

ANNUAL REPORT 2011-12

GAIL (India) Limited

Balance Sheet as at 31st March, 2012

(₹ in Crores)

	Note NO.	AS AT 31 st March, 2012	AS AT 31 st March, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a) Share Capital	2	1,268.48	1,268.48
b) Reserves and Surplus	3	20,356.00	17,984.86
		21,624.48	19,253.34
(2) Non Current Liabilities			
a) Long Term Borrowings	4	4,889.35	1,973.00
b) Deferred Tax Liability (Net)	45	1,768.64	1,633.24
c) Other Long-term Liabilities	5	277.98	14.94
d) Long-term Provisions	6	337.77	289.25
		7,273.74	3,910.43
(3) Current Liabilities			
a) Trade Payables	7	2,509.93	2,089.81
b) Other Current Liabilities	8	3,654.79	2,986.62
c) Short-term Provisions	9	4,021.74	3,771.25
		10,186.46	8,847.68
	TOTAL	39,084.68	32,011.45
II. ASSETS			
(1) Non-current assets			
a) Fixed Assets			
(i) Tangible Assets	10	15,561.28	12,190.72
(ii) Intangible Assets	10	296.34	212.85
(iii) Capital Work in Progress	11	7,942.45	5,846.15
		23,800.07	18,249.72
b) Non-current Investments	12	3,548.93	2,581.35
c) Long-term loans and advances	13	1,995.58	1,687.10
d) Other non-current assets	14	272.11	73.09
		29,616.69	22,591.26



	Note NO.	AS AT 31ST March, 2012	AS AT 31ST March, 2011
(2) Current Assets			
a) Current Investments	15	-	1.17
b) Inventories	16	1,419.74	855.11
c) Trade receivables	17	1,904.48	1,833.00
d) Cash and cash equivalents	18	931.33	2,131.35
e) Short-term loans and advances	19	5,211.22	4,595.97
f) Other current assets	20	1.22	3.59
		<hr/>	<hr/>
		9,467.99	9,420.19
		<hr/>	<hr/>
	TOTAL	39,084.68	32,011.45
		<hr/> <hr/>	<hr/> <hr/>
Significant Accounting Policies	1		

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

N. K. Nagpal
Secretary

P. K. Jain
Director (Finance)

R. D. Goyal
Director (Projects)

B. C. Tripathi
Chairman & Managing Director

As per our separate report of even date

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

Navin Bansal
Partner
Membership No. 91922

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

G. S. Haldia
Partner
Membership No.007012

Place : New Delhi
Dated : May 30, 2012

ANNUAL REPORT 2011-12

GAIL (India) Limited
Statement of Profit & Loss for the Year ended 31st March, 2012 (in Crores)

	Note NO.	Year Ended 31 st March, 2012	Year Ended 31 st March, 2011
I. Revenue from Operations (Gross)	21	40,939.00	32,984.97
Less: Excise Duty		541.05	448.45
Revenue from Operations (Net)		40,397.95	32,536.52
II. Other Income	22	431.88	440.70
III Total Revenue (I+II)		40,829.83	32,977.22
IV Expenses			
Raw Material consumed		2,494.10	2,178.78
Purchase of Gas for trading		28,440.46	21,576.97
(Increase)/decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade	23	(497.75)	(132.49)
Employee benefits expense	24	607.48	721.23
Finance Cost	25	116.46	82.86
Depreciation and amortization expenses	26	790.71	650.25
Other expenses	27	3,538.36	2,659.63
Total Expenses		35,489.82	27,737.23
V. Profit before Tax		5,340.01	5,239.99
VI. Tax Expenses			
1. Current Tax			
- Current Year		1,428.47	1,431.00
- Earlier Years		122.30	4.18
2. Deferred Tax		135.40	243.68
Total Tax expenses		1,686.17	1,678.86
VII. Profit after Tax		3,653.84	3,561.13
Details of Earning Per Equity Share (Face Value ` 10/-each)			
- Basic		28.80	28.07
- Diluted		28.80	28.07
Significant Accounting Policies	1		
Prior Period Adjustments	28		
Expenditure during Construction Period	29		

See accompanying notes to the financial statements
There are no exceptional or extra ordinary items in the above period

For and on behalf of the Board of Directors

As per our separate Report of even date

N.K. Nagpal
Secretary

P.K. Jain
Director (Finance)

R. D. Goyal
Director (Projects)

B. C. Tripathi
Chairman &
Managing Director

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

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

Place : New Delhi
Dated : May 30, 2012

Navin Bansal
(Partner)
Membership No. 91922

G. S. Haldia
(Partner)
Membership No. 007012

GAIL (India) Limited, New Delhi

Notes to financial statements for the year ended 31st March 2012

1. Summary of Significant Accounting Policies

1.1. Accounting Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under.

1.2. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

1.3. Inventories

- (i) Raw materials and Finished products are valued at cost or net realisable value, whichever is lower. Finished products include excise duty and royalty wherever applicable.
- (ii) Stock in process is valued at cost or net realisable value, whichever is lower. It is valued at cost where the finished products in which these are to be incorporated are expected to be sold at or above cost.
- (iii) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished products in which they will be incorporated are expected to be sold at/or above cost.
- (iv) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.
- (v) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.

1.4. Depreciation/Amortisation

- I. Depreciation on Fixed Assets other than those mentioned below is provided in accordance with the rates as specified in Schedule XIV of the Companies Act, 1956, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).
 - (i) Assets costing upto ` 5,000/- are depreciated fully in the year of capitalisation.
 - (ii) Bunk Houses are amortised on assumption of five years life.
 - (iii) Oil and Gas Pipelines including other related facilities are depreciated @ 3.17% per annum on SLM basis based on useful life of 30 years.
 - (iv) Computers at the residence of the employees are depreciated @ 23.75% per annum on SLM basis. Furniture, Electric Equipments and Mobiles provided for the use of employees are depreciated @ 15% per annum on SLM basis.
 - (v) Cost of the leasehold land not exceeding 99 years is amortised over the lease period.
 - (vi) Depreciation due to price adjustment in the original cost of fixed assets is charged prospectively.
 - (vii) Capital expenditure on the assets (enabling facilities), the ownership of which is not with the Company, is charged off to Revenue.
 - (viii) Software / Licences are amortised in 5 years on straight line method.
 - (ix) No depreciation is being charged on ROU being perpetual in nature.
 - (x) After impairment of assets, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.
- II. Capital assets installed at the consumers premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the rates as specified in Schedule XIV of the Companies Act, 1956.

1.5. Revenue recognition

- (i) Sales are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude value added tax. Any retrospective revision in prices is accounted for in the year of such revision.
- (ii) Income from Consultancy/Contract Services, if any, is recognized based on Proportionate Completion Method.
- (iii) Dividend income is accounted for when the right to receive it is established.
- (iv) Claims (including interest on delayed realization from customers) are accounted for, when there is no significant uncertainty that the claims are realizable.
- (v) Liability in respect of MGO of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- (vi) Minimum charges relating to transportation of LPG are accounted for on receipt basis.
- (vii) Prepaid expenses and prior period expenses/income upto ` 1,00,000/- in each case are charged to relevant heads of account of the current year.

1.6. Fixed Assets

- (a) Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes & levies wherever applicable. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- (b) Machinery spares, which can be used only in connection with an item of fixed asset and

their use is expected to be irregular, are capitalised with the cost of that fixed asset and are depreciated fully over the remaining useful life of that asset.

1.7. Intangible Assets

Intangible assets like software, licenses and right-of-use of land including sharing of ROU with other entities which are expected to provide future enduring economic benefits are capitalized as Intangible Assets.

1.8. Capital Work in Progress

- (a) Crop compensation is accounted for under Capital Work-in-Progress on the basis of actual payments/estimated liability, as and when work commences where ROU is acquired.
- (b) The capital work in progress includes material in Transit/ value of materials / equipment / Services, etc. received at site for use in the projects.
- (c) Pre-project expenditure relating to Projects which are considered unviable / closed is charged off to Revenue in the year of declaration/closure.

1.9. Expenses Incurred During Construction Period

All revenue expenditure incurred during the year, which is exclusively attributable to acquisition / construction of fixed assets, is capitalized at the time of commissioning of such assets.

1.10. Foreign Currency Translation

- (i) Transactions in foreign currency are accounted at the exchange rate prevailing on the transaction date.
- (ii) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.
- (iii) Non monetary items (such as Investments, Fixed Assets, etc), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s).
- (iv) Exchange differences (loss), arising from translation of foreign currency loans relating to fixed assets to the extent regarded as an

adjustment to interest cost are treated as borrowing cost.

- (v) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for in the Profit & Loss account except in case of long term foreign currency monetary items relating to acquisition of depreciable capital asset (other than regarded as borrowing cost) in which case they are adjusted to the carrying cost of such assets and in other cases, accumulated in "Foreign Currency Monetary item Translation Difference Account" in the financial statements and amortized over the balance period of such long terms asset or liability, by recognition as income or expenses in each of such period.

1.11. Grants

In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to Capital Reserve which is recognised as income in the Profit and Loss Account over the useful life period of the asset.

1.12. Investments

Investments are classified into current and long term investments. Current investments are stated at lower of cost or market value. Long term investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.

1.13. Employees Benefits

- (i) All short term employee benefits are recognized at the undiscounted amount in the accounting period in which they are incurred.
- (ii) The Company's contribution to the Provident Fund is remitted to a separate trust established for this purpose based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Further, the company makes provision as per actuarial valuation towards any shortfall in fund assets to meet statutory rate of interest in the future period, to be compensated by the company to the Provident Fund Trust.
- (iii) Employee Benefits under Defined Benefit

Plans in respect of leave encashment, compensated absence, post retirement medical scheme, long service award and other terminal benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit method. Actuarial liability in excess of respective plan assets is recognized during the year.

- (iv) Provision for gratuity as per actuarial valuation is funded with a separate trust.

1.14. Borrowing Cost

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for use after netting off any income earned on temporary investment of such funds.

