

# Consolidated Financial Statement





## INDEPENDENT AUDITOR'S REPORT

To the Members of GAIL (India) Limited

### Report on the Consolidated Financial Statements

1. We have audited accompanying consolidated financial statements of GAIL (India) Ltd. (the "Company") and its subsidiaries, joint ventures and associates (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

5. In our opinion and to the best of our information and according to the explanation gives to us, and based on consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiaries and associates as noted below, give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matters

6. We did not audit the financial statements of subsidiaries, namely, GAIL Global (Singapore) Pte. Ltd., GAIL Global (USA) Inc., Bramhaputra Cracker & Polymers Ltd. and GAIL Gas Ltd., whose financial statements reflect total assets of ₹ 8,362.77 crores as at March 31, 2013, total revenue of ₹ 1,019.28 crores and net cash flows of ₹ 65.46 crores for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amount included in respect of the subsidiaries, is based solely on the reports of the other auditors.

7. We did not audit the financial statements of associates, namely, Fayum Gas, Gujarat State Energy Generation, Natural Gas Company "NATGAS" and China Gas Holding Limited. These financial statements have been audited by other auditors, except for Gujarat State Energy Generation and China Gas Holding Ltd. whose financial statements are unaudited. In the case of audited financial statements, the reports or certificate have been furnished to us. Our opinion, in so far as it relates to the amount included in respect of these associates, is based solely on the reports of the other auditors and unaudited financial statements, as the case may be.

8. In respect of GAIL Global (USA) Inc., Fayum Gas and NATGAS, the Accounts drawn up as at December 31, 2012 and in respect of China Gas Holding Limited, the Accounts drawn up to September 30, 2012, have been used in the consolidation. As per information and explanations given to us, no significant transactions or other events occurred between the reporting date of aforesaid entities and 31st March, 2013, which require adjustment.

9. We did not audit the financial statements of Joint Ventures, whose financial statement reflect total assets of ₹ 44,019.12 crores, total liabilities of ₹ 44,019.12 crores as at March 31, 2013 and total revenue of ₹ 39,431.73 crores, total expenditure of ₹ 36,995.70 crores for the year ended on that date. Our opinion, in so far as it relates to the amount included in respect of these joint ventures, is based on the unaudited Financial Statements except for Petronet LNG Ltd. & Green Gas Limited whose audited financial statements reflects total assets of ₹ 11,235.55 crores, total liabilities of ₹ 11,235.55 crores as at March 31, 2013 and total revenue of ₹ 31,679.95 crores, total expenditure of ₹ 29,928.44 crores for the year ended on 31st March 2013.

10. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, viz, "Consolidated Financial Statements" Accounting Standard (AS) 23, viz "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) 27, viz "Financial Reporting of Interests in Joint Ventures", as notified under Companies Accounting Standards Rules, 2006.

### Our opinion is not qualified in respect of other matters.

For **M.L.Puri & Co.**  
Chartered Accountants  
Firm No.: 002312N

For **Rasool Singhal & Co.**  
Chartered Accountants  
Firm No.: 500015N

**Navin Bansal**  
(Partner)  
Membership No.: 91922

**Sandeep Gupta**  
(Partner)  
Membership No.: 413890

Place: New Delhi  
Dated: May 28, 2013



## Consolidated Balance Sheet as at 31st March, 2013

(₹. in Crores)

	Note NO.	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
a) Share Capital	1	<b>1,268.48</b>	1,268.48
b) Reserves and Surplus	2	<b>27,526.18</b>	23,646.05
		<b>28,794.66</b>	24,914.53
<b>(2) Minority Interest</b>			
		<b>1,456.62</b>	981.99
<b>(3) Non Current Liabilities</b>			
a) Long Term Borrowings	3	<b>13,168.36</b>	9,340.96
b) Deferred Tax Liability (Net)	47	<b>2,426.49</b>	1,864.99
c) Other Long-term Liabilities	4	<b>749.84</b>	311.79
d) Long-term Provisions	5	<b>368.32</b>	346.22
		<b>16,713.01</b>	11,863.96
<b>(4) Current Liabilities</b>			
a) Short Term Borrowings	6	<b>2,332.70</b>	1,512.31
b) Trade Payables	7	<b>3,418.77</b>	2,679.96
c) Other Current Liabilities	8	<b>5,413.44</b>	4,657.99
d) Short-term Provisions	9	<b>1,657.35</b>	1,260.81
		<b>12,822.26</b>	10,111.07
	<b>TOTAL</b>	<b>59,786.55</b>	47,871.55
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed Assets			
(i) Tangible Assets	10	<b>23,567.99</b>	19,846.06
(ii) Intangible Assets	10	<b>735.41</b>	311.20
(iii) Capital Work in Progress	11	<b>18,376.08</b>	14,704.52
		<b>42,679.48</b>	34,861.78
b) Non-current Investments	12	<b>999.93</b>	1,034.53
c) Long-term loans and advances	13	<b>4,243.34</b>	3,121.30
d) Other non-current assets	14	<b>684.98</b>	302.79
		<b>48,607.73</b>	39,320.40



(₹. in Crores)

	Note NO.	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>(2) Current Assets</b>			
a) Current Investments	15	<b>253.59</b>	148.90
b) Inventories	16	<b>1,897.78</b>	1,725.65
c) Trade receivables	17	<b>2,767.23</b>	2,269.13
d) Cash and cash equivalents	18	<b>3,064.62</b>	1,446.22
e) Short-term loans and advances	19	<b>3,104.39</b>	2,745.85
f) Other current assets	20	<b>91.21</b>	215.40
		<b>11,178.82</b>	8,551.15
	<b>TOTAL</b>	<b>59,786.55</b>	47,871.55

The accompanying notes 1 to 52 form an integral part of Financial Statements.

For and on behalf of the Board of Directors

**N.K.Nagpal**  
Secretary

**P.K.Jain**  
Director(Finance)

**R. D. Goyal**  
Director (Projects)

**B. C. Tripathi**  
Chairman & Managing Director

**As per our separate Report of even date**

For **M/S M L Puri & Co.**  
Chartered Accountants  
Firm No. 02312 N

**Navin Bansal**  
(Partner)  
Membership No. 91922

For **M/S Rasool Singhal & Co..**  
Chartered Accountants  
Firm No. 500015 N

**Sandeep Gupta**  
(Partner)  
Membership No. 413890

Place: New Delhi  
Dated: May 28, 2013



## Consolidated Statement of Profit & Loss for the year ended 31st March, 2013

(₹. in Crores)

	Note NO.	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
I. Revenue from Operations (Gross)	21	51,939.58	44,903.86
Less: Excise Duty		(845.15)	(678.91)
Revenue from Operations (Net)		51,094.43	44,224.95
II. Other Income	22	829.28	698.37
III. <b>Total Revenue (I+II)</b>		<b>51,923.71</b>	<b>44,923.32</b>
IV. Expenses			
Raw Material consumed		3,055.47	2,797.76
Purchase		35,022.49	29,304.73
(Increase) / decrease in Inventories of Finished Goods, Work in Progress & Stock in trade			
Opening Stock		890.54	392.78
Less: Closing Stock		(948.33)	(890.54)
		(57.79)	(497.76)
Employee benefits expense	23	851.40	698.12
Finance Cost	24	437.31	366.43
Depreciation and amortization expenses	25	1,318.68	1,040.59
Other Expenses	26	4,738.30	4,858.61
<b>Total Expenses</b>		<b>45,365.86</b>	<b>38,568.48</b>
V. <b>Profit before Tax</b>		<b>6,557.85</b>	<b>6,354.84</b>
VI. Tax Expenses			
1. Current Tax			
- Current Year		1,720.29	1,681.35
- Earlier Year		(33.17)	122.33
2. Deferred Tax		554.06	150.33
<b>Total tax expenses</b>		<b>2,241.18</b>	<b>1,954.01</b>
VII. <b>Profit after Tax</b>		<b>4,316.67</b>	<b>4,400.83</b>
Add: Share of Profit / (Loss) in Associated for the year		50.66	42.78
Less: Share of Minority		(6.27)	-
VIII. <b>Group Profit after Tax</b>		<b>4,373.60</b>	<b>4,443.61</b>
<b>Details of Earning Per Share (Face Value ₹ 10/- each)</b>			
- Basic Earning Per Share (₹.)		34.48	35.03
- Diluted Earning Per Share (₹.)		34.48	35.03
Expenditure during Construction Period	27		
Prior Period Adjustments	28		

The accompanying notes 1 to 52 form an integral part of Financial Statements.

There are no exceptional or extraordinary items or discontinuing operations in the above period.

For and on behalf of the Board of Directors

As per our separate Report of even date

**N.K.Nagpal** Secretary  
**P.K.Jain** Director (Finance)  
**R. D. Goyal** Director (Projects)  
**B. C. Tripathi** Chairman & Managing Director

For **M/S M L Puri & Co.**  
Chartered Accountants  
Firm No. 02312 N

For **M/S Rasool Singhal & Co..**  
Chartered Accountants  
Firm No. 500015 N

**Navin Bansal**  
(Partner)  
Membership No. 91922

**Sandeep Gupta**  
(Partner)  
Membership No. 413890

Place: New Delhi  
Dated: May 28, 2013



## Notes to Consolidated Financial Statements for the year ended 31st March, 2013

### Note 1 : Share Capital

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>AUTHORISED</b>		
200,00,00,000 (Previous Year : 200,00,00,000) Equity Shares of ₹.10/-each.	<u>2,000.00</u>	<u>2,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
126,84,77,400 (Previous Year : 126,84,77,400) Equity Shares of ₹.10/- each fully paid up.	<u>1,268.48</u>	<u>1,268.48</u>
<b>TOTAL</b>	<u>1,268.48</u>	<u>1,268.48</u>

#### a) Details of Shareholders holding more than 5% shares in the company

	31 <sup>ST</sup> MARCH, 2013		31 <sup>ST</sup> MARCH, 2012	
	Numbers	% Holding	Numbers	% Holding
Equity shares of ₹.10/- each fully Paid Up				
(i) President of India (Promoter)	<b>727,405,675</b>	<b>57.34%</b>	727,405,675	57.34%
(ii) Life Insurance Corporation of India	<b>95,124,727</b>	<b>7.49%</b>	91,927,049	7.25%

b) The Company has only one class of equity shares having a par value Rs.10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the shareholders meetings.

c) 132,98,622 shares are held in the form of Global Depository Receipts

d) During the year 2008-09, the company had issued 42,28,25,800 Bonus Equity shares of ₹.10/- each out of General Reserve.



**Note 2 : Reserves and Surplus**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>Capital Reserve</b>		
As per Last Financial Statements	1,503.54	885.99
Add : Transferred from statement of Profit & Loss / Fund received	1,098.31	617.66
Less : Transferred to statement of Profit & Loss	<u>(0.11)</u>	<u>(0.11)</u>
	<b>2,601.74</b>	1,503.54
<b>Share Premium Account</b>	<b>14.70</b>	14.70
<b>Investment Allowance (Utilised) Reserve</b>		
As per Last Financial Statements	-	17.87
Less : Transferred to General Reserve	<u>-</u>	<u>(17.87)</u>
	<b>-</b>	-
<b>Bonds Redemption Reserve</b>		
As per Last Financial Statements	173.64	197.71
Add : Transferred from statement of Profit & Loss	54.57	30.93
Less : Transferred to statement of Profit & Loss	<u>(55.00)</u>	<u>(55.00)</u>
	<b>173.21</b>	173.64
<b>CSR Reserve</b>		
As per Last Financial Statements	-	-
Add : Transferred from statement of Profit & Loss	13.13	-
Less : Transferred to statement of Profit & Loss	<u>-</u>	<u>-</u>
	<b>13.13</b>	-
<b>Foreign Currency Monetary Item Translation Difference Account</b>	<b>2.00</b>	1.35
<b>General Reserve</b>		
As per Last Financial Statements	2,919.72	2,598.32
Add : Transferred from Investment Allowance(Utilised) Reserve	-	17.87
Add : Transferred from statement of Profit & Loss	431.45	392.53
Add : Adjustment due Joint Venture Regrouping (Refer Note No - 42 of Other Notes to accounts)	<u>(174.63)</u>	<u>(89.00)</u>
	<b>3176.54</b>	2919.72
<b>Foreign Currency Translation Reserve</b>	<b>25.98</b>	13.88
<b>Surplus in the Statement of Profit &amp; Loss</b>		
As per Last Financial Statements	19,019.22	16,229.93
Add : Transferred from statement of Profit & Loss	4,373.60	4,443.61
Less : Adjustment due Dividend Received from Associate	<u>(9.02)</u>	<u>(3.27)</u>
<b>Less: -Appropriations</b>		
Interim Dividend	507.39	380.54
Proposed Final Dividend	710.35	723.03
Corporate Dividend Tax	203.03	179.02
Transfer from Bond Redemption Reserve	<u>(55.00)</u>	<u>(55.00)</u>
Transfer to Bond Redemption Reserve	54.57	30.93
Transfer to CSR Reserve	13.13	-
General Reserve	<u>431.45</u>	<u>392.53</u>
	<b>21518.88</b>	19019.22
<b>TOTAL</b>	<b>27,526.18</b>	23,646.05



