:30 a.m.	Sri Sathya Sai International Centre, New Delhi	1. Appointment of Statutory Auditors of the Company. 2. Amendment in Article 121 A (ii) of Articles of Association of the Company. 3. Payment of commission out of profits to the Directors of the Company.
10th AGM	July 29, 2009	12 Noon	Sri Sathya Sai International Centre, New Delhi	1. Appointment of Statutory Auditors of the Company. 2. Appointment of Mr. Rajesh Vedvyas as Managing Director & approval of his remuneration.
11th AGM	August 30, 2010	11: 30 a.m.	Air Force Auditorium, New Delhi	1. Appointment of Statutory Auditors of the Company

During the year ended 31st March, 2011 there have been no resolutions passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

VII. DISCLOSURES

(a) Related Party Transactions

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

(b) Compliances by the Company

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



VIII. MEANS OF COMMUNICATION

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

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

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

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

IX. GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting: -

The 12th Annual General Meeting of the Company is scheduled to be held on: -

Date and Time : August 01, 2011 at 11:30 A.M.

Venue : Air Force Auditorium, Subroto Park,
New Delhi

(b) Financial Calendar (Tentative):

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

Quarter ending June 30, 2011	:	On or before 15.08.2011
Quarter ending September 30, 2011	:	On or before 15.11.2011
Quarter ending December 31, 2011	:	On or before 15.02.2012
Quarter ending March 31, 2012	:	On or before 15.05.2012

(c) **Date of Book Closure for Dividend :** July 21, 2011 to August 01, 2011
(both days inclusive)

(d) **Dividend Payment Date :** On or after August 06, 2011

(e) Listing on Stock Exchanges :

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

(f) **ISIN Number :** INE203G01019



Mr. Rajesh Vedvyas, Managing Director, IGL participates in the panel at 6th annual conference on City Gas Distribution in New Delhi along with Mr. Prabhat Singh, Director (Marketing), GAIL (India) Ltd.



(g) Market Price Data & Share price performance:

AT BOMBAY STOCK EXCHANGE (BSE)

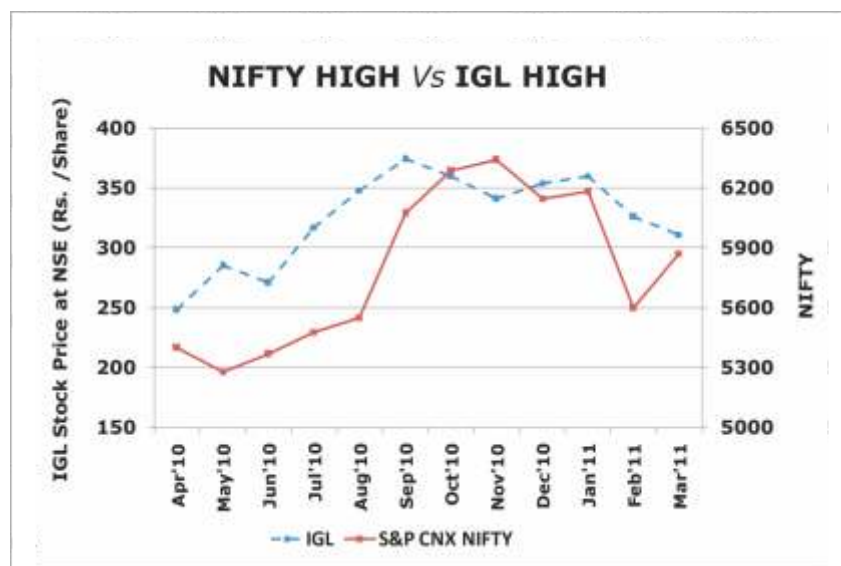
MONTH	IGL		BSE (SENSEX)	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
April 2010	247	215	18048	17277
May 2010	257	216	17537	15960
June 2010	270	229	17920	16318
July 2010	304	262	18238	17396
August 2010	348	294	18475	17820
September 2010	374	295	20268	18027
October 2010	360	304	20855	19769
November 2010	339	303	21109	18955
December 2010	349	311	20552	19075
January 2011	374	296	20665	18038
February 2011	325	285	18691	17296
March 2011	311	290	19575	17792





AT NATIONAL STOCK EXCHANGE (NSE)

MONTH	IGL		S & P CNX NIFTY	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
April 2010	248	215	5400	5161
May 2010	285	216	5279	4786
June 2010	271	229	5367	4961
July 2010	317	262	5478	5226
August 2010	348	293	5550	5351
September 2010	374	294	6074	5403
October 2010	360	304	6284	5937
November 2010	341	302	6339	5690
December 2010	354	311	6147	5721
January 2011	360	295	6181	5417
February 2011	326	285	5599	5178
March 2011	311	285	5872	5348



(h) Registrar and Share Transfer Agent: -

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

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

Tel.No's : 040-44655000.
Fax No's : 040-23420814/23420857.
E-Mail Address : mailmanager@karvy.com
Website : www.karvycomputershare.com



**(i) Share Transfer System:-**

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

(j) Share-holding Pattern by Size as on March 31, 2011:-

S. NO.	CATEGORY AMOUNT (RS.)		NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	AMOUNT (Rs.)	% OF AMOUNT
	FROM	TO				
1.	1	5000	59835	95.09	58253360	4.16
2.	5001	10000	1593	2.53	12955210	0.93
3.	10001	20000	694	1.10	10369620	0.74
4.	20001	30000	227	0.36	5780700	0.41
5.	30001	40000	101	0.16	3581340	0.26
6.	40001	50000	88	0.14	4128450	0.29
7.	50001	100000	125	0.20	9112420	0.65
8.	100001 AND ABOVE		264	0.42	1295820500	92.56
	TOTAL		62927	100.00	1400001600	100.00

(k) Categories of Shareholding as on March 31, 2011:

S. NO.	CATEGORY	NO. OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING
A	PROMOTERS HOLDING			
	- Indian Promoters	2	63000080	45.00
B	NON PROMOTERS HOLDING			
	Institutions			
	- Mutual Funds/UTI	74	15688673	11.21
	- Financial Institutions/ Banks	12	5523396	3.94
	- State Govt.	1	7000000	5.00
	- Insurance Companies	4	3950207	2.82
	- Foreign Institutional Investors	105	23016455	16.44
	Non- Institutions			
	- Bodies Corporate	1042	10529123	7.52
	- Individuals	60833	10746255	7.68
	- Any Other :			
	(i) Non resident Indians	782	437303	0.31
	(ii) Trusts	5	1275	0.00
	(iii) Clearing Members	67	107393	0.08
	TOTAL	62927	140000160	100.00



(l) Dematerialisation of Shares and Liquidity: -

The shares of the Company are compulsorily traded in dematerialized form, 72.49% of equity shares have been dematerialized as on March 31, 2011.

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

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

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

(n) Address for Correspondence: -

The Company Secretary,
Indraprastha Gas Limited,
IGL Bhawan, Plot No.4,
Community Centre, Sector-9,
R.K. Puram
New Delhi-110022

Tel No's : 011-46074607
Fax No : 011-26171863.
E-Mail Ids : skjain@igl.co.in, investors@igl.co.in

(o) Plant Locations: -

The Company has 240 CNG stations as on March 31, 2011 spread all around the National Capital Territory of Delhi, besides 38 stations in National Capital Region.

