



## Independent Auditors' Report on consolidated financial statements

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 31<sup>st</sup> March 2014, 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 the requirements of Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

### Auditors' 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, have been prepared, in all material respects, in accordance with the requirements of the Companies Act, 1956 to the extent applicable and the Companies Act 2013 (to the extent notified) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- 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
- 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

- We did not audit the financial statements of subsidiaries, namely, GAIL Global (Singapore) Pte. Ltd., Bramhaputra Cracker & Polymers Ltd. and GAIL Gas Ltd., whose financial statements reflect total assets of ₹ 8,870.79 crores as at March 31, 2014, total revenue of ₹ 2,085.82 crores and net cash outflow of ₹ 112.46 crores for the year ended on that date, and the financial statements of subsidiary, namely, GAIL Global (USA) Inc., whose financial statement reflect total assets of ₹ 1,035.63 crores as at December 31, 2013, total revenue of ₹ 213.43 crores and net cash inflow of ₹ 8.94 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.
- 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.
- In respect of GAIL Global (USA) Inc., Fayum Gas and NATGAS, the Accounts drawn up as at December 31, 2013 and in respect of China Gas Holding Limited, the Accounts drawn up to September 30, 2013, have been used in the consolidation. As per information and explanations given to us by the management, no significant transactions or other events occurred between the reporting date of aforesaid entities and 31<sup>st</sup> March, 2014, which require adjustment.
- We did not audit the financial statements of Joint Ventures, whose financial statement reflect total assets of ₹ 49,969.74 crores, total liabilities of ₹ 35,008.59 crores as at March 31, 2014 and total revenue of ₹ 46,867.66 crores, total expenditure of ₹ 44,533.56 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. ONGC Petro Additions Ltd. & Aavantika Gas Limited whose audited financial statements reflects total assets of ₹ 31,549.99 crores, total liabilities of ₹ 23,828.72 crores as at March 31, 2014 and total revenue of ₹ 37,946.59 crores, total expenditure of ₹ 36,891.68 crores for the year ended on 31<sup>st</sup> March 2014.
- 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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

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

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

**Navin Bansal**  
(Partner)  
Membership No.: 91922  
Dated: 26<sup>th</sup> May 2014

For **M/s G S Mathur & Co**  
Chartered Accountants  
Firm No.: 008744N

**Rajiv Kumar Wadhawan**  
(Partner)  
Membership No.: 091007  
Dated: 26<sup>th</sup> May 2014

## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2014

( ₹ in Crores )

	NOTE NO.	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
a) Share Capital	1	1,268.48	1,268.48
b) Reserves and Surplus	2	31,188.47	27,526.18
		<b>32,456.95</b>	<b>28,794.66</b>
<b>(2) Minority Interest</b>			
		<b>1,758.78</b>	<b>1,456.62</b>
<b>(3) Non Current Liabilities</b>			
a) Long Term Borrowings	3	16,060.85	13,168.36
b) Deferred Tax Liability (Net)	47	2,730.35	2,426.49
c) Other Long-term Liabilities	4	900.26	749.84
d) Long-term Provisions	5	414.26	368.32
		<b>20,105.72</b>	<b>16,713.01</b>
<b>(4) Current Liabilities</b>			
a) Short Term Borrowings	6	1,044.78	2,332.70
b) Trade Payables	7	4,289.08	3,418.77
c) Other Current Liabilities	8	5,458.35	5,413.44
d) Short-term Provisions	9	1,728.27	1,657.35
		<b>12,520.48</b>	<b>12,822.26</b>
	<b>TOTAL</b>	<b>66,841.93</b>	<b>59,786.55</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed Assets			
(i) Tangible Assets	10	27,016.49	23,567.99
(ii) Intangible Assets	10	762.88	735.41
(iii) Capital Work in Progress	11	18,489.89	18,376.08
		<b>46,269.26</b>	<b>42,679.48</b>
b) Non-current Investments	12	1,039.18	999.93
c) Long-term loans and advances	13	4,651.29	4,243.34
d) Other non-current assets	14	729.82	684.98
		<b>52,689.55</b>	<b>48,607.73</b>



( ₹ in Crores )

	NOTE NO.	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
<b>(2) Current Assets</b>			
a) Current Investments	15	<b>136.80</b>	253.59
b) Inventories	16	<b>2,587.05</b>	1,897.78
c) Trade receivables	17	<b>3,446.79</b>	2,767.23
d) Cash and cash equivalents	18	<b>3,211.11</b>	3,064.62
e) Short-term loans and advances	19	<b>4,554.47</b>	3,104.39
f) Other current assets	20	<b>216.16</b>	91.21
		<b>14,152.38</b>	11,178.82
	<b>TOTAL</b>	<b>66,841.93</b>	59,786.55

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**      **P.K. Jain**      **Prabhat Singh**      **B. C. Tripathi**  
Secretary      Director(Finance)      Director (Marketing)      Chairman & Managing Director

*As per our separate report of even date*

For **M/s M L Puri & Co.**      For **M/s G S Mathur & Co..**  
Chartered Accountants      Chartered Accountants  
Firm No. 02312 N      Firm No. 008744 N

**Navin Bansal**      **Rajiv Kumar Wadhawan**  
(Partner)      (Partner)  
Membership No. 91922      Membership No. 091007

**Place :** New Delhi  
**Dated :** May 26, 2014

## Consolidated Statement of Profit & Loss for the Year ended 31<sup>st</sup> March, 2014

(₹ in Crores)

	NOTE NO.	YEAR ENDED 31 <sup>st</sup> MARCH, 2014	YEAR ENDER 31 <sup>st</sup> MARCH, 2013
<b>I. Revenue from Operations (Gross)</b>	21	<b>62,873.60</b>	51,939.58
Less: Excise Duty		<b>(955.29)</b>	(845.15)
Revenue from Operations (Net)		<b>61,918.31</b>	51,094.43
<b>II. Other Income</b>	22	<b>918.21</b>	829.28
<b>III. Total Revenue (I+II)</b>		<b>62,836.52</b>	51,923.71
<b>IV. Expenses</b>			
Raw Material consumed		<b>4,976.61</b>	3,055.47
Purchase		<b>43,627.71</b>	35,022.49
(Increase) / decrease in Inventories of Finished Goods, Work in Progress & Stock in trade			
Opening Stock		<b>948.33</b>	890.54
Less: Closing Stock		<b>(1,574.78)</b>	(948.33)
		<b>(626.45)</b>	(57.79)
Employee benefits expense	23	<b>920.04</b>	851.40
Finance Cost	24	<b>668.71</b>	437.31
Depreciation and amortization expenses	25	<b>1,644.22</b>	1,318.68
Other Expenses	26	<b>5,015.95</b>	4,738.30
<b>Total Expenses</b>		<b>56,226.79</b>	45,365.86
<b>V. Profit before exceptional and extraordinary items and tax ( III-IV )</b>		<b>6,609.73</b>	6,557.85
<b>VI. Exceptional Items</b>		<b>(312.69)</b>	-
<b>VII. Profit before Extraordinary items and Tax ( V-VI )</b>		<b>6,922.42</b>	6,557.85
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before Tax ( VII - VIII )</b>		<b>6,922.42</b>	6,557.85
<b>X. Tax Expenses</b>			
1. Current Tax			
- Current Year		<b>1,943.38</b>	1,720.29
- Earlier Year		<b>(47.87)</b>	(33.17)
2. Deferred Tax		<b>299.32</b>	554.06
Total Tax expenses		<b>2,194.83</b>	2,241.18
<b>XI. Profit after Tax</b>		<b>4,727.59</b>	4,316.67
Add: Share of Profit / (Loss) in Associates for the year		<b>58.89</b>	50.66
Less: Share of Minority		<b>0.26</b>	(6.27)
<b>XII. Group Profit after Tax</b>		<b>4,786.22</b>	4,373.60
<b>Details of Earning Per Share (Face Value Rs 10/- each)</b>			
- Basic Earning Per Share (₹)		<b>37.73</b>	34.48
- Diluted Earning Per Share (₹)		<b>37.73</b>	34.48
<b>Expenditure during Construction Period</b>	27		
<b>Prior Period Adjustments</b>	28		

The accompanying notes 1 to 52 form an integral part of Financial Statements.  
There are no 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**      **P.K. Jain**      **Prabhat Singh**      **B. C. Tripathi**  
Secretary      Director(Finance)      Director (Marketing)      Chairman & Managing Director

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

For **M/s G S Mathur & Co..**  
Chartered Accountants  
Firm No. 008744 N

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

**Rajiv Kumar Wadhawan**  
(Partner)  
Membership No. 091007

**Place :** New Delhi  
**Dated :** May 26, 2014



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2014

### Note 1 : Share Capital

(₹ in Crores)

	AS AT 31 <sup>st</sup> MARCH, 2014	AS AT 31 <sup>st</sup> MARCH, 2013
<b>AUTHORISED</b>		
200,00,00,000 (Previous Year : 200,00,00,000) Equity Shares of ₹ 10/-.	<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, 2014		31 <sup>st</sup> MARCH, 2013	
	Numbers	% Holding	Numbers	% Holding
Equity shares of ₹ 10/- each fully Paid Up				
(i) President of India (Promoter)	<b>711,733,651</b>	<b>56.11%</b>	727,405,675	57.35%
(ii) Life Insurance Corporation of India	<b>95,906,319</b>	<b>7.56%</b>	95,124,727	7.49%

b) The Company has only one class of equity shares having a par value ₹ 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) 177,25,920 shares are held in the form of Global Depository Receipts