## Note 3 : Long Term Borrowings

(₹. in Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2012	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2012
<b>SECURED</b>				
<b>(a) BONDS</b>				
<b>Bonds Series - I</b>	<b>200.00</b>	300.00	<b>100.00</b>	100.00
(6.10% Secured Non-convertible redeemable Bonds -Series - I are redeemable in 5 equal installment commencing from the end of the 8th year upto the end of the 12th year from the deemed date of allotment August 22, 2003.) (Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery, spares, tools and accessories and other movables of the company pertaining to its projects at LPG Vaghodia Plant, Hazira Plant, Grep Vaghodia Plant, Gandhar Plant and Vadodara plant both present and future and whether installed or not and lying or in store)				
<b>Bonds Series - II</b>	-	120.00	<b>120.00</b>	120.00
(5.85% Secured Non-convertible redeemable Bonds -Series - II are redeemable in 5 equal installment commencing from the end of the 6th year upto the end of the 10th year from the deemed date of allotment March 25, 2004.) (Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery, spares, tools and accessories and other movables of the company pertaining to its projects at LPG LPG Vaghodia Plant, Hazira Plant, Grep Vaghodia Plant, Gandhar Plant, DUPL projects and Vadodra plant both present and future and whether installed or not and lying or in store)				
<b>Bonds 2010 Series - I</b>	<b>500.00</b>	500.00	-	-
(8.80% Secured Non-convertible redeemable Bonds 2010 -Series - I are redeemable in 4 equal installment commencing from the end of the 7th year upto the end of the 10th year from the deemed date of allotment December 13, 2010 with a call option at the end of the 7th year.) (Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery, spares, tools and accessories and other movables of the company pertaining to its projects at Vijaipur Dadri Pipeline Projects excluding compressor stations at Vijaipur both present and future and whether installed or not and lying or in store)				
<b>Bond series 2012</b>	<b>750.00</b>	-	-	-
(9.14% Secured Non-convertible redeemable Bonds 2012 -Series - I are redeemable in 4 equal installment commencing from the end of the 5th year upto the end of the 8th year from the deemed date of allotment June 11, 2012 with a call option at the end of the 5th year). (Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery, spares, tools and accessories and other movables of the company pertaining to its projects at Vijaipur Dadri Pipeline Projects excluding compressor stations at Vijaipur both present and future and whether installed or not and lying or in store)				





(₹. in Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2012	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2012
<b>(b) TERM LOANS</b>				
<b>Loan from HDFC Bank</b>	<b>675.00</b>	375.00	-	-
(Secured by way of first pari-passu charge on all the movable fixed assets, including whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present and future, whether now lying loose or in cases or which are now lying or stored in or whether in the course of transit or on high seas, of the Dahej - Vijaypur Phase-II Pipeline project of the Borrower) excluding the plant & Machinery of compressor station at Jhabua and Vijaipur) Repayable within a period of 12 years from the date of first disbursement by equal half yearly instalments starting 6 months after the completion of 2 years moratorium period from 05.05.2013.				
<b>Oil Industry Development Board</b>	<b>358.50</b>	596.00	<b>237.50</b>	237.50
(Secured by way of first charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Chainsa-Jhajjar-Hissar Pipeline including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition). Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from July 2009 to March 2011 with rate of interest from 6.74% to 8.31% p.a. depending on date of disbursement.				
<b>Oil Industry Development Board</b>	<b>996.25</b>	675.00	<b>168.75</b>	-
(Secured by way of first charge on whole pipeline, spur lines, plant & machinery, spares, equipments, tools & accessories and other movables both present & Future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereinafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower's project of Dadri- Bawana-Nangal Pipeline including spur lines or wherever else the same may be or be held by any party to the order or disposition of the borrower or in the course of transit or on high seas or on order or delivery, howsoever or wheresoever in the possession of borrower and either by way of substitution or addition) Repayable in four equal instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in installment from July 2011 to March 2013 with rate of interest from 8.50% to 8.98% p.a. depending on date of disbursement.				
<b>- From Banks</b>	<b>3,079.59</b>	2,885.67	<b>136.72</b>	116.23
<b>- From Others</b>	<b>1,603.20</b>	1,560.73	<b>106.06</b>	78.63
	<b>8,162.54</b>	7,012.40	<b>869.03</b>	652.36



(₹. in Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2012	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2012
<b>UNSECURED</b>				
<b>(a) TERMLOANS</b>				
<b>From Banks:</b>				
<b>- Bank of Tokyo Mitsubishi UFJ Ltd.</b>	<b>549.90</b>	516.30	-	-
(1/3rd repayment at the end of the 4th, 5th & 6th year from the last date of drawl i.e Dec 2015, Dec 2016 & Dec 2017) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread.				
<b>- Bank of Tokyo Mitsubishi UFJ Ltd.</b>	<b>824.85</b>	774.45	-	-
(Bullet repayment at the end of the 5th year from the last date of 'drawl i.e Aug'2016. Loan carries floating rate of interest linked to 6 Months LIBOR. plus spread)				
<b>- Mizuho Corporate Bank</b>	<b>549.90</b>	516.30	-	-
(1/3rd repayment at the end of the 4th, 5th & 6th year from the last date of drawl i.e Jan 2016, Jan 2017 & Jan 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).				
<b>- Sumitomo Mitsui Banking Corporations</b>	<b>549.90</b>	516.30	-	-
(1/3rd repayment at the end of the 4th, 5th & 6th year from the last date of drawl i.e Feb 2016, Feb 2017 & Feb 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).				
<b>- Japan bank for International Co-operation (JBIC)</b>	<b>189.34</b>	-	<b>31.85</b>	-
Repayable in 20 half yearly equal Instalments starting from June'2013				
<b>- Sumitomo Bank</b>	<b>1,649.70</b>	-	-	-
(1/2 repayment at the end of the 5th & 6th year from the last date of drawl i.e Nov 2017, Nov 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).				
<b>- Society General</b>	<b>347.44</b>	-	<b>40.88</b>	-
(Repayment in 20 half yearly equal Instalments starting from 22nd October 2012)				
<b>(b) Others</b>				
<b>- Sales Tax Deferred</b>	<b>4.89</b>	5.21	-	-
<b>- Other Unsecured</b>	<b>339.90</b>	-	<b>29.50</b>	-
	<b>5,005.82</b>	2,328.56	<b>102.23</b>	-
<b>Total</b>	<b>13,168.36</b>	9,340.96	<b>971.26</b>	652.36



**Note 4 : Other Long Term Liabilities**

( ₹. in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Trade Payable	4.10	4.38
Gas Pool Money (Provisional)	584.47	234.01
<b>Others :</b>		
Liability for Abandonment Cost (E&P)	1.13	1.13
Deposits & Others long term liabilities	160.14	72.27
<b>TOTAL</b>	<u>749.84</u>	<u>311.79</u>

**Note 5 : Long Term Provisions**

( ₹. in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Provision for Employee Benefits (incl. Gratuity)	363.36	341.62
Other Provisions	4.96	4.60
<b>TOTAL</b>	<u>368.32</u>	<u>346.22</u>

**Note 6 : Short Term Borrowings**

( ₹. in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Unsecured Loans	2,332.70	1,512.31
<b>TOTAL</b>	<u>2,332.70</u>	<u>1,512.31</u>

**Note 7 : Trade Payables**

( ₹. in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Trade Payables	3,418.77	2,679.96
[Includes Rs. 25.77 Cr. (Previous Year : Rs. 47.06 Cr.) Payable to JV Consortium]		
<b>TOTAL</b>	<u>3,418.77</u>	<u>2,679.96</u>

**Note 8 : Other Current Liabilities****(₹. in Crores)**

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
(a) Current Maturity of Long Term Debt (Refer Note No. - 3)		
(i) SECURED	<b>869.03</b>	652.36
(ii) UNSECURED	<b>102.23</b>	-
(b) Interest accrued but not due	<b>128.39</b>	45.09
(c) Unpaid Dividend	<b>3.47</b>	3.23
(d) Others		
Advances / Deposits from Customers	<b>189.72</b>	154.43
Deposits/Retention Money from Contractors and others	<b>815.47</b>	786.21
Gas Pool Money	<b>598.89</b>	818.83
Imbalance & Overrun Charges	<b>60.28</b>	31.67
Other Liabilities	<b>2,645.96</b>	2,166.17
<b>TOTAL</b>	<b>5,413.44</b>	4,657.99

**Note 9 : Short-term provisions****(₹. in Crores)**

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Provision for Employee Benefits	<b>274.92</b>	23.15
Others :		
Provision for Proposed Dividend	<b>710.35</b>	723.03
Provision for tax on Proposed Dividend	<b>120.72</b>	117.29
Provison for Probable Obligations	<b>332.74</b>	225.80
Other Provisions	<b>218.62</b>	171.54
<b>TOTAL</b>	<b>1,657.35</b>	1,260.81



**Note 10 : Fixed Assets (Tangible / Intangibles Assets)**

(₹. in Crores)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions/ Adjustments during the year	Sales/ Adjustments during the year	As at 31.03.2013	As at 01.04.2012	For the Year ##	Adjustments during the year	As at 31.03.2013	As on 31.03.2013	As on 31.03.2012
<b>Tangible Assets</b>										
Land : Freehold	155.58	29.37	-	184.95	-	-	-	-	184.95	155.58
Leasehold	374.64	69.52	4.07	440.09	30.99	10.40	0.38	41.01	399.08	343.65
Building : Office/Others	641.36	115.11	1.77	754.70	176.14	20.76	0.06	196.84	557.86	465.22
Residential	331.71	36.71	0.61	367.81	75.51	6.24	1.92	79.83	287.98	256.20
Roads and Fences	11.75	(0.41)	0.66	10.68	0.60	0.09	0.02	0.67	10.01	11.15
Electrical Installations	1.41	2.07	(0.55)	4.03	0.38	0.22	-	0.60	3.43	1.03
Bunk Houses	2.16	0.56	0.26	2.46	1.80	0.24	0.20	1.84	0.62	0.36
Plant and Machinery	28,851.50	4,421.06	38.13	33,234.43	10,960.41	1,161.53	(13.84)	12,135.78	21,098.65	17,891.09
Railway Lines & Sidings	5.47	-	-	5.47	5.17	-	-	5.17	0.30	0.30
Communication Systems	6.75	0.69	0.27	7.17	4.21	0.61	0.28	4.54	2.63	2.54
Electrical Equipments	220.95	29.81	2.36	248.40	92.67	12.41	6.72	98.36	150.04	128.28
Furniture, Fixtures and other Equipments	190.35	33.88	4.90	219.33	93.99	15.88	4.80	105.07	114.26	96.36
Office Equipments	202.35	16.62	5.35	213.62	106.71	19.04	5.37	120.38	93.24	95.64
Vehicles	0.76	0.41	0.05	1.12	0.33	0.08	0.07	0.34	0.78	0.43
Transport Equipments	2.50	0.18	0.04	2.64	2.07	0.09	0.04	2.12	0.52	0.43
<b>E&amp;P Assets</b>										
Proved / Producing Property	301.55	383.55	(22.33)	707.43	7.10	75.00	(1.54)	83.64	623.79	294.45
Support Equipment & Facility	1.65	-	-	1.65	0.55	0.09	-	0.64	1.01	1.10
Unproved Leasehold Cost	102.25	(69.63)	(6.22)	38.84	-	-	-	-	38.84	102.25
<b>Intangible Assets</b>										
Right of Use**	265.93	430.17	-	696.10	-	-	-	-	696.10	265.93
Softwares / Licences / Others	98.57	5.25	0.02	103.80	53.30	11.22	0.03	64.49	39.31	45.27
<b>Total</b>	<b>31,769.19</b>	<b>5,504.92</b>	<b>29.39</b>	<b>37,244.72</b>	<b>11,611.93</b>	<b>1,333.90</b>	<b>4.51</b>	<b>12,941.32</b>	<b>24,303.40</b>	<b>20,157.26</b>
<b>Share in Joint Venture Assets and Subsidiary included</b>										
Previous Year	26,605.14	5,284.40	120.35	31,769.19	10,642.94	1,055.67	86.68	11,611.93	20,157.26	15,962.20
Share in Joint Venture Assets and Subsidiary included	4,460.76	973.21	(28.59)	5,462.56	902.13	264.18	3.39	1,162.92	4,299.64	3,558.63

## Depreciation for the Financial Year includes Impairment Loss of ₹ 0.39 Crores (₹ 0.38 Crores for Plant & Machinery and Rs 0.01 Crores for Electrical Equipments)

\*\* Right of use for laying pipelines is a perpetual right of use of Land but does not bestow upon the company, the ownership of Land and hence, treated as intangible assets.