NON-MANDATORY REQUIREMENTS

(1) CHAIRMAN OF THE BOARD

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

(2) REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Remuneration Committee, the scope and functions of which are as per Clause 49 of the Listing Agreement. The Managing Director and Director (Commercial) are nominated by GAIL (India) Ltd. and BPCL respectively and the terms & conditions of their appointment, including remuneration, are advised by their parent organizations.

During the year, the Remuneration Committee consisted of following Directors:

- | | | | |
|----|------------------|---|---------------------------------------|
| 1) | Shri S. S. Dalal | : | Chairman, Non-Executive & Independent |
| 2) | Shri S. S. Rao | : | Member, Non-Executive & Independent |

(3) 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.

(4) WHISTLE BLOWER POLICY

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





DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock exchange (s), it is hereby declared that all the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2011.

Place : New Delhi
Date : June 14, 2011

sd/-
(Rajesh Vedvyas)
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
INDRAPRASTHA GAS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Indraprastha Gas Limited ('the Company'), for the year ended on 31 March, 2011, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance in all material aspects, as stipulated in clause 49 of the above mentioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place : New Delhi
Date : June 14, 2011





MANAGEMENT DISCUSSION AND ANALYSIS

NATURE OF BUSINESS

The Company is in the retail gas distribution business of supplying Compressed Natural Gas (CNG) to transport sector and Piped Natural Gas (PNG) to Domestic, Industrial & Commercial sectors in Delhi and NCR.

CNG is a safe, economical and environment friendly fuel for transport sector. It is replacing traditional fossil fuels of petrol and diesel, as in running cost of the vehicles, it is about 66% cheaper than petrol and about 21% cheaper than diesel at the current prices.

PNG, the other fuel supplied by the Company is a safe, convenient and reliable fuel for domestic, commercial and industrial consumers.

OUTLOOK ON OPPORTUNITIES

Over the last decade, the usage of natural gas has been increasing in India and City Gas Distribution is emerging as a fast growing business. With growing demand and increased supply options, City Gas Distribution business has attracted considerable interest from prospective players.

The Company has strongly established itself in Delhi and NCR which have good potential for Natural gas. The Company being the leading City Gas distribution player has expertise in developing and fast rolling out CGD network and this gives it an edge to tap the emerging opportunities in this sector for future growth.

The growth drivers and opportunities in our existing areas of operation and any new projects in future are as follows:

CNG :

- The price differential of CNG vs. alternate liquid fuel will continue to drive the large scale conversion of petrol driven private vehicles into CNG mode. Introduction of more CNG variant models by car manufacturers will also provide a fillip to CNG sales.
- Introduction of Private Bus Clusters, Gramin Bus Seva and high capacity buses running on CNG.
- Indian Railways is exploring CNG Usage in DMUs on a bigger scale.
- Setting up of CNG kit fitment workshops at Company's selected CNG stations.
- Setting up of "Hybrid model" in DTC depots (catering to both DTC and private vehicles).



Mr. Manmohan Singh, Director (Commercial) signs a Memorandum of Understanding with MD of Logicon Alternate Fuels for setting up of CNG Kit fitment workshops at CNG stations in the presence of Mr. Rajesh Vedvyas, Managing Director and other senior officials.

**PNG :**

- Piped Natural Gas (PNG) is fast becoming a preferred fuel for domestic kitchens to replace LPG cylinders. Considering the total number of LPG users in Delhi and NCR, there is a huge demand potential. Besides this, usage of Gas water heaters by existing and new PNG households would add to the PNG sales volume.
- PNG is gradually emerging as the key energy source for commercial & industrial users offering immense opportunities for growth. The Company has plans to exploit significant demand potential for gas from commercial & industrial consumers in Delhi and NCR – Gautambudh Nagar (Noida, Greater Noida) and Ghaziabad. The Company also look forward to opportunities in the field of cogeneration for commercial & industrial consumers.

OUTLOOK ON THREATS, RISKS & CONCERNS AND MITIGATIONS

The Company is fully geared up to take on the challenges in the regulated and emerging competitive environment.

Petroleum & Natural Gas Regulatory Board (PNGRB) is the regulator for downstream business of Petroleum and Natural gas. The Board has issued Regulations for authorisation, exclusivity and tariff determination for City Gas companies. These Regulations have ramifications on the business of the Company. However, the Company is fully prepared to adapt itself under the regulatory environment.

The Company has marketing exclusivity for NCT of Delhi upto December 2011 and thereafter, the field would be open for competition in this geographical area. At the end of marketing exclusivity, some of the high volume key customers may contemplate switching over to competitors. However, with its first mover advantage and better understanding of the needs of its customers, the Company would be able to retain its position in the market. The Company is signing Long Term Supply Agreements with large volume customers. Recently, the Company has signed long term supply agreement with Delhi Transport Corporation, which contributes approximately 25% of CNG Sales. All industrial & commercial customers are signed on a minimum of 5 year contract.

The assured gas supply at competitive price is vital for the growth plans of the Company. The supply of natural gas under Administered Price Mechanism (APM) is by GAIL (India) Limited, which is one of the promoters of the Company. Gas purchase agreement with GAIL assures us of priority supply in the event of stoppage or any disruption in supply. To meet the growing demand of CNG, domestic PNG and PNG demand of commercial & industrial consumers, the Company is procuring increasing quantity of RLNG which is much higher priced than APM. In this regard, the Company has signed agreements with GAIL and BPCL and further entered into framework agreements with Shell, British Gas and GSPC. Presently, only limited 0.15 mmscmd of KGD6 gas is being supplied by RIL. However, the Company shall continue to endeavour for more domestic gas from RIL, ONGC and others. The Company is fully aware of the challenge to keep the overall procurement cost of gas down in order to supply CNG and PNG at competitive price.

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

PERFORMANCE REVIEW- CNG & PNG

Both CNG & PNG business have performed well during the year 2010-11. On an overall basis, sales volume has shown a growth of 27.50% over the previous year.

During the year, CNG sales volume has increased to 817.76 MMSCM from 695.13 MMSCM in the previous year and PNG sales volume has increased to 179.89 MMSCM from 87.31 MMSCM in the previous year showing a growth of 17.6% and 106% respectively.

The Company has a network of 278 stations for supply of CNG as on March 31, 2011. The estimated number of vehicles using CNG was over 4.30 lakhs in March 2011 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 2.45 lakhs domestic and more than 500 commercial & industrial customers as on March 31, 2011.

FINANCIAL PERFORMANCE

Gross turnover of Rs. 1951.50 crores for the year ended March 31, 2011 showed a growth of 60.86% over the previous year turnover of Rs.1213.13 crores.

During the year the cost of Natural Gas purchased was Rs.984.30 crores (1046.15 MMSCM) as compared to Rs.494.90 crores (829.80 MMSCM) in the previous year. The increase is due to both increase in volume and also due to substantial increase in APM gas cost by MOP&NG w.e.f. June 8, 2010 which was passed on to the customers.





Profit before tax has been Rs.385.71 crores as against Rs.324.44 crores in the previous year. Profit after tax has been Rs. 259.77 crores as compared to Rs. 215.50 crores in the previous year.

The Company is meeting its fund requirement through internal accruals and borrowings from the banks. The total bank borrowings as on March 31, 2011 are Rs. 346.50 crores.

SHARE CAPITAL

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

RESERVES & SURPLUS

Reserves & Surplus of the Company was Rs. 863.86 crores as at March 31, 2011 as against Rs. 685.45 crores as at March 31, 2010.