**Note 2 : Reserves and Surplus****( ₹ in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2014		AS AT 31 <sup>ST</sup> MARCH, 2013	
<b>Capital Reserve</b>				
As per Last Financial Statements	2,601.74		1,503.54	
Add : Transferred from statement of Profit & Loss / Fund received	697.60		1,098.31	
Less : Transferred to statement of Profit & Loss	(0.12)	3,299.22	(0.11)	2,601.74
<b>Share Premium Account</b>		14.70		14.70
<b>Debenture Redemption Reserve</b>		1.88		-
<b>Bonds Redemption Reserve</b>				
As per Last Financial Statements	173.21		173.64	
Add : Transferred from statement of Profit & Loss	49.06		54.57	
Less : Transferred to statement of Profit & Loss	(55.00)		(55.00)	
		167.27		173.21
<b>CSR Reserve</b>				
As per Last Financial Statements	13.13		-	
Add : Transferred from statement of Profit & Loss	31.00		13.13	
Less : Transferred to statement of Profit & Loss	(13.13)	31.00	-	13.13
<b>Foreign Currency Monetary Item Translation Difference Account</b>		14.81		2.00
<b>General Reserve</b>				
As per Last Financial Statements	3,176.54		2,919.72	
Add : Transferred from statement of Profit & Loss	448.58		431.45	
Add : Adjustment due Joint Venture Regrouping (Refer Note No - 42 of Other Notes to accounts)	(310.57)		(174.63)	
		3314.55		3176.54
<b>Foreign Currency Translation Reserve</b>		59.14		25.98
<b>Surplus in the Statement of Profit &amp; Loss</b>				
As per Last Financial Statements	21,518.88		19,019.22	
Add : Transferred from statement of Profit & Loss	4,786.22		4,373.60	
Less : Adjustment due Dividend Received from Associate	(13.40)		(9.02)	
<b>Less: -Appropriations</b>				
Interim Dividend	570.81		507.39	
Proposed Final Dividend	748.40		710.35	
Corporate Dividend Tax	224.20		203.03	
Transfer from Bond Redemption Reserve	(55.00)		(55.00)	
Transfer to Bond Redemption Reserve	49.06		54.57	
Transfer to CSR Reserve	17.87		13.13	
Transfer to Debenture Redemption Reserve	1.88		-	
General Reserve	448.58		431.45	
		24285.90		21518.88
<b>TOTAL</b>		<b>31,188.47</b>		<b>27,526.18</b>



**Note 3 : Long Term Borrowings**

( ₹ in Crores )

	NON-CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31 <sup>st</sup> March 2014	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2014	AS AT 31 <sup>st</sup> March 2013
<b>SECURED</b>				
<b>(a) BONDS</b>				
<b>Bonds Series - I</b>	<b>100.00</b>	200.00	<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 8 <sup>th</sup> year upto the end of the 12 <sup>th</sup> 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
(5.85% Secured Non-convertible redeemable Bonds -Series - II are redeemable in 5 equal installment commencing from the end of the 6 <sup>th</sup> year upto the end of the 10 <sup>th</sup> 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 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 7 <sup>th</sup> year upto the end of the 10 <sup>th</sup> year from the deemed date of allotment December 13, 2010 with a call option at the end of the 7 <sup>th</sup> 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>	750.00	-	-
(9.14% Secured Non-convertible redeemable Bonds 2012 -Series - I are redeemable in 4 equal installment commencing from the end of the 5 <sup>th</sup> year upto the end of the 8 <sup>th</sup> year from the deemed date of allotment June 11, 2012 with a call option at the end of the 5 <sup>th</sup> 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).				

	NON-CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31 <sup>st</sup> March 2014	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2014	AS AT 31 <sup>st</sup> March 2013
<b>(b) TERM LOANS</b>				
<b>Loan from HDFC Bank</b>	<b>900.00</b>	675.00	-	-
(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>121.00</b>	358.50	<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>1,205.00</b>	996.25	<b>291.25</b>	168.75
(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>Oil Industry Development Board</b>	<b>475.00</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 Dahej Vijaiapur Pipeline-II 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 Nov 2013 to March 2014 with rate of interest from 8.94% to 9.27% p.a. depending on date of disbursement.				
<b>-From Banks</b>	<b>4,287.14</b>	3,079.59	<b>519.80</b>	136.72
<b>-From Others</b>	<b>2,171.93</b>	1,853.20	<b>135.02</b>	106.06





( ₹ in Crores )

	NON-CURRENT PORTION		CURRENT MATURITIES	
	AS AT 31 <sup>st</sup> March 2014	AS AT 31 <sup>st</sup> March 2013	AS AT 31 <sup>st</sup> March 2014	AS AT 31 <sup>st</sup> March 2013
<b>UNSECURED</b>				
<b>(a) BONDS / DEBENTURES</b>				
- Non-Convertible Bonds - 8.35% Debenture - Series I	37.50	-	-	-
<b>(b) TERM LOANS</b>				
<b>From Banks:</b>				
- Bank of Tokyo Mitsubishi UFJ Ltd. (1/3 <sup>rd</sup> repayment at the end of the 4 <sup>th</sup> , 5 <sup>th</sup> & 6 <sup>th</sup> 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.	606.10	549.90	-	-
- Bank of Tokyo Mitsubishi UFJ Ltd. (Bullet repayment at the end of the 5 <sup>th</sup> year from the last date of 'drawl i.e Aug'2016. Loan carries floating rate of interest linked to 6 Months LIBOR. plus spread)	909.15	824.85	-	-
- Mizuho Corporate Bank (1/3 <sup>rd</sup> repayment at the end of the 4 <sup>th</sup> , 5 <sup>th</sup> & 6 <sup>th</sup> 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).	606.10	549.90	-	-
- Sumitomo Mitsui Banking Corporations (1/3 <sup>rd</sup> repayment at the end of the 4 <sup>th</sup> , 5 <sup>th</sup> & 6 <sup>th</sup> 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).	606.10	549.90	-	-
- Japan bank for International Co-operation (JBIC) Repayable in 20 half yearly equal Instalments starting from June'2013	245.35	189.34	30.67	31.85
- Sumitomo Bank (1/2 repayment at the end of the 5 <sup>th</sup> & 6 <sup>th</sup> 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).	1,818.30	1,649.70	-	-
- Society General (Repayment in 20 half yearly equal Instalments starting from 22 <sup>nd</sup> October 2012)	337.90	347.44	45.05	40.88
- KFW Germany (Siemens Facility) (Repayment in 20 half yearly equal Instalments starting from March, 2014)	267.54	-	31.48	-
- KFW Germany (Coperion Facility) (Repayment in 14 half yearly equal Instalments starting from October, 2014)	78.55	-	6.04	-
<b>(c) Others</b>				
- Sales Tax Deferred	2.79	4.89	-	-
- Other Unsecured	35.40	89.90	34.50	29.50
	<b>5,550.78</b>	<b>4,755.82</b>	<b>147.74</b>	<b>102.23</b>
<b>TOTAL</b>	<b>16,060.85</b>	<b>13,168.36</b>	<b>1,431.31</b>	<b>971.26</b>

**Note 4 : Other Long Term Liabilities****( ₹ in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
Trade Payable	2.63	4.10
Gas Pool Money (Provisional) (Refer Note No - 35(c) of Other Notes to accounts)	652.51	584.47
<b>Others :</b>		
Liability for Abandonment Cost (E&P)	1.13	1.13
Deposits & Others long term liabilities	243.99	160.14
<b>TOTAL</b>	<b>900.26</b>	<b>749.84</b>

**Note 5 : Long Term Provisions****( ₹ in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
Provision for Employee Benefits (incl. Gratuity)	409.78	363.36
Other Provisions	4.48	4.96
<b>TOTAL</b>	<b>414.26</b>	<b>368.32</b>

**Note 6 : Short Term Borrowings****( ₹ in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
Secured / Unsecured Loans	1,044.78	2,332.70
<b>TOTAL</b>	<b>1,044.78</b>	<b>2,332.70</b>

**Note 7 : Trade Payables****( ₹ in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
Trade Payables (includes ₹ 28.06 (Previous Year : ₹ 25.78) payable to JV consortium)	4,289.08	3,418.77
<b>TOTAL</b>	<b>4,289.08</b>	<b>3,418.77</b>



**Note 8 : Other Current Liabilities**

( ₹ in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
(a) Current Maturity of Long Term Debt (Refer Note No. - 3)		
(i) SECURED	<b>1,283.57</b>	869.03
(ii) UNSECURED	<b>147.74</b>	102.23
(b) Interest accrued but not due	<b>246.72</b>	128.39
(c) Unpaid Dividend	<b>3.23</b>	3.47
(d) Others		
Advances / Deposits from Customers	<b>173.03</b>	189.72
Deposits/Retention Money from Contractors and others	<b>589.79</b>	815.47
Gas Pool Money (Refer Note No - 35(b) of Other Notes to accounts)	<b>1,035.71</b>	598.89
Imbalance & Overrun Charges (Refer Note No - 35(d) of Other Notes to accounts)	<b>70.62</b>	60.28
Other Liabilities	<b>1,907.94</b>	2,645.96
<b>TOTAL</b>	<b><u>5,458.35</u></b>	<u>5,413.44</u>

**Note 9 : Short-term provisions**

( ₹ in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
Provision for Employee Benefits	<b>50.59</b>	274.92
Others :		
Provision for Proposed Dividend	<b>748.40</b>	710.35
Provision for tax on Proposed Dividend	<b>127.19</b>	120.72
Provison for Probable Obligations	<b>525.83</b>	332.74
Other Provisons	<b>276.26</b>	218.62
<b>TOTAL</b>	<b><u>1,728.27</u></b>	<u>1,657.35</u>