1.15. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset, if any, is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

1.16. R&D Expenditure

All expenditure, other than on capital account, on research and development are charged to Profit and Loss Account.

1.17. Impairment

The Carrying amounts of assets are reviewed at each Balance Sheet date. In case there is any indication of impairment based on Internal / External factors, an Impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

1.18. Provisions, Contingent Liabilities, Contingent Assets & Capital Commitments

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities exceeding ` 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of any outflow in settlement..
- (ii) Estimated amount of contracts remaining to be executed on capital accounts are disclosed in each case above ` 5 Lacs.

1.19.Exploration and Development Costs:-

- i) The Company follows Successful Efforts Method for accounting of Oil & Gas exploration and production activities, which includes:-
 - a. Survey Costs are recognized as revenue expenditure in the year in which these are incurred.
 - b. Cost of exploratory wells is carried as 'Exploratory wells in progresses'. Such

exploratory wells in progress are capitalized in the year in which the Producing Property is created or is written off in the year when determined to be dry / abandoned.

- c. All wells appearing as "exploratory wells in progress" which are more than two years old from the date of completion of drilling are charged to Profits and Loss Account except those wells which have proved reserves and the development of the fields in which the wells are located has been planned.

ii) Capitalization of Producing Properties

- (i) Producing Properties are capitalised when the wells in the area / field are ready to commence commercial production having proved developed oil and gas reserves.
- (ii) Cost of Producing Properties includes cost of successful exploratory wells, development wells, initial depreciation of support equipments & facilities and estimated future abandonment cost.

iii) Depletion of Producing Properties

Producing Properties are depleted using the "Unit of Production Method (UOP)". The

depletion or unit of production charged for all the capitalized cost is calculated in the ratio of production during the year to the proved developed reserves at the year end.

iv) Production cost of Producing Properties

Company's share of production costs as indicated by Operator consists of pre well head and post well head expenses including depreciation and applicable operating costs of support equipment and facilities.

1.20. OTHERS

- (i) Liquidated Damages / Price Reduction Schedule, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages / Price Reduction Schedule, if settled, after capitalization of assets are charged to revenue if below ` 50 lacs in each case, otherwise adjusted in the cost of relevant assets.
- (ii) Insurance claims are accounted for on the basis of claims admitted by the insurers.

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 2 : Share Capital		
AUTHORISED		
200,00,00,000 (Previous Year 200,00,00,000) Equity Shares of ` 10/- each	2,000.00	2,000.00
ISSUED, SUBSCRIBED AND PAID-UP		
126,84,77,400 (Previous Year : 126,84,77,400) Equity Shares of ` 10/- each fully paid up.	1,268.48	1,268.48
TOTAL	1,268.48	1,268.48

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

	31 ST March, 2012		31 ST March, 2011	
	Numbers	% Holding	Numbers	% Holding
Equity shares of ` 10/- each fully Paid Up				
(i) President of India (Promoter)	727,405,675	57.34%	727,405,675	57.34%
(ii) Life Insurance Corporation of India	91,927,049	7.25%	76,168,062	6.00%

- 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) 104,90,634 shares are held in the form of Global Depository Receipts
- d) During the year 2008-09, the company had issued 42,28,25,800 Bonus Equity shares of ` 10/- each out of General Reserve.

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 3 : Reserves and Surplus		
Capital Reserve		
(Grant Received from Danish Govt. for construction of Gas Technology Institute at Noida)		
As per Last financial statements	1.51	1.62
Less : Transferred to statement of Profit & Loss	0.11	0.11
Closing Balance	1.40	1.51
Share Premium Account		
Investment Allowance (Utilised) Reserve	0.27	0.27
As per Last financial statements	17.87	19.11
Less : Transferred to General Reserve	17.87	1.24
Closing Balance	-	17.87
Bonds Redemption Reserve		
As per Last financial statements	197.71	189.90
Add : Transferred from surplus in the statement of Profit & Loss	30.93	37.81
Less : Transfer to statement of Profit & Loss	(55.00)	(30.00)
Closing Balance	173.64	197.71
General Reserve		
As per Last financial statements	2,668.92	2,311.68
Add : Transferred from Investment Allowance(Utilised) Reserve	17.87	1.24
Add : Transferred from surplus in the statement of Profit & Loss	365.00	356.00
Closing Balance	3,051.79	2,668.92
Surplus in the Statement of Profit and Loss		
As per Last financial statements	15,098.58	13,007.94
Add : Profit for the year as per statement of Profit & Loss	3,653.84	3,561.13
Less : Appropriations		
Interim Dividend	380.54	253.70
Proposed Final Dividend	723.03	697.66
Corporate Dividend Tax	179.02	155.32
Transfer from Bond Redemption Reserve	(55.00)	(30.00)
Transfer to Bond Redemption Reserve	30.93	37.81
General Reserve	365.00	356.00
Net surplus after Appropriations	2,030.32	2,090.64
	17,128.90	15,098.58
TOTAL	20,356.00	17,984.86
a) The company has proposed final dividend for the Financial year 2011-12 @ ` 5.70 Per equity share of ` 10/- each (previous year : ` 5.50 per equity share)		

(` in Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 4 : Long Term Borrowings				
SECURED				
(a) BONDS				
Bonds Series - I	300.00	400.00	100.00	100.00
<p>(6.10% Secured Non-convertible redeemable Bonds - Series - I are redeemable in 5 equal installment commencing from the end of the 8th year upto the end of the 12th year from the deemed date of allotment August 22, 2003.) (Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery , spares, tools and accessories and other movables of the company pertaining to its projects at LPG Vaghodia Plant, Hazira Plant, Grep Vaghodia Plant, Gandhar Plant and Vadodara plant both present and future and whether installed or not and lying or in store)</p>				
Bonds Series - II	120.00	240.00	120.00	120.00
<p>(5.85% Secured Non-convertible redeemable Bonds - Series - II are redeemable in 5 equal installment commencing from the end of the 6th year upto the end of the 10th year from the deemed date of allotment March 25, 2004).(Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery , spares, tools and accessories and other movables of the company pertaining to its projects at LPG LPG Vaghodia Plant, Hazira Plant, Grep Vaghodia Plant, Gandhar Plant, DUPL projects and Vadodra plant both present and future and whether installed or not and lying or in store)</p>				
Bonds 2010 Series - I	500.00	500.00	-	-
<p>(8.80% Secured Non-convertible redeemable Bonds 2010 -Series - I are redeemable in 4 equal installment commencing from the end of the 7th year upto the end of the 10th year from the deemed date of allotment December 13, 2010 with a call option at the end of the 7th year).(Bonds are secured on pari pasu basis, by charge on freehold non agricultural land at village Tandalja, Vadodra together with the entire building constructed thereon both present & future and whole of plant and machinery , spares, tools and accessories and other movables of the company pertaining to its projects at Vijaipur Dadri Pipeline Projects excluding compressor stations at Vijaipur both present and future and whether installed or not and lying or in store)</p>				
(b) TERM LOANS				
From Banks :				
Loan from HDFC Bank	375.00	-	-	
<p>(Secured by way of first pari-passu charge on all the movable fixed assets, including whole pipeline, spur lines, plant&machinery,spares,equipments,tools&</p>				

(` in Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
<p>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 compresor station at Jhabua and Vijaipur)</p> <p>Repayable in half yearly equal instalments over a period of 12 years starting from 6 months after the completion of 2 years moratorium from the date of last disbursement.</p> <p>From Other Parties :</p> <p>Oil Industry Development Board</p> <p>(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 possion of borrowr and either by way of substitution or addition).</p> <p>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</p> <p>Oil Industry Development Board</p> <p>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)</p> <p>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 2012 with rate of interest from 8.68% to 8.89% p.a. depending on date of disbursement</p>	596.00	833.00	237.50	117.00
	675.00	-	-	-
	2,566.00	1,973.00	457.50	337.00

(` in Crores)

	Non-current Portion		Current Maturities	
	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
UNSECURED TERM LOANS				
From Banks :				
- Bank of Tokyo Mitsubishi UFJ Ltd. (1/3 rd repayment at the end of the 4th, 5th & 6th year from the last date of drawl i.e Dec 2015, Dec 2016 & Dec 2017) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread.	516.30		-	
- Bank of Tokyo, Mitsubishi UFJ Ltd. (Bullet repayment at the end of the 5th year from the last date of 'drawl i.e Aug'2016. Loan carries floating rate of interest linked to 6 Months LIBOR, plus spread)	774.45		-	
- Mizuho Corporate Bank (1/3 rd repayment at the end of the 4th, 5th & 6th year from the last date of drawl i.e Jan 2016, Jan 2017 & Jan 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plus spread).	516.30		-	
- Sumitomo Mitsui Banking Corporations (1/3 rd repayment at the end of the 4th, 5th & 6th year from the last date of drawl i.e Feb 2016, Feb 2017 & Feb 2018) Loan carries floating rate of interest linked to 6 Months LIBOR plusspread).	516.30		-	
	2,323.35	-	-	-
TOTAL	4,889.35	1,973.00	457.50	337.00
a) There has been no defaults in repayment of any of the loans or interest thereon during the year.				