NETWORTH

The networth of the Company was Rs.1003.86 crores as at March 31, 2011 as against Rs.825.45 crores as at March 31, 2010.

EARNING PER SHARE

Earning per share for the financial year 2010-11 has been Rs. 18.55 compared to Rs. 15.39 in the previous year.

INTEREST AND FINANCE CHARGES

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

INTERNAL CONTROLS

The Company has adequate internal control procedures commensurate with its size and nature of its business. During the financial year 2010-11, M/s S.S. Kothari Mehta & Co., Chartered Accountants carried out internal audits and the internal audit reports prepared by them were placed before the Audit Committee.

HUMAN RESOURCES

The Company recognizes that the challenges of the future can be best met with a competent and motivated human resource. The Company 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 objective. The Company recognizes and appreciates the contribution of all its employees in its growth path.

ENVIRONMENT CONSCIOUSNESS

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



Mr. Rajesh Vedvyas, Managing Director, IGL signs MoU with the MD of Kohler India Corp. Pvt. Ltd. to promote gas based power generation for domestic, industrial and commercial uses.



AUDITORS' REPORT TO THE MEMBERS OF INDRAPRASTHA GAS LIMITED

1. We have audited the attached Balance Sheet of **Indraprastha Gas Limited** ("the Company") as at 31 March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2011;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors, as on 31 March, 2011 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 015125N)

sd/-

JITENDRA AGARWAL

Partner
(Membership No. 87104)

Place: New Delhi
Date: 30 May, 2011





ANNEXURE TO THE AUDITORS' REPORT

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

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



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

- a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There are no undisputed amounts payable in respect of these statutory dues which have remained outstanding as at 31 March, 2011 for a period of more than six months from the date they became payable. We were informed that the operations of the Company during the year did not give rise to any liability for Wealth Tax.
- b. The dues of Income Tax and Sales Tax, which have not been deposited by the company on account of various disputes are as follows:

Name of statute	Nature of dues	Amount demanded (Rs. Lacs)	Amount paid under protest (Rs. Lacs)	Period to which the amount	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.43	0.72	Assessment Year 2001-2002	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax	0.27	-	Assessment Year 2002-2003	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	131.89	17.47	Assessment Year 2003-2004	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	55.81	-	Assessment Year 2003-2004	Remanded back by CIT (Appeals) to Assessing Officer
Income Tax Act, 1961	Income Tax	112.37	48.00	Assessment Year 2004-2005	Remanded back by Commissioner of Income Tax (Appeals), Delhi to Assessing Officer
Income Tax Act, 1961	Income Tax	380.40	380.40	Assessment Year 2005-2006	Remanded back by Commissioner of Income Tax (Appeals), Delhi to Assessing Officer
Income Tax Act, 1961	Income Tax	7.40	7.40	Assessment Year 2006-2007	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	218.99	180.21	Assessment Year 2007-2008	Remanded back by Commissioner of Income Tax (Appeals), Delhi to Assessing Officer
Income Tax Act, 1961	Income Tax	299.62	299.62	Assessment Year 2008-2009	Commissioner of Income Tax (Appeals)
UP Trade Tax Act, 1948	Trade Tax	66.11	42.22	2007-08	UP Trade Tax Tribunal



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

- (xi) The Company does not have any accumulated losses and has not incurred cash losses during the current financial year and the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks. The Company has not taken any loans from financial institutions and has not issued any debentures.
- (xiii) According to the information and explanations given to us and the records of Company examined by us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used during the year for long term investment.
- (xvii) According to information and explanation given to us and the records of the Company examined by us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

Place: New Delhi
Date: 30 May, 2011

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





BALANCE SHEET AS AT MARCH 31, 2011

PARTICULARS	Schedule Reference	As at 31.03.2011 (Rs. Lakhs)	As at 31.03.2010 (Rs. Lakhs)
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share capital	1	14,000.02	14,000.02
Reserves and surplus	2	86,386.19	68,544.94
		100,386.21	82,544.96
LOAN FUNDS			
	3		
Secured loans		30,215.46	-
Unsecured loans		4,434.28	-
		34,649.74	-
DEFERRED TAX LIABILITY	4	4,076.87	2,381.46
DEPOSIT FROM CUSTOMERS		11,680.18	5,522.25
(Refer Note 6 of Schedule 17)		150,793.00	90,448.67
APPLICATION OF FUNDS			
FIXED ASSETS (At cost)			
	5		
Gross block		171,604.53	110,529.80
Less: Accumulated depreciation		55,659.62	45,389.03
Net block		115,944.91	65,140.77
Capital work in progress (Includes capital advances and capital inventory)		34,231.22	18,261.76
		150,176.13	83,402.53
INVESTMENTS	6	4,163.65	1,701.57
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	3,589.94	2,781.37
Sundry debtors	8	7,448.58	3,349.07
Cash and bank balances	9	1,731.23	12,125.37
Other current assets	10	1,410.12	602.14
Loans and advances	11	8,147.13	6,863.57
		22,327.00	25,721.52



BALANCE SHEET AS AT MARCH 31, 2011

Particulars	Schedule Reference	As at 31.03.2011 (Rs. Lakhs)	As at 31.03.2010 (Rs. Lakhs)
LESS: CURRENT LIABILITIES AND PROVISIONS	12		
Current liabilities		17,285.52	12,617.57
Provisions		8,588.26	7,759.38
		25,873.78	20,376.95
NET CURRENT ASSETS		(3,546.78)	5,344.57
		150,793.00	90,448.67
Notes forming part of the accounts	17		
Schedules referred to above form an integral part of the Balance Sheet			
In terms of our report attached			
For DELOITTE HASKINS & SELLS Chartered Accountants		For and on behalf of the Board of Directors	
sd/- Jitendra Agarwal Partner		sd/- Rajesh Vedvyas Managing Director	sd/- Manmohan Singh Director (Commercial)
		sd/- S.K. Jain Company Secretary	sd/- Rajesh Agrawal Vice President (Finance)
Place: New Delhi Date: 30 May, 2011		Place: New Delhi Date: 30 May, 2011	



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

PARTICULARS	Schedule Reference	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
INCOME			
Sales			
Compressed natural gas		163,245.28	107,904.13
Less: Discount		1,542.30	950.66
		161,702.98	106,953.47
Less: Excise duty		20,743.32	13,501.25
		140,959.66	93,452.22
Piped Natural Gas		33,447.20	14,359.63
		174,406.86	107,811.85
Other income	13	948.00	2,110.57
		175,354.86	109,922.42
EXPENDITURE			
(Increase)/Decrease in inventories	14	(77.49)	(4.94)
Cost of natural gas purchased (Refer Note 11b of Schedule 17)		98,430.27	49,490.42
Operating and other expenses	15	26,827.94	20,247.98
Interest and finance charges	16	1,316.28	-
Depreciation	5	10,287.14	7,745.16
		136,784.14	77,478.62
PROFIT BEFORE TAX		38,570.72	32,443.80
PROVISION FOR TAX			
Current tax		10,898.47	10,601.97
Deferred tax		1,695.41	292.18
PROFIT AFTER TAX		25,976.84	21,549.65
BROUGHT FORWARD FROM PREVIOUS YEAR		59,373.58	47,325.27
PROFIT AVAILABLE FOR APPROPRIATIONS		85,350.42	68,874.92