## Note 10 - Fixed Assets (Tangible / Intangibles Assets)

(₹ in Crores)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions/ Adjustments during the year	Sales/ Adjustments during the year	As at 31.03.2014	As at 01.04.2013	For the Year ##	Adjustments during the year	As at 31.03.2014	As on 31.03.2014	As on 31.03.2013
<b>Tangible Assets</b>										
Land: Freehold	184.95	9.94	(1.75)	<b>196.64</b>	-	-	-	-	<b>196.64</b>	184.95
Leasehold	440.09	1.78	8.16	<b>433.71</b>	41.01	10.77	(0.23)	<b>52.01</b>	<b>381.70</b>	399.08
Building: Office/Others	754.70	75.51	(4.63)	<b>834.84</b>	196.84	24.18	(0.76)	<b>221.78</b>	<b>613.06</b>	557.86
Residential	367.81	79.98	(0.01)	<b>447.80</b>	79.83	7.76	0.01	<b>87.58</b>	<b>360.22</b>	287.98
Roads and Fences	10.68	-	8.47	<b>2.21</b>	0.67	0.07	0.33	<b>0.41</b>	<b>1.80</b>	10.01
Electrical Installations	4.03	0.35	1.20	<b>3.18</b>	0.60	0.14	0.19	<b>0.55</b>	<b>2.63</b>	3.43
Bunk Houses	2.46	0.13	0.03	<b>2.56</b>	1.84	0.20	0.03	<b>2.01</b>	<b>0.55</b>	0.62
Plant and Machinery	33,234.43	3,715.28	234.55	<b>36,715.16</b>	12,135.78	1,376.69	90.74	<b>13,421.73</b>	<b>23,293.43</b>	21,098.65
Railway Lines & Sidings	5.47	-	-	<b>5.47</b>	5.17	0.01	-	<b>5.18</b>	<b>0.29</b>	0.30
Communication Systems	7.17	0.42	1.95	<b>5.64</b>	4.54	0.41	1.33	<b>3.62</b>	<b>2.02</b>	2.63
Electrical Equipments	248.40	33.02	3.18	<b>278.24</b>	98.36	14.31	2.22	<b>110.45</b>	<b>167.79</b>	150.04
Furniture, Fixtures and Other Equipments	219.33	26.98	7.29	<b>239.02</b>	105.07	17.69	6.09	<b>116.67</b>	<b>122.35</b>	114.26
Office Equipments	213.62	12.53	10.38	<b>215.77</b>	120.38	19.74	8.33	<b>131.79</b>	<b>83.98</b>	93.24
Vehicles	1.12	0.08	0.04	<b>1.16</b>	0.34	0.10	0.02	<b>0.42</b>	<b>0.74</b>	0.78
Transport Equipments	2.64	3.60	0.09	<b>6.15</b>	2.12	0.72	(0.84)	<b>3.68</b>	<b>2.47</b>	0.52
<b>E&amp;P Assets</b>										
Proved / Producing Property	707.43	1,235.31	(101.14)	<b>2,043.88</b>	83.64	156.89	(18.55)	<b>259.08</b>	<b>1,784.80</b>	623.79
Support Equipment & Facility	1.65	0.40	-	<b>2.05</b>	0.64	0.09	-	<b>0.73</b>	<b>1.32</b>	1.01
Unproved Leasehold Cost	38.84	(40.68)	(2.54)	<b>0.70</b>	-	-	-	-	<b>0.70</b>	38.84
<b>Intangible Assets</b>										
Right of Use	696.10	53.77	7.56	<b>742.31</b>	-	21.06	-	<b>21.06</b>	<b>721.25</b>	696.10
Softwares / Licences / Others	103.80	8.10	(6.21)	<b>118.11</b>	64.49	12.67	0.68	<b>76.48</b>	<b>41.63</b>	39.31
<b>Total</b>	<b>37,244.72</b>	<b>5,216.50</b>	<b>166.62</b>	<b>42,294.60</b>	<b>12,941.32</b>	<b>1,663.50</b>	<b>89.59</b>	<b>14,515.23</b>	<b>27,779.37</b>	<b>24,303.40</b>
<b>Share in Joint Venture Assets and Subsidiary included</b>	<b>6,095.75</b>	<b>2,246.67</b>	<b>104.14</b>	<b>8,238.28</b>	<b>1,499.80</b>	<b>482.64</b>	<b>46.90</b>	<b>1,935.54</b>	<b>6,302.74</b>	<b>4,595.95</b>
Previous Year	31,769.19	5,504.92	29.39	<b>37,244.72</b>	11,611.93	1,333.90	4.51	<b>12,941.32</b>	<b>24,303.40</b>	20,157.26
Share in Joint Venture Assets and Subsidiary included	5,462.56	621.22	(11.97)	<b>6,095.75</b>	1,162.92	350.32	13.44	<b>1,499.80</b>	<b>4,595.95</b>	4,299.64

## Depreciation for the Financial Year includes Impairment Loss of ₹ 5.62 Crores (for Plant &amp; Machinery).



**Note 11 : Capital Work-in-Progress**

( ₹ in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2014		AS AT 31 <sup>ST</sup> MARCH, 2013	
Linepipe Construction and related facilities including Cathodic Protection & Dispatch / Receiving Terminals	<b>943.33</b>		1,167.45	
Less : Provision for Linepipe and Related Facilities	<b>(87.49)</b>	<b>855.84</b>	(11.57)	1,155.88
Compressor Stations		<b>4.82</b>		736.41
Telecom/Telesupervisory System		<b>6.79</b>		1.42
LPG Pipeline Project		<b>0.22</b>		23.90
LPG Projects		<b>0.67</b>		-
Petrochemicals		<b>7,612.28</b>		4,077.14
Telecom Project		<b>0.02</b>		0.43
Others		<b>157.50</b>		684.11
Engineering / Project construction		<b>6,161.16</b>		7,284.53
Exploratory & Development Well in Progress	<b>549.55</b>		693.61	
Less : Provision for Dry Exploratory Wells	-	<b>549.55</b>	-	693.61
Construction of CNG Station		<b>134.51</b>		182.94
Buildings	<b>149.14</b>		84.91	
Less : Provision for abandonment of Building	<b>(5.28)</b>	<b>143.86</b>	-	84.91
Linepipes, Capital Items in Stock/Transit	<b>2,862.95</b>		3,451.05	
Less : Provision for losses/obsolescence	<b>(0.28)</b>	<b>2,862.67</b>	(0.25)	3,450.80
<b>TOTAL</b>		<b>18,489.89</b>		18,376.08

## Note 12 : Non-current Investments

( ₹ in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
<b>1. Trade Investments</b>		
<b>Quoted</b>		
<b>Investments in Equity Instruments :-</b>		
<b>(i) In Associate Company</b>		
15,00,00,000 (Previous Year : 15,00,00,000) 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>	37.03
Add: Goodwill	<b>60.34</b>	60.34
Add: Share of Profit in Associates	<b>197.66</b>	139.73
Less: Dividend Received	<b>(29.88)</b>	(16.48)
	<b>265.15</b>	220.62
3,000,000 (Previous Year 3,000,000) 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>96.21</b>	86.55
	<b>179.83</b>	170.17
<b>(ii) Others</b>		
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
<b>Unquoted</b>		
<b>(i) In Associate Companies</b>		
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>1.04</b>	9.82
Less: Dividend received	<b>(2.90)</b>	(2.90)
	<b>18.90</b>	27.68
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>9.69</b>	9.61
Less: Dividend received	<b>(10.92)</b>	(10.92)
	<b>6.86</b>	6.78



(₹ in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
<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	11.25	17.49
<b>TOTAL</b>	<b>1,039.18</b>	<b>999.93</b>

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

(₹ in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
<b>(a) Capital Advances</b>		
(Secured / Unsecured - Considered Good)	1,910.54	1,518.22
(Unsecured - Considered Doubtful)	0.35	1.55
	<b>1,910.89</b>	<b>1,519.77</b>
Less : Provision for Doubtful Advances	(0.35)	(1.55)
	<b>1,910.54</b>	<b>1,518.22</b>
<b>(b) Security Deposits (Unsecured)</b>	<b>137.90</b>	<b>137.33</b>
<b>(c) Other Loans and Advances</b>		
<b>Advances for Allotment of Equity (includes Loans and advances)</b>		
- South East Asia Gas Pipeline	300.87	272.44
<b>Loans to Employees</b>		
- Secured, Considered Good	269.60	279.14
- Unsecured, Considered Good	87.12	57.85
<b>Advances to Income Tax against pending demand</b>		
- Unsecured, Considered Good	1,298.13	1,221.67
- Unsecured, Considered Doubtful	85.72	56.74
	<b>1,383.85</b>	<b>1,278.41</b>
Less: Provision for Doughtful Income Tax against pending demand	(85.72)	(56.74)
	<b>1,298.13</b>	<b>1,221.67</b>
<b>Advance Tax / TDS</b>		
- Unsecured, Considered Good	3,848.64	3,388.27
Less: Provision for Taxations	(3,612.67)	(3,131.36)
<b>Others</b>		
(Unsecured, Considered Good)	411.16	499.78
<b>TOTAL</b>	<b>4,651.29</b>	<b>4,243.34</b>

**Note 14 Other Non Current Assets****(₹ in Crores)**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
<b>Long Term Trade Receivables</b>		
(Unsecured - Considered Good)	719.00	666.65
(Unsecured - Considered Doubtful)	<u>597.10</u>	<u>460.20</u>
	1,316.10	1,126.85
Less: Provision for Doubtful Debts	<u>(597.10)</u>	<u>(460.20)</u>
	719.00	666.65
<b>Others</b>		
Deposit with various parties	4.48	4.69
Other Non current assets	6.34	13.64
<b>TOTAL</b>	<u>729.82</u>	<u>684.98</u>

**Note 15 Current Investments****(₹ in Crores)**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
NIL (Previous Year: 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	136.80	182.38
<b>TOTAL</b>	<u>136.80</u>	<u>253.59</u>