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 5 : Other Long Term Liabilities		
Liability for Abandonment Cost (E&P)	1.13	1.13
Foreign Currency Monetary Item Translation Difference Account	1.35	-
Gas Pool Money (Provisional) ((Refer note no 35 (d))	234.01	-
Deposits/Retention Money from Contractors and others	5.47	13.54
Other Liabilities	36.02	0.27
TOTAL	277.98	14.94
Note 6 : Long Term Provisions		
Provision for Employee Benefits (refer note no -37)	337.77	289.25
TOTAL	337.77	289.25
Note 7 : Trade Payables		
Trade Payables (includes ` 47.06 Cr.(Previous Year : ` 43.74 Cr.) payable to JV consortium)	2,509.93	2089.81
TOTAL	2,509.93	2089.81
Note 8 : Other Current Liabilities		
(a) Current Maturity of Long Term Debt (Refer Note No - 4)		
SECURED :		
- Bonds	220.00	220.00
- Term Loans	237.50	117.00
(b) Interest accrued but not due on Borrowings	35.39	33.22
(c) Unpaid / Unclaimed Dividend	2.59	2.71
(d) Others Payables :		
(i) Deposits/Retention Money from Contractors and others	490.73	329.59
(ii) Gas Pool Money ((Refer Note No - 35 (b))	818.83	722.60
(iii) Imbalance & Overrun Charges ((Refer Note No - 35 (c))	31.67	23.96
(iv) Others :		
- Statutory Payables	208.23	249.43
- Advance from Customers	382.35	444.17
- Payable for Capital expenditure	586.46	290.09
- Adjustment in pipeline tariff	238.96	121.28
- E&P Expenditure payables	171.08	150.15
- Employee Benefits payables	107.05	203.39
- Other Payables	123.95	79.03
TOTAL	3,654.79	2,986.62

a) Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term borrowings indicated above are disclosed in note no - 4

(₹ in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 9 : Short-term Provisions		
Provision for Employee Benefits (refer note no - 37)	22.12	19.56
Others :		
Provision for taxes	2,928.01	2,785.37
Provision for Proposed Dividend	723.03	697.66
Provision for tax on Proposed Dividend	117.29	113.18
Provision for Probable Obligations	231.29	155.48
TOTAL	4,021.74	3,771.25

Note 10 - Fixed Assets (Tangible / Intangible Assets)

(in Crores)

DESCRIPTION	GROSS BLOCK (AT COST)		DEPRECIATION			IMPAIRMENT LOSS			NET BLOCK				
	As at 01.04.2011	Additions/ Adjustments during the year	Sales / Adjustments during the year	As at 31.03.2012	Upto 31.03.2011	For the Year	Adjustments during the year	As at 31.03.2012	Upto 31.03.2011	For the Year	Reversed during the year	As at 31.03.2012	As at 31.03.2011
Tangible Assets (A)													
Land : Freehold	97.04	42.78	0.07	139.75	-	-	-	-	-	-	-	139.75	97.04
Leasehold	78.36	23.32	-	101.68	9.26	1.17	-	10.43	-	-	-	91.25	69.10
Building : Office/Others	418.78	43.41	-	462.19	133.68	12.77	(0.00)	146.45	-	-	-	315.74	285.10
Residential	263.77	3.48	-	267.25	67.41	5.12	-	72.53	-	-	-	194.72	196.36
Bunk Houses	2.15	0.04	0.03	2.16	1.69	0.14	(0.03)	1.80	-	-	-	0.36	0.46
Plant and Machinery	20,525.49	4,020.97	125.66	24,420.80	9,218.10	729.50	(63.16)	9,884.44	-	1.67	-	14,534.69	11,307.39
Railway Lines & Sidings	5.47	-	-	5.47	5.16	-	0.01	5.17	-	-	-	0.30	0.31
Electrical Equipments	162.49	27.15	2.56	187.08	74.45	9.39	(2.08)	81.76	-	0.45	-	104.87	88.04
Furniture and Fixtures	65.92	6.56	1.39	71.09	42.08	3.93	(1.24)	44.77	-	-	-	26.32	23.84
Office Equipments	165.38	31.57	2.34	194.61	101.43	4.25	(2.07)	103.61	-	-	-	91.00	63.95
Other Equipments	97.69	23.99	16.37	105.31	40.19	18.89	(14.57)	44.51	-	-	-	60.80	57.50
Transport Equipments	2.50	0.04	0.04	2.50	2.06	0.10	(0.04)	2.12	-	-	-	0.38	0.44
E&P Assets													
Producing Property	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Equipment & Facilities	1.65	-	-	1.65	0.46	0.09	-	0.55	-	-	-	1.10	1.19
TOTAL (A)	21,886.69	4,223.31	148.46	25,961.54	9,695.97	785.35	(83.18)	10,398.14	-	2.12	-	15,561.28	12,190.72
Intangible Assets (B)													
Right of Use *	206.75	51.62	0.36	258.01	-	-	-	-	-	-	-	258.01	206.75
Softwares / Licences	50.94	36.26	0.12	87.08	44.84	4.02	(0.11)	48.75	-	-	-	38.33	6.10
Total (B)	257.69	87.88	0.48	345.09	44.84	4.02	(0.11)	48.75	-	-	-	296.34	212.85
TOTAL (A+B)	22,144.38	4,311.19	148.94	26,306.63	9,740.81	789.37	(83.29)	10,446.89	-	2.12	-	15,857.62	12,403.57
Previous Year	21,037.67	1,127.70	20.99	22,144.38	9,106.57	650.29	(16.05)	9,740.81	-	-	-	12,403.57	11,931.10

a) Right of use for laying pipelines is a perpetual right of use of land but does not bestow upon the comp, the ownership of land and hence, treated as intangible asset. However, no amortisation is provided on the same, being perpetual in nature.

b) The borrowing costs capitalised in the fixed assets and capital work-in-progress (CWIP) during the year ended 31st March 2012 is : 215.14 Crores (Previous year : 35.80 Crores). Asset wise details of borrowing costs and exchange differences in the cost of major heads of fixed assets through addition / Adjustments column are given below :

Particulars	For the year ended 31 st March 2012		For the year ended 31 st March 2011	
	Borrowing Costs	Exchange difference	Borrowing Costs	Exchange difference
Plant & Machinery	47.03	(1.70)	25.44	-
CWIP	168.11	40.18	10.36	-
TOTAL	215.14	38.48	35.80	-

(` in Crores)

		AS AT 31 ST March, 2012	AS AT 31 ST March, 2011	
Note 11 : Capital Work-in-Progress				
A. Plant & Machinery				
Linepipe Construction and related facilities including Cathodic Protection	4,695.25		3,226.00	
Less : Provision for Linepipe and Related Facilities	23.66	4,671.59	11.44	3,214.56
Despatch/Receiving Terminals		0.92		4.09
Compressor Stations		59.82		20.97
Telecom/Telesupervisory System		17.58		6.08
LPG Pipeline Project		5.22		5.02
LPG Projects		1.90		0.70
Petrochemicals		457.71		103.13
Telecom Project		0.26		-
Others		401.39		144.17
Exploratory Well in Progress	318.68		340.44	
Less : Provision for Dry Exploratory Wells	53.57	265.11	-	340.44
Development Well in Progress		155.39		90.49
B. Buildings	33.78		7.64	
Less : Provision for abandonment of Building	-	33.78	0.34	7.30
C. Linepipes, Capital Items in Stock/Transit	1,872.62		1,909.47	
Less : Provision for losses/obsolescence	0.84	1,871.78	0.27	1,909.20
TOTAL		7,942.45		5,846.15

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 12 : Non-current Investments		
1. Trade Investments		
Quoted		
(a) Investments in Equity Instruments :-		
(i) In Joint Venture Companies:		
3,15,00,000 (Previous Year : 3,15,00,000) Equity Shares of ` 10/- each fully paid-up in Indraprastha Gas Ltd.	31.50	31.50
9,37,50,000 (Previous Year : 9,37,50,000) Equity Shares of ` 10/- each fully paid up in Petronet LNG Ltd. (includes 1,00,00,000 equity shares allotted at a premium of ` 5/- per share	98.75	98.75
	130.25	130.25
(ii) In Associate Company		
21,00,00,000 (Previous Year : 21,00,00,000) Equity Shares of HK\$ 0.01/- each fully paid up in China Gas Holding Ltd.China, acquired at a premium of HK\$ 1.148 / share	136.32	136.32
	136.32	136.32
(iii) Others		
570,600 (Previous Year : 570,600) Equity Shares of ` 10/-each fully Paid-up in Gujarat Industries Power Co. Ltd.(includes 1,90,200 Equity Shares acquired during the year 1996-97 at a premium of ` 15/- per share)	0.86	0.86
20,56,01,068 (Previous Year : 20,56,01,068) 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)	556.29	556.29
	557.15	557.15
(b) Investments in Govt. or Trust securities		
(i) In Government of India Bonds		
7 % Oil Companies GOI Special Bonds 2012 (Alloted in lieu of claims pending with Oil Co-ordination Committee)	9.59	9.59
	9.59	9.59
TOTAL QUOTED	833.31	833.31
Unquoted		
(a) Investments in Equity Instruments :-		
(i) In Subsidiary Company		
21,00,000 (Previous Year : 21,00,000) Equity Shares of USD 1 each fully paid up in GAIL Global (Singapore) Pte. Ltd. incorporated in Singapore (100% subsidiary company)	9.64	9.64
60,30,85,173 (Previous Year : 22,72,60,073) Equity Shares of ` 10/- each fully paid up in Brahmaputra Cracker & Polymer Ltd.	603.09	227.26
16,79,50,000 (Previous Year : 11,71,70,000) Equity Shares of ` 10/- each fully paid up in GAIL Gas Ltd.	167.95	117.17
3,60,00,000 (Previous Year : Nil) Equity Shares of USD 1/- each fully paid up in Gail Global USA Inc	179.17	-
	959.85	354.07