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

PARTICULARS	Schedule Reference	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
APPROPRIATIONS			
Proposed dividend		7,000.01	6,300.01
Corporate dividend tax on proposed dividend		1,135.58	1,046.37
Transferred to General Reserve		2,597.68	2,154.96
Balance carried to the Balance Sheet		74,617.15	59,373.58
		<u>85,350.42</u>	<u>68,874.92</u>
Basic/Diluted Earnings Per Share (Rs.)		18.55	15.39

(Refer Note 19 of Schedule 17)

Notes forming part of the accounts 17

Schedules referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

sd/-
Jitendra Agarwal
Partner

For and on behalf of the Board of Directors

sd/-
Rajesh Vedvyas
Managing Director

sd/-
Manmohan Singh
Director (Commercial)

sd/-
S.K. Jain
Company Secretary

sd/-
Rajesh Agrawal
Vice President
(Finance)

Place: New Delhi
Date: 30 May, 2011

Place: New Delhi
Date: 30 May, 2011



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

PARTICULARS	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	38,570.72	32,443.80
Adjustments for:		
Depreciation for the year	10,287.14	7,745.16
Unrealised foreign exchange loss/(gain)	(71.88)	(38.32)
Loss on sale of assets (net)	1.92	16.46
Provision for inventory obsolescence/ Inventory written off	71.86	40.50
Provision for doubtful debts/Bad debts written off	9.48	7.97
Income from short term deposits with Banks	(110.80)	(1,212.00)
Income from mutual fund investments	(197.73)	(326.68)
Interest and finance charges	1,316.28	-
Liabilities/Provisions no longer required, written back	(215.79)	(147.70)
Operating profit before working capital changes	49,661.20	38,529.19
Deposits received during the year (Net)	6,157.93	2,868.33
Adjustments for movement in working capital:		
Increase in inventories	(880.43)	(447.38)
Increase in sundry debtors	(4,108.99)	(169.68)
Increase in other current assets	(609.23)	(398.27)
Increase in loans and advances	(1,270.80)	(798.39)
Increase in trade payables and other payables	4,584.78	4,403.39
Cash generated from operating activities before taxes	53,534.46	43,987.19
Taxes paid (net)	(11,409.18)	(11,257.41)
Net cash from operating activities	42,125.28	32,729.78
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (net of sales)	(77,062.66)	(39,054.13)
Income received from mutual fund investments	197.73	326.68
Income received on short term deposits with Banks	608.74	1,341.73
Net cash used in investing activities	(76,256.19)	(37,385.72)



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

PARTICULARS	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of long-term borrowings	30,000.00	-
Proceeds of short term loans	4,521.74	-
Interest and finance charges paid	(976.51)	-
Dividend and dividend distribution tax paid	(7,346.38)	(6,551.73)
Net cash from/(used) in financing activities	26,198.85	(6,551.73)
Net decrease in cash and cash equivalents	(7,932.06)	(11,207.67)
Cash and cash equivalents as at the beginning of the year	13,826.94	25,034.61
Cash and cash equivalents as at end of the year	5,894.88	13,826.94
Cash and cash equivalents comprise:		
a. Cash in hand	287.28	234.15
b. Balances with Banks	1,443.95	11,891.22
c. Investments in mutual funds	4,163.65	1,701.57
	5,894.88	13,826.94
Balances with banks include:		
a. Balances in unpaid dividend account	47.29	40.54
b. Deposits under lien	-	0.02
	47.29	40.56

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

sd/-
Jitendra Agarwal
Partner

Place: New Delhi
Date: 30 May, 2011

For and on behalf of the Board of Directors

sd/-
Rajesh Vedvyas
Managing Director

sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 30 May, 2011

sd/-
Manmohan Singh
Director (Commercial)

sd/-
Rajesh Agrawal
Vice President
(Finance)





SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	As at 31.03.2011 (Rs. Lakhs)	As at 31.03.2010 (Rs. Lakhs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised capital		
220,000,000 equity shares of Rs. 10 each	<u>22,000.00</u>	<u>22,000.00</u>
Issued, subscribed and paid up		
140,000,160 (Previous year 140,000,160) equity shares of Rs. 10 each, fully paid up	<u>14,000.02</u>	<u>14,000.02</u>
[Of the above, 18,984,351 (Previous year 18,984,351) equity shares of Rs. 10 each were allotted as fully paid up, pursuant to a contract for a consideration other than cash]		
SCHEDULE 2		
RESERVES AND SURPLUS		
General reserve:		
Opening balance	9,171.36	7,016.40
Add: Transferred from Profit and Loss Account	<u>2,597.68</u>	<u>2,154.96</u>
Closing balance	11,769.04	9,171.36
Profit and Loss Account	<u>74,617.15</u>	<u>59,373.58</u>
	<u>86,386.19</u>	<u>68,544.94</u>
SCHEDULE 3		
LOAN FUNDS		
Secured loan		
Term loan from bank (Refer note below)	30,000.00	-
Interest accrued and due	<u>215.46</u>	<u>-</u>
	<u>30,215.46</u>	<u>-</u>
Note: [Secured by charge on movable assets (plant and machinery) of the company both present and future except current assets]		
Unsecured loan		
Short term loan from Banks	<u>4,434.28</u>	<u>-</u>
	<u>4,434.28</u>	<u>-</u>
SCHEDULE 4		
DEFERRED TAX LIABILITY		
Deferred tax liability on:		
Accumulated depreciation	4,309.77	2,579.93
Deferred tax assets on:		
Provision for gratuity	47.88	43.27
Provision for leave encashment	99.01	93.92
Provision for inventory/doubtful debts	<u>86.01</u>	<u>61.28</u>
	<u>232.90</u>	<u>198.47</u>
	<u>4,076.87</u>	<u>2,381.46</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 5

FIXED ASSETS

(Refer Notes 2b, 2c and 2h and 8 of Schedule 17)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 01.04.2010	Additions for the year	Sales /adjustment for the year	As at 31.03.2011	As at 01.04.2010	for the year adjustment	As at 31.03.2011	As at 31.03.2010
Tangible assets								
Leasehold land (Refer note 1)	1,041.80	1,003.71	-	2,045.51	247.42	30.36	277.78	794.38
Buildings (Refer note 2)	16,769.58	6,893.29	-	23,662.87	2,392.37	785.06	3,177.43	14,377.21
Plant and machinery	91,151.33	52,881.09	0.48	144,031.94	41,923.04	9,251.72	51,174.64	49,228.29
Furniture, fixtures and fittings	624.22	128.10	12.04	740.28	200.04	60.36	250.79	424.18
Vehicles	29.66	-	-	29.66	4.10	2.82	6.92	25.56
Data processing equipment	430.66	98.94	6.90	522.70	279.06	60.03	332.27	151.60
Intangible assets								
Computer software	482.55	89.02	-	571.57	343.00	96.79	439.79	139.55
	110,529.80	61,094.15	19.42	171,604.53	45,389.03	10,287.14	55,659.62	65,140.77
Previous year	81,720.31	28,957.08	147.59	110,529.80	37,773.20	7,745.16	45,389.03	43,947.11

Note 1:

Gross block of leasehold land includes land amounting to Rs. 662.12 lakhs (Previous year Rs. 662.12 lakhs) obtained on lease from the Land & Development Office, New Delhi, under licensing arrangement and pending execution of the related lease agreements.