**Note 16 : Inventories**

( ₹ in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2014		AS AT 31 <sup>ST</sup> MARCH, 2013	
<b>a) Finished Goods (incl Work-in-Progress)</b>				
Stock of Gas*/Polymers/LPG and Other Products *after adjustment of calorific value		<b>1,574.01</b>		947.98
<b>b) Raw material, Stores, Spares and others</b> (As taken, valued and certified by the Management)				
Raw Material		<b>88.86</b>		79.30
Raw Material on Transit		<b>30.65</b>		50.80
CNG and Natural Gas in Pipeline		<b>0.85</b>		0.81
Stores and Spares (including Construction Surplus)		<b>916.19</b>		840.97
Less : Provision for Losses/Obsolescence		<b>(23.51)</b>		(22.08)
		<b>892.68</b>		818.89
<b>TOTAL</b>		<b>2,587.05</b>		1,897.78

**Note 17 : Trade Receivables**

( ₹ in Crores )

	AS AT 31 <sup>ST</sup> MARCH, 2014		AS AT 31 <sup>ST</sup> MARCH, 2013	
Trade receivables outstanding for a period exceeding six months				
- Secured, Considered Good		<b>0.04</b>		0.04
- Unsecured, Considered Good		<b>189.69</b>		51.45
- Unsecured, Considered Doubtful		<b>0.47</b>		2.05
		<b>190.20</b>		53.54
Other receivables				
- Secured, Considered Good		<b>10.22</b>		11.14
- Unsecured, Considered Good		<b>3,246.84</b>		2,704.60
- Unsecured, Considered Doubtful		<b>1.12</b>		-
		<b>3,258.18</b>		2,715.74
		<b>3,448.38</b>		2,769.28
Less : Provision for Doubtful debts		<b>(1.59)</b>		(2.05)
<b>TOTAL</b>		<b>3,446.79</b>		2,767.23

**Note 18: Cash and cash equivalents****( ₹ in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
<b>BALANCES WITH BANKS</b>		
On Current Account ( includes Corporate Liquid Term Deposit)	<b>641.32</b>	290.40
On Current Account - Dividend Payable	<b>3.23</b>	3.47
On Term Deposit Account (including Long Term deposits)	<b>1,438.11</b>	2,106.17
On Short Term Deposit - Gas Pool Money (includes interest accrued but not due ₹ 28.99 Cr (Previous Year : ₹ 4.26 Cr)	<b>1,028.26</b>	571.75
On Short Term Deposit - Imbalance & Overrun (includes interest accrued but not due ₹ 5.62 Cr (Previous Year : ₹ 3.20 Cr)	<b>70.18</b>	60.75
On Short Term Deposit - JV Consortium (includes interest accrued but not due ₹ 2.29 Cr (Previous Year : ₹ 0.97 Cr)	<b>28.06</b>	25.78
	<b>3,209.16</b>	3,058.32
Cheques/Drafts/Stamps in hand	<b>0.07</b>	3.37
Cash in hand	<b>1.88</b>	2.93
	<b>1.95</b>	6.30
<b>TOTAL</b>	<b>3,211.11</b>	3,064.62

**Note 19: Short Term Loans and Advances****( ₹ in Crores )**

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
Loans / Advances to Employees	<b>50.14</b>	38.81
Advances recoverable in cash or in kind or for value to be received		
- Unsecured, Considered Good (Refer Note No - 41 of Other Notes to accounts)	<b>1,851.97</b>	1,179.54
- Unsecured, Considered Doubtful	<b>0.67</b>	1.02
	<b>1,852.64</b>	1,180.56
Less : Provision for Doubtful Advances	<b>(0.67)</b>	(1.02)
	<b>1,851.97</b>	1,179.54
Claims Recoverable		
- Unsecured, Considered Good	<b>216.97</b>	126.02
- Unsecured, Considered Doubtful	<b>2.28</b>	2.33
	<b>219.25</b>	128.35
Less : Provision for doubtful claims	<b>(2.28)</b>	(2.33)
	<b>216.97</b>	126.02
Deposits / Balances with Government Authorities and Others		
- Unsecured, Considered Good	<b>2,434.80</b>	1,759.17
- Unsecured, Considered Doubtful	<b>1.59</b>	2.23
	<b>2,436.39</b>	1,761.40
Less : Provision for doubtful deposits	<b>(1.59)</b>	(2.23)
	<b>2,434.80</b>	1,759.17
Trade and Security Deposits		
- Unsecured, Considered Good	<b>0.59</b>	0.85
<b>TOTAL</b>	<b>4,554.47</b>	3,104.39



**Note 20: Other Current Assets**

(₹ in Crores)

	AS AT 31 <sup>ST</sup> MARCH, 2014	AS AT 31 <sup>ST</sup> MARCH, 2013
Interest accrued but not due	24.03	32.78
Others	192.13	58.43
<b>TOTAL</b>	<b>216.16</b>	<b>91.21</b>

**Note 21: Revenue from Operations**

(₹ in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2014	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013
a) Sale of Products/ Gas	61,173.25	50,329.78
b) Sale of Services		
LPG Transmission / RLNG Shippers Charges	1,422.57	1,403.90
c) Income from Telecom	2.97	4.18
d) Other Operating Income	274.81	201.72
	<b>62,873.60</b>	<b>51,939.58</b>
Less : Excise Duty	<b>(955.29)</b>	<b>(845.15)</b>
<b>TOTAL</b>	<b>61,918.31</b>	<b>51,094.43</b>

**Note 22: Other Income**

(₹ in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2014	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013
Dividend from long term (trade) investment	353.79	403.56
Interest on:		
- Bonds / Debentures (Long term trade investment)	-	0.30
- Deposits with Banks	183.04	178.78
- Others	147.18	112.56
	<b>330.22</b>	<b>291.64</b>
Add: Transferred to Expenditure during construction period (Refer Note 27)	<b>(16.80)</b>	<b>(59.52)</b>
	<b>313.42</b>	<b>232.12</b>
Miscellaneous Income including liabilities written back	253.71	202.36
Add: Transferred to Expenditure during construction period (Refer Note 27)	<b>(2.71)</b>	<b>(8.76)</b>
<b>TOTAL</b>	<b>251.00</b>	<b>193.60</b>
	<b>918.21</b>	<b>829.28</b>

**Note 23 : Employee benefits expenses**

(₹ in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2014	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013
Salaries, Wages and Allowances	782.07	715.18
Contribution to Provident and Other Funds	119.28	116.84
Welfare Expenses	139.32	145.33
Secondment charges	1.85	1.86
	<u>1,042.52</u>	<u>979.21</u>
Less : Employees Benefit Expenses transferred to Capital Work-in-Progress (refer note no. 27)	122.48	127.81
<b>TOTAL</b>	<u>920.04</u>	<u>851.40</u>

**Note 24 : Finance Cost**

(₹ in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2014	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013
Interest on :-		
- Term Loans	1,206.34	853.14
- Bonds	134.03	133.81
- Others	3.44	6.67
Other Borrowing Costs (Commitment and other Finance Charges)	40.20	83.20
	<u>1,384.01</u>	<u>1,076.82</u>
Less : Interest and Finance Charges transferred to Capital Work-in-Progress (refer note no. 27)	715.30	639.51
<b>TOTAL</b>	<u>668.71</u>	<u>437.31</u>

**Note 25 : Depreciation and Amortization Expenses**

(₹ in Crores)

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2014	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013
Depreciation and Amortization Expenses	1,657.88	1,333.51
Impairment Loss	5.62	0.39
	<u>1,663.50</u>	<u>1,333.90</u>
Less : Depreciation & Amortization expenses transferred to Capital Work-in-Progress (refer note no. 27)	19.28	15.22
<b>TOTAL</b>	<u>1,644.22</u>	<u>1,318.68</u>

As required by Accounting Standard (AS) 28, 'Impairment of Assets', an amount of ₹ 5.62 Cr (Previous Year: ₹ 0.39 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, 2014		YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	
<b>Power, Fuel and Water Charges</b>				
Power and Water Charges	487.63		716.66	
Gas used as Fuel	1,433.85		1,036.70	
		<b>1,921.48</b>		1,753.36
<b>Gas Pool Expenses</b>		<b>454.77</b>		734.86
Stores and Spares consumed		<b>359.55</b>		314.69
Rent		<b>45.06</b>		39.09
Rates and Taxes (includes entry tax on gas)		<b>174.26</b>		102.31
Licence Fees - Telecom		<b>2.01</b>		1.95
Bandwidth Consumption		<b>0.03</b>		-
<b>Repairs and Maintenance</b>				
Plant and Machinery	376.25		343.55	
Buildings	22.84		27.11	
Others	41.08	<b>440.17</b>	26.96	397.62
Insurance		<b>38.45</b>		33.53
Communication Expenses		<b>11.65</b>		10.02
Printing and Stationery		<b>4.38</b>		4.16
Travelling Expenses		<b>102.44</b>		99.91
Books and Periodicals		<b>1.45</b>		0.58
Advertisement and Publicity		<b>38.33</b>		35.22
<b>Payment to Auditors</b>				
Audit Fees	0.87		0.67	
Tax Audit fees	0.07		0.08	
Company Law Matters	-		-	
Management Services	0.21		0.16	
Travelling & Out of Pocket Expenses	0.35	<b>1.50</b>	0.31	1.22
Entertainment Expenses		<b>0.87</b>		1.08
Recruitment and Training Expenses		<b>17.02</b>		19.59
Vehicle Hire and Running Expenses		<b>41.43</b>		35.62
Equipment Hire charges		<b>1.47</b>		29.00
CNG Transportation		<b>0.41</b>		0.41
Operating Expenses at CNG Stations		<b>23.45</b>		20.31
Lease Charges		<b>29.73</b>		7.75
Survey Expenses		<b>69.01</b>		81.65
Dry Well Expenses written off	41.38		137.60	
Less: Provision for Dry Well Expenses written back	-	<b>41.38</b>	(53.57)	84.03
Oil & Gas Producing Expenses (Operators)		<b>58.19</b>		4.76
Royalty on Crude Oil **		<b>65.09</b>		29.48