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
(ii) In Joint Venture Companies		
4,44,50,000 (Previous Year : 4,44,50,000) Equity shares of ` 10/- each fully paid up in Mahanagar Gas Ltd.	44.45	44.45
12,500 (Previous Year : 12,500) Equity shares of ` 10/- each fully paid up in Bhagyanagar Gas Ltd.	0.01	0.01
1,50,00,000 (Previous Year : 1,50,00,000) Equity shares of ` 10/- each fully paid up in Central UP Gas Ltd.	15.00	15.00
12,500 (Previous Year : 12,500) Equity shares of ` 10/- each fully paid up in Green Gas Ltd.	0.01	0.01
2,25,00,000 (Previous Year : 2,25,00,000) Equity shares of ` 10/- each fully paid up in Maharashtra Natural Gas Ltd.	22.50	22.50
77,69,00,000 (Previous Year : 69,29,00,000) Equity shares of ` 10/- each fully paid up in Ratnagiri Gas Power Project Ltd	776.90	692.90
12,500 (Previous Year : 12,500) Equity shares of ` 10/- each fully paid up in Avantika Gas Ltd.	0.01	0.01
55,000 (Previous Year : 55,000) Equity shares of ` 100/- each fully paid up in Tripura Natural Gas Company Ltd.	0.55	0.55
	<hr/>	<hr/>
	859.43	775.43
	<hr/>	<hr/>
(iii) In Associate Companies		
2,07,60,000 (Previous Year : 2,07,60,000) Equity Shares of ` 10/- each fully paid-up in Gujrat State Energy Generation Ltd.	20.76	20.76
19,000 (Previous Year : 19,000) Equity shares of LE 100/- each fully paid up in Fayum Gas Company registered in Egypt.	8.10	8.10
	<hr/>	<hr/>
	28.86	28.86
	<hr/>	<hr/>
2. Other Investments (Unquoted - At cost)		
(a) Investments in Equity Instruments :-		
i) 30 Shares (Previous Year : 30) of ` 50 each fully paid up in Darpan Co-operative Housing Society Ltd., Vadodara (` 1,500/-).	-	-
ii) 50 Shares (Previous Year : 50) of ` 50 each fully paid up in Ashoka Apartments Co-operative Housing Society Ltd., Vadodara (` 2,500/-).	-	-
iii) 400 Shares (Previous Year : 400) of ` 10 each fully paid up in Sanand Members Association, Ahmedabad (` 4,000/-).	-	-
iv) 35 Shares (Previous Year : 35) of ` 50/- each fully paid up in Green Field (B) Co-operative Housing Society Ltd., Mumbai (` 1,750/-)	-	-
v) 8347 Equity shares of USD 1/- each fully paid up in South East Asia Gas Pipeline Ltd.(Registered in Hongkong).	0.04	0.04
	<hr/>	<hr/>
	0.04	0.04
	<hr/>	<hr/>
TOTAL UNQUOTED	1,848.18	1,158.40
	<hr/>	<hr/>
TOTAL (I)	2,681.49	1,991.71
	<hr/>	<hr/>

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Advances for Investments (Pending Allotment)		
Joint Venture Companies		
i) Bhagyanagar Gas Ltd.	22.49	22.49
ii) Tripura Natural Gas Ltd.	0.28	0.28
iii) Green Gas Ltd.	23.03	23.03
iv) Avantika Gas Ltd.	22.49	22.49
v) Ratnagiri Gas & Power Pvt. Ltd.	118.36	-
vi) ONGC Petro Additions Ltd (OPAL)	335.88	299.41
	522.53	367.70
Subsidiary Companies		
i) Brahmaputra Cracker and Polymer Ltd.	189.93	160.30
ii) GAIL Gas Ltd.	54.35	18.78
	244.28	179.08
Others		
i) South East Asia Gas Pipeline Ltd.	100.63	42.86
	100.63	42.86
TOTAL (II)	867.44	589.64
TOTAL (I+II)	3,548.93	2,581.35
Aggregate amount of quoted investments		
- Book Value (at cost)	833.31	833.31
- Market Value	8,814.13	8,557.39
Aggregate amount of unquoted investments	1,848.18	1,158.40
Aggregate amount of Advances for Investments (Pending) Allotement	867.44	589.64

(` in Crores)

		AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 13 : Long term Loans and Advances			
(a) Capital Advances			
- Secured, Considered Good	206.51		32.55
- Unsecured, Considered Good	92.80		0.47
- Unsecured, Considered Doubtful	1.55		1.77
	<u>300.86</u>		<u>34.79</u>
Less : Provision for Doubtful Advances	1.55	299.31	1.77
			<u>33.02</u>
(b) Security Deposits			
- Unsecured, Considered Good	161.18		44.82
- Unsecured, Considered Doubtful	0.40		0.45
	<u>161.58</u>		<u>45.27</u>
Less : Provision for Doubtful Deposits	0.40	161.18	0.45
			<u>44.82</u>
(c) Loans and Advances to Related Parties			
- Unsecured, Considered Good			
GAIL Global Singapore (Pte) Limite		57.32	56.92
(100% subsidiary company incorporated in Singapore)			
(d) Other Loans and Advances			
(i) Loans and Advances to Employees			
- Secured, Considered Good	230.91		196.62
- Unsecured, Considered Good	68.49		32.03
(including dues from Directors and officer ` 0.44 Cr.			
(Previous Year : ` 0.25 Cr.)			
(Maximum amount due at any time during the year: ` 0.77 Cr)			
(Previous Year : ` 0.49 Cr.))		299.40	228.65
(ii) Advance Income Tax against pending demand			
- Unsecured, Considered Good	1,177.33		1,323.66
- Unsecured, Considered Doubtful	43.24		-
	<u>1,220.57</u>		<u>-</u>
Less : Provision for Doubtful Income Tax against pending demand	43.24	1,177.33	-
			<u>-</u>
(iii) Others :			
Other Advances		1.04	0.03
- Unsecured, Considered Good			
TOTAL		<u>1,995.58</u>	<u>1,687.10</u>

(` in Crores)

		AS AT 31 ST March, 2012		AS AT 31 ST March, 2011
Note 14 : Other Non Current Assets				
Long Term Trade Receivables				
- Unsecured, Considered Good	272.04		72.90	
- Unsecured, Considered Doubtful	472.58	744.62	150.50	223.40
	<u> </u>		<u> </u>	
Less : Provision for Doubtful debts		472.58		150.50
		<u> </u>		<u> </u>
		272.04		72.90
Others :				
- Unsecured, Considered Good Prepaid Expenses		0.07		0.19
		<u> </u>		<u> </u>
TOTAL		272.11		73.09
		<u> </u>		<u> </u>
Note 15 : Current Investments				
Associates Companies *				
2,20,000 (Previous Year : 2,20,000) Equity Shares of LE 10/- each fully paid up in Shell Compressed Natural Gas Company, Egypt registered in Egypt.	-		1.61	
Less: Provision for Diminution	-	-	0.44	1.17
	<u> </u>		<u> </u>	
TOTAL		-		1.17
		<u> </u>		<u> </u>
a) During the Financial year 2011-12, GAIL disposed-off its whole stake in Shell Compressed Natural Gas Egypt (S.A.E.) for ` 1.07 Crores at a loss of ` 0.54 Crores against which the Company had created a provision of ` 0.44 Crores during the FY 2010-11 and balance of ` 0.10 Crores charged to statement of Profit & Loss of the current Financial year.				
Note 16 : Inventories				
(a) Work-in-Progress		1.93		3.26
(b) Finished Goods Polymers / LPG and Other Products		96.63		82.71
(c) Stock-in-trade Stock of Gas (after adjustment of calorific value)		791.93		306.77
(d) Stores and Spares (As taken, valued and certified by the Management)				
Stores and Spares *	471.73		422.56	
Less : Provision for Losses/Obsolescence	1.55		1.75	
	<u> </u>	470.18	<u> </u>	420.81
Construction Surplus - Capital / Stores	83.91		64.01	
Less : Provision for Losses/Obsolescence	24.84		22.45	
	<u> </u>	59.07	<u> </u>	41.56
* includes ` 76.05 Cr.(Previous Year : ` 44.62 Cr.) in transit.				
TOTAL		1,419.74		855.11
		<u> </u>		<u> </u>

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 17 : Trade Receivables		
(i) Trade Receivables outstanding for a period exceeding six months		
- Unsecured, Considered Good	32.49	15.50
- Unsecured, Considered Doubtful	26.11	2.02
	58.60	17.52
(ii) Other Receivables		
- Unsecured, Considered Good	1,871.99	1,817.50
- Unsecured, Considered Doubtful	14.32	-
	1,886.31	1,817.50
	1,944.91	1,835.02
Less : Provision for Doubtful debts	40.43	2.02
TOTAL	1,904.48	1,833.00
Note 18 : Cash and cash equivalents		
(a) Cash in hand	0.25	0.25
(b) Stamps in hand	0.41	0.46
(c) Balances With Banks		
(i) Current Account	32.27	37.22
(ii) Corporate Liquid Term Deposit (CLTD)	31.91	189.80
(iii) Short Term Deposit	0.97	1,150.69
(iv) Earmarked Accounts		
- Current Account - Dividend Payable	2.59	2.71
- Short Term Deposit - Gas Pool Money (includes interest accrued but not due ` 33.77 Cr. (Previous Year : ` 18.23 Cr.)	783.84	706.47
- Short Term Deposit - Imbalance & Over run (includes interest accrued but not due ` 1.96 Cr. (Previous Year : Nil) ((Refer Note No - 35 (c))	32.03	-
- Short Term Deposit -JV Consortium (includes interest accrued but not due ` 0.92 Cr. (Previous Year : ` 0.70 Cr.) ((Refer Note No - 35 (a))	47.06	43.75
	865.52	752.93
TOTAL	931.33	2,131.35
a) None of the above deposits is having original maturity of more than 12 months		