**Note 11 : Capital Work-in-Progress****( ₹. in Crores )**

	<b>AS AT 31<sup>ST</sup> MARCH, 2013</b>		<b>AS AT 31<sup>ST</sup> MARCH, 2012</b>	
Linepipe Construction and related facilities including Cathodic Protection & Dispatch / Receiving Terminals	<b>1,167.45</b>		3,933.19	
Less : Provision for Linepipe and Related Facilities	<b>(11.57)</b>	<b>1,155.88</b>	(25.11)	3,908.08
Compressor Stations		<b>736.41</b>		731.72
Telecom/Telesupervisory System		<b>1.42</b>		17.58
LPG Pipeline Project		<b>23.90</b>		5.22
LPG Projects		-		1.90
Petrochemicals		<b>4,077.14</b>		1,491.01
Telecom Project		<b>0.43</b>		0.26
Others		<b>684.11</b>		485.80
Engineering / Project construction		<b>7,284.53</b>		5,358.84
Exploratory & Development Well in Progress	<b>693.61</b>		514.76	
Less : Provision for Dry Exploratory Wells	-	<b>693.61</b>	(53.57)	461.19
Construction of CNG Station		<b>182.94</b>		187.32
Buildings	<b>84.91</b>		33.78	
Less : Provision for abandonment of Building	-	<b>84.91</b>	-	33.78
Linepipes, Capital Items in Stock/Transit	<b>3,451.05</b>		2,022.66	
Less : Provision for losses/obsolescence	<b>(0.25)</b>	<b>3,450.80</b>	(0.84)	2,021.82
<b>TOTAL</b>		<b>18,376.08</b>		14,704.52



**Note 12 : Non-current Investments**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>1. Trade Investments</b>		
Quoted		
Investments in Equity Instruments :-		
(i) In Associate Company		
15,00,00,000 (Previous Year : 21,00,00,000) Equity Shares of HK\$ 0.01/- each fully paid up in China Gas Holding Ltd., China; acquired at a premium of HK\$ 1.148 / share	<b>37.03</b>	51.84
Add: Goodwill	<b>60.34</b>	84.48
Add: Share of Profit in Associates	<b>139.73</b>	123.35
Less: Dividend Received	<b>(16.48)</b>	(10.44)
	<b>220.62</b>	249.23
3,00,00,000 (Previous Year 3,00,00,000) Equity shares of LE 5/- per share in NAT GAS Equity share has acquired at a premium LE 34.5 per Equity Share	<b>21.21</b>	21.21
Add: Goodwill	<b>62.41</b>	62.41
Add: Share of Profit	<b>86.55</b>	75.50
	<b>170.17</b>	159.12
(ii) Others		
570,600 (Previous Year : 570,600) Equity Shares of ₹.10/-each fully Paid-up in Gujarat Industries Power Co. Ltd.(includes 1,90,200 Equity Shares acquired during the year 1996-97 at a premium of ₹.15/- per share)	<b>0.86</b>	0.86
205601068 (Previous Year : 205601068) Equity Shares of ₹.5/- each fully paid up in ONGC Ltd. (Acquired 3,42,66,845 shares of ₹.10/-each during 1999-2000 at a price of ₹.162.34 per Share,1,71,33,422 bonus shares of ₹.10/- each received during 2006-07. During the year 2010-11, 5,14,00,267 Equity shares of ₹.10/- each were splitted into Equity shares of ₹.5/- each and bonus issue of 1:1 equity shares of ₹. 5/- each after split received during 2010-11)	<b>556.29</b>	556.29
Unquoted		
(i) In Associate Companies		
2,07,60,000 ( Previous Year : 2,07,60,000) Equity Shares of ₹.10/- each fully paid-up in Gujrat State Energy Generation Ltd.	<b>20.76</b>	20.76
Add: Share of Profit	<b>9.82</b>	20.89
Less: Dividend received	<b>(2.90)</b>	(2.90)
	<b>27.68</b>	38.75
19,000 (Previous Year : 19,000) Equity shares of LE 100/- each fully paid up in Fayum Gas Company registered in Egypt.	<b>4.59</b>	4.59
Add: Goodwill	<b>3.50</b>	3.50
Add: Share of Profit	<b>9.61</b>	10.55
Less: Dividend received	<b>(10.92)</b>	(10.92)
	<b>6.78</b>	7.72



(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>2. Investments (Unquoted - At cost)</b>		
Investments in Equity Instruments :-		
i). 30 Shares (Previous Year : 30) of ₹.50 each fully paid up in Darpan Co-operative Housing Society Ltd., Vadodara	-	-
ii). 50 Shares (Previous Year : 50) of ₹.50 each fully paid up in Ashoka Apartments Co-operative Housing Society Ltd., Vadodara	-	-
iii). 400 Shares (Previous Year : 400) of ₹.10 each fully paid up in Sanand Members Association, Ahmedabad.	-	-
iv). 35 Shares (Previous Year : 35) of ₹.50/-each fully paid up in Green Field (B) Co-operative Housing Society Ltd., Mumbai	-	-
v). 8347 Equity shares (Previous Year: 8347 Eq Shares) of USD 1/- each fully paid up in South East Asia Gas Pipeline Ltd. registered in Hongkong.	0.04	0.04
<b>3. Other Investment (Other Non-Current)</b>		
Other Investment / Investment by Group companies	17.49	22.52
<b>TOTAL</b>	<b>999.93</b>	<b>1,034.53</b>

**Note 13 : Long term Loans and Advances**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>(a) Capital Advances</b>		
(Secured / Unsecured - Considered Good)	1,518.22	873.97
(Unsecured - Considered Doubtful)	1.55	1.55
	<u>1,519.77</u>	<u>875.52</u>
Less : Provision for Doubtful Advances	<u>(1.55)</u>	<u>(1.55)</u>
	<b>1,518.22</b>	873.97
<b>(b) Security Deposits (Unsecured)</b>	<b>137.33</b>	166.57
<b>(c) Other Loans and Advances</b>		
<b>Advances for Allotment of Equity</b>		
- South East Asia Gas Pipeline	105.70	100.63
<b>Loans to Employees</b>		
- Secured, Considered Good	279.14	230.94
- Unsecured, Considered Good	57.85	68.57
<b>Advances to Income Tax against pending demand</b>		
- Unsecured, Considered Good	1,221.67	1,177.33
- Unsecured, Considered Doubtful	56.74	43.24
	<u>1,278.41</u>	<u>1,220.57</u>
Less: Provision for Doughtful Income Tax against pending demand	<u>(56.74)</u>	<u>(43.24)</u>
	<b>1,221.67</b>	1,177.33
<b>Advance Tax / TDS</b>		
- Unsecured, Considered Good	3,388.27	3,413.80
Less: Provision for Taxations	<u>(3,131.36)</u>	<u>(3,157.05)</u>
<b>Others</b>		
(Unsecured, Considered Good)	666.52	246.54
<b>TOTAL</b>	<b>4,243.34</b>	<b>3,121.30</b>





**Note 14 Other Non Current Assets**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>Long Term Trade Receivables</b>		
(Unsecured - Considered Good)	666.65	275.24
(Unsecured - Considered Doubtful)	<u>460.20</u>	<u>472.58</u>
	1,126.85	747.82
Less: Provision for Doubtful Debts	<u>(460.20)</u>	<u>(472.58)</u>
	666.65	275.24
<b>Others</b>		
Deposit with various parties	4.69	17.29
Other Non current assets	<u>13.64</u>	<u>10.26</u>
<b>TOTAL</b>	<u><b>684.98</b></u>	<u><b>302.79</b></u>

**Note 15 Current Investments**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
7 % Oil Companies GOI Special Bonds 2012 (Alloted in lieu of claims pending with Oil Co-ordination Committee)	-	9.59
6,00,00,000 Equity Shares of HK\$ 0.01/- each fully paid up in China Gas Holding Ltd., China; acquired at a premium of HK\$ 1.148 / share	14.81	
Add: Goodwill	24.14	
Add: Share of Profit in Associates	35.24	
Less: Dividend Received	<u>(2.98)</u>	
	71.21	-
Other Current Investments / Mutual Fund Scheme	<u>182.38</u>	<u>139.31</u>
<b>TOTAL</b>	<u><b>253.59</b></u>	<u><b>148.90</b></u>

**Note 16 : Inventories****(₹. in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>(a) Finished Goods (incl Work-in-Progress)</b>		
Stock of Gas*/Polymers/LPG and Other Products	947.98	890.49
*after adjustment of calorific value		
<b>(b) Raw material, Stores, Spares and others</b>		
(As taken, valued and certified by the Management)		
Raw Material	79.30	73.72
Raw Material on Transit	50.80	17.17
CNG and Natural Gas in Pipeline	0.81	0.60
Stores and Spares (including Construction Surplus)	840.97	770.88
Less : Provision for Losses/Obsolescence	<u>(22.08)</u>	<u>(27.21)</u>
	818.89	743.67
<b>TOTAL</b>	<u><b>1,897.78</b></u>	<u>1,725.65</u>

**Note 17 : Trade Receivables****(₹. in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Trade receivables outstanding for a period exceeding six months		
- Secured, Considered Good	0.04	-
- Unsecured, Considered Good	51.45	48.04
- Unsecured, Considered Doubtful	2.05	26.97
	<u>53.54</u>	<u>75.01</u>
Other receivables		
- Secured, Considered Good	11.14	2.37
- Unsecured, Considered Good	2,704.60	2,218.72
- Unsecured, Considered Doubtful	-	15.41
	<u>2,715.74</u>	<u>2,236.50</u>
	2,769.28	2,311.51
Less : Provision for Doubtful debts	<u>(2.05)</u>	<u>(42.38)</u>
<b>TOTAL</b>	<u><b>2,767.23</b></u>	<u>2,269.13</u>



**Note 18: Cash and cash equivalents**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
<b>BALANCES WITH BANKS</b>		
On Current Account ( includes Corporate Liquid Term Deposit)	<b>290.40</b>	263.75
On Current Account - Dividend Payable	<b>3.47</b>	3.23
On Term Deposit Account (including Long Term deposits)	<b>2,106.17</b>	311.90
On Short Term Deposit - Gas Pool Money (includes interest accrued but not due ₹. 4.26 Cr (Previous Year : ₹. 33.77 Cr)	<b>571.75</b>	783.84
On Short Term Deposit - Imbalance & Overrun (includes interest accrued but not due ₹. 3.20 Cr (Previous Year : ₹. 1.96 Cr)	<b>60.75</b>	32.03
On Short Term Deposit - JV Consortium (includes interest accrued but not due ₹. 0.97 Cr (Previous Year : ₹. 0.92 Cr)	<b>25.78</b>	47.06
	<b>3,058.32</b>	1,441.81
Cheques/Drafts/Stamps in hand	<b>3.37</b>	3.01
Cash in hand	<b>2.93</b>	1.40
	<b>6.30</b>	4.41
<b>TOTAL</b>	<b>3,064.62</b>	1,446.22

**Note 19: Short Term Loans and Advances**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Loans / Advances to Employees	<b>38.81</b>	33.31
Advances recoverable in cash or in kind or for value to be received		
- Unsecured, Considered Good	<b>1,179.54</b>	1,226.44
- Unsecured, Considered Doubtful	<b>1.02</b>	0.97
	<b>1,180.56</b>	1,227.41
Less : Provision for Doubtful Advances	<b>(1.02)</b>	(0.97)
	<b>1,179.54</b>	1,226.44
Claims Recoverable		
- Unsecured, Considered Good	<b>126.02</b>	108.91
Unsecured, Considered Doubtful	<b>2.33</b>	3.72
	<b>128.35</b>	112.63
Less : Provision for doubtful claims	<b>(2.33)</b>	(3.72)
	<b>126.02</b>	108.91
Deposits / Balances with Government Authorities and Others		
- Unsecured, Considered Good	<b>1,759.17</b>	1,375.86
- Unsecured, Considered Doubtful	<b>2.23</b>	1.01
	<b>1,761.40</b>	1,376.87
Less : Provision for doubtful deposits	<b>(2.23)</b>	(1.01)
	<b>1,759.17</b>	1,375.86
Trade and Security Deposits		
- Unsecured, Considered Good	<b>0.85</b>	1.33
<b>TOTAL</b>	<b>3,104.39</b>	2,745.85

**Note 20: Other Current Assets**

(₹. in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2013	AS AT 31 <sup>ST</sup> MARCH, 2012
Interest accrued but not due	32.78	11.55
Others	58.43	203.85
<b>TOTAL</b>	<b>91.21</b>	<b>215.40</b>

**Note 21: Revenue from Operations**

(₹. in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
a) Sale of Products/ Gas	50,329.78	42,793.42
b) Sale of Services		
LPG Transmission / RLNG Shippers Charges	1,403.90	1,939.32
c) Income from Telecom	4.18	3.99
d) Other Operating Income	201.72	167.13
	<b>51,939.58</b>	44,903.86
Less: Excise Duty	<b>(845.15)</b>	(678.91)
<b>TOTAL</b>	<b>51,094.43</b>	44,224.95

**Note 22: Other Income**

(₹. in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
Dividend from long term (trade) investment	403.56	275.65
Interest on:		
- Bonds / Debentures (Long term trade investment)	0.30	0.67
- Deposits with Banks	178.78	126.47
- Others	112.56	78.45
	<b>291.64</b>	205.59
Add: Transferred to Expenditure during construction period (Refer Note 27)	<b>(59.52)</b>	(29.89)
	<b>232.12</b>	175.70
Miscellaneous Income including liabilities written back	202.36	248.86
Add: Transferred to Expenditure during construction period (Refer Note 27)	<b>(8.76)</b>	(1.84)
<b>TOTAL</b>	<b>193.60</b>	247.02
	<b>829.28</b>	698.37



**Note 23 : Employee benefits expenses**

(₹. in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
Salaries, Wages and Allowances	715.18	593.05
Contribution to Provident and Other Funds	126.72	88.11
Welfare Expenses	135.45	123.58
Secondment charges	1.86	1.69
<b>TOTAL</b>	<b>979.21</b>	<b>806.43</b>
Less : Employees Benefit Expenses transferred to Capital Work-in-Progress (refer note no. 27)	127.81	108.31
<b>TOTAL</b>	<b>851.40</b>	<b>698.12</b>

**Note 24 : Finance Cost**

(₹. in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
Interest on :-		
- Term Loans	853.14	570.57
- Bonds	133.81	92.00
- Others	6.67	17.88
Other Borrowing Costs (Commitment and other Finance Charges)	83.20	55.27
Exchange differences regarded as an adjustment to Interest Cost	-	40.10
<b>TOTAL</b>	<b>1,076.82</b>	<b>775.82</b>
Less : Interest and Finance Charges transferred to Capital Work-in-Progress (refer note no. 27)	639.51	409.39
<b>TOTAL</b>	<b>437.31</b>	<b>366.43</b>

**Note 25 : Depreciation and Amortization Expenses**

(₹. in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
Depreciation and Amortization Expenses	1,333.51	1,053.55
Impairment Loss	0.39	2.12
	<b>1,333.90</b>	1,055.67
Less : Depreciation & Amortization expenses transferred to Capital Work-in-Progress (refer note no. 27)	15.22	15.08
<b>TOTAL</b>	<b>1,318.68</b>	<b>1,040.59</b>

As required by Accounting Standard (AS) 28, 'Impairment of Assets', an amount of ₹ 0.39 Cr (Previous Year: ₹ 2.12 Cr) has been impaired in respect of GAIL Tel Cash Generating Units.