( ₹ in Crores )

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2014	YEAR ENDED 31 <sup>ST</sup> MARCH, 2013
Consultancy Charges	55.99	35.08
Legal and Professional charges	17.71	6.16
Data Processing Expenses	7.40	6.82
Donation	0.12	0.03
Research and Development Expenses	28.45	12.91
Directors fees	0.04	0.04
Loss on sale / written off of assets(net)	2.93	10.87
Bad Debts / Claims / Advances / Inventories written off	0.15	0.87
Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items	386.27	69.31
Provision for Probable Obligations / Contingencies	180.45	134.95
Excise Duty on Stock (net)	(9.01)	8.81
Expenses on Enabling Facilities	30.29	3.47
Selling & Distribution Expenses	31.52	25.34
Discount on Sales	153.75	120.71
Commission on Sales	16.28	15.51
Dealers' Commission	7.32	6.75
Security Expenses	106.04	84.86
Corporate Social Responsibility Expenses	62.60	64.71
Net Loss on Foreign currency transaction and translation	(23.71)	(12.66)
Other Expenses	504.61	340.90
<b>Prior Period Adjustments (Refer note 28)</b>	<b>(3.33)</b>	261.02
	<b>5,499.45</b>	5,038.66
Less : Incidental Expenditure during construction transferred to Capital Work-in-Progress (refer note no. 27)	<b>483.50</b>	300.36
<b>TOTAL</b>	<b>5,015.95</b>	4,738.30

\*\* Includes ₹ 43.96 (Previous Year: ₹ 20.52) towards Government Share of Profit Petroleum



**Note 27 : Expenditure during Construction Period**

( ₹ in Crores )

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2014		YEAR ENDED 31 <sup>ST</sup> MARCH, 2013	
<b>Employees Remuneration and Benefits</b>				
Salaries, Wages and Allowances	107.12		110.72	
Contribution to Provident and Other Funds	9.27		7.67	
Welfare Expenses	6.09	122.48	9.42	127.81
Power, Fuel and Water Charges		7.11		2.87
Stores & Spares		0.15		0.13
Rent		6.49		7.17
Rates and Taxes		10.19		10.36
Repairs and Maintenance - Plant and Machinery		0.15		0.12
Repairs and Maintenance - Building		0.03		0.07
Repairs and Maintenance - Others		1.28		1.19
Insurance		7.02		8.95
Communication Expenses		1.14		0.96
Printing and Stationery		0.66		0.24
Travelling Expenses		12.93		14.46
Books and Periodicals		0.02		0.04
Advertisement and Publicity		0.59		0.37
Payment to Auditors		0.18		0.17
Entertainment Expenses		0.56		0.53
Recruitment and Training Expenses		1.48		0.82
Vehicle Hire and Running Expenses		5.18		3.64
Professional & Consultancy Charges		14.62		2.17
Data Processing Expenses		-		0.07
Other Expenses		413.72		246.03
Depreciation		19.28		15.22
Interest and Finance Charges		715.30		639.51
		1,340.56		1,082.90
Less: - Interest Income	16.80		59.52	
- Misc. Income	2.71		8.76	
- Sales	-	19.51	-	68.28
<b>Net Expenditure</b>		1,321.05		1,014.62
Less: Transferred to Capital Work-in-progress				
a) Employees Benefits Expenses	122.48		127.81	
b) Interest & finance Charges	715.30		639.51	
c) Depreciation	19.28		15.22	
d) Other Expenses	483.50		300.36	
e) Other Income	(19.51)	1,321.05	(68.28)	1,014.62
<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, 2014</b>	<b>YEAR ENDED 31<sup>ST</sup> MARCH, 2013</b>
Purchase of Gas	<b>(1.28)</b>	(0.16)
Salaries, Wages and Allowances	<b>(0.60)</b>	(0.29)
Contribution to PF & Other Fund	<b>3.24</b>	209.41
Rent	<b>0.63</b>	0.25
Depreciation(Net)	<b>7.99</b>	36.63
Repairs and Maintenance	<b>(0.78)</b>	0.37
Consultancy Charges	<b>-</b>	0.01
Other Expenses	<b>2.80</b>	15.06
<b>TOTAL</b>	<b>12.00</b>	261.28
Less :		
- Sales	<b>3.18</b>	-
- Interest Income	<b>0.16</b>	-
- Miscellaneous Income	<b>11.99</b>	0.26
<b>TOTAL(NET)</b>	<b>(3.33)</b>	0.26



## 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, 2014), except Gail Global (USA) Inc., Fayum Gas and Nat Gas (for which the accounts drawn up as at December 31, 2013) and China Gas Holding Limited (for which the accounts drawn up to September 30, 2013) 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 (AS 11). 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 (AS 11).
- 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 31.03.2014	Name of Company	Country of Incorporation	Relation	Proportion of ownership interest as on 31.03.2014
GAIL Global (Singapore) PTE Ltd	Singapore	Subsidiary	100%	Aavantika Gas Limited	India	Joint Venture	22.50%
GAIL Global (USA) Inc. (Refer *1)	USA	Subsidiary	100%	Ratnagiri Gas & Power (Private) Ltd (RGPPPL)	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 (Refer *2)	India	Subsidiary	100%	ONGC Petro-additions Limited (OPaL)	India	Joint Venture	15.50%
Mahanagar Gas Limited	India	Joint Venture	35.00%	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	3.00%
Green Gas Limited	India	Joint Venture	22.50%				
Maharashtra Natural Gas Limited (MNGL)	India	Joint Venture	22.50%				

\*1: Consolidated financial statement of GAIL Global (USA) Inc includes its 100% subsidiary, Gail Global (USA) LNG LLC.

\*2: Consolidated financial statement of GAIL GAS Ltd includes its 25%, 26%, 25% & 26% interest in joint venture companies, i.e., Andhra Pradesh Gas Distribution Corporation Ltd, Kerala GAIL GAS Ltd, Vadodara Gas Ltd, and RSPCL-GAIL GAS Ltd respectively.

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 significant changes. 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) (₹ in Crores)
		GAIL (India) Ltd.	Subsidiary / Joint Venture	
<b>Inventories</b> Valuation of Stores and spares	Mahanagar Gas Limited / Central UP Gas Ltd	Valued at weighted average cost or net realizable value, whichever is lower	Valued at weighted average cost.	6.46
	Tripura Natural Gas Co Ltd	Valued at weighted average cost or net realizable value, whichever is lower	Valued at cost	0.84
<b>Depreciation</b> Software / Licences	Petronet LNG Limited (PLL) Aavantika Gas Limited (AGL) / Mahanagar Gas Limited / Bhagyanagar Gas Limited / Maharashtra Natural Gas Limited / RGPPPL.	Software / Licences are amortized in 5 years on straight line method	Software/Licences are amortised on Straight Line method as follows: - Petronet LNG Ltd - 3 years. Aavantika Gas Ltd - 4 years. Mahanagar Gas Ltd - 6 years. Bhagyanagar Gas Ltd - 4 years. Maharashtra Natural Gas Ltd - 3 years. RGPPPL - 3 years or Period of Legal right, whichever is earlier.	0.87
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.	1.23
<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) (₹ 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 / RGPPL.	Prepaid expenses and prior period expenses / income upto ₹ 5 lakhs in each case are charged to relevant heads of account of the current year.	Prepaid expenses and prior period expenses / income upto ₹ 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 / RGPPL.	Prepaid expenses and prior period expenses / income upto ₹ 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>	Bhagyanagar Gas Limited	Contingent liabilities exceeding ₹ 5 Lakhs in each case are disclosed by way of notes to accounts.	Contingent liabilities exceeding ₹ 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, Bhagyanagar Gas Limited.	Contingent liabilities exceeding ₹ 5 Lakhs in each case are disclosed by way of notes to accounts.	Un-ascertained / Not available.	Not Quantifiable
<b>Capital commitment</b>	PLL / AGL / Bhagyanagar Gas Limited	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹ 5 Lakhs.	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹ 1 Lakh.	Not Quantifiable
	All Subsidiary & Joint Ventures, except Gail Gas Ltd, BCPL, PLL, AGL, Bhagyanagar Gas Limited.	Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ₹ 5 Lakhs.	Un-ascertained / Not available.	Not Quantifiable

The effect of above differential accounting policies could not be quantified 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: ₹ 7,756.39 Crores (Previous Year: ₹ 6,016.13 Crores), which mainly include:-
- Legal cases for claim of ₹ 791.68 Crores (Previous Year: ₹ 807.23 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.
  - Income tax assessments up to the Assessment Year 2011-12 have been completed and a demand (net of provision) of ₹ 1337.15 Crores relating to the Assessment Years 1996-97 to 2011-12 (Previous Year: ₹ 1290.25 Crores) relating to the Assessment Years 1996-97 to 2010-11) 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, ₹ 1298.14 Crores (Previous Year: ₹ 1221.67 Crores) has already been paid pending decision by the appellate authorities. Further, Department has also filed appeals amounting to ₹ 100.32 Crores (including interest) (Previous Year: ₹ 93.37 Crores (including interest) before Income Tax Appellate Tribunal, Delhi against the relief granted by CIT(A) in favour of Company.

- ₹ 4238.36 Crores (Previous Year: ₹ 3147.06 Crores) relating to disputed tax demand towards Excise duty, Sales tax, Entry tax, and Service Tax etc., which includes ₹ 545.49 crores (Previous Year: ₹ 268.64 crores) decided in favour of the company at last stages.