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 19 : Short Term Loans and Advances		
(a) Loan and Advances to Related Parties		
- Unsecured, Considered Good (Includes interest accrued of GAIL Global Singapore (Pte) Ltd. ` 0.38 Cr. (Previous Year : ` 0.77 Cr.)	79.35	8.65
(b) Security Deposits		
- Unsecured, Considered Good	52.93	74.98
(c) Others :		
(i) Loan and Advances to Employees		
- Secured, Considered Good	28.23	23.13
- Unsecured, Considered Good (including dues from Directors and officer ` 0.23 Cr. (Previous Year : ` 0.16 Cr.)	4.89	6.18
(ii) Prepaid Expenses		
- Unsecured, Considered Good	22.75	16.43
(iii) Balance with Government Authorities		
- Unsecured, Considered Good		
CENVAT Credit Receivable	391.94	287.28
VAT Credit Receivable	722.67	465.43
Service Tax Credit Receivable	197.29	173.24
(iv) Advances to Suppliers/Contractors		
- Unsecured, Considered Good	114.27	72.40
- Unsecured, Considered Doubtful	0.97	4.85
	115.24	77.25
Less : Provision for Doubtful Advances	0.97	4.85
(v) Advance tax / TDS		
- Unsecured, Considered Good	3,210.33	3,184.25
(vi) Claims Recoverable		
- Unsecured, Considered Good	72.32	60.03
- Unsecured, Considered Doubtful	3.72	4.22
	76.04	64.25
Less : Provision for doubtful claims	3.72	4.22
(vii) Other advances recoverable in cash or in kind		
- Unsecured, Considered Good	314.25	223.97
TOTAL	5,211.22	4,595.97
a) Loans and advances to related parties includes :		
GAIL Global Singapore (Pte) Ltd.	0.47	0.77
Bhagyanagar Gas Ltd.	63.70	0.79
Indraprastha Gas Ltd.	0.09	0.10
Tripura Natural Gas Ltd.	0.37	0.39
Green Gas Ltd.	0.68	0.68
Central U.P. Gas Ltd.	0.16	0.41
Maharashtra Natural Gas Ltd.	0.28	0.56
Avantika Gas Ltd.	0.64	1.23
Mahanagar Gas Ltd.	0.07	0.03
Ratnagiri Power & Project Ltd.	4.67	1.58
OPAL	0.17	
GAIL Global USA Inc.	1.01	-
BCPL	1.86	2.07
Gail Gas Ltd.	5.18	0.04
TOTAL	79.35	8.65

(` in Crores)

	AS AT 31 ST March, 2012	AS AT 31 ST March, 2011
Note 20 : Other Current Assets		
Interest accrued but not due (Including on investments of ` 0.04 cr. (Previous Year : ` 0.04 cr.)	1.22	3.59
TOTAL	1.22	3.59

(` in Crores)

	Year Ended 31 ST March, 2012	Year Ended 31 ST March, 2011
Note 21 : Revenue from Operations (Gross)		
a) Sale of Products		
Sale of Gas	31,749.98	24,831.36
Sale of Polymers	3,726.09	3,261.23
Sale of LPG	1,661.60	1,651.62
Sale of Propane/Pentane/SBPS/Naptha	1,615.61	1,258.90
Sale of Crude Oil	81.19	40.63
Sale of CNG	42.79	16.30
Sale of Power	1.22	-
b) Sale of Services		
LPG Transmission / RLNG Shippers Charges	1,939.32	1,840.66
c) Income from Telecom		
	3.99	6.39
	40,821.79	32,907.09
Less : Excise Duty	541.05	448.45
TOTAL	40,280.74	32,458.64
Other Operating Income	117.21	77.88
TOTAL (Net)	40,397.95	32,536.52
Note 22 : Other Income		
Interest on :		
- Bonds (Long term trade investment)	0.67	0.67
- Deposits with Banks	101.24	91.77
- Others	72.91	17.58
	174.82	110.02
(Tax deducted at source : ` 11.23 Cr.(Previous Year ` 8.97 Cr.))		
Add : Transferred to Expenditure during construction period (refer note no - 29)	(21.28)	153.54
		(2.85)
Dividend from long term (trade) investment		252.40
Profit on Sale/Written off of Assets/ Rights (net)		-
Miscellaneous Income	26.65	18.13
(Tax deducted at source : ` 0.56 Cr.(Previous Year : ` 0.20 Cr.))		
Add : Transferred to Expenditure during construction period (refer note no - 29)	(0.71)	25.94
		(0.38)
TOTAL	431.88	440.70

(` in Crores)

	Year Ended 31 ST March, 2012	Year Ended 31 ST March, 2011
Note 23 : (Increase) / Decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade		
Inventories at the end of the year		
Work-in-Progress	1.93	3.26
Finished Goods	96.63	82.71
Stock in Trade	791.93	306.77
TOTAL	890.49	392.74
Inventories at the beginning of the year		
Work-in-Progress	3.26	2.94
Finished Goods	82.71	91.98
Stock in Trade	306.77	165.33
TOTAL	392.74	260.25
(Increase) / Decrease	(497.75)	(132.49)
Note 24 : Employee benefits expenses		
Salaries, Wages and Allowances	474.03	577.82
Contribution to Provident and Other Funds	83.51	60.27
Staff Welfare Expenses	120.46	114.57
TOTAL	678.00	752.66
Less : Employees Benefit Expenses transferred to Capital Work-in-Progress (refer note no - 29)	70.52	31.43
TOTAL	607.48	721.23
a) Employee benefits expenses includes ` 70.36 Cr.(Previous Year : ` 158.21 Cr.) on account of retirement benefits viz. PF, Leave encashment, Medical, Long Service award, terminal benefit, sick leave and gratuity.		
Note 25 : Finance Cost		
Interest on		
- Term Loans	133.76	44.74
- Bonds	92.00	71.59
- Others	16.70	2.15
	242.46	118.48
Other Borrowing Costs	49.04	0.18
Exchange differences regarded as an adjustment to Interest Cost	40.10	-
TOTAL	331.60	118.66
Less : Interest and Finance Charges transferred to Capital Work-in-Progress (refer note no - 29)	215.14	35.80
TOTAL	116.46	82.86

(` in Crores)

	Year Ended 31 ST March, 2012	Year Ended 31 ST March, 2011
Note 26 : Depreciation and Amortization Expenses		
Depreciation and Amortization Expenses	789.37	650.29
Impairment Loss	2.12	-
TOTAL	791.49	650.29
Less : Depreciation and Amortization Expenses transferred to Capital Work-in-Progress (refer note no - 29)	0.78	0.04
TOTAL	790.71	650.25
a) As required by Accounting Standard (AS) 28, 'Impairment of Assets', an amount of ` 2.12 Crore has been impaired in respect of GAIL Tel Cash Generating Units (ref note no - 46)		
Note-27 : Other Expenses		
Gas Pool Expenses	589.69	428.94
Stores and Spares consumed	268.14	238.38
Power and Fuel Charges		
Power Charges	165.60	149.40
Gas used as Fuel	892.88	817.75
	1,058.48	967.15
Water Charges	7.20	5.70
Rent	17.08	16.65
Repairs and Maintenance		
Plant and Machinery	202.00	165.13
Buildings	18.49	18.19
Others	29.79	23.38
	250.28	206.70
Insurance	13.92	11.60
Rates and Taxes (includes entry tax on gas)	94.31	59.03
Miscellaneous Expenditure :		
- Licence Fees - Telecom	1.03	0.36
- Bandwidth Consumption	-	0.24
- Communication Expenses	9.09	8.65
- Printing and Stationery	3.70	2.90
- Travelling Expenses	87.99	44.65
- Books and Periodicals	0.54	0.54
- Advertisement and Publicity	24.21	20.92
- Entertainment Expenses	0.17	0.15
- Recruitment and Training Expenses	12.99	11.02

(` in Crores)

	Year Ended 31 ST March, 2012	Year Ended 31 ST March, 2011
- Vehicle Hire and Running Expenses	21.93	21.23
- Survey Expenses	71.24	83.34
- Dry Well Expenses written off	152.31	52.39
- Oil & Gas Producing Expenses (Operators)	10.39	3.54
- Royalty on Crued Oil	9.38	4.13
- Consultancy Charges	49.53	16.42
- Data Processing Expenses	3.48	3.57
- Donation	-	0.01
- Research and Development Expenses	1.19	0.13
- Loss on sale / written off of assets (net)	2.89	-
- Bad Debts/Claims/Advances/Stores written off	0.29	0.36
- Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items	425.71	9.48
- Provision for Probable Obligations / Contingencies	37.93	108.08
- Excise Duty on Stock (net)	1.32	(1.40)
- Expenses on Enabling Facilities	2.73	2.95
- Selling & Distribution Expenses	18.45	21.71
- Discount on Sales	131.77	121.79
- Commission on Sales	16.52	15.92
- Security Expenses	65.37	56.04
- Corporate Social Responsibility Expenses	54.43	59.90
- Other Expenses	24.03	41.40
Net Loss on Foreign Currency Transaction and Translation	12.41	3.30
Payment to Auditors		
Audit Fees	0.53	0.45
Tax Audit fees	0.06	-
Out of Pocket Expenses	0.14	0.61
	<u>0.73</u>	<u>0.16</u>
Net Loss on Sale of Investments	0.10	-
Prior Period Adjustments (Refer note 30)	3.07	17.20
	<u>3,556.02</u>	<u>2,665.68</u>
Less : Incidental Expenditure during construction transferred to Capital Work-in-Progress (refer note no - 29)	17.66	6.05
	<u>3,538.36</u>	<u>2,659.63</u>
	<u>3,538.36</u>	<u>2,659.63</u>

a) Audit fees includes ` 0.05 Crores (Previous year : ` 02 Crores) relating to Cost Audit fees.