Note 2:

Buildings have been constructed on land acquired on lease from various Government Authorities



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 6

INVESTMENTS

(Refer Note 2d of Schedule 17)

Current investments (Unquoted-Non Trade)

Mutual Fund Scheme	As at 31.03.2011		As at 31.03.2010	
	Units	Value	Units	Value
	No.	(Rs. Lakhs)	No.	(Rs. Lakhs)
IDFC Liquid Plus / Money Manager - Treasury Plan C	-	-	17,013,151	1,701.57
Reliance Liquid Plus/ Money Manager Fund	129,886	1,300.64	-	-
TATA Floater Fund	25,079,685	2,516.90	-	-
UTI Treasury Advantage Fund	34,603	346.11	-	-
	25,244,174	4,163.65	17,013,151	1,701.57

Units purchased and sold during the year

Mutual Fund Scheme	Purchased Units	Sales Units
Axis Liquid Fund	72,523	72,523
Birla Cash Manager	33,707,695	33,707,695
Birla Sunlife Savings Fund	6,496,409	6,496,409
Canara Robeco Treasury Advantage Fund	51,689,794	51,689,794
DSP Floating Rate Fund	546,334	546,334
DWS Liquid Plus/DWS Ultra Short Term Fund - IP	126,150,045	126,150,045
Franklin Templeton Ultra Short Term Fund	95,501,466	95,501,466
HDFC - FRIF - STF - WP	39,730,756	39,730,756
HDFC Cash Management - Treasury Fund	75,405,396	75,405,396
ICICI Prudential Flexible Income Plan	828,680	828,680
IDFC Liquid Plus / Money Manager - Treasury Plan C	13,411	17,026,562
JP Morgan Liquid Fund	22,022,529	22,022,529
JP Morgan Liquid Plus Fund	91,554,137	91,554,137
Kotak Flexi Debit Scheme-Daily Dividend	108,133,765	108,133,765
Kotak Floater Long Term	91,402,253	91,402,253
L&T Mutual Fund	65,364,399	65,364,399
Principal Near Term Fund	59,330,397	59,330,397
Reliance Liquid Plus/Money Manager Fund	742,924	613,038
Reliance Liquidity Fund	15,405,089	15,405,089
Reliance Medium Term Fund	11,191,365	11,191,365
Tata Floater Fund	46,553,239	21,473,554
UTI Treasury Advantage Fund	574,918	540,315
	942,417,524	934,186,501



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	As at 31.03.2011 (Rs. Lakhs)	As at 31.03.2010 (Rs. Lakhs)
SCHEDULE 7		
INVENTORIES (Refer Note 2e of Schedule 17)		
CNG and natural gas	120.82	43.33
Stores and spares	3,701.12	2,897.36
	<u>3,821.94</u>	<u>2,940.69</u>
Less: Provision for obsolescence	232.00	159.32
	<u>3,589.94</u>	<u>2,781.37</u>
SCHEDULE 8		
SUNDRY DEBTORS		
Secured - Considered good		
Exceeding six months	5.62	0.26
Others	1591.32	750.11
	<u>1,596.94</u>	<u>750.37</u>
Unsecured		
Exceeding six months		
-Considered good	69.37	36.48
-Considered doubtful	33.05	25.15
	<u>102.42</u>	<u>61.63</u>
Less: Provision for doubtful debts	33.05	25.15
	<u>69.37</u>	<u>36.48</u>
Others considered good	5,782.27	2,562.22
	<u>5,851.64</u>	<u>2,598.70</u>
	<u>7,448.58</u>	<u>3,349.07</u>
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in hand	287.28	234.15
Balances with Scheduled Banks		
- On current accounts	1,443.95	735.21
- On fixed deposit accounts	-	11,156.01
[Including under lien Rs. Nil (Previous year Rs. 1,500)]	<u>1,731.23</u>	<u>12,125.37</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	As at 31.03.2011 (Rs. Lakhs)	As at 31.03.2010 (Rs. Lakhs)
SCHEDULE 10		
OTHER CURRENT ASSETS (Unsecured, considered good)		
Income accrued but not due	1,211.37	602.14
Deferred premium (foreign exchange forward contract)	198.75	-
	<u>1,410.12</u>	<u>602.14</u>
SCHEDULE 11		
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received (Refer note below)	4,524.10	3,066.28
Security deposits	483.22	402.07
Interest accrued but not due on fixed deposits with banks	-	497.94
Balance with excise authorities	745.12	1,013.29
Advance tax (Net of provision for tax Rs. 62,494.05 lakhs (Previous year Rs. 51,595.58 lakhs)	2,394.69	1,883.99
	<u>8,147.13</u>	<u>6,863.57</u>
Note:		
Includes amounts due from directors of the company	-	-
Maximum amount outstanding at any time during the year	0.95	0.92
SCHEDULE 12		
CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Sundry creditors (Refer note 1 below)	16,740.30	12,167.83
Interest accrued but not due on unsecured loans	17.98	-
Unclaimed dividend (Refer note 2 below)	47.29	40.54
Other liabilities	479.95	409.20
	<u>17,285.52</u>	<u>12,617.57</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	As at 31.03.2011 (Rs. Lakhs)	As at 31.03.2010 (Rs. Lakhs)
Notes		
1. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.		
2. There is no amount due and outstanding at the year end to be credited to Investors Education and Protection Fund.		
Provisions		
Proposed dividend	7,000.01	6,300.01
Corporate dividend tax on proposed dividend	1,135.58	1,046.37
Gratuity	147.56	130.26
Leave encashment	305.11	282.74
	<u>8,588.26</u>	<u>7,759.38</u>
	<u>25,873.78</u>	<u>20,376.95</u>
	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
SCHEDULE 13		
OTHER INCOME		
Interest on short term deposits with banks [Tax deducted at source Rs. 17.40 lakhs (Previous year Rs. 180.85 lakhs)]	110.80	1,212.00
Income from mutual fund investments (current non trade investments)	197.73	326.68
Liabilities/ Provision no longer required, written back	215.79	147.70
Foreign exchange gain (Net)	219.41	133.20
Miscellaneous income	204.27	290.99
	<u>948.00</u>	<u>2,110.57</u>
SCHEDULE 14		
(INCREASE)/DECREASE IN INVENTORIES		
Closing stock of CNG and Natural Gas	120.82	43.33
Opening stock of CNG and Natural Gas	43.33	38.39
	<u>(77.49)</u>	<u>(4.94)</u>



SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
SCHEDULE 15		
OPERATING AND OTHER EXPENSES		
Operating expenses at CNG stations	5,203.34	3,418.97
Dealers' commission	1,580.74	1,062.62
Stores and spares consumed	2,698.38	2,319.82
Power and fuel	3,368.75	2,706.20
Rent	1,022.82	1,012.93
Hire charges		
-Vehicle	1,353.22	1,049.48
-Equipment	133.18	223.01
Rates and taxes	130.25	52.08
Repairs and maintenance		
-Buildings	602.72	381.15
-Plant and machinery	3,441.07	2,079.43
-Others	119.46	97.76
Personnel expenses (Refer Note 9 of Schedule 17)		
-Salaries, wages and bonus	3,246.09	2,717.07
-Contribution to provident and other funds	128.05	103.01
-Welfare expenses	417.21	257.44
Insurance	122.07	92.48
Legal and professional charges (Refer Note 13 of Schedule 17)	609.34	693.79
Travel and conveyance	230.00	212.11
Advertisement expenses	180.12	162.73
Security expenses	875.71	540.38
Loss on assets sold or discarded	1.92	16.46
Provision for doubtful debts/ Bad debts written off	9.48	7.97
Provision for inventory obsolescence/ Inventory written off	71.86	40.50
Bank charges	373.69	299.89
Other expenses	908.47	700.70
	26,827.94	20,247.98
SCHEDULE 16		
INTEREST AND FINANCE CHARGES		
Interest on fixed loans	1,206.50	-
Other finance charges	109.78	-
	1,316.28	-