- (b) Share in Contingent Liabilities of Joint Ventures based on their audited / unaudited financial statement : ₹ 980.49 Crores (Previous Year: ₹ 728.87 Crores).

#### II. Commitments:-

- Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 3,937.50 Crores (Previous Year: ₹ 6,861.39 Crores).
- 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 ₹ 842.47 Crores (Previous Year: ₹ 1,005.49 Crores).

#### (c) Other Commitments:-

- As at 31st March'2014, the company has commitment of ₹ 147.58 Crores (Previous Year: ₹ 177.62 Crores) towards further investment in the entity other than Joint Ventures, Associates & Subsidiaries.
  - 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 ₹ 3449.18 Crores (Previous Year: ₹ 3449.18 Crores) and interest thereon ₹ 1513.04 Crores. (Previous Year: ₹ 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 ₹ 19.92 Crores (Previous Year: ₹ 11.55 Crores) and Leasehold Land acquired valuing ₹ 79.50 Crores (Previous Year: ₹ 64.07 Crores) are valued / capitalized on provisional basis.
- (b) Title deeds for freehold land valuing ₹ 14.21 Crores (Previous Year: ₹ 10.86 Crores) and leasehold land valuing ₹ 25.55 Crores (Previous Year: ₹ 13.19 Crores) are pending execution.
- (c) Title Deeds in respect of ten residential flats at Asiad Village, New Delhi, valuing ₹ 1.17 Crores (Previous Year: ₹ 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 ₹ 0.52 Crores (Previous year: ₹ 1.03 Crores) earmarked for disposal but in use.
- (e) Freehold land valuing ₹ 0.63 Crores and leasehold land valuing ₹ 0.80 Crores, registered in the name of company, does not belong to it and hence not capitalized.
35. (a) The balance retention from PMT JV consortium amounting to ₹ 28.06 Crores (Previous Year: ₹ 25.78 Crores) includes interest amounting to ₹ 2.29 Crores (Previous Year: ₹ 0.97 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 ₹ 1,035.71 Crores (Previous Year: ₹ 598.89 Crores) includes interest amounting to ₹ 28.99 Crores (Previous Year: ₹ 4.26 Crores) on short term deposits. This interest does not belong to the company hence not accounted as income.
- (c) The amount in Gas Pool Money (Provisional) account shown under "Other Long Term Liabilities" amounting to ₹ 652.51 Crores (Previous Year: ₹ 584.47 Crores) will be invested as and when said amount is received from the customers.
- (d) Liability on account of Pipeline overrun and Imbalance charges

amounting to ₹ 70.62 Crores (Previous Year: ₹ 60.28 Crores) includes interest amounting to ₹ 5.62 Crores (Previous Year: ₹ 3.20 Crores) on short term deposits. This interest does not belong to the company hence not accounted as income.

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 ₹ 1,900.00 Crores (Previous Year: ₹ 2,687.18 Crores). Corresponding adjustment on account of CST amounting to ₹ 12.83 Crores (Previous Year: ₹ 9.58 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) The company has derecognized the revenue by an amount of ₹ 28.33 Crore on account of lower tariff submitted to PNGRB for approval in respect of Gujarat Pipelines Network.
- (d) Petroleum & Natural Gas Regulatory Board (PNGRB) on 19.02.2014 notified insertion in Affiliate Code of Conduct that an entity engaged in both marketing and transportation of natural gas shall create a separate legal entity for transportation of natural gas by 31.03.2017 and the right of first use shall however remain with the affiliate of such entity. Company has filed an appeal against the PNGRB notification in the High Court.
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 ₹ 14.72 Crores (Previous Year: ₹ 14.83 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 OIBD ₹ 25.65 Crores (Previous Year: ₹ 20.00 Crores) and from Union Bank of India ₹ 20.00 Crores (Previous Year: ₹ 55.00 Crores) to finance the project activities in the TTZ and cities of Dewas, Kota, Meerut and Sonapat. 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 ₹ 19.74 Crores (Previous Year: ₹ 15.24 Crores) was incurred, out of which an amount of ₹ 9.15 Crores (previous Year: ₹ 9.43 Crores) was capitalized during the year. During the year the company has repaid ₹ 29.50 Crores to OIBD (Previous Year: ₹ 18.60 crores) and ₹ 14.00 Crores to Union Bank of India (Previous Year: ₹ 3.44 Crores) as per the term loan agreement.

## II. Brahmaputra Cracker and Polymer Ltd.

- a) In view of time and cost overrun, the company has revised the project cost from initially ₹ 5460.61 Crores to ₹ 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. During the current financial year 2013-14, the company has further estimated change in schedule of completion from December, 2013 to September, 2014 and revision in project cost from approved cost of ₹ 8920 crores to ₹ 9586.25 crores which is pending approval of Government of India.
- b) The Capital Subsidy of ₹ 976.96 Crores (Previous Year: ₹ 1552.00 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.
- c) 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 ₹ 18.29 Crores (Previous Year: ₹ 16.57 Crores, net of taxes) has been added back to capital subsidy.
- d) Leasehold Land of ₹ 81.87 Crores (Previous Year: ₹ 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.

## III. Petronet LNG LTD.

- 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 deduction pending final assessment with Income tax authorities.

## 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) Petroleum and Natural Gas Regulatory Board (PNGRB) vide its order no. TO/03/2012 dated 9<sup>th</sup> 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 IGL 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 1<sup>st</sup> April, 2008. In its order PNGRB stated

that the modalities and time frame for refund of differential Network Tariff and Compression Charge would be decided subsequently.

The company filed a writ petition on 10<sup>th</sup> April, 2012 against the order of PNGRB dated 9<sup>th</sup> April, 2012 before the Hon'ble Delhi High Court. The Hon'ble High Court of Delhi has passed the judgement in this case on 1<sup>st</sup> June, 2012 and has quashed the PNGRB order dated 9<sup>th</sup> April, 2012.

PNGRB has filed special leave petition before the Hon'ble Supreme Court of India against the order dated 1<sup>st</sup> June, 2012 of Hon'ble Delhi High Court. Matter is still pending in the Hon'ble Supreme Court of India.

- c) The Company has taken certain equipment and vehicles under operating lease agreements. The total lease rentals recognized as expense during the year under the above lease agreements aggregates ₹ 7.51 Crores (Previous year: ₹ 9.43 Crores). Lease obligations under non-cancellable periods are as follows:

	2013-14	2012-13
i) Amounts payable in next 1 year	₹ 9.13 Crores	₹ 4.53 Crores
ii) Amounts payable in next 2 to 5 years	₹ 33.11 Crores	NIL
iii) Amounts payable over 5 years	NIL	NIL

## V. Mahanagar Gas Ltd.

- a) Company has taken on lease few equipments / machines for some CNG Retail Outlets. Lease charges are dependent on sale of CNG at these outlets and hence there are no minimum lease payments. The term of the contract is one or two years, renewable at the discretion of the Company. The contract does not impose any restrictions concerning dividend, additional debt and further leasing. Lease payments recognized in the Statement of Profit and Loss for the year is ₹ 1.88 Crores (Previous year: ₹ 1.28 Crores).
- b) Company has taken certain vehicles under operating lease agreements. Lease payments recognized in the Statement of Profit and Loss under "Other / Miscellaneous Expenses" for the year is ₹ 8.46 Crores (Previous year: ₹ 5.15 Crores).
- c) Company has entered into agreements for taking on leave and license basis certain residential/office premises/godowns. All the agreements contain a provision for its renewal. Lease payments recognized in the Statement of Profit and Loss under rent for the year is ₹ 9.78 Crores (Previous year: ₹ 7.84 Crores).
- d) The future minimum lease payments of non-cancellable operating leases are as under:-

	2013-14	2012-13
Not later than one year	₹ 0.05 Crores	₹ 0.05 Crores
Later than one year, but not later than five years	NIL	NIL
Later than five years	NIL	NIL
<b>TOTAL</b>	<b>₹ 0.05 Crores</b>	<b>₹ 0.05 Crores</b>

e) The Foreign Investment Promotion Board (FIPB) through its approval had allowed the Company to continue with the arrangements of foreign equity participation upto 50% in the paid up capital of the Company until December 2006. This approval was subject to the condition that the Company would be required to bring an IPO to divest the shareholding of the promoters to 35% each as per the Joint Venture Agreement. Shareholders are in discussion for making disinvestment in line with FIPB requirements.

#### VI. Bhagyanagar Gas Limited

a) During the year, interest on term loan / bridge loan amounting to ₹ 14.12 Crores has been apportioned to Fixed Assets & Capital work-in-progress.

#### VII. Central U.P. Gas Limited

a) The Company has taken certain properties under Operating lease agreements. The total lease rentals recognized as expense during the year under the above lease agreements aggregates ₹ 0.82 Crores (Previous Year: ₹ 0.50 Crores). Lease obligations under non-cancellable periods are as follows:-

	2013-14	2012-13
i) Amounts payable in next 1 year	<b>Rs 0.38 Crores</b>	Rs 0.31 Crores
ii) Amounts payable in next 2 to 5 years	<b>Rs 0.20 Crores</b>	Rs 0.26 Crores
iii) Amounts payable over 5 years	<b>NIL</b>	NIL

39. Audited / Unaudited financial statements of joint venture – Petronet LNG Ltd., Indraprastha Gas Limited, Mahanagar Gas Limited, Bhagyanagar Gas Limited, Central UP Gas Limited, Green Gas Limited, Aavantika Gas Limited, Ratnagiri Gas & Power (Private) Limited, Maharastra Natural Gas Limited, Tripura Natural Gas Co Limited, ONGC Petro-additions Limited & GAIL China Gas Global Energy Holdings Limited have been included in consolidation. The figures included in the consolidated financial statements relating to these audited / unaudited joint venture companies are as under:

Total assets are ₹ 10230.72 Cr (Previous Year : ₹ 9483.82 Cr) and total liabilities of ₹ 7016.89 Cr. (Previous Year : ₹ 6477.34 Cr) and

Total Income of ₹ 7239.53 Cr ( Previous Year : ₹ 6381.26 Cr.) and total expenditure of ₹ 6751.02 Cr. ( Previous Year : ₹ 5922.44 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 ₹ 49.15 Crores (Previous Year: ₹ 40.55 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 ₹ 614.96 Crores [previous year ₹ 414.16 Cr.] is included in the '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 ₹ (310.57) Crores [Previous Year ₹ (174.63) 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.