(` in Crores)

	Year Ended 31 ST March, 2012	Year Ended 31 ST March, 2011
Note 28 : Prior Period Adjustments		
Purchase of Gas	-	0.03
Power, Fuel and Water Charges	(1.05)	(0.01)
Stores and Spares consumed	(0.26)	-
Rent	0.84	0.11
Rates and Taxes	-	0.04
Repairs and Maintenance	0.07	-
Consultancy Charges	-	14.56
Donations	-	-
Other Expenses	2.01	2.79
Depreciation(Net)	0.45	0.06
Interest	0.51	-
TOTAL	2.57	17.58
Less :		
- Sales	(4.77)	(0.43)
- Interest Income	-	-
- Miscellaneous Income	4.27	0.81
TOTAL (NET)	3.07	17.20

(` in Crores)

		Year Ended 31 ST March, 2012		Year Ended 31 ST March, 2011
Note 29 : Expenditure during Construction Period				
Employees Remuneration and Benefits				
Salaries, Wages and Allowances	52.33		24.49	
Contribution to Provident and Other Funds	11.24		1.74	
Welfare Expenses	6.95	70.52	5.20	31.43
Power, Fuel and Water Charges		0.31		0.03
Stores & Spares		0.12		0.07
Rent		2.16		0.12
Rates and Taxes		0.11		-
Repairs and Maintenance - Plant and Machinery		0.03		-
Repairs and Maintenance - Building		0.05		0.07
Repairs and Maintenance - Others		0.53		0.28
Insurance		0.03		-
Communication Expenses		0.69		0.32
Printing and Stationery		0.24		0.13
Travelling Expenses		9.95		4.28
Books and Periodicals		0.01		0.01
Advertisement and Publicity		0.15		-
Entertainment Expenses		0.40		0.27
Recruitment and Training Expenses		0.22		0.16
Vehicle Hire and Running Expenses		0.02		0.01
Consultancy Charges		0.58		-
Data Processing Expenses		0.03		-
Other Expenses		2.03		0.30
Depreciation		0.78		0.04
Interest and Finance Charges		215.14		35.80
		304.10		73.32
Less : - Interest Income	21.28		2.85	
- Misc. Income	0.71		0.38	
- Sales	-	21.99	-	3.23
		282.11		70.09
Net Expenditure		282.11		70.09
Less : Transferred to Capital Work-in-progress				
a) Employees Benefits Expenses	70.52		31.43	
b) Interest & finance Charges	215.14		35.80	
c) Depreciation	0.78		0.04	
d) Other Expenses	17.66		6.05	
e) Other Income	(21.99)	282.11	(3.23)	70.09
		NIL		NIL
Balance Carried over to Balance Sheet		NIL		NIL

30. The financial statements for the year ended 31st March'2011 were prepared as per then applicable, Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March'2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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

I. Contingent Liability

(a) Claims against the Company not acknowledged as debts: `6040.02 Crores (Previous Year: `4930.40 Crores), which mainly include:-

(i) Legal cases for claim of `3261.11 Crores (Previous Year: `2731.63 Crores) by trade payable on account of Liquidated damages/Price Reduction Schedule and Natural Gas price differential etc. and by customers for Natural gas transmission charges etc.

(ii) Income tax assessments up to the Assessment Year 2009-10 have been completed and a demand of `1345.92 Crores relating to the Assessment Years 1996-97 to 1998-1999 and 2000-01 to 2009-10 (Previous Year: `1017.25 Crores related to Assessment years 1996-97 and 2000-01 to 2008-09) has been raised by the Department on account of certain disallowances / additions which has been disputed by the company as company 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, `1177.33 Crores (Previous Year: `1323.66 Crores) has already been paid pending decision by the appellate authorities.

(iii) `1154.69 Crores (Previous Year: `760.15 Crores) relating to disputed tax demand towards Excise duty, Sales tax, Entry tax, and Service Tax etc.

(b) (i) The Company has issued Corporate Guarantee for `806.03 Crores (Previous Year : `372.34 Crores) on behalf of subsidiary companies for raising loan. Further Bank Gurantees for `45.88 Crore (Previous Year: `45.88 Crore) issued on behalf of subsidiary companies.

(ii) Share in Contingent Liabilities of Joint Ventures based on their audited / unaudited statement of accounts : `733.14 Crores (Previous Year: `437.20 Crores).

II. Commitments:-

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for: `7115.17 Crores (Previous Year: `4540.71 Crores).

(b) Company's share in estimated amount of contracts remaining to be executed on capital account and not provided for based on audited/unaudited statement of accounts of Joint Ventures. `1777.91 Crores (Previous Year: `1418.04 Crores).

(c) Other Commitments:-

(i) As at 31st March'2012, the company has commitment of `970.70 Crores (Previous Year : `1038.21 Crores) towards further investment and disbursement of loan in the Joint Venture Entities and Associates.

(ii) As at 31st March'2012, the company has commitment of `217.33 Crores (Previous Year: `505.45 Crores) towards further investment in the Subsidiaries.

(iii) As at 31st March'2012, the company has commitment of `321.91 Crores (Previous Year: `82.93 Crores) towards further investment in the entity other than Joint Ventures, Associates & Subsidiaries.

(iv) Counter Guarantee issued in favour of Bank etc for issuing Bank Guarantee & Letters of Credit : `1242.63 Crores (Previous Year: `951.45 Crores).

(v) Company's commitment towards the minimum work programme in respect of Jointly Controlled Assets has been disclosed in Note 45(b).

32 (a) 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.

(b) The Commissioner, Customs & Central Excise, Kanpur has issued a Show-Cause Notice demanding ₹ 2808.89 Crores as Central Excise Duty on Natural Gas supplied by GAIL Dibiapur Compressor Station treating it as Compressed Natural Gas (CNG). The company is of the view that there is remote possibility of crystallizing of this liability in view of extant legal position and clarification issued by Ministry of Finance vide circular no. F.No.B.1/3/2001-TRU dated 21st May 2001 on the subject which was issued in response to GAIL's request after introduction of excise duty on CNG in the year 2001.

33 (a) Freehold land acquired for city gate station at Lucknow and Kanpur, Jhansi Maintenance Base and IMT Manesar, Sectionalizing Valves in Jamnagar – Loni Pipeline and Mumbai, receiving terminal at Pune valuing ₹ 6.39 Crores (Previous Year: ₹ 4.94 Crores) are valued / capitalized on provisional basis.

(b) Title deeds for freehold land valuing ₹ 7.84 Crores (Previous Year: ₹ 6.38 Crores) and leasehold land valuing ₹ 20.94 Crores (Previous Year: ₹ 10.24 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 ₹ 1.20 Crores (Previous Year: ₹ 1.21 Crores) earmarked for disposal but in use.

34 (a) The company has added Note 1.10 (iv) in the Accounting Policy relating to foreign exchange differences stating that "Exchange differences (loss), arising from translation of foreign currency loans relating to fixed assets to the extent regarded as an adjustment to interest cost are treated as borrowing cost"

Due to this, an amount of ₹ 40.10 Crore has been debited to borrowing cost.

(b) In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th Dec'2011 on Accounting Standard 11, the company during the year has exercised the option and changed its accounting policy to account for "any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for in the Profit & Loss account except in case of long term foreign currency monetary items relating to acquisition of depreciable capital asset (other than regarded as borrowing cost) in which case they are adjusted to the carrying cost of such assets and in other cases, accumulated in "Foreign Currency Monetary item Translation Difference Account" in the financial statements and amortized over the balance period of such long terms asset or liability, by recognition as income or expenses in each of such period".

Due to change in Accounting Policy, Fixed Assets has increased by ₹ 38.48 Crore with consequent increase in profit for the year by ₹ 38.48 Crore and also an amount of ₹ 1.63 Crore credited in Foreign Currency Monetary item Translation Difference Account and amortised by ₹ 0.28 crore during the year resulting in net decrease in profit by ₹ 1.35 Crore. The balance in Foreign Currency Monetary item Translation Difference Account as on 31.03.2012 remaining to be amortized is ₹ 1.35 Crore.

35 (a) The balance retention from PMT JV consortium amounting to ₹ 47.06 Crores (Previous Year: ₹ 43.75 Crores) includes interest amounting to ₹ 0.92 Crores (Previous Year: ₹ 2.64 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 ₹ 818.83 Crores (Previous Year: ₹ 722.60 Crores) includes interest amounting to ₹ 37.71 Crores (Previous Year: ₹ 29.10 Crores) on short term

deposits. This interest does not belong to the company hence not accounted as income.

(c) Liability on account of Pipeline overrun and Imbalance charges amounting to ₹ 31.67 Crores (Previous Year: ₹ 23.95 Crores) includes interest amounting to ₹ 1.96 Crores (Previous Year: NIL) on short term deposits. This interest does not belong to the company hence not accounted as income.

(d) MOP&NG has issued clarification on the allocation of additional gas available from ONGCL's nominated blocks vide its letter no. L-12018/23/2010-GP-II dated 31.10.2011 and letter no. L-13013/5/2011-GP dated 17.11.2011. In compliance with this clarification, GAIL has revised the invoices for supply of Natural Gas to some Power Plants in Pondicherry area for the period 1.7.2005 to 15.11.2011 for an additional amount of ₹ 241.98 Crores by issuing the debit notes. This amount has been shown as recoverable from the respective power companies and correspondingly payable in Gas Pool Account (Provisional) amounting to ₹ 234.01 crores and VAT payable amounting to ₹ 7.97 crores. The amount payable in Gas Pool Account will be invested as and when said amount is recovered from the consumers. All the respective consumers have obtained stay orders against the recovery of these dues from Courts and the cases are subjudice.

36. Disclosure as per Accounting Standard-11 on "The effect of changes in Foreign Exchange Rates"

- (i) The amount of exchange difference (net) debited to the statement of Profit & Loss is ₹ 12.41 Crores (Previous Year: ₹ 3.30 Crores).
- (ii) The amount of exchange difference (other than regarded as borrowing cost) debited to the carrying amount of fixed assets is ₹ 38.48 Crores (Previous Year: Nil).

37. The required disclosure under the Revised Accounting Standard 15 is given as below:

- (i) Superannuation Benefit Fund (Defined Contribution Fund)

Company has provided for an amount of ₹ 51.30 Crores towards contribution to

Superannuation Benefit Fund Trust and charged to statement of Profit and Loss.

(ii) Provident Fund

Company has paid contribution of ` 29.53 crores (Previous Year: ` 32.90 Crores) to Provident Fund Trust at predetermined fixed percentage of eligible employee's salary and charged to statement of Profit and Loss. Further, the obligation of the company is to make good shortfall, if any, in the fund assets based on the statutory rate of interest in the future period. During the year, the company has reversed a provision of ` 4.32 Crore, as per actuarial valuation and the balance provision to meet any shortfall in the future period, to be compensated by the company to the Provident Fund Trust, as on 31.03.2012 is ` 8.82 Crore.

(iii) Other Benefit Plans

A) Gratuity

15 days salary for every completed year of service. Vesting period is 5 years and payment is restricted to ` 10 Lakhs.