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 17

1. Background

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

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

2. Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company. The significant accounting policies are as follows:

a. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements. Actual results in future could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

b. Fixed assets

- i. Fixed assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation and are net of recoveries from PNG customers towards the cost of installation of PNG pipeline network.
- ii. 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.
- iii. Gas distribution systems are commissioned on commencement of supply of gas to consumers. In the case of commissioned assets where final payment to the contractors is pending, capitalisation is made on an estimated basis pending receipt of final bills from the contractors, and subject to adjustment in cost and depreciation in the year of final settlement.
- iv. Insurance spares are capitalised with the cost of plant and machinery and depreciated over the useful life of the respective asset.
- v. Capital inventory represents items of capital nature lying in the stores and valued at cost.
- vi. Intangible assets comprise Computer software/license.
- vii. 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 profit and loss account 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.



SCHEDULES FORMING PART OF THE ACCOUNTS

c. Depreciation and amortisation

(Also refer to Note 5)

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

Asset class	Depreciation/Amortisation
Mother Compressors, Online Compressors and Booster Compressors	7 years
Leasehold land	Over the period of lease
Bunkhouses	5 years
Signages	10 years
Intangibles	5 years
All other assets	Rates prescribed under Schedule XIV to the Companies Act, 1956

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

d. Investments

Current investments are stated at the lower of cost or fair value.

e. Inventories

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

f. Revenue recognition

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

g. Foreign currency transactions

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

h. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an eligible capital asset is capitalised as a part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

i. Employee benefits

Incremental liabilities in respect of gratuity, leave encashment and sick leave are provided on the basis of actuarial valuation as at the balance sheet date and are charged to the profit and loss account. Contributions for provident fund are charged to the profit and loss account as incurred. Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.



SCHEDULES FORMING PART OF THE ACCOUNTS

j. Operating leases

Lease rentals are recognised as an expense in the profit and loss account on straight-line basis over the term of the lease.

k. Taxation

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

l. Earnings per share

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

m. Provisions and contingencies

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

n. Deposits with Government Agencies, Local Authorities and Other Electricity Companies

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

3. Contingent liabilities

a. Income Tax cases

In respect of Assessment Year 2001-02 to Assessment Year 2008-09, the department disallowed certain claims made or set offs availed by the Company. This resulted into adjustments to past carried forward losses aggregating Rs.294.49 lakhs (Previous year Rs.294.49 lakhs) and demands raised aggregating Rs.1,208.18 lakhs (Previous year Rs. 868.26 lakhs) against which company has deposited Rs. 938.07 lakhs (Previous Year Rs. 461.59 lakhs) under protest. The Company has filed appeals against the above which are pending at various stages.

b. Trade Tax case

In respect of Assessment year 2007-08 the Trade Tax Department, Uttar Pradesh has raised a demand of Rs. 66.11 lakhs (Previous year Rs. Nil). The Company has filed appeal against the above which is pending with the authorities.

c. Bank Guarantees

The company's total liability towards un-expired Bank Guarantees is Rs.4,550.81 lakhs (Previous year Rs.2,332.57 lakhs).

4. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.35,684.63 lakhs (Previous year Rs. 45,840.66 lakhs).



SCHEDULES FORMING PART OF THE ACCOUNTS

5. The Company has installed CNG Stations on land leased from various Government authorities under leases for periods ranging from one to five years. However, assets constructed/installed on such land are depreciated generally at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee nonrenewal of the above lease arrangements by the Authorities.
6. Deposits from customers of natural gas, refundable on termination/alteration of the gas sales agreements, are considered as long term funds.
7. **Segment reporting**
The Company operates in a single segment of Natural Gas Business mainly in the National Capital Region and therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.
8. Management has carried out a review of the carrying value of assets as at 31 March, 2011 in accordance with the provisions of Accounting Standard – 28, Impairment of Assets. Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of assets.
9. **Managerial remuneration**
 - a. Managerial Remuneration to Whole Time Directors (including Managing Director)

Particulars	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
Salary and allowances	50.97	44.77
Perquisites	15.31	8.86
Contribution to provident and other funds*	7.23	3.44
	73.51	57.07

* Does not include provisions for employee retirement benefits, which are based on actuarial valuation carried out on overall Company basis.

Note:

Managerial Remuneration does not include Rs.19.40 lakhs(Previous year Rs. 18.00 lakhs) payable to Managing Director and Whole Time Director as commission on profit based on the period of directorship held during the financial year ended on 31 March, 2011, since the amount will be paid to their parent organisation as per their advice.

- b. Managerial Remuneration to Non-Wholetime Directors:

Particulars	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
Commission on profit to Non-Whole Time Directors/their parent organization	58.20	48.75

Note:

Commission on profits includes Rs. 29.10 lakhs (Previous year Rs. 27.00 lakhs) payable to Non Whole Time Directors based on the period of directorship held during the financial year ended on 31 March, 2011 payable to their parent organisation as per their advice.



SCHEDULES FORMING PART OF THE ACCOUNTS

c. Computation of net profit in accordance with Section 349 of the Companies Act, 1956 in respect of Managerial Remuneration.

Particulars	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
Profit Before Tax as per Profit and Loss Account	38,570.72	32,443.80
Add :		
Depreciation as per books of account	10,287.14	7,745.16
Provision for doubtful debts/advance	7.90	7.97
	48,865.76	40,196.93
Less :		
Depreciation under section 350 of the Companies Act	10,287.14	7,745.16
Profit on sale of investment (net)	197.73	326.68
	38,380.89	32,125.09
Add :		
Remuneration to Whole-Time Directors	73.51	57.07
Commission to Whole-Time Directors/ their parent organization	19.40	18.00
Commission to Non Whole-time directors/ their parent organization	58.20	48.75
	38,532.00	32,248.91
Net Profit as per section 349		
Commission on profit to Whole-time directors/ their parent organization	19.40	18.00
Commission on profit to Non Whole-time directors/their parent organization	58.20	48.75
	77.60	66.75
Maximum Commission payable to directors @ 0.5% of Net Profit as per shareholders resolution dated 22 July, 2008	192.66	161.24

10. 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.1,246.19 lakhs (Previous year Rs.1,135.74 lakhs). Lease obligations under non-cancellable periods are as follows:

Particulars	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
Amounts payable in next one year	2,262.00	1,207.47
Amounts payable in next two to five years	-	1,121.19
Amounts payable over 5 years	-	-

11. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI of the Companies Act, 1956

a. Licensed and installed capacity

The Company is operating on the basis of allocation of 2.70 Million Metric Standard Cubic Meters per day (MMSCMD) (Previous year 2.70 MMSCMD) of natural gas on firm basis by the order from Ministry of Petroleum & Natural Gas.