No fair value adjustment has been considered in consolidated financial statement in respect of "Other Comprehensive Income" reported / disclosed in financial statement of foreign subsidiary.

44. In compliance of Accounting Standard 17 on "Segment Reporting" as notified under Companies Accounting Standard Rules, 2006, the 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:

	Current Year	Previous Year
Net Profit after tax used as numerator - (Rs. crores)	<b>4,786.22</b>	4,373.60
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>37.73</b>	34.48
Nominal Value per Equity Share - (Rs)	<b>10.00</b>	10.00

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 31<sup>st</sup> March, 2014. The item-wise details of deferred tax liability as on 31.03.2014 are as under:

(₹ in crores)

	2013-14	2012-13
<b>Deferred Tax Liability</b>		
a). Depreciation	<b>6064.28</b>	5602.62
b). Others	<b>3.20</b>	NIL
<b>Less :- Deferred Tax Assets</b>		
a). Provision for Gratuity & Retirement Benefits	<b>145.08</b>	127.65
b). Benefit u/s 35AD of the Income Tax Act, 1961	<b>2649.69</b>	2689.80
c). Provision for Doubtful Debts / Claims / Advances	<b>396.19</b>	262.83
d). Preliminary Expenses & others	<b>146.17</b>	95.85
<b>Deferred Tax Liability (net)</b>	<b>2730.35</b>	2426.49

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 18 Blocks (PY 28 Blocks) as on 31.03.2014 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 eighteen NELP Blocks in India as on 31<sup>st</sup> March, 2014 is as under:

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

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

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%

\*In addition, the company has 8.5% participating interest in SHWE 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).

(₹ in Crores)

Particulars	2013-14	2012-13
Income	<b>245.04</b>	86.57
Expenses	<b>265.96</b>	223.69
Fixed Assets (Gross block)	<b>10.65</b>	6.42
Producing Property	<b>1055.46</b>	7.10
Other Assets	<b>593.86</b>	1304.99
Liabilities	<b>271.75</b>	355.06

The above value includes the following amounts pertaining to 24 E&P Blocks relinquished till 31<sup>st</sup> March, 2014 (including 14 Blocks relinquished till 31<sup>st</sup> March, 2013) where company is non-operator.

(₹ in Crores)

Particulars	2013-14	2012-13
Income	<b>0.07</b>	8.25
Expenses	<b>38.86</b>	12.77
Fixed Assets (Gross block)	<b>0.01</b>	0.37
Other Assets	<b>3.92</b>	2.54
Liabilities	<b>20.16</b>	48.27

(iv) List of the E&P and CBM Blocks relinquished till 31.03.2014 is given below:

Sl No.	Name of the Block	Participating Interest	Date of Relinquishment
1	KK-DWN-2000/2	15%	15.08.2004
2	MB-DWN-2000/2	15%	24.01.2007
3	GS-DWN-2000/2	15%	24.01.2007
4	NEC-OSN-97/1	50%	11.09.2007
5	MN-OSN-97/3	15%	08.11.2007
6	AD-7, Myanmar	10%	28.02.2008
7	MN-ONN-2000/1	20%	10.11.2008
8	RM-CBM-2005/III	35%	11.05.2010
9	MR-CBM-2005/III	45%	11.05.2010
10	Block 56, Oman	25%	10.06.2010
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
15	KG-DWN-2004/3	10%	08.11.2012
16	CY-DWN-2004/4	10%	21.11.2012
17	KG-DWN-2004/5	10%	23.11.2012
18	CY-DWN-2004/2	10%	23.11.2012
19	CY-PR-DWN-2004/2	10%	23.11.2012
20	CY-DWN-2004/1	10%	28.11.2012
21	KG-ONN-2004/2	40%	10.02.2013
22	KG-DWN-2004/1	10%	15.06.2013
23	KG-DWN-2004/6	10%	13.09.2013
24	KG-DWN-2004/2	10%	04.06.2013

(v) Share of Minimum work program committed under various production sharing contracts in respect of E&P joint ventures is ₹ 475.31 Crores (Previous Year: ₹ 643.50 Crores).

(vi) Quantitative information:

(a) Details of Company's Share of Production of Crude Oil and Natural Gas during the year ended 31.03.2014:

(i) Crude Oil Block No. CB-ONN-2000/1:

Particulars	Opening stock		Production (Treated & processed crude)		Sales*		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Crude Oil	(MT)	₹ Crores	(MT)		(MT)	₹ Crores	(MT)	₹ Crores
Year ended 31/03/14	589.25	0.41	20347.09	-	20369.06	79.21	567.28	0.68
Year ended 31/03/13	646.20	0.64	21268.97	-	21325.92	87.57	589.25	0.41

\*Includes test production sales for ₹ 5.37 Crores (Previous Year ₹ 2.65 Crores)

(ii) Natural Gas Block No. A1 & A3 (Myanmar)

Particulars	Opening stock		Production*		Sales*		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Natural Gas	(Million M3)	₹ Crores	(Million M3)		(Million M3)	₹ Crores	(Million M3)	₹ Crores
Year ended 31/03/14	-	-	90.960	-	90.440	147.68	0.520	0.26
Year ended 31/03/13	-	-	-	-	-	-	-	-

\*Production started on 15.07.2013 and 10.01.2014 in A3 & A1 Block respectively.

b) Net Quantities of Company's interest in proved reserves and proved developed reserves:

	Proved Reserves		Proved Developed Reserves	
	2013-14	2012-13	2013-14	2012-13
<b>Crude Oil : in 000'MT</b>				
Beginning of the year	162	175	150	175
Additions	24.46	12	34.35	0
Deletion	0	3.73	0	3.73
Production	20.35	21.27	20.35	21.27
Closing Balance	166.11	162	164.00	150
<b>Gas : in Million M3</b>				
Beginning of the year	6220.00	6220.00	-	-
Additions	-	-	5821.00	-
Deletion	-	-	-	-
Production	101.29	-	101.29	-
Closing Balance	6118.71	6220.00	5719.71	-

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) to be made from future revenue of such Blocks, if any, is ₹ 1300.77 Crores at the end of year (previous year: ₹ 940.75 Crores).

(vii) Jointly Owned Assets:

GAIL's interest in jointly owned asset i.e. Heat Recovery Steam Generation System (HRSG) installed at GAIL, Vaghdodia at a project cost of ₹ 61.61 Crores, is ₹ 30.81 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 the extent of ₹ 5.62 Crore (Previous Year: ₹ 0.39 crores) 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 15<sup>th</sup> 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 13<sup>th</sup> July 2011 recommended that the issue of ownership of the Lakwa facility may be decided by the Committee comprising of representative 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 ₹261.14 Crores as on 31<sup>st</sup> March 2014 (Previous Year: ₹260.15 Crores).
- (b) Further the Board in its 287<sup>th</sup> Meeting held on 06<sup>th</sup> 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:

The Company's share of the assets, liabilities, contingent liabilities and capital commitments as at 31<sup>st</sup> March 2014 and income and expenses for the year in respect of jointly controlled entities based on audited/unaudited accounts are given below:-

(₹ in Crores)

Particulars	31.03.2014	31.03.2013
<b>A. Assets</b>		
- Non-current / Long term assets	<b>8,428.16</b>	8,042.82
- Current assets	<b>1,802.56</b>	1,441.00
Total	<b>10,230.72</b>	9,483.82
<b>B. Liabilities</b>		
- Non-Current / Long term liabilities	<b>5,369.69</b>	3,578.57
- Current Liabilities & Provisions	<b>1,647.20</b>	2,898.77
Total	<b>7,016.89</b>	6,477.34
<b>C. Contingent Liabilities</b>	<b>980.49</b>	728.87
<b>D. Capital Commitments</b>	<b>842.47</b>	1,005.49
	<b>Current Year</b>	Previous Year
<b>E. Income</b>	<b>7,239.43</b>	6,381.26
<b>F. Expenses</b>	<b>6,751.02</b>	5,922.44