**Note 26 : Other Expenses****(₹. in Crores)**

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013		YEAR ENDED 31 <sup>ST</sup> MARCH, 2012	
<b>Power, Fuel and Water Charges</b>				
Power and Water Charges	<b>716.66</b>		1,012.43	
Gas used as Fuel	<b>1,036.70</b>		<u>892.88</u>	
		<b>1,753.36</b>		1,905.31
<b>Gas Pool Expenses</b>		<b>734.86</b>		589.69
Stores and Spares consumed		<b>314.69</b>		281.56
Rent		<b>39.09</b>		33.11
Rates and Taxes (includes entry tax on gas)		<b>102.31</b>		99.05
Licence Fees - Telecom		<b>1.95</b>		1.03
<b>Repairs and Maintenance</b>				
Plant and Machinery	<b>343.55</b>		318.59	
Buildings	<b>27.11</b>		21.44	
Others	<b>26.96</b>	<b>397.62</b>	<u>32.82</u>	372.85
Insurance		<b>33.53</b>		35.49
Communication Expenses		<b>10.02</b>		9.65
Printing and Stationery		<b>4.16</b>		4.07
Travelling Expenses		<b>99.91</b>		96.25
Books and Periodicals		<b>0.58</b>		0.55
Advertisement and Publicity		<b>35.22</b>		25.38
<b>Payment to Auditors</b>				
Audit Fees	<b>0.67</b>		0.65	
Tax Audit fees	<b>0.08</b>		0.06	
Company Law Matters	-		-	
Management Services	<b>0.16</b>		-	
Out of Pocket Expenses	<b>0.31</b>	<b>1.22</b>	<u>0.16</u>	0.87
Entertainment Expenses		<b>1.08</b>		0.21
Recruitment and Training Expenses		<b>19.59</b>		14.32
Vehicle Hire and Running Expenses		<b>35.62</b>		29.37
Equipment Hire charges		<b>29.00</b>		0.80
CNG Transportation		<b>0.41</b>		1.76
CNG Dispensing Charges		-		2.67
Operating Expenses at CNG Stations		<b>20.31</b>		16.86
Lease Charges		<b>7.75</b>		1.77
Survey Expenses		<b>81.65</b>		71.24
Dry Well Expenses written off	<b>137.60</b>		152.31	
Less: Provision for Dry Well Expenses written back	<b>(53.57)</b>	<b>84.03</b>	-	152.31
Oil & Gas Producing Expenses (Operators)		<b>4.76</b>		10.39
Royalty on Crude Oil **		<b>29.48</b>		9.38



	(₹. in Crores)	
	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
Consultancy Charges	35.08	50.53
Legal and Professional charges	6.16	10.77
Data Processing Expenses	6.82	3.48
Donation	0.03	0.03
Research and Development Expenses	12.91	1.19
Directors fees	0.04	0.05
Loss on sale / written off of assets(net)	10.87	7.89
Bad Debts / Claims / Advances / Inventories written off	0.87	0.29
Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items	69.31	474.39
Provision for Probable Obligations / Contingencies	134.95	207.37
Excise Duty on Stock (net)	8.81	1.33
Expenses on Enabling Facilities	3.47	2.73
Selling & Distribution Expenses	25.34	21.98
Discount on Sales	120.71	131.77
Commission on Sales	15.51	16.52
Dealers' Commission	6.75	4.69
Security Expenses	84.86	71.86
Corporate Social Responsibility Expenses	64.71	54.43
Net Loss on Foreign currency transaction and translation	(12.66)	17.38
Other Expenses	340.90	179.25
<b>Prior Period Adjustments (Refer note 28)</b>	<b>261.02</b>	<b>0.40</b>
	<b>5,038.66</b>	<b>5,024.27</b>
Less: Incidental Expenditure during construction transferred to Capital Work-in-Progress (refer note no. 27)	<b>300.36</b>	<b>165.66</b>
<b>TOTAL</b>	<b>4,738.30</b>	<b>4,858.61</b>

\*\* Includes ₹ 20.52 (Previous Year: NIL) towards Government Share of Profit Petroleum

**Note 27 : Expenditure during Construction Period**

(₹. in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013		YEAR ENDED 31 <sup>ST</sup> MARCH, 2012	
<b>Employees Remuneration and Benefits</b>				
Salaries, Wages and Allowances	110.72		90.01	
Contribution to Provident and Other Funds	7.67		11.30	
Welfare Expenses	9.42	127.81	7.00	108.31
Power, Fuel and Water Charges		2.87		2.28
Stores & Spares		0.13		0.12
Rent		7.17		4.13
Rates and Taxes		10.36		1.51
Repairs and Maintenance - Plant and Machinery		0.12		0.03
Repairs and Maintenance - Building		0.07		0.19
Repairs and Maintenance - Others		1.19		0.61
Insurance		8.95		15.69
Communication Expenses		0.96		1.02
Printing and Stationery		0.24		-
Travelling Expenses		14.46		12.33
Books and Periodicals		0.04		0.01
Advertisement and Publicity		0.37		0.24
Payment to Auditors		0.17		0.01
Entertainment Expenses		0.53		0.40
Recruitment and Training Expenses		0.82		1.36
Vehicle Hire and Running Expenses		3.64		3.45
Professional & Consultancy Charges		2.17		1.78
Data Processing Expenses		0.07		0.03
Other Expenses		246.03		120.47
Depreciation		15.22		15.08
Interest and Finance Charges		639.51		409.39
		1,082.90		698.44
Less: - Interest Income	59.52		29.89	
- Misc. Income	8.76		1.84	
- Sales	-	68.28	-	31.73
<b>Net Expenditure</b>		1,014.62		666.71
Less :Transferred to Capital Work-in-progress				
a) Employees Benefits Expenses	127.81		108.31	
b) Interest & finance Charges	639.51		409.39	
c) Depreciation	15.22		15.08	
d) Other Expenses	300.36		165.66	
e) Other Income	(68.28)	1,014.62	(31.73)	666.71
<b>Balance Carried over to Balance Sheet</b>		<b>NIL</b>		<b>NIL</b>





**Note 28 : Prior Period Adjustments**

(₹. in Crores)

	<b>YEAR ENDED 31<sup>ST</sup> MARCH, 2013</b>	YEAR ENDED 31 <sup>ST</sup> MARCH, 2012
Purchase of Gas	<b>(0.16)</b>	(1.05)
Salaries, Wages and Allowances	<b>(0.29)</b>	(1.37)
Contribution to PF & Other Fund	<b>209.41</b>	-
Power, Fuel and Water Charges	-	0.02
Stores and Spares consumed	-	(0.26)
Rent	<b>0.25</b>	0.91
Depreciation(Net)	<b>36.63</b>	0.47
Repairs and Maintenance	<b>0.37</b>	(1.74)
Consultancy Charges	<b>0.01</b>	0.01
Other Expenses	<b>15.06</b>	2.68
<b>TOTAL</b>	<b>261.28</b>	(0.33)
Less:		
- Sales	-	(5.00)
- Interest Income	-	-
- Miscellaneous Income	<b>0.26</b>	4.27
<b>TOTAL(NET)</b>	<b>261.02</b>	(0.73)
	<b>0.40</b>	



## 29 (A) BASIS OF PREPARATION

The Consolidated Financial Statements (CFS) relate to GAIL (India) Limited (hereinafter referred as the "Company") and its subsidiary, Joint Ventures and Associates. The accounts are prepared on historical cost convention in accordance with the applicable accounting standards and other applicable relevant statutes.

### (B) PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards on the following basis:-

- i. The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements" as notified under Companies Accounting Standard Rules, 2006.
- ii. Investments in Associates have been accounted for using the equity method in accordance with Accounting Standard AS (23) - "Accounting for investment in Associates in Consolidated Financial Statements" as notified under Companies Accounting Standard Rules, 2006. The excess/deficit of cost of investment over the proportionate share in equity of the Associate as at the date of the acquisition of stake has been identified as Goodwill/Capital reserve and included in the carrying value of the investment in Associate and disclosed separately. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate.
- iii. The Financial Statements of Joint Venture Company have been combined by applying proportionate consolidation method on a line by line basis on items of assets,

liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 on "Financial Reporting of Interests in Joint Ventures" as notified under Companies Accounting Standard Rules, 2006.

- iv. The consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise disclosed in the other Notes to Accounts.
- v. The excess of the cost to the Company of its investment in Subsidiaries and Joint Ventures over its proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the financial statements as Goodwill. In case the cost of investment in a subsidiary or Joint Venture is less than the proportionate share in the equity of the investee as on the date of the investment, the difference is treated as Capital reserve.
- vi. Minority Interest's share of Net Profit/Loss of Consolidated Subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the Net Income attributable to the shareholders of the Company.
- vii. Minority Interest's share of Net Assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and the equity of the Company's shareholders.
- viii. The accounts of all Group Companies are drawn upto the same reporting date as the parent entity (i.e. Financial Year ended March 31, 2013), except Gail Global (USA) Inc., Fayum Gas and Nat Gas (for which the accounts drawn up as at December 31, 2012) and China Gas Holding Limited (for which the accounts drawn up to September 30, 2012) have been used in consolidation. No adjustments have been

done for the period subsequent to that date, since there are no significant transactions, as informed by respective company's management.

- ix. The financial statements of the Subsidiaries - GAIL Global (Singapore) Pte Ltd and Gail Global (USA) Inc are prepared in accordance / conformity with Singapore Financial Reporting Standards & U.S. generally accepted accounting principles respectively, assuming the companies are going concern and the transactions with these companies are considered as non integral operation as per Accounting Standard - 11 on "Effects of Changes in Foreign Exchange Rates" and accordingly, the Financial Statements have been translated in Indian Rupees for the purpose of Consolidated Financial Statements.
- x. The financial statements of Fayum Gas and NatGas have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian Laws and regulations and according to the historical cost basis assuming the company is a going concern and converted in Indian Rupees as per Accounting Standard (AS11). While the financial statements of China Gas Holding Limited has been prepared in accordance with the Hongkong Accounting Standards and relevant Hongkong Laws and regulations and according to the historical cost basis assuming the company is a going concern and converted in Indian Rupees as per Accounting Standard (AS11).
- xi. Investment other than in Subsidiaries, Joint Ventures & Associates have been accounted for as per Accounting Standard (AS) - 13 on "Accounting for Investments" as notified under Companies Accounting Standard Rules, 2006.

### (C) OTHER SIGNIFICANT ACCOUNTING POLICIES:-

These are set out under Significant Accounting Policies as given in the Company's separate financial statements.



30. The Consolidated Financial Statements represent consolidation of accounts of the Company (GAIL India Limited), its subsidiaries, joint venture companies and associates as detailed below:

Name of Company	Country of Incorporation	Relation	Proportion of ownership interest as on 31.03.2013	Name of Company	Country of Incorporation	Relation	Proportion of ownership interest as on 31.03.2013
GAIL Global (Singapore) PTE Ltd	Singapore	Subsidiary	100%	Avantika Gas Limited	India	Joint Venture	22.50%
GAIL Global (USA) Inc.	USA	Subsidiary	100%	Ratnagiri Gas & Power (Private) Ltd (RGPPL)	India	Joint Venture	32.88%
Brahmaputra Cracker & Polymer Ltd	India	Subsidiary	70.00%	Tripura Natural Gas Co Ltd. (TNGCL)	India	Joint Venture	29.00%
GAIL GAS Limited (including its 25% & 26% interest in joint venture companies, i.e., Andhra Pradesh Gas Distribution Corporation Ltd & Kerala GAIL GAS Ltd respectively)	India	Subsidiary	100%	ONGC Petro-additions Limited (OPaL)	India	Joint Venture	15.50%
Mahanagar Gas Limited	India	Joint Venture	49.75%	GAIL China Gas Global Energy Holdings Ltd.	Bermuda	Joint Venture	50.00%
Indraprastha Gas Limited	India	Joint Venture	22.50%	Fayum Gas	Egypt	Associate	19.00%
Petronet LNG Limited	India	Joint Venture	12.50%	Gujarat State Energy Generation Ltd (GSEG)	India	Associate	5.96%
Bhagyanagar Gas Limited	India	Joint Venture	22.50%	Natural Gas Company "Nat Gas "	Egypt	Associate	15.00%
Central UP Gas Limited	India	Joint Venture	25.00%	China Gas Holding Limited	Bermuda	Associate	4.60%
Green Gas Limited	India	Joint Venture	22.50%				
Maharashtra Natural Gas Limited (MNGL)	India	Joint Venture	22.50%				

31. In view of different sets of environment in which the subsidiaries/Joint Ventures are operating, the accounting policies followed by the subsidiaries/ Joint Ventures are different from the accounting policies of the Company in respect of the following. Such different accounting policies have been adopted in respect of the following:

Particulars	Name of Joint Venture/ Subsidiary	Accounting Policies		Proportion of GAIL's share (Gross Amount) (Rs. in Crores)
		GAIL (India) Ltd.	Subsidiary / Joint Venture	
<b>Inventories</b> Valuation of Stores and spares	Mahanagar Gas Limited / Indraprastha Gas Limited / Central UP Gas Ltd	Valued at weighted average cost or net realizable value, whichever is lower	Valued at weighted average cost.	18.62
	Tripura Natural Gas Co Ltd	Valued at weighted average cost or net realizable value, whichever is lower	Valued at cost	0.56
<b>Depreciation</b> Software / Licences	Petronet LNG Limited (PLL) / Avantika Gas Limited (AGL) / Mahanagar Gas Limited / Bhagyanagar Gas Limited / Maharashtra Natural Gas Limited / RGPPL.	Software / Licences are amortized in 5 years on straight line method	Software/Licenses are amortised on Straight Line method as follows: - Petronet LNG Ltd - 3 years. Avantika Gas Ltd - 4 years. Mahanagar Gas Ltd - 6 years. Bhagyanagar Gas Ltd - 4 years. Maharashtra Natural Gas Ltd - 3 years. RGPPL - 3 years or Period of Legal right, whichever is earlier.	3.07
All Assets	Tripura Natural Gas Co Ltd	Assets are depreciated on SLM basis	Assets are depreciated on WDV basis, except computer (employees) @ 25% p.a. on SLM basis.	1.91
<b>Employee Benefits</b>	Bhagyanagar Gas Limited / AGL	Implemented Revised AS-15	Implementation of AS-15 is un-ascertained	Not Quantifiable



Particulars	Name of Joint Venture/ Subsidiary	Accounting Policies		Proportion of GAIL's share (Gross Amount) (Rs. in Crores)
		GAIL (India) Ltd.	Subsidiary / Joint Venture	
<b>Prepaid expenses &amp; Prior period expenses / income</b>	Brahmaputra Cracker & polymers Ltd (BCPL) / Bhagyanagar Gas Limited	Prepaid expenses and prior period expenses / income upto Rs 5 lakhs in each case are charged to relevant heads of account of the current year.	Prepaid expenses and prior period expenses / income upto Rs 1 lakh in each case are charged to relevant heads of account of the current year.	Not Quantifiable
	All Subsidiary & Joint Ventures, except BCPL, Bhagyanagar Gas Limited.	Prepaid expenses and prior period expenses / income upto Rs 5 lakhs in each case are charged to relevant heads of account of the current year.	Un-ascertained / Not available.	Not Quantifiable
<b>Contingent Liabilities</b>	Green Gas Limited / Bhagyanagar Gas Limited	Contingent liabilities exceeding Rs. 5 Lakhs in each case are disclosed by way of notes to accounts.	Contingent liabilities exceeding Rs. 1 Lakh in each case are disclosed by way of notes to accounts.	Not Quantifiable
	All Subsidiary & Joint Ventures, except Gail Gas Ltd, BCPL, AGL, Green Gas Limited, Bhagyanagar Gas Limited.	Contingent liabilities exceeding Rs. 5 Lakhs in each case are disclosed by way of notes to accounts.	Un-ascertained / Not available.	Not Quantifiable
<b>Capital commitment</b>	PLL / Green Gas Limited / AGL / Bhagyanagar Gas Limited	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above Rs. 5 Lakhs.	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above Rs. 1 Lakh.	Not Quantifiable
	All Subsidiary & Joint Ventures, except Gail Gas Ltd, BCPL, PLL, Green Gas Limited, AGL, Bhagyanagar Gas Limited.	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above Rs. 5 Lakhs.	Un-ascertained / Not available.	Not Quantifiable

The effect of above differential accounting policies could not be quantify on Statement of profit & Loss.

### 32. Contingent Liabilities and Commitments (To the extent not provided for):-

#### I. Contingent Liability;

- (a). Claims against the Company not acknowledged as debts: Rs 6,016.13 Crores (Previous Year: Rs 6,127.43 Crores), which mainly include:-
  - (i) Legal cases for claim of Rs 807.23 Crores (Previous Year: Rs 326.11 Crores) by vendor / trade payable on account of Liquidated damages/Price Reduction Schedule and Natural Gas price differential etc. and by customer / trade receivable for Natural gas transmission charges etc.
  - (ii) Income tax assessments up to the Assessment Year 2010-11 have been completed and a demand (net of provision) of Rs 1290.25 Crores relating to the Assessment Years 1996-97 to 2010-11 (Previous Year: Rs 1345.92 Crores relating to the Assessment Years 1996-97 to 2009-10) raised by the Department on account of certain disallowances / additions has been disputed by the company as it has been advised that the demand is likely to be deleted or may be reduced

substantially by the appellate Authorities. The company has filed the appeal with the appropriate appellate authorities against all the assessment years. However, to avoid coercive action by the Department, Rs 1221.67 Crores (Previous Year: Rs 1177.33 Crores) has already been paid pending decision by the appellate authorities. Further, Department has also filed appeals amounting to Rs 93.37 Crores (including interest) before Income Tax Appellate Tribunal, Delhi against the relief granted by CIT (A) in favour of Company.

- (iii) Rs 3,147.06 Crores (Previous Year: Rs 1154.69 Crores) relating to disputed tax demand towards Excise duty, Sales tax, Entry tax, and Service Tax etc.
- (b) Share in Contingent Liabilities of Joint Ventures based on their audited / unaudited financial statement : Rs 728.87 Crores (Previous Year: Rs 733.14 Crores).

#### II. Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs 6,861.39 Crores (Previous Year: Rs 10,616.47 Crores).
- (b) Company's share in estimated amount of

contracts remaining to be executed on capital account and not provided for based on audited / unaudited financial statement of Joint Ventures Rs 1,005.49 Crores (Previous Year: Rs 1777.91 Crores).

#### (c) Other Commitments:

- (i) As at 31st March 2013, the company has commitment of Rs 177.62 Crores (Previous Year: Rs 321.91 Crores) towards further investment in the entity other than Joint Ventures, Associates & Subsidiaries.
  - (ii) Company's commitment towards the minimum work programme in respect of Jointly Controlled Assets has been disclosed in Note 48(v).
33. Sales Tax demand of Rs 3449.18 Crores (Previous Year: Rs 3449.18 Crores) and interest thereon Rs 1513.04 Crores. (Previous Year: Rs 1513.04 Crores) for Hazira unit in Gujarat State: Sales Tax Authorities, Ahmedabad have treated the transfer of Natural Gas by the company from the state of Gujarat to other states during the period April, 1994 to March, 2001 as inter-state sales under Section 3(a) of the Central Sales Tax Act. The



company has been paying sales tax under section 12 of the Gujarat Sales Tax Act against Form 17 since inception (1987) and accordingly the sales tax assessments have been completed. Based on the interpretation of the provisions of the Sales Tax Act and legal advice from the experts, the company had filed writ petition and special leave petition in the Supreme Court of India. In February, 2005 the case was transferred by Hon'ble Supreme Court to Gujarat Sales Tax Tribunal for decision. The Tribunal has given its judgment on 16.05.2005 accepting the contention of the company for interstate transfer of Natural Gas as branch transfer and not the interstate sale and set aside the demand under section 41-B of the Gujarat Sales Tax Act. The Hon'ble Tribunal has given further instruction to the Assessing Authority to re-assess and decide tax liability in accordance with the law considering interstate transfer of natural gas as branch transfer. The Sales Tax Authorities had filed rectification application under section 72 of the Gujarat Sales Tax Act, 1969 in Gujarat Sales Tax Tribunal against its judgment dated 16.05.2005. The Tribunal had dismissed the rectification application of the sales tax authorities vide its order dated 06.07.2006. The sales tax authorities have now filed petition in Hon'ble high Court Ahmedabad against the order of the tribunal and no hearing has yet taken place. In opinion of the management there is a remote possibility of crystallizing this liability.

34. (a) Freehold Land acquired valuing Rs.11.55 Crores (Previous Year: Rs 6.39 Crores) and Leasehold Land acquired valuing Rs 64.07 Crores (Previous Year : NIL) are valued / capitalized on provisional basis.
- (b) Title deeds for freehold land valuing Rs. 10.86 Crores (Previous Year: Rs. 7.84 Crores) and leasehold land valuing Rs. 13.19 Crores (Previous Year: Rs. 20.94 Crores) are pending execution.
- (c) Title Deeds in respect of ten residential flats at Asiad Village, New Delhi, valuing Rs. 1.17 Crores (Previous Year: Rs.1.17 Crores) are still in the name of ONGCL.

Concerned authorities are being pursued for getting the same transferred in the name of the Company.

- (d) Net Block for "Building" includes an amount of Rs.1.03 Crores (Previous year: Rs. 1.20 Crores) earmarked for disposal but in use.
35. (a) The balance retention from PMT JV consortium amounting to Rs. 25.78 Crores (Previous Year: Rs.47.06 Crores) includes interest amounting to Rs.0.97 Crores (Previous Year: Rs. 0.92 Crores) on Short term deposits for the year. This interest income does not belong to the company hence not accounted as income.
- (b) Liability on account of Gas Pool Money amounting to Rs. 598.89 Crores (Previous Year: Rs. 818.83 Crores) includes interest amounting to Rs. 4.26 Crores (Previous Year: Rs. 37.71 Crores) on short term deposits. This interest does not belong to the company hence not accounted as income.
- (c) Liability on account of Pipeline overrun and Imbalance charges amounting to Rs 60.28 Crores (Previous Year: Rs 31.67 Crores) includes interest amounting to Rs 3.20 Crores (Previous Year: Rs 1.96 Crores) on short term deposits. This interest does not belong to the company hence not accounted as income.
- (d)(i) MOPNG has issued clarification vide letter No. L-12014/1/2010-GP dated 04.04.2012 on the APM gas supply to consumers beyond their Gas Linkage Committee (GLC) allocations and directed GAIL to recover the amount as per market rates for the quantum of APM gas supplied to consumers beyond GLC allocation for the period from July 2005 to March 2010. Accordingly, GAIL raised the supplementary invoices for supply of Natural Gas for the difference of APM and Non-APM prices for the quantity drawn more than the GLC allocation for the said period by issuing the debit notes for additional amount of Rs 68.24 Crores excluding taxes. Some consumers have obtained stay orders from courts and the cases are subjudice. The unrealized amount of Rs 54.00 Crores as on 31.03.2013 has been

shown as recoverable from consumers and correspondingly payable in Gas Pool Account (Provisional). The amount payable in Gas Pool Account will be invested as and when said amount is recovered from the consumers.

- (ii) MOPNG directed that APM gas price would be applicable for only those quantities of gas which are used for generating electricity which is supplied to the grid for distribution to the consumers through the public utilities/ licensed distribution companies. Some consumers have not complied the same. Accordingly, GAIL raised the supplementary invoices considering difference of APM and Non APM prices for the said noncompliance for the period July 2005 to February 2013 by issuing debit notes for an additional amount of Rs 336.09 Crores. Consumers have obtained stay orders from courts and the cases are subjudice. This amount has been shown as recoverable from consumers and correspondingly payable in Gas Pool Account (Provisional) amounting to Rs 293.53 crores and VAT payable amount to Rs 42.56 crores. The amount payable in Gas Pool Account will be invested as and when said amount is recovered from the consumers.
36. MOP&NG had issued scheme of sharing of under recoveries on sensitive petroleum products. During the year, the Company has given discounts amounting to Rs. 2687.18 Crores (Previous Year: Rs. 3182.62 Crores). Corresponding adjustment on account of CST amounting to Rs. 9.58 Crores (Previous Year: Rs.17.54 Crores) has been made.
37. (a) The Company is raising provisional invoices for sale of R-LNG as the supplier M/s Petronet LNG (PLL) is also raising provisional invoices on the Company since customs duty on import of LNG by PLL has been assessed on provisional basis.
- (b) With effect from April 1, 2002, Liquefied Petroleum Gas prices has been deregulated and is now based on the import parity prices fixed by the Oil Companies. However, the pricing mechanism is provisional and is



pending finalization. Additional asset/liability or impact on profits, if any, arising due to such change, will be recognized on finalization of pricing mechanism.

(c) (i) Natural Gas Pipeline Tariff is subject to various Regulations issued by PNGRB from time to time. Impact on profits, if any, is being recognized as and when the pipeline tariff is revised in accordance with these Regulations.

(ii) PNGRB vide order no-TO/07/2012 dated 12th July 2012 have notified "PROVISIONAL" initial unit natural gas pipeline tariff for Dadri-Bawana-Nangal Natural Gas Pipeline effective from 04.01.2010. In accordance with the order, the company has derecognized the revenue by an amount of Rs 51.49 Crore.

Further PNGRB vide order no-TO/08/2013 dated 10th May 2013 have notified "PROVISIONAL" initial unit natural gas pipeline tariff for K.G. Basin Natural Gas Pipeline network effective from 20.11.2008. In accordance with the order, the company has derecognized the revenue by an amount of Rs 517.23 Crores.

Further, the company has also derecognized the revenue by an amount of Rs 11.08 Crore on account of lower tariff submitted to PNGRB for approval in respect of other pipelines.

(d) Value of Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on receipt basis and shown as liability till make up Gas is delivered to customer, during the recovery period, in terms of the Gas Sales Agreement with the customers.

38. In respect of Subsidiary and Joint Ventures, the following salient notes to accounts are disclosed.

#### I. GAIL Gas Ltd.

a) The incidental expenditure during construction amounting Rs 14.83 Crores (Previous Year: Rs 12.18 Crores) have been allocated to completed project & Capital work in progress in the ratio of direct allocated cost for assets.

b) During the year, the Company has been disbursed a Term Loan from OADB Rs 20.00 Crores (Previous Year: Rs 43.59 Crores) and from Union Bank of India Rs 55.00 Crores (Previous Year: Rs 15.00 Crores) to finance the project activities in the TTZ and cities of Dewas, Kota, Meerut & Sonapat respectively. Wherever the expenditure on the projects was incurred post disbursement of loan, the borrowing cost on the same was appropriately capitalized and in respect of projects completed out of the opening capital work in progress is assumed to be funded by equity. In terms of AS 16, the total Interest & Finance Charges amounting to Rs 15.24 Crores (Previous Year: Rs 9.57 Crores) was incurred, out of which an amount of Rs 9.43 Crores (previous Year: Rs 7.10 Crores) was capitalized during the year. During the year the company has repaid Rs 18.60 Crores to OADB (Previous Year: NIL) and Rs 3.44 Crores to Union Bank of India (Previous Year: NIL) as per the term loan agreement.

c) The rent lease deed with HHEC Ltd dated 29.08.2008 and dated 10.03.2009 for the office premises was completed on 28.09.2012. A fresh agreement was signed with HHEC Ltd for the office premises on 28.09.2012 for a period up to 31.08.2013. The current agreement has not been registered by the lessor till balance sheet date. Further the company has signed an agreement with Mr Hari Babu for the office premises at Dewas which is also not registered by the lessor till the balance sheet date. Thus the provision for 50% share in stamp duty and registration charges of the both lease deed shall be accounted for in the year, the lease rent deed is executed by the Lessor.