SCHEDULES FORMING PART OF THE ACCOUNTS

b. Information regarding purchases, sales and stock

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Quantity	Amount (Rs. Lakhs)	Quantity	Amount (Rs. Lakhs)
Opening stock:				
Natural Gas (SCM)	257,457	13.54	234,956	12.58
CNG (SCM)	411,208	29.79	368,342	25.81
	668,665	43.33	603,298	38.39
Purchases of Natural Gas (SCM)	1,046,149,554	98,430.27	829,803,976	49,490.42
Sales:				
PNG (SCM)	179,889,872	33,447.20	87,310,564	14,359.63
CNG (SCM)	817,756,435	161,702.98	695,127,167	106,953.47
CNG (Kgs)	(609,878,027)		(522,713,698)	
	997,646,307	195,150.18	782,437,731	121,313.10
Internal consumption	34,506,554	3,032.46	34,274,592	1,779.42
Closing stock:				
Natural Gas (SCM)	425,790	60.85	257,457	13.54
CNG (SCM)	510,069	59.97	411,208	29.79
	935,859	120.82	668,665	43.33

Notes:

1. Difference in opening stock, purchases, sales and closing stock of gas quantities is on account of measurement tolerance and normal loss of 13,729,499 SCM (Previous year 13,026,286 SCM).
2. Natural gas is purchased in SCM and Compressed Natural Gas is sold in Kgs.
3. Sale of CNG is net of discounts and gross of excise duty.

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

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Amount (Rs. Lakhs)	%	Amount (Rs. Lakhs)	%
Stores and spares				
Imported	478.73	18	583.34	25
Indigenous	2,219.65	82	1,736.48	75
	2,698.38	100	2,319.82	100

12. CIF value of imports

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Amount (Rs. Lakhs)		Amount (Rs. Lakhs)	
Capital goods	15,484.93		5,721.84	
Spares and components	816.57		581.98	
	16,301.50		6,303.82	



SCHEDULES FORMING PART OF THE ACCOUNTS

13. Auditors' remuneration*

Legal and professional expenses include:

Particulars	Year ended 31.03.2011 (Rs.Lakhs)	Year ended 31.03.2010 (Rs.Lakhs)
Statutory Audit:		
- Audit fee	12.00	10.00
- Limited review	4.50	3.75
Other services	1.00	1.00
Reimbursement of expenses	0.30	0.20
	17.80	14.95
* Excluding service tax		

14. Expenditure in foreign currency

Particulars	Year ended 31.03.2011 (Rs.Lakhs)	Year ended 31.03.2010 (Rs.Lakhs)
Travelling	10.06	6.53
Others	50.21	117.95
	60.27	124.48

15. Earnings in foreign currency

Particulars	Year ended 31.03.2011 (Rs.Lakhs)	Year ended 31.03.2010 (Rs.Lakhs)
Sale of tender documents	0.74	1.73

16. Foreign currency exposure:

- As at 31 March, 2011 the company has outstanding forward contracts for imports amounting to USD 99.31 lakhs equivalent to Rs. 4,434.28 lakhs (Previous year Nil) to hedge its foreign currency exposure.
- Premium on account of forward exchange contracts to be recognised in Profit and Loss Account of subsequent accounting period aggregates Rs. 198.75 lakhs (Previous year Rs. Nil).
- The Company's foreign currency exposure on accounts payable not hedged by a derivative instrument or otherwise as at 31 March, 2011 is as follows:



SCHEDULES FORMING PART OF THE ACCOUNTS

Currency	31.03.2011		31.03.2010	
	Amount in (FCY Lakhs)	Amount in (Rs. Lakhs)	Amount in (FCY Lakhs)	Amount in (Rs. Lakhs)
USD	30.49	1,361.27	30.21	1,363.73
EURO	1.11	69.93	1.01	61.45
NZD	0.03	1.22	-	-
		1,432.42		1,425.18

17. Disclosure pursuant to Accounting Standard 15 (revised 2005) on 'Employee Benefits'

a. Gratuity plan

The gratuity liability arises on retirement, withdrawal, 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.

b. 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 account as income or expense.

c. The following tables set out the status of the unfunded gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2011:

S.No.	Particulars	Year ended 31.03.2011 (Rs. Lakhs)	Year ended 31.03.2010 (Rs. Lakhs)
i.	Change in benefit obligations:		
	a. Present value of obligations at the beginning of the year	130.26	77.56
	b. Current service cost	29.38	29.05
	c. Interest cost	10.81	5.82
	d. Past service cost	0.22	-
	e. Actuarial (gain)/loss on obligation	(18.53)	20.64
	f. Benefits paid	(4.58)	(2.81)
	Present value of obligations	147.56	130.26
ii.	Expenses recognised in the profit and loss account:		
	a. Current service cost	29.38	29.05
	b. Past Service Cost	0.22	-
	c. Interest cost	10.81	5.82
	d. Actuarial (gain)/loss recognised during the year	(18.53)	20.64
	Expense charged to the profit and loss account	21.88	55.51
iii.	Balance sheet reconciliation		
	a. Opening net liability	130.26	77.56
	b. Expenses charged to the profit and loss account	21.88	55.51
	c. Benefits paid	(4.58)	(2.81)
	Closing liability	147.56	130.26



SCHEDULES FORMING PART OF THE ACCOUNTS

iv. Principal actuarial assumptions:

S.No.	Particulars	Refer note below	Year ended 31.03.2011	Year ended 31.03.2010
i.	Discount rate (p.a.)	1	8.30%	7.50%
ii.	Salary escalation rate (p.a.)	2	6.00%	6.00%

Notes:

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

Demographic assumptions:

- Retirement age 60 years
- Mortality rate Published rates under LIC (1994-96) mortality tables

18. Related Party Transactions

a. List of related parties

Promoter Venturer

- GAIL (India) Limited
- Bharat Petroleum Corporation Limited

Key management personnel (KMP)

- Mr. Rajesh Vedvyas - Managing Director
- Mr. Manmohan Singh - Director Commercial

b. Transactions / balance outstanding with Related Parties:

S.No.	Nature of transaction	Year ended 31.03.2011 (Rs. in lakhs)	Year ended 31.03.2010 (Rs. in lakhs)
1.	GAIL (India) Limited		
	Purchase of natural gas (including service tax cenvatable and VAT)	83,588.06	45,046.33
	Salaries, allowances and other related payments	37.10	46.31
	Reimbursement of expenses	11.70	14.28
	Security deposit	2.00	(326.19)
	Interest on security deposit	--	(9.06)
	Other expenses	18.70	15.30
	Balance payable	(4,052.33)	(2,708.08)



SCHEDULES FORMING PART OF THE ACCOUNTS

S.No.	Nature of transaction	Year ended 31.03.2011 (Rs. in lakhs)	Year ended 31.03.2010 (Rs. in lakhs)
2.	Bharat Petroleum Corporation Limited		
	Sale of CNG (Gross)	10,906.33	7,570.02
	Salaries, allowances and other related payments	36.41	45.96
	Advance for natural gas & diesel	0.45	0.45
	Reimbursement of expenses	640.89	546.01
	Purchases of natural gas	11,358.35	2,687.85
	Purchases of lubricants	120.77	109.06
	Commission income for sale of lubricant	0.50	0.53
	Other expenses	19.20	16.20
	Balance receivable/(Payable)	(363.59)	196.14
3.	Key Management Personnel-Remuneration		
	Mr. Rajesh Vedvyas	37.10	22.57
	Mr. Manmohan Singh	36.41	34.50

19. Earnings per share

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net profit attributable to Shareholders (in Rs. lakhs)	25,976.84	21,549.65
Weighted average number of equity shares (Nos.)	140,000,160	140,000,160
Nominal value per share (in Rs.)	10	10
Basic earnings per share of Rs. 10 each (in Rs.)	18.55	15.39

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.