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

**N. K. Nagpal**  
Secretary

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

**Prabhat Singh**  
Director (Marketing)

**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 G S Mathur & Co.**  
Chartered Accountants  
Firm No: 008744N

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

**Rajiv Kumar Wadhawan**  
(Partner)  
Membership No. 091007

Place : New Delhi  
Dated : May 26, 2014

## INFORMATION ABOUT BUSINESS SEGMENT FOR FINANCIAL YEAR 2013-14

(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 *	3,827.65	418.07	42,262.07	4,537.20	5,461.91	2,876.15	2,260.45	61,643.50	-	61,643.50
	Intersegment sales	276.53	-	9,070.88	44.49	-	-	15.63	9,407.53	9,407.53	-
	<b>Total Revenue</b>	<b>4,104.18</b>	<b>418.07</b>	<b>51,332.95</b>	<b>4,581.69</b>	<b>5,461.91</b>	<b>2,876.15</b>	<b>2,276.08</b>	<b>71,051.03</b>	<b>9,407.53</b>	<b>61,643.50</b>
<b>2</b>	<b>RESULTS</b>										
	Segment Result (Profit before Interest & Tax)	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	-	6,330.11	-	6,330.11
	Unallocated expenses	-	-	-	-	-	-	(635.90)	(635.90)	-	(635.90)
	Operating Profit	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	635.90	6,966.01	-	6,966.01
	Interest Expenses	-	-	-	-	-	-	668.71	668.71	-	668.71
	Interest/Dividend Income	-	-	-	-	-	-	684.01	684.01	-	684.01
	Provision for Taxation	-	-	-	-	-	-	2,194.83	2,194.83	-	2,194.83
	Profit/(Loss) from Ordinary Activities	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	(1,543.63)	4,786.48	-	4,786.48
	Extraordinary items	-	-	-	-	-	-	-	-	-	-
	Profit after Tax (before adjustment for Minority Interest)	1,801.61	215.26	1,669.28	1,362.04	1,021.44	260.48	(1,543.63)	4,786.48	-	4,786.48
	Add: Share of (Profit)/ Loss transferred to Minority	-	-	-	(0.26)	-	-	-	(0.26)	-	(0.26)
	<b>Profit after Tax (after adjustment for Minority Interest)</b>	<b>1,801.61</b>	<b>215.26</b>	<b>1,669.28</b>	<b>1,361.78</b>	<b>1,021.44</b>	<b>260.48</b>	<b>(1,543.63)</b>	<b>4,786.22</b>	<b>-</b>	<b>4,786.22</b>
<b>3</b>	<b>OTHER INFORMATION</b>										
	Segment Assets	24,870.55	830.00	1,211.06	3,079.37	1,049.07	1,623.99	5,012.04	37,676.08	240.44	37,435.64
	Unallocated Assets	-	-	-	-	-	-	29,406.29	29,406.29	-	29,406.29
	Total Assets	24,870.55	830.00	1,211.06	3,079.37	1,049.07	1,623.99	34,418.33	67,082.37	240.44	66,841.93
	Segment Liabilities	5,687.48	75.03	254.04	1,268.03	367.35	366.28	223.03	8,241.24	107.09	8,134.15
	Unallocated Liabilities	-	-	-	-	-	-	3,224.76	3,224.76	-	3,224.76
	Total Liabilities	5,687.48	75.03	254.04	1,268.03	367.35	366.28	3,447.79	11,466.00	107.09	11,358.91
	Cost to acquire fixed assets	1,693.30	31.59	526.96	111.61	20.74	254.87	2,577.43	5,216.50	-	5,216.50
	Depreciation#	735.46	46.61	38.51	185.62	77.91	104.04	475.35	1,663.50	-	1,663.50
	Non Cash expenses other than Depreciation#	468.06	0.16	94.31	0.37	(0.67)	5.51	(21.65)	546.09	-	546.09

\* Sales is net of Excise Duty

\*\* Assets &amp; 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.



## 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
	Total Assets	21,730.04	849.88	723.69	3,190.59	1,339.73	1,579.68	30,539.19	59,952.80	166.25	59,786.55
	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
	Total Liabilities	5,042.82	60.17	309.64	1,448.18	347.83	399.44	3,103.28	10,711.36	74.90	10,636.46
	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 & 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.

## 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 Prabhat Singh
- 3) Shri S. Venkatraman
- 4) Shri P. K. Jain
- 5) Shri M Ravindaran (w.e.f. 1st June, 2013)
- 6) Dr. Ashutosh Karnatak (w.e.f. 1st March, 2014)
- 7) Shri R. D. Goyal (upto 28 Feb'2014)
- 8) Shri S. L. Raina (upto 31 May'2013)
- 9) Shri V. C. Chittoda
- 10) Shri A K Mittal
- 11) Shri M C Deogam
- 12) Shri K Chattraaj
- 13) Shri Narendra Kumar
- 14) Shri S P Sharma
- 15) Shri V S Baid
- 16) Shri Pradeep Madan
- 17) Shri B N Gosain
- 18) 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) SHWE Offshore Pipeline | (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: 45%, 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>2013-14</b>	<b>2012-13</b>
1) Sales	3,645.75	2,871.18
2) Amount receivable as at Balance Sheet Date for (1) above	231.64	139.07
3) Purchases	18,457.41	16,101.75
4) Amount payable as at Balance Sheet Date for (3) above	1,066.81	730.83
5) Reimbursement for other expenditure received/receivable	10.24	17.20
6) Amount receivable as at Balance Sheet Date for (5) above	18.58	16.50
7) Dividend Income	135.74	117.43
8) Other Income	14.04	0.42
9) Provision created against Debtors	-	4.44
10) Provision created against Debtors written back	-	(20.54)
11) Investment as at balance sheet date	1,335.33	1,013.77
12) Advance for allotment of Equity as at balance sheet date	68.01	68.01
13) Advances / Loan given as at Balance Sheet Date	93.59	91.50

**( ₹ in Crores )**

<b>B) I. Details relating to parties referred to in item no. I (B) above:</b>	<b>2013-14</b>	<b>2012-13</b>
1) Remuneration	7.94	7.31
2) Interest bearing outstanding loans receivable	0.56	0.68
3) Interest accrued on loans given	0.56	0.54
4) Self Lease	0.37	0.20

**( ₹ in Crores )**

<b>II. Relatives of KMP</b>	<b>2013-14</b>	<b>2012-13</b>
1) Remuneration	0.37	0.34
2) Interest bearing outstanding loans receivable	-	-
3) Interest accrued on loans given	-	-
4) Self Lease	-	-

\* 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.

**( ₹ in Crores )**

<b>C) Details relating to parties referred to in item no. I (C) above:</b>	<b>2013-14</b>	<b>2012-13</b>
1) Minimum work program commitment	-	-
2) Survey, Production, Royalty and other expenses	88.51	0.75
3) CWIP & Other asset	314.36	231.27
4) Amount outstanding on Balance Sheet date (net of advance)	142.46	(10.47)
5) Amount written Off- Dry well expenditure	0.01	-
6) Sales / Income from operation	170.21	8.32
7) Amount outstanding on Balance Sheet date (against sales)	27.49	-

## Consolidated Cash Flow Statement for the Financial Year Ended 31<sup>st</sup> March, 2014

(₹ in Crores)

	2013-14	2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
1 Net Profit Before Tax and Extraordinary Items	6,981.31	6,608.51
2 ADD:		
Depreciation	1,671.49	1,370.53
Deferred Revenue / Other Expenses written off	0.15	0.87
Capital Reserve	(0.12)	(0.11)
Exchange Rate Variation	(23.71)	(12.66)
Interest Expenditure	668.71	437.31
Dividend Income on Investments	(353.79)	(403.56)
Interest Income	(313.42)	(232.12)
Provision for Employees Benefits (incl Gratuity)	(177.91)	273.51
Provision for Doubtful Debts	136.44	(52.71)
Other Provisions	249.83	122.02
Provision / Writte off of Assets / CWIP	41.38	84.03
Provision for Probable obligation / Contingency	180.45	134.95
Exceptional Item	(312.69)	-
Profit / Loss on Sale of Assets (Net)	2.93	10.87
	<b>1,769.74</b>	<b>1,732.93</b>
3 Operating Profit Before Working Capital Changes (1 + 2)	<b>8,751.05</b>	<b>8,341.44</b>
4 Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(1,756.31)	(1,552.27)
Inventories	(680.26)	(180.94)
Trade and Other Payables	247.19	1,718.99
	<b>(2,189.38)</b>	<b>(14.22)</b>
5 Cash Generated from Operations (3+4)	<b>6,561.67</b>	8,327.22
6 Direct Taxes Paid	(1,946.49)	(1,724.18)
<b>NET CASH FROM OPERATING ACTIVITIES (5+6)</b>	<b>4,615.18</b>	<b>6,603.04</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,269.72)	(8,990.39)
Sale of Fixed Assets	18.62	3.34
Sale of Investments	383.90	-
Investment in Other Companies	49.11	(70.09)
Interest Received	322.17	210.89
Dividend Received	353.79	403.56
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(4,142.13)</b>	<b>(8,442.69)</b>
<b>BALANCE CARRIED FORWARD</b>	<b>473.05</b>	<b>(1,839.65)</b>



( ₹ in Crores )

	2013-14	2012-13
BALANCE BROUGHT FORWARD	473.05	(1,839.65)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term / short term Borrowings	4,096.11	5,640.28
Repayment of Long term / short term Borrowings	(2,031.49)	(673.59)
Capital Subsidy	697.60	1,098.31
Interest Paid	(1,265.68)	(993.52)
Dividend & Dividend Tax Paid	(1,499.13)	(1,429.78)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(2.59)</b>	3,641.70
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>470.46</b>	1,802.05
<b>OPENING ADJUSTMENT FOR JV / ASSOCIATES</b>	<b>(323.97)</b>	(183.65)
<b>CASH AND CASH EQUIVALENTS AS AT 01.04.2013</b>	<b>3,064.62</b>	1,446.22
<b>(OPENING BALANCE)</b>		
<b>CASH AND CASH EQUIVALENTS AS AT 31.03.2014</b>	<b>3,211.11</b>	3,064.62
<b>(CLOSING BALANCE)</b>		

NOTES:

1 Cash & Cash Equivalents include :

Cash & Bank Balances

As per Balance Sheet

Unrealised ( Gain)/ loss on foreign Exchange

Total Cash & Cash Equivalents

3,211.11

0.00

3,211.11

3,064.62

0.00

3,064.62

**N. K. Nagpal**  
Secretary

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

**Prabhat Singh**  
Director (Marketing)

**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 G S Mathur & Co.**  
Chartered Accountants  
Firm No: 008744 N

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

**Rajiv Kumar Wadhawan**  
(Partner)  
Membership No. 091007

Place : New Delhi  
Dated : May 26, 2014