#### II. Brahmaputra Cracker and Polymer Ltd.

a) The Capital Subsidy of Rs 1552.00 Crores (Previous Year: Rs 875.44 Crores) has been received from the Government of India during the year by way of contribution towards the capital outlay. As per AS-12 (Para 16),

Government grants by way of contribution towards capital should be credited to Capital Reserves as per conditions attached to such grants.

b) The company has received a directive from its administrative ministry MoCF vide letter no. 45013/1/2005-PC-I (Part) dated 15.02.2012 that the interest earned on capital subsidy is not the income of BCPL and the same shall be added back to capital subsidy. As such interest income (net of taxes) of Rs 16.57 Crores (Previous Year: Rs 7.13 Crores) has been added back to capital subsidy.

c) Leasehold Land of Rs 81.84 Crores comprises land for which lease deed has been executed for a period of 30 years. As the title to the land rest on the Govt of Assam, the same will amortised over the said period. Such land has been reflected as a tangible assets.

d) The company has acquired the "Right of Use" (ROU) for the purpose of laying and maintenance of the underground pipeline for receiving and supplying of Gas is shown under Intangible Assets. Perpetual Right of use of Rs 7.56 Crores (Previous Year: Rs 7.56 Crores) acquired by the company, but does not bestow upon the company the ownership of land and thus no amortization has been provided on the same. However cost of Right of use (limited useful life) for having useful life of 10 years is being amortized over the life of ROU.

e) In view of time and cost overrun, the company has revised the project cost from initially Rs 5460.61 Crores to Rs 8920 Crores and consequently, the schedule of completion from April 2012 to December 2013. The Ministry of Chemicals and Fertilizer, Govt of India, has communicated approval of CCEA vide its letter no F.No. 45012/23/10-PC-I dated 2nd December 2011.

f) Though the company is in construction stage and no commercial activity have been started to date, keeping in view the requirement of revised schedule VI and Companies Act 1956, and in line with the change in accounting policy in





respect to treatment on loss / gain on foreign currency transaction and translation account, Statement of Profit & Loss has been prepared by debiting the net loss on foreign currency fluctuations. Accordingly, negative earnings per share have been computed on the basis of weighted average of equity share allotted in compliance with AS - 20. It is also relevant to note that incidental expenditure during construction period pending allocation to Fixed Assets on capitalization has been treated under "Capital work in progress".

- g) Details of Claim of Work Contract Tax from Govt. of Assam are as under:-

	Current Year	Previous Year
Opening Claim as on 01.04.2012 (FY 2008-09, 2009-10, 2010-11 & 2011-12)	<b>Rs 32.69 Crores</b>	Rs 23.98 Crores
Claims lodged for the FY 2012-13	<b>Rs 32.91 Crores</b>	Rs 29.57 Crores
Total Claim Lodged	<b>Rs 65.60 Crores</b>	Rs 53.55 Crores
Less: Received during the year	<b>Rs 32.48 Crores</b>	Rs 20.86 Crores
Receivables as at 31.03.2013	<b>Rs 33.12 Crores</b>	Rs 32.69 Crores

- h) As per directives from MOCF gross interest earned by parking of fund from the capital subsidy forms part of Capital Subsidy and as such the interest income from parking of capital subsidy not taxable as capital receipts in the hand of BCPL. Accordingly company has filed return for refund of claim as follows:

Year	Refund Claimed (Rs in Crores)
2008-09	2.77
2009-10	1.85
2010-11	1.10
2011-12	1.43
<b>Total</b>	<b>7.15</b>

The final disposal of the case by ITAT / CIT (Appeal), the net interest income from parking on capital subsidy up to FY 2012-13 has been considered to form part of capital subsidy.

If the appeal is preferred in ITAT in favor of the BCPL and subsequent to the refund by income tax authority, the same will be considered as part of capital subsidy.

However, provisions for income tax have been made for such interest.

- i) The claim of Entry Tax till 31st March 2013 for Rs 18.88 Crores (previous year: Rs 15.84 Crores) in pursuance to the Notification no. FTX.58/2008/254 dated 20.10.2012 with retrospective effect from 20.10.2009 allowing exemption from the payment of entry tax on specified capital goods under Assam Entry Tax Act 2008 is pending for reimbursement from Tax Authority.
- j) Changes in Accounting Policies:-
- (i) Impact of Change in method of Depreciation:-

During current financial year the company has changed its Accounting Policy in respect of Depreciation on Fixed Assets from

Written down value method (WDV) to Straight Line Method (SLM) with retrospective effect from the date of inception of company, i.e., 08.01.2007. Due to change in method of depreciation, the incidental expenditure during construction period pending allocation to Fixed Assets has been decreased to the extent of Rs 8.42 Crores with an increase in respective Net Block of Fixed Assets to the same extent.

- (ii) Impact of Change in treatment of Net loss / gain on account of foreign exchange difference:-

During the year the company has changed its Accounting Policy in respect of treatment of Gain or Loss on account of foreign exchange difference from adjusting with cost of assets to accounting under "Statement of Profit & Loss" with retrospective effect. As a result net foreign exchange loss of Rs 3.16 Crores up to 31.03.2012 (Prior period adjustment) and Rs 17.00 Crores for the year 2012-13 has been reduced from total "Capital Work in progress" as on 31.03.2013 with corresponding debit to "Statement of Profit & Loss".

### III. Petronet LNG Limited

- a) Custom Duty on import of Project Material / equipment has been assessed provisionally (current and previous years) and additional liability, if any, on this account will be provided on final assessment.
- b) The Company has claimed deduction under section 80IA of the Income Tax Act, 1961 in respect of Power Generation and Port Undertaking in its Tax Returns. However, provision for income tax has been made without considering the aforesaid deductions pending final assessment with Income tax authorities.
- c) In terms of para 10 of Accounting Standard 16 "Borrowing Costs" Rs 9.27 Crores (Previous Year: Rs 17.98 Crores) has been reduced from the Interest and Financial Charges (Capital Work in Progress) being income on temporary investment of surplus funds out of borrowings related to Capital Expenditures.

### IV. Indraprastha Gas Limited

- a) The Company has installed various CNG Stations on land leased from various Government Authorities under leases for periods ranging from one to five years. However, assets constructed / installed on such land are depreciated generally at the rates specified in Schedule XIV to the Companies Act, 1956, as the management does not foresee non-renewal of the above lease arrangements by the Authorities.
- b) Deposits from customers of natural gas, refundable on termination/alteration of the gas sales agreements, are considered as short term liabilities.
- c) Petroleum and Natural Gas Regulatory Board (PNGRB) vide its order no. TO/03/2012 dated 9th April 2012 determined the per unit network tariff and Compression Charge for the city gas distribution (CGD) network of IGL for Delhi, based on submission of data by the company in May 2009 and certain assumptions taken by PNGRB in this regard. The tariffs determined by PNGRB are much lower than the rates submitted by the company.



Further, PNGRB has made the determined tariff applicable with retrospective effect from 01.04.2008. In its order PNGRB stated that

	2012-13	2011-12
i) Amounts payable in next 1 year	<b>Rs 4.53 Crores</b>	Rs 16.78 Crores
ii) Amounts payable in next 2 to 5 years	<b>NIL</b>	NIL
iii) Amounts payable over 5 years	<b>NIL</b>	NIL

total liabilities of Rs. 9483.82 Cr. (Previous Year: Rs. 8705.51 Cr.) and

Total Income of Rs. 6381.26 Cr ( Previous Year : Rs. 5890.73 Cr.) and total expenditure of Rs. 5922.44 Cr. (Previous Year: Rs. 4900.50 Cr.).

40. Unaudited financial statements of an associate - Gujarat State Energy Generation (GSEG) and China Gas Holding Limited, have been included in consolidation in absence of the audited financial statements. Total Share of Profit included in the Consolidated Financial Statements is Rs. 40.55 Crores (Previous Year: Rs. 32.44 Crores).
41. Due to short participation by the other joint venture partners there is difference between the % of ownership as per Joint Venture Agreement and actual % of Share capital currently held by the Company i.e. GAIL (INDIA) LIMITED. The management is of the opinion that it is a temporary phase and other joint venture partner will contribute the balance contribution in the share capital of joint venture as per the joint venture agreement. Hence, GAIL (INDIA) LIMITED ownership in the joint ventures are considered only to the extent of % ownership mentioned in Joint Venture agreement.

Excess contribution in the Equity Share Capital of the various Joint Ventures as on date, over and above the contractual % amounting to Rs. 414.16 Crores [previous year Rs. 195.88 Cr.] is included in the

	2012-13	2011-12
Not later than one year	<b>Rs 0.50 Crores</b>	NIL
Later than one year, but not later than five years	<b>NIL</b>	NIL
Later than five years	<b>NIL</b>	NIL
<b>TOTAL</b>	<b>Rs 0.50 Crores</b>	NIL

'Advance Recoverable in cash or in kind or for value to be received'.

42. In the previous year the Joint Venture/Associates were incorporated in the consolidated financial statement based on the unaudited financial statement, wherever audited financial statements were not available at the time of consolidation. Adjustment due to Joint Venture regrouping and adjustment due to Joint Venture/Associates audited statements of such Joint Venture/Associates on the statement of profit/(loss) is Rs. (174.63) Crores [Previous Year Rs (89.00) Crores].
43. The consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements. However, there are some differences in certain accounting policies followed by the company, subsidiary, joint ventures and associates but the impact of the same in the opinion of the management is not material / quantifiable.
44. In compliance of Accounting Standard 17 on "Segment Reporting" as notified under Companies Accounting Standard Rules, 2006, the

	2012-13	2011-12
Amounts payable in next one year	<b>Rs 0.31 Crores</b>	Rs 0.15 Crores
Amounts payable in next two to five years	<b>Rs 0.26 Crores</b>	Rs 0.40 Crores
Amounts payable over five years	<b>NIL</b>	NIL

required information is given as per Annexure - A to this schedule.

Business Segments: The business segments have been identified as:-

- (i) Transmission services
  - a) Natural Gas
  - b) LPG
- (ii) Natural Gas Trading
- (iii) Petrochemicals
- (iv) LPG and other Liquid Hydrocarbons
- (v) City Gas Distribution
- (vi) Un-allocable

45. In compliance of Accounting Standard 18 on " Related party





Disclosures" as notified under Companies Accounting Standard Rules, 2006, the name of related parties, nature of relationship and details of transaction entered therewith are given in Annexure-B.

46. In compliance to Accounting Standard 20 on "Earning Per Share", the calculation of Earnings Per Share (Basic and Diluted) is as under:
47. In compliance of Accounting Standard 22 on "Accounting for taxes on Income" as notified under Companies Accounting Standard Rules, 2006, the Company has provided Accumulated net deferred tax liability in respect of timing difference as on 31st March, 2013. The item-wise details of deferred tax liability as on 31.03.2013 are as under:

#### 48. Jointly Controlled Assets

- (i) The Company has participated in joint bidding under the Government of India New Exploration Licensing Policy (NELP) and overseas exploration bidding and has 28 Blocks (PY 29 Blocks) as on 31.03.2013 for which the Company has entered into Production Sharing Contract with respective host Governments along with other partners for Exploration & Production of Oil and Gas. The Company is a non-operator, except in Block RJ-ONN-2004/1, CY-ONN-2005/1 and CB-ONN-2010/11, where it is an operator, and shares in Expenses, Income, Assets and Liabilities based upon its percentage in production sharing contract.

The participating interest in the twenty eight NELP Blocks in India as on 31st March, 2013 is as under:

- (ii) In addition to above, the Company has farmed-in as non-operator in the following blocks:

\*In addition, the company has 8.5% participating interest in offshore Midstream pipeline project in Myanmar for the purpose of transportation of gas from the delivery point in offshore, Myanmar to landfall point in Myanmar.

- (iii) The Company's share in the Assets, Liabilities, Income and Expenditure for the year in respect of joint operations project blocks has been incorporated in the Company's financial statements based upon un-audited financial statement submitted by the operators and are given below: (Final adjustments are effected during the year in which audited financial statement are received).

The above value includes the following amounts pertaining to 14 E&P Blocks relinquished till 31st March, 2013 (including 12 Blocks relinquished till 31st March, 2012) where company is non operator.

- (iv) List of the E&P and CBM Blocks relinquished till 31.03.2013 is given below:
- (v) Share of Minimum work program committed under various production sharing contracts in respect of E&P joint ventures is Rs.643.50 Crores (Previous Year: Rs 650.17 Crores).
- (vi) Quantitative Information:
- a. Details of company's share of Production of Oil for Block No. CB-ONN-2000/1 during the year ended 31.03.2013.
- b) Net Quantities of Company's interest in proved reserves and proved developed reserves:

Note: Company's interest in Oil Reserves is in Indian blocks and in Gas Reserves is in Myanmar

- c) In terms of Production Sharing Agreements/Contracts, the balance (company's share) in cost recovery of Blocks (having proved reserves)

	Current Year	Previous Year
Net Profit after tax used as numerator - (Rs. crores)	<b>4,373.60</b>	4,443.61
Weighted average numbers of equity shares used as denominator	<b>1,26,84,77,400</b>	1,26,84,77,400
Earnings per share (basic and Diluted) - (Rs)	<b>34.48</b>	35.03
Nominal Value per Equity Share - (Rs)	<b>10.00</b>	10.00

to be made from future revenue of such Blocks, if any, is Rs 940.75 Crores at the end of year (previous year: Rs 691.27 Crores).