20. Interest accrued and due Rs.215.46 lakhs (Previous year Rs. Nil) was funded in the bank account on the balance sheet date and same was debited on the next working day by the bank as per their prevailing practice.
21. Corresponding figures of the previous year have been regrouped/ reclassified, wherever considered necessary, to conform to current year figures.
22. Schedules 1 to 17 form an integral part of the financial statements.

For and on behalf of the Board of Directors

sd/-
Rajesh Vedvyas
Managing Director

sd/-
Manmohan Singh
Director (Commercial)

sd/-
S.K. Jain
Company Secretary

sd/-
Rajesh Agrawal
Vice President (Finance)

Place: New Delhi
Date: 30 May, 2011





PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details			
Registration No.	097614	State Code	55
Balance Sheet Date	31-Mar-11		
II. Capital Raised during the year (Amount in Rs Thousands)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)			
Total Liabilities	15,079,300	Total Assets	15,079,300
Sources of Funds			
Paid-up Capital	1,400,002	Reserves and Surplus	8,638,619
Secured Loans	3,021,546	Unsecured Loans	1,611,446
Deferred Tax Liability	407,687		
Application of Funds			
Net Fixed Assets	15,017,613	Investments	416,365
Net Current Assets	(354,678)	Misc. Expenditure	NIL
IV. Performance of the Company (Amount in Rs Thousands)			
Turnover	17,535,486	Total Expenditure (Including Prior Period)	13,678,414
+ - Profit/Loss Before Tax	3,857,072	+ - Profit/Loss After Tax	2,597,684
Earnings per Share in Rs.	18.55	Dividend Rate %	50%
V. Generic Names of Three Principal products/Services of Company (as per monetary terms)			
Item Code No. (ITC Code)	271112100		
Product Description	NATURAL GAS		

For and on behalf of the Board of Directors

sd/-
Rajesh Vedvyas
Managing Director

sd/-
Manmohan Singh
Director (Commercial)

Place: New Delhi
Date: 30 May, 2011

sd/-
S.K. Jain
Company Secretary

sd/-
Rajesh Agrawal
Vice President
(Finance)

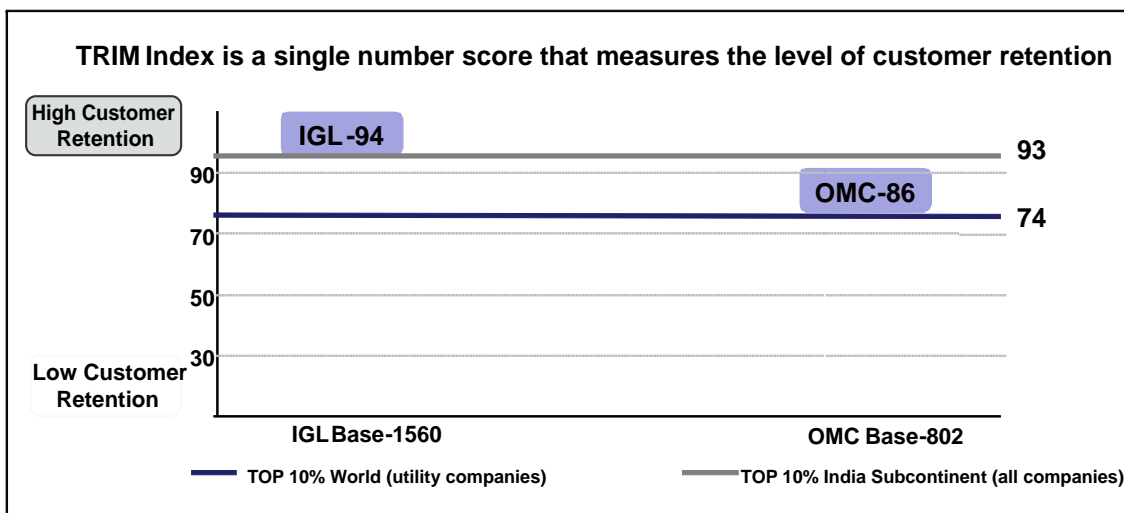




IGL IS AMONG THE BEST GLOBAL UTILITY COMPANIES

LEADING MARKET RESEARCH AGENCY TNS CONCLUDES FROM
ITS CUSTOMER SATISFACTION SURVEY

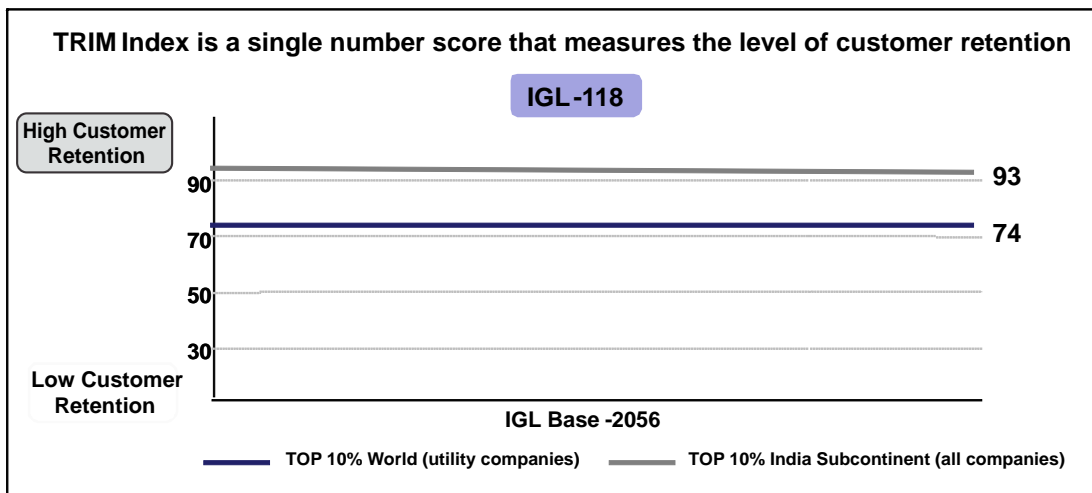
CNG TRIM Index



- ❑ IGL falls in the top 10 percentile of Global utility companies as well as amongst all companies of the subcontinent with a very high TRIM score of 94.
- ❑ Service at IGL outlets rated much better than the benchmark Oil and Marketing Companies (OMC).

Source-Customer Satisfaction Survey conducted for IGL by TNS India Pvt Ltd

PNG TRIM Index



- ❑ The TRIM index for IGL PNG consumers stands at 118 as compared to 74 for Top 10% Global Utility Companies and 93 for Top 10% companies of Indian subcontinent.
- ❑ IGL performs extremely well when pitted against other utility companies with 96% people rating IGL better than other utility companies.

Source-Customer Satisfaction Survey conducted for IGL by TNS India Pvt Ltd





INDRAPRASTHA GAS LIMITED

IGL Bhawan, Plot No. 4, Community Centre, R. K. Puram, Sector-9, New Delhi-110022
www.iglonline.net