49. In Compliance of Accounting Standard 28, impairment of assets notified under the Companies (Accounting Standard) Rules, 2006, the company has carried out the assessment of impairment of assets. Based on such assessment, GAILTEL assets have been impaired to (Rs in crores)

	2012-13	2011-12
<b>Deferred Tax Liability</b>		
a). Depreciation	<b>5602.62</b>	4114.59
b). Others	<b>NIL</b>	NIL
<b>Less :- Deferred Tax Assets</b>		
a). Provision for Gratuity & Retirement Benefits	<b>127.65</b>	108.55
b). Benefit u/s 35AD of the Income Tax Act, 1961	<b>2689.80</b>	1885.62
c). Provision for Doubtful Debts / Claims / Advances	<b>262.83</b>	251.08
d). Preliminary Expenses & others	<b>95.85</b>	4.35
<b>Deferred Tax Liability (net)</b>	<b>2426.49</b>	1864.99

the extent of Rs. 0.39 Cr. (Previous Year: Rs 2.12 Cr.) and same amount has been recognized as impairment loss in statement of Profit & Loss.

50. (a) Following Government of India's approval, the shareholders of the Company in the Annual General Meeting held on 15th September, 1997 approved the transfer of all the assets including Plant and Machinery, accessories and other related assets which are part of Lakwa Project to Assam Gas Cracker Complex at a price to be determined by an independent Agency and on terms and stipulations as the Board may in its discretion deem fit. The Cabinet committee on Economic affairs (CCEA) has approved the setting up of Assam Gas based cracker project at Lepetkata by formation of a company in which GAIL has equity participation of 70%. A company by the name of Brahmaputra Cracker and Polymer Limited has been incorporated during 2006-07 and construction of Gas cracker complex is in progress. Further, Public Investment Board (PIB) in meeting dated



Sl No.	Name of Block	Participating Interest	Sl No.	Name of Block	Participating Interest
1	MN-OSN-2000/2	20%	15	KG-DWN-2004/1	10%
2	CB-ONN-2000/1	50%	16	KG-DWN-2004/2	10%
3	AA-ONN-2002/1	80%	17	KG-DWN-2004/3	10%
4	AA-ONN-2003/1	35%	18	KG-DWN-2004/5	10%
5	CB-ONN-2003/2	20%	19	KG-DWN-2004/6	10%
6	AN-DWN-2003/2	15%	20	CY-ONN-2005/1	40%
7	RJ-ONN-2004/1	22.225%	21	AN-DWN-2009/13	10%
8	KG-ONN-2004/2	40%	22	AN-DWN-2009/18	10%
9	CY-DWN-2004/1	10%	23	CB-ONN-2000/1-RING FENCED CONTRACT	50%
10	CY-DWN-2004/2	10%	24	CB-ONN-2010/11	25%
11	CY-DWN-2004/3	10%	25	AA-ONN-2010/2	20%
12	CY-DWN-2004/4	10%	26	GK-OSN-2010/1	10%
13	CY-PR-DWN-2004/1	10%	27	GK-OSN-2010/2	10%
14	CY-PR-DWN-2004/2	10%	28	CB-ONN-2010/8	25%

13th July 2011 recommended that the issue of ownership of the Lakwa facility may be decided by the Committee comprising of representative

Sl	Name of the Block No.	Participating Interest
1	A-1, Myanmar*	8.5%
2.	A-3, Myanmar*	8.5%
3.	CY-OS/2	25%

from Department of Expenditure, Planning Commission, MoPNG and the administrative Ministry. The gross block of fixed assets and Capital work in progress value of Lakwa unit is Rs 260.15 Crores as on 31st March 2013 (Previous Year: Rs 255.68 Crores).

- (b) Further the Board in its 287th Meeting held on 06th April 2011 has approved transfer of CNG stations and its associated pipeline in Vadodara to proposed Joint Venture Company of GAIL Gas Ltd. and Vadodra Municipal Seva Samiti at market value yet to be determined. The transfer has not been effected during the financial year.

#### 51. Jointly controlled Entity:

(Rs in Crores)

Particulars	2012-13	2011-12
Income	<b>86.57</b>	83.13
Expenses	<b>223.69</b>	286.47
Fixed Assets (Gross block)	<b>6.42</b>	5.77
Producing Property	<b>7.10</b>	-
Other Assets	<b>1304.99</b>	867.35
Current Liabilities	<b>355.06</b>	172.20

The Company's share of the assets, liabilities, contingent liabilities and capital commitments as at 31st March 2013 and income and expenses for the year in respect of jointly controlled entities based on

(Rs in Crores)

Particulars	Till 31st March, 2013	Till 31st March, 2012
Income	<b>8.25</b>	7.31
Expenses	<b>12.77</b>	0
Fixed Assets (Gross block)	<b>0.37</b>	0.36
Other Assets	<b>2.54</b>	5.59
Current Liabilities	<b>48.27</b>	27.41

audited/unaudited accounts are given below:-

SL NO	Name of the Block	Participating Interest	Date of Relinquishment
1	GS-DWN-2000/2	15%	24.01.2007
2	MB-DWN-2000/2	15%	24.01.2007
3	KK-DWN-2000/2	15%	15.08.2004
4	MN-OSN-97/3	15%	08.11.2007
5	NEC-OSN-97/1	50%	11.09.2007
6	AD-7, Myanmar	10%	28.02.2008
7	MN-ONN-2000/1	20%	10.11.2008
8	Block 56, Oman	25%	10.06.2010
9	RM-CBM-2005/III	35%	11.05.2010
10	MR-CBM-2005/III	45%	11.05.2010
11	CY-ONN-2002/1	50%	28.03.2011
12	TR-CBM-2005/III	35%	10.10.2011
13	MB-OSN-2004/1	20%	29.03.2012
14	MB-OSN-2004/2	20%	13.04.2012

52. Previous year's (PY) figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

Particulars	Opening stock		Production (Treated & processed crude)		Sales*		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Crude Oil	(MT)	Rs Crores	(MT)		(MT)	Rs Crores	(MT)	Rs Crores
Year ended 31/03/13	646.20	0.64	21268.97	-	21325.92	87.57	589.25	0.41
Year ended 31/03/12	515.11	0.34	22673.46	-	22542.37	82.65	646.20	0.64

\* includes test production sales for Rs 2.65 Crores (Previous Year Rs 1.47 Crores)



	Proved Reserves		Proved Developed Reserves	
	2012-13	2011-12	2012-13	2011-12
<b>Oil : in 000'MT</b>				
Beginning of the year	175	90	175	90
Additions	12	107.67	0	107.67
Deletion	3.73	0	3.73	0
Production	21.27	22.67	21.27	22.67
Closing Balance	162	175	150	175
<b>Gas : in Million M3</b>				
Beginning of the year	6220	6220	-	-
Additions	-	-	-	-
Deletion	-	-	-	-
Production	-	-	-	-
Closing Balance	6220	6220	-	-

Particulars	(₹ in Crores)	
	31.03.2013	31.03.2012
<b>A. Assets</b>		
- Non-current / Long term assets	8,042.82	6,529.47
- Current assets	1,441.00	2,176.04
<b>Total</b>	<b>9,483.82</b>	8,705.51
<b>B. Liabilities</b>		
- Non-Current / Long term liabilities	3,578.57	3,507.17
- Current Liabilities & Provisions	2,898.77	2,415.68
<b>Total</b>	<b>6,477.34</b>	5,922.85
<b>C. Contingent Liabilities</b>	<b>728.87</b>	733.14
<b>D. Capital Commitments</b>	<b>1,005.49</b>	1,777.91
<b>E. Income</b>	<b>6,381.26</b>	5,890.73
<b>F. Expenses</b>	<b>5,922.44</b>	4,900.50

**N. K. Nagpal**  
Secretary

**P. K. Jain**  
Director (Finance)

**R. D. Goyal**  
Director (Projects)

**B. C. Tripathi**  
Chairman & Managing Director

As per our separate report of even date

For **M/s M L Puri & Co.**  
Chartered Accountants  
Firm No: 002312N

For **M/s Rasool Singhal & Co.**  
Chartered Accountants  
Firm No: 500015N

**Navin Bansal**  
(Partner)  
Membership No. 91922

**Sandeep Gupta**  
(Partner)  
Membership No. 413890

Place : New Delhi  
Dated : May 28, 2013



## INFORMATION ABOUT BUSINESS SEGMENT FOR FINANCIAL YEAR 2012-13

(Annexure - A)

(₹. in Crores)

SL. NO.	SEGMENTS	TRANSMISSION SERVICES**		NATURAL GAS TRADING**	PETROCHEMICALS	LPG & LIQUID HYDROCARBONS	CITY GAS	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSOLIDATED TOTAL
		NATURAL GAS	LPG	Note -1	Note -2		Note -3	Note -4			
<b>1</b>	<b>REVENUE</b>										
	External Sales*	3,066.55	293.92	35,768.81	3,743.68	4,433.71	2,491.93	1,094.11	50,892.71	-	50,892.71
	Intersegment sales	280.72	-	5,761.30	21.18	-	-	18.28	6,081.48	6,081.48	-
	<b>Total revenue</b>	<b>3,347.27</b>	<b>293.92</b>	<b>41,530.11</b>	<b>3,764.86</b>	<b>4,433.71</b>	<b>2,491.93</b>	<b>1,112.39</b>	<b>56,974.19</b>	<b>6,081.48</b>	<b>50,892.71</b>
<b>2</b>	<b>RESULTS</b>										
	Segment Result(Profit before Interest & Tax)	1,832.31	97.31	1,529.46	1,504.10	1,588.46	306.89	-	6,858.53	-	6,858.53
	Unallocated expenses	-	-	-	-	-	-	507.91	507.91	-	507.91
	Operating Profit	1,832.31	97.31	1,529.46	1,504.10	1,588.46	306.89	(507.91)	6,350.62	-	6,350.62
	Interest Expenses	-	-	-	-	-	-	437.31	437.31	-	437.31
	Interest/ Dividend Income	-	-	-	-	-	-	695.20	695.20	-	695.20
	Provision for Taxation	-	-	-	-	-	-	2,241.18	2,241.18	-	2,241.18
	Profit/(Loss) from Ordinary Activities	1,832.31	97.31	1,529.46	1,504.10	1,588.46	306.89	(2,491.20)	4,367.33	-	4,367.33
	Extraordinary items	-	-	-	-	-	-	-	-	-	-
	Profit after Tax (before adjustment for Minority Interest)	1,832.31	97.31	1,529.46	1,504.10	1,588.46	306.89	(2,491.20)	4,367.33	-	4,367.33
	Add: Share of (Profit) / Loss transferred to Minority	-	-	-	6.27	-	-	-	6.27	-	6.27
	<b>Profit after Tax (after adjustment for Minority Interest)</b>	<b>1,832.31</b>	<b>97.31</b>	<b>1,529.46</b>	<b>1,510.37</b>	<b>1,588.46</b>	<b>306.89</b>	<b>(2,491.20)</b>	<b>4,373.60</b>	<b>-</b>	<b>4,373.60</b>
<b>3</b>	<b>OTHER INFORMATION</b>										
	Segment Assets	21,730.04	849.88	723.69	3,190.59	1,339.73	1,579.68	3,281.41	32,695.02	166.25	32,528.77
	Unallocated Assets	-	-	-	-	-	-	27,257.78	27,257.78	-	27,257.78
	<b>Total Assets</b>	<b>21,730.04</b>	<b>849.88</b>	<b>723.69</b>	<b>3,190.59</b>	<b>1,339.73</b>	<b>1,579.68</b>	<b>30,539.19</b>	<b>59,952.80</b>	<b>166.25</b>	<b>59,786.55</b>
	Segment Liabilities	5,042.82	60.17	309.64	1,448.18	347.83	399.44	87.54	7,695.62	74.90	7,620.72
	Unallocated Liabilities	-	-	-	-	-	-	3,015.74	3,015.74	-	3,015.74
	<b>Total Liabilities</b>	<b>5,042.82</b>	<b>60.17</b>	<b>309.64</b>	<b>1,448.18</b>	<b>347.83</b>	<b>399.44</b>	<b>3,103.28</b>	<b>10,711.36</b>	<b>74.90</b>	<b>10,636.46</b>
	Cost to acquire fixed assets	4,572.47	18.76	2.90	113.38	(43.60)	297.45	543.56	5,504.92	-	5,504.92
	Depreciation#	583.53	48.76	23.33	180.87	78.60	94.43	324.38	1,333.90	-	1,333.90
	Non Cash expenses other than Depreciation#	111.97	0.06	78.91	6.62	(0.09)	0.97	4.90	203.34	-	203.34

\* Sales is net of Excise Duty

\*\* Assets &amp; Liability of Gas Trading Business included in Gas Transmission Business

## Notes

- 1 Includes Joint Venture: Petronet LNG Limited
- 2 Includes Subsidiary: BCPL; Joint Venture: OPaL.
- 3 Includes Joint Ventures: IGL, BGL, MGL, CUGL, GGL, MNGL, Avantika, TNGCL; Subsidiary: GAIL Gas; & City Gas business of GAIL
- 4 Includes Subsidiary: GAIL Global (Singapore) Limited and GAIL Global (USA) Inc.; Associate Company's share & Joint Venture: RGGPL.



## INFORMATION ABOUT BUSINESS SEGMENT FOR FINANCIAL YEAR 2011-12

(Annexure - A)

(₹. in Crores)

SL. NO.	SEGMENTS	TRANSMISSION SERVICES**		NATURAL GAS TRADING **	PETROCHEMICALS	LPG & LIQUID HYDROCARBONS	CITY GAS	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSOLIDATED TOTAL
		NATURAL GAS	LPG	Note -1	Note -2		Note -3	Note -4			
<b>1</b>	<b>REVENUE</b>										
	External Sales*	3,564.31	454.21	30,141.39	3,377.53	3,090.24	1,392.16	2,037.98	44,057.82	-	44,057.82
	Intersegment sales	288.10	-	4,332.16	37.87	-	-	-	4,658.13	4,658.13	-
	<b>Total revenue</b>	<b>3,852.41</b>	<b>454.21</b>	<b>34,473.55</b>	<b>3,415.40</b>	<b>3,090.24</b>	<b>1,392.16</b>	<b>2,037.98</b>	<b>48,715.95</b>	<b>4,658.13</b>	<b>44,057.82</b>
<b>2</b>	<b>RESULTS</b>										
	Segment Result (Profit before Interest & Tax)	2,153.86	272.01	1,282.68	1,465.80	554.43	379.92	-	6,108.70	-	6,108.70
	Unallocated expenses	-	-	-	-	-	-	(174.11)	(174.11)	-	(174.11)
	Operating Profit	2,153.86	272.01	1,282.68	1,465.80	554.43	379.92	174.11	6,282.81	-	6,282.81
	Interest Expenses	-	-	-	-	-	-	366.43	366.43	-	366.43
	Interest/Dividend Income	-	-	-	-	-	-	481.24	481.24	-	481.24
	Provision for Taxation	-	-	-	-	-	-	1,954.01	1,954.01	-	1,954.01
	Profit/(Loss) from Ordinary Activities	2,153.86	272.01	1,282.68	1,465.80	554.43	379.92	(1,665.09)	4,443.61	-	4,443.61
	Extraordinary items	-	-	-	-	-	-	-	-	-	-
	<b>Net Profit/(Loss)</b>	<b>2,153.86</b>	<b>272.01</b>	<b>1,282.68</b>	<b>1,465.80</b>	<b>554.43</b>	<b>379.92</b>	<b>(1,665.09)</b>	<b>4,443.61</b>	<b>-</b>	<b>4,443.61</b>
<b>3</b>	<b>OTHER INFORMATION</b>										
	Segment Assets	16,776.36	912.60	706.38	3,406.29	1,199.94	1,330.55	3,548.19	27,880.31	153.31	27,727.00
	Unallocated Assets	-	-	-	-	-	-	20,150.04	20,150.04	-	20,150.04
	<b>Total Assets</b>	<b>16,776.36</b>	<b>912.60</b>	<b>706.38</b>	<b>3,406.29</b>	<b>1,199.94</b>	<b>1,330.55</b>	<b>23,698.23</b>	<b>48,030.35</b>	<b>153.31</b>	<b>47,877.04</b>
	Segment Liabilities	3,570.07	118.63	256.51	1,022.28	414.60	353.73	(20.77)	5,715.05	84.86	5,630.19
	Unallocated Liabilities	-	-	-	-	-	-	2,979.71	2,979.71	-	2,979.71
	<b>Total Liabilities</b>	<b>3,570.07</b>	<b>118.63</b>	<b>256.51</b>	<b>1,022.28</b>	<b>414.60</b>	<b>353.73</b>	<b>2,958.94</b>	<b>8,694.76</b>	<b>84.86</b>	<b>8,609.90</b>
	Cost to acquire fixed assets	3,411.55	13.79	0.43	217.72	120.81	398.71	1,121.39	5,284.40	-	5,284.40
	Depreciation#	463.50	49.04	23.02	178.58	86.97	73.95	180.61	1,055.67	-	1,055.67
	Non Cash expenses other than Depreciation#	579.70	0.05	39.83	(4.61)	0.57	1.59	90.19	707.32	-	707.32

\*Sales is net of Excise Duty

\*\* Assets & Liability of Gas Trading Business included in Gas Transmission Business

### Notes

- Includes Joint Venture: Petronet LNG Limited
- Includes Subsidiary: BCPL; Joint Venture: OPaL.
- Includes Joint Ventures: IGL, BGL, MGL, CUGL, GGL, MNGL, Avantika, TNGCL; Subsidiary: GAIL Gas; & City Gas business of GAIL
- Includes Subsidiary: GAIL Global (Singapore) Limited and GAIL Global (USA) Inc.; Associate Company's share & Joint Venture: RGGPL.



## RELATED PARTY DISCLOSURES

### I) Relationship

#### A) Joint Venture Companies / Associates

- 1) Mahanagar Gas Limited
- 2) Indraprastha Gas Limited
- 3) Petronet LNG Limited
- 4) Bhagyanagar Gas Limited
- 5) Tripura Natural Gas Corporation Limited
- 6) Central UP Gas Limited
- 7) Green Gas Limited
- 8) Maharastra Natural Gas Ltd.
- 9) Aavantika Gas Co Limited
- 10) GAIL China Gas Global Energy Holdings Ltd.
- 11) ONGC Petro-additions Limited (OPaL)
- 12) Gujarat State Energy Generation Ltd.
- 13) National Gas Company "Nat Gas"
- 14) Fayum Gas Company
- 15) China Gas Holdings Limited

#### B) Key Management Personnel (KMP)

##### Whole time Directors:

- 1) Shri B. C Tripathi, Chairman & Managing Director
- 2) Shri R. D. Goyal
- 3) Shri S. L. Raina
- 4) Shri Prabhat Singh
- 5) Shri S. Venkatraman
- 6) Shri P. K. Jain
- 7) Shri V. C. Chittoda
- 8) Shri M Ravindaran
- 9) Shri N K Agarwal
- 10) Shri M C Deogam
- 11) Shri K Chattraaj
- 12) Shri P L Ahuja
- 13) Shri C. D. Joshi
- 14) Shri A K Mittal
- 15) Shri Pradeep Madan
- 16) Shri A K Jana
- 17) Shri J S Saini

#### C) Unincorporated Joint venture for Exploration & Production Activities:

- |                                |   |
|--------------------------------|---|
| 1) NEC - OSN - 97/1            | (Non-operator with participating interest: 50%, GAIL has relinquished from the Block) |
| 2) A-1, Myanmar                | (Non-operator with participating interest: 8.5%)                                      |
| 3) A-3, Myanmar                | (Non-operator with participating interest: 8.5%)                                      |
| 4) Offshore Midstream, Myanmar | (Non-operator with participating interest: 8.5%)                                      |
| 5) CY-OS/2                     | (Non-operator with participating interest: 25%)                                       |
| 6) RM-CBM-2005/III             | (Non-operator with participating interest: 35%, GAIL has relinquished from the Block) |
| 7) TR-CBM-2005/III             | (Non-operator with participating interest: 35%, GAIL has relinquished from the Block) |
| 8) MR-CBM-2005/III             | (Non-operator with participating interest: 40%, GAIL has relinquished from the Block) |
| 9) AD-7, Myanmar               | (Non-operator with participating interest: 10%, GAIL has relinquished from the Block) |
| 10) Block 56, Oman             | (Non-operator with participating interest: 25%, GAIL has relinquished from the Block) |



**II) The following transactions were carried out with the related parties in the ordinary course of business:**

(₹. in Crores)

<b>A) Details relating to parties referred to in item no. I (A) above:</b>	<b>2012-13</b>	2011-12
1) Sales	<b>2,871.18</b>	2,159.69
2) Amount receivable as at Balance Sheet Date for (1) above	<b>139.07</b>	84.43
3) Purchases	<b>16,101.75</b>	11,319.88
4) Amount payable as at Balance Sheet Date for (3) above	<b>730.83</b>	547.59
5) Reimbursement for other expenditure received/receivable	<b>17.20</b>	10.62
6) Amount receivable as at Balance Sheet Date for (5) above	<b>16.50</b>	5.98
7) Dividend Income	<b>117.43</b>	77.50
8) Other Income	<b>0.42</b>	0.45
9) Provision created against Debtors	<b>4.44</b>	28.20
10) Provision created against Debtors written back	<b>(20.54)</b>	-

(₹. in Crores)

<b>B) I. Details relating to parties referred to in item no. I (B) above:</b>	<b>2012-13</b>	2011-12
1) Remuneration	<b>7.31</b>	6.17
2) Interest bearing outstanding loans receivable	<b>0.68</b>	0.99
3) Interest accrued on loans given	<b>0.54</b>	0.62
4) Self Lease	<b>0.20</b>	0.24

(₹. in Crores)

<b>II. Relatives of KMP</b>	<b>2012-13</b>	2011-12
1) Remuneration	<b>0.34</b>	0.44
2) Interest bearing outstanding loans receivable	-	-
3) Interest accrued on loans given	-	-
4) Self Lease	-	0.03

\* Remuneration includes Basic, Allowances, reimbursements, contribution to PF and perquisites.

In addition, Whole time Directors are allowed the use of Staff cars including for private journeys upto a ceiling of 1000 Kms. per month on payment in accordance with the Bureau of Enterprises Circular.

**C) Details relating to parties to in item no. I (C) above :**

(₹. in Crores)

	<b>2012-13</b>	2011-12
1) Minimum work program commitment	-	-
2) Survey and other expenses	<b>0.75</b>	(13.34)
3) Other assets	<b>231.27</b>	316.40
4) Amount outstanding on Balance Sheet date	<b>(10.47)</b>	28.73
5) Amount written Off- Dry well expenditure	-	4.28



## Consolidated Cash Flow Statement for the Financial Year Ended 31st March, 2013

(₹. in Crores)

	2012-13	2011-12
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
1 Net Profit Before Tax and Extraordinary Items	<b>6608.51</b>	6397.62
2 ADD:		
Depreciation	<b>1370.53</b>	1056.14
Deferred Revenue / Other Expenses written off	<b>0.87</b>	0.29
Capital Reserve	<b>(0.11)</b>	(0.11)
Exchange Rate Variation	<b>(12.66)</b>	17.38
Interest Expenditure	<b>437.31</b>	366.43
Dividend Income on Investments	<b>(403.56)</b>	(275.65)
Interest Income	<b>(291.64)</b>	(205.59)
Provision for Employees Benefits (incl Gratuity)	<b>273.51</b>	53.04
Provision for Doubtful Debts	<b>(52.71)</b>	361.89
Other Provisions	<b>122.02</b>	65.44
Provision / Write off of Assets / CWIP	<b>84.03</b>	152.31
Provision for Probable obligation / Contingency	<b>134.95</b>	37.93
Profit / Loss on Sale of Assets (Net)	<b>10.87</b>	7.89
	<b>1673.41</b>	1637.39
3 Operating Profit Before Working Capital Changes (1 + 2)	<b>8281.92</b>	8035.01
4 Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	<b>(1552.27)</b>	(2456.28)
Inventories	<b>(180.94)</b>	(668.37)
Trade and Other Payables	<b>1718.99</b>	1707.12
	<b>(14.22)</b>	(1417.53)
5 Cash Generated from Operations (3+4)	<b>8267.70</b>	6617.48
6 Direct Taxes Paid	<b>(1724.18)</b>	(1506.17)
<b>NET CASH FROM OPERATING ACTIVITIES (5+6)</b>	<b>6543.52</b>	5111.31
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(8990.39)</b>	(9848.16)
Sale of Fixed Assets	<b>3.34</b>	62.28
Investment in Other Companies	<b>(70.09)</b>	(47.81)
Interest Received	<b>270.41</b>	207.20
Dividend Received	<b>403.56</b>	275.65
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(8383.17)</b>	(9350.84)
BALANCE CARRIED FORWARD	<b>(1839.65)</b>	(4239.53)





(₹. in Crores)

	2012-13	2011-12
BALANCE BROUGHT FORWARD	(1839.65)	(4239.53)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term / short term Borrowings	5640.28	5092.65
Repayment of Long term / short term Borrowings	(673.59)	(491.12)
Capital Subsidy	1098.31	617.66
Interest Paid	(993.52)	(772.29)
Dividend & Dividend Tax Paid	(1429.78)	(1253.23)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>3641.70</b>	3193.67
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1802.05</b>	(1045.86)
<b>OPENING ADJUSTMENT FOR JV / ASSOCIATES</b>	<b>(183.65)</b>	(92.27)
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2012 (OPENING BALANCE)</b>	<b>1446.22</b>	2584.35
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2013 (CLOSING BALANCE)</b>	<b>3064.62</b>	1446.22

NOTES:

1 Cash & Cash Equivalents include :

Cash & Bank Balances

As per Balance Sheet

Unrealised (Gain)/ loss on foreign Exchange

Total Cash & Cash Equivalents

<b>3064.62</b>	1446.22
<b>0.00</b>	0.00
<b>3064.62</b>	1446.22

**N. K. Nagpal**  
Secretary

**P. K. Jain**  
Director (Finance)

**R. D. Goyal**  
Director (Projects)

**B. C. Tripathi**  
Chairman & Managing Director

As per our separate report of even date

For **M/s M L Puri & Co.**  
Chartered Accountants  
Firm No: 002312N

For **M/s Rasool Singhal & Co.**  
Chartered Accountants  
Firm No: 500015N

**Navin Bansal**  
(Partner)  
Membership No. 91922

**Sandeep Gupta**  
(Partner)  
Membership No. 413890

Place : New Delhi  
Dated : May 28, 2013