B) Post Retirement Medical Benefit (PRMS)

Upon payment of one time prescribed contribution by the superannuated employees/those who resigned from service can avail the facility subject to the completion of minimum of 10 years of service and 50 years of age.

C) Earned Leave Benefit (EL)

Accrual 30 days per year. Encashment while in service 75% of Earned Leave balance subject to maximum of 90 days at a time, twice per calendar year. Encashment on retirement or superannuation maximum 300 days.

D) Terminal Benefits (TB)

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Traveling Allowance. Employees are gifted a gold coin weighing 25 grams.

E) Half Pay Leave (HPL)

Accrual 20 days per year. Encashment while in service NIL. Full encashment on retirement.

F) Long Service Award (LSA)

Employees are eligible for gold coin weighing 5 gms on completion of 15 years, 10 gms each on completion of 20 years and 25 years, 20 gms each on completion of 30 years and 35 years of service.

The following table summarizes the components of net benefit expenses recognized in the statement of Profit and Loss.

(` in Crores)

	Gratuity Funded		PRMS Non Funded		EL Non Funded		TB Non Funded		HPL Non Funded		LSA Non Funded	
	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11	11-12	10-11

A. Expenses recognized in the statement of Profit & Loss Account

Current Service Cost	22.14	19.51	-	-	25.31	32.64	-	-	12.25	10.88	-	-
Past service cost	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Benefit Obligation	8.56	8.22	3.24	2.58	12.87	6.98	0.29	0.25	7.35	3.00	0.65	0.63
Expected Return on Plan Assets	(9.35)	(8.96)	-	-	-	-	-	-	-	-	-	-
Net actuarial (Gain) / Loss recognized in the year	(19.44)	(18.61)	6.64	6.07	15.55	43.47	1.75	0.26	(15.53)	37.59	2.39	0.57
Expenses recognized in P&L Account for FY 2011-12	1.91	0.16	9.88	8.65	53.73	83.09	2.04	0.51	4.07	51.47	3.04	1.20

B The amount recognized in the Balance Sheet

Present value of Obligation as at 31.03.2012	110.47	102.50	47.50	38.60	197.62	158.83	5.46	3.45	90.37	86.51	10.12	8.30
Fair value of Plan Assets as at 31.03.2012	109.95	103.89	-	-	-	-	-	-	-	-	-	-
Difference	(0.52)	1.39	(47.50)	(38.60)	(197.62)	(158.83)	(5.46)	(3.45)	(90.37)	(86.51)	(10.12)	(8.30)
Net Asset / (Liability) recognized in the Balance Sheet	(0.52)	1.39	(47.50)	(38.60)	(197.62)	(158.83)	(5.46)	(3.45)	(90.37)	(86.51)	(10.12)	(8.30)

C. Changes in the Present Value of the Defined Benefit Obligations:

Present value of Obligations as at 01.04.2011	102.50	98.03	38.60	30.87	158.83	88.50	3.45	2.96	86.51	35.52	8.30	7.81
Interest Cost	8.56	8.22	3.24	2.58	12.86	6.98	0.29	0.25	7.35	3.00	0.65	0.63
Current Service Cost	22.14	19.52	-	-	25.31	32.64	-	-	12.25	10.88	-	-
Past service cost	-	-	-	-	-	-	-	-	-	-	-	-
Benefit Paid	(3.54)	(2.63)	(0.97)	(0.92)	(14.93)	(12.76)	(0.03)	(0.02)	(0.21)	(0.47)	(1.22)	(0.71)
Net Actuarial Gain / (Loss) on Obligation	(19.19)	(20.64)	6.63	6.07	15.55	43.47	1.75	0.26	(15.53)	37.59	2.39	0.57
Present Value of the Defined Benefit Obligation as at 31.03.2012	110.47	102.50	47.50	38.60	197.62	158.83	5.46	3.45	90.37	86.51	10.12	8.30

D. Changes in the Fair Value of Plan Assets

Fair Value of Plan Assets as at 01.04.2011	103.89	99.53	-	-	-	-	-	-	-	-	-	-
Expected return on Plan Assets	9.35	8.96	-	-	-	-	-	-	-	-	-	-
Contributions by Employer	0.01	0.05	-	-	-	-	-	-	-	-	-	-
Benefit Paid	(3.54)	(2.62)	-	-	-	-	-	-	-	-	-	-
Actuarial Gain / (Loss)	0.24	(2.03)	-	-	-	-	-	-	-	-	-	-
Fair Value of Plan Assets as at 31.03.2012	109.95	103.89	-	-	-	-	-	-	-	-	-	-

Principal actuarial assumption at the Balance Sheet Date

Discount rate	8.50%	8.50%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Expected return on plan assets	9.00%	9.00%	-	-	-	-	-	-	-	-	-	-
Annual increase in costs	-	-	10%	10%	-	-	10%	10%	-	-	10%	10%
Annual increase in salary	12.00%	12.00%	-	-	12%	12%	-	-	12%	12%	-	-

Mortality table referred	LIC (1994-96) DULY MODIFIED		
	AGE	WITHDRAWAL RATE % (2011-12)	WITHDRAWAL RATE % (2010-11)
Withdrawal Rate/ Employee turnover rate	UPTO 30 YEARS	3%	3%
	UPTO 44 YEARS	2%	2%
	ABOVE 44 YEARS	1%	1%

Note: The actuarial valuation takes into account the estimates of future salary increases, inflation, seniority, promotion and other relevant factors.

38. Disclosure as per Accounting Standard-16 on 'Borrowing Costs'

Borrowing costs capitalized during the year ` 215.14 Crore (Previous Year: ` 35.80 Crore).

39. MOP&NG had issued scheme of sharing of under recoveries on sensitive petroleum products. During the year, the Company has given discounts amounting to ` 3182.62 Crores (Previous Year: ` 2111.24 Crores). Corresponding adjustment on account of CST amounting to ` 17.54 Crores (Previous Year: ` 6.98 Crores) has been made.

40. (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. The impact on profit is recognized during the year of tariff submission.

(ii) PNGRB vide order no-TO/01/2012 dated 12th March' 2012 and order no. TO/06/2012 dated 01st May, 2012 have notified "PROVISIONAL" initial unit natural gas pipeline tariff for Mumbai Regional Network and Agartala Regional Pipeline respectively, effective from 20.11.2008. In accordance with the orders, the company has derecognized the revenue by an amount of ` .114.68 Crore. Further, the company has also derecognized the revenue by an amount of ` .140.23 Crore on account of lower tariff submitted to PNGRB for approval in respect of other pipelines.

(iii) PNGRB has issued PNGRB Regulations 2010 (Determination of Petroleum & Petroleum Products Pipelines transportation Tariff) effective from 20.12.2010 where LPG pipeline tariff has been benchmarked against railway freight. PNGRB vide its order no. TO/02/2012 dated 02nd April'2012 has notified transportation tariff for Vizag-Secunderabad LPG Pipeline effective from 27.12.2010. In accordance with the order, the company has derecognized the revenue by an amount of ` .14.34 Crore. Further, the company has also derecognized the revenue by an amount of ` .29.60 Crore (Previous Year: ` .6.33 Crore) on account of lower tariff submitted to PNGRB for approval in respect of another pipeline.

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

41. In compliance of Accounting Standard 17 (AS-17) on "Segment Reporting" as notified under Companies Accounting Standard Rules, 2006, the company has adopted following Business segments as its reportable segments:

(i) Transmission services

- a) Natural Gas
- b) LPG

(ii) Natural Gas Trading

(iii) Petrochemicals

(iv) LPG and other Liquid Hydrocarbons

(v) Other Segments (include GAIL TEL, E&P, City Gas and Power Generation)

There are no geographical segments.

The disclosures of segment wise information is given as per Annexure-A.

42. In compliance of Accounting Standard 18 on "Related party Disclosures" as notified under Companies Accounting Standard Rules, 2006, the names of related parties, nature of relationship and detail of transactions entered therewith are given in **Annexure - B**.

43. 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 - ` crore	3653.84	3561.13
Weighted average numbers of equity shares used as denominator	1,26,84,77,400	1,26,84,77,400
Earnings per share (basic and Diluted) - `	28.80	28.07
Nominal Value per Equity Share - `	10.00	10.00

44. In compliance of Accounting Standard 22 on "Accounting for taxes on Income" as notified under Companies Accounting Standard Rules, 2006, the Company has provided accumulated net deferred tax liability in respect of timing difference as on 31st March, 2012 amounting to ` .1768.64 Crores (Previous Year: ` 1633.24 Crores). Net Deferred tax expense for the year of ` . 135.40 Crores (Previous Year: ` . 243.68 Crores) has been charged to Profit & Loss Account. The item- wise details of deferred tax liability and assets are as under:

(` in crores)

Sl No	Particulars	As on 31 st March, 2012	As on 31 st March, 2011
	Deferred tax liability		
a)	Depreciation	4012.48	2219.76
b)	Others	0.00	12.18
	Total Deferred Tax Liability (A)	4012.48	2231.94
	Deferred Tax Assets		
c)	Provision for Retirement Benefits other than Gratuity	107.94	95.93
d)	Provision for Doubtful Debts/ Claims/Advances/Contingencies	250.28	99.85
e)	Benefit under Section 35AD of the Income Tax Act, 1961	1885.62	379.66
f)	Others (including liability for pay revision)	0.00	23.26
	Total Deferred Tax Assets (B)	2243.84	598.70
g)	Deferred tax Liability (Net) (A-B)	1768.64	1633.24

45. In Compliance of Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" as notified under Companies Accounting Standard Rules, 2006, brief description of Joint Ventures of the Company are:

(a) Jointly Controlled Entities

- (i) **Mahanagar Gas Limited:** A Joint Venture with British Gas Plc and Government of Maharashtra to supply gas to domestic, commercial, small industrial consumers and CNG for transport sector in Mumbai. The company has equity participation of 49.75% of the paid up capital and has invested ` 44.45 Crores for acquiring 4,44,50,000 equity shares of ` 10/- each in Joint Venture Company.
- (ii) **Indraprastha Gas Limited:** A Joint Venture with BPCL and Government of National Capital Territory (NCT) of Delhi to supply gas to domestic, commercial units and CNG for transport sector in Delhi. The company has equity participation of 22.50% of the paid up capital and has invested ` 31.50 Crores for acquiring 3,15,00,000 equity shares of ` 10/- each in Joint Venture Company.
- (iii) **Petronet LNG Limited:** A Joint Venture with BPCL, IOCL and ONGCL for setting up LNG imports facilities. The company has equity participation of 12.50% of the paid up capital and has invested ` 98.75 Crores for acquiring 9,37,50,000 equity shares of ` 10/- each in Joint Venture Company.
- (iv) **Bhagyanagar Gas Limited:** A Joint Venture with HPCL for distribution and marketing of CNG, Auto LPG, Natural Gas and other gaseous fuels in Andhra Pradesh. The company has equity participation of 22.50% of the paid up capital and has invested ` 0.01 Crores for acquiring 12,500 equity shares of ` 10/- each in Joint Venture Company. The Company has also paid ` 22.49 Crores (Previous Year: ` 22.49 Crores) as advance pending allotment of equity shares in Joint Venture Company.
- (v) **Tripura Natural Gas Company Limited:** A Joint Venture with Assam Gas Company Limited and Tripura Industrial Development Corporation for

transportation and distribution of natural gas through pipelines in Tripura. The company has equity participation of 29% of the paid up capital and has invested ` 0.55 Crores for acquiring 55,000 equity shares of ` 100/- each in Joint Venture Company. The Company has also paid ` 0.28 Crores (Previous Year: ` 0.28 Crores) as advance pending allotment of equity shares in Joint Venture Company.

- (vi) **Central UP Gas Limited:** A Joint Venture with BPCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in Kanpur, Uttar Pradesh. The company has equity participation of 25% (Previous Year : 22.5%) of the paid up capital and has invested ` 15 Crores for acquiring 1,50,00,000 equity shares of ` 10/- each in Joint Venture Company.
- (vii) **Green Gas Limited:** A Joint Venture with IOCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in Agra & Lucknow, Uttar Pradesh. The company has equity participation of 22.50% of the paid up capital and has invested ` 0.01 Crores for acquiring 12,500 equity shares of ` 10/- each in Joint Venture Company. The Company has also paid ` 23.03 Crores (Previous Year: ` 23.03 Crores) as advance pending allotment of equity shares in Joint Venture Company.
- (viii) **Maharashtra Natural Gas Limited:** A Joint Venture with BPCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in Pune, Maharashtra. The company has equity participation of 22.50% of the paid up capital and has invested ` 22.50 Crores for acquiring 2,25,00,000 equity shares of ` 10/- each in Joint Venture Company.
- (ix) **Ratnagiri Gas and Power Private Limited:** A Joint Venture with GAIL, NTPC and other Financial Institutions for the revival of the Dabhol Project. The company has equity participation of 32.88% of the paid up capital and has invested ` 776.90 Crores for acquiring 77,69,00,000 equity shares of ` 10/- each in Joint Venture Company. The Company has also paid ` 118.36 Crores (Previous Year: NIL) as advance pending allotment of equity shares in Joint Venture Company.
- (x) **Avantika Gas Ltd.** A Joint Venture with GAIL and HPCL to supply gas to domestic, commercial and small industrial consumers and CNG for transport sector in MP. The company has equity participation of 22.50% of the paid up capital and has invested ` 0.01 Crores for acquiring 12,500 equity shares of ` 10/- each in Joint Venture Company. The Company has also paid ` 22.49 Crores (Previous Year: ` 22.49 Crores) as advance pending allotment of equity shares in Joint Venture Company.
- (xi) **ONGC Petro additions Ltd (OPAL).** A Joint Venture with Oil and Natural Gas Corporation Ltd, GAIL (India) Ltd and Gujarat state Petroleum Corporation Ltd. for setting up Petrochemical Project at Dahej in Gujarat. The company has equity participation of 17% (Previous Year: 17%) of the paid up capital. The Company has paid ` 335.88 Crores (Previous Year: ` 299.41 Crores) as advance pending allotment of equity shares in Joint Venture Company.
- (xii) **GAIL China Gas Global Energy Holdings Ltd.** A Joint Venture with China Gas Holdings Ltd. to pursue gas sector opportunities mainly in China. The company has equity participation of 50% of the paid up capital.

The Company's share in the assets and liabilities and in the Income and expenditure for the year in respect of above Joint ventures, based on audited/unaudited statements of accounts as furnished by them, is as under: (Final adjustments are effected during the year in which audited accounts are received).

	2011-12	2010-11
A Assets	8,705.51	8,046.69
Non Current Assets	6529.47	6218.88
Current Assets	2176.04	1827.81
B Current Liabilities & Provisions	5,922.85	5,010.57
Non Current Liabilities	3,507.17	3,400.84
Current Liabilities & Provisions	2,415.68	1,609.73
C Income	5890.73	4149.18
D Expenditure	4900.50	3591.94
E Contingent Liability (*)	733.14	437.20

(*) To the extent of information available with the company

(b) 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 29 Blocks (PY 25 Blocks) as on 31.03.2012 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, where it is a joint operator and CY-ONN-2005/1 and CY-ONN-2010/11, where it is an operator, and shares in Expenses, Income, Assets and Liabilities based upon its percentage in production sharing contract.

The participating interest in the twenty nine NELP Blocks in India as on 31st March, 2012 is as under:

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

* Blocks are under the process of relinquishment

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

Sl. No.	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 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 unaudited statement of accounts submitted by the operators and are given below: (Final adjustments are effected during the year in which audited accounts are received).

Particulars	2011-12	2010-11
Income	83.13	42.54
Expenses	286.47	140.25
Fixed Assets (Gross block)	5.77	5.47
Producing Property	-	-
Other Assets	867.35	577.52
Current Liabilities	172.20	151.28

The above includes ` 7.31 Crore, ` Nil, ` 0.36 Crores, ` .5.59 crores, and ` .27.41 Crores towards total value of Income, Expenses, Fixed Assets (Gross Block), Other Assets and Current Liabilities respectively pertaining to 12 E&P Blocks (including 11 Blocks relinquished in the earlier years for which ` Nil, ` .17.39 Crore, ` .0.24 Crore, ` .6.15 Crore, ` .47.65 Crore were Income, Expenses, Fixed assets (Gross Block), Other Assets, Current Liabilities respectively) relinquished till 31st March 2012. The company is non operator in these E&P Blocks.

(iv) List of the E&P and CBM Blocks relinquished till 31.03.2012 is given below:

Sl. No.	Name of the Block	Participating Interest	Date of Relinquishment
1	GS-DWN-2000/2	15%	24.01.2007
2	MB-DWN-2000/2	15%	24.01.2007
3	KK-DWN-2000/2	15%	15.08.2004
4	MN-OSN-97/3	15%	08.11.2007
5	NEC-OSN-97/1	50%	11.09.2007
6	AD-7, Myanmar	10%	28.02.2008
7	MN-ONN-2000/1	20%	10.11.2008
8	Block 56, Oman	25%	10.06.2010
9	RM-CBM-2005/III	35%	11.05.2010
10	MR-CBM-2005/III	40%	11.05.2010
11	CY-ONN-2002/1	50%	28.03.2011
12	TR-CBM-2005/III	35%	10.10.2011

- (v) Share of Minimum work program committed under various production sharing contracts in respect of E&P joint ventures is ` 650.17 Crores (Previous Year: ` 837.46 Crores).

(vi) Quantitative information:

Details of Company's Share of Production of Oil for Block No. CB-ONN-2000/1 during the year ended 31.03.2012:

Particulars	Opening stock		Production (Treated & processed crude)		Sales*		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Crude Oil	(MT)		(MT)		(MT)		(MT)	
Year ended 31/03/12	515.11	0.34	22673.46	-	22542.37	82.65	646.20	0.64
Year ended 31/03/11	372.12	0.28	15673.84	-	15530.85	41.41	515.11	0.34

*includes test production sales for ` 1.47 Crores (Previous Year ` 0.78 Crores)

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

	Proved	Reserves	Proved Developed Reserves	
	2011-12	2010-11	2011-12	2010-11
Oil : in 000'MT				
Beginning of the year	90	710	90	710
Additions	107.67	-	107.67	-
Deletion	0	604	0	604
Production	22.67	16	22.67	16
Closing Balance	175	90	175	90
Gas: in Million M3				
Beginning of the year	6220	6220	-	-
Additions	-	-	-	-
Deletion	-	-	-	-
Production	-	-	-	-
Closing Balance	6220	6220	-	-

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 ` . 691.27 Crores at the end of year (previous year: ` 369.81 Crores).
46. 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 ` .2.12 Crore (Previous Year: Nil) and same amount has been recognized as impairment loss in statement of Profit & Loss.

47. In Compliance of Accounting Standard 29 on "Provisions, Contingent liabilities and Contingent Assets", the required information is as under:

(` in Crore)

	Opening Balance	Addition during the year	Reversal during the year	Closing Balance
Legal & Arbitration Cases	155.48	84.35	8.55	231.28
Total	155.48	84.35	8.55	231.28

Additions include ` 37.88 Crores (Previous Year: ` 47.40 Crores) capitalized during the year. Expected timing of outflows is not ascertainable at this stage being legal cases under litigation.

48. In compliance with amended Clause 32 of the Listing Agreement with Stock Exchanges, the required information is given in Annexure - C.

49. Foreign currency exposure not hedged by a derivatives instrument or otherwise:

(` in Crore)

Particulars	Currencies	Amount 31.03.2012	Amount 31.03.2011
Borrowings, including interest accrued but not due	USD	2328.47	-
	EURO	-	-
	Others	-	-
Sundry creditors/deposits and retention monies	USD	179.91	372.44
	EURO	12.44	6.61
	Others	17.73	1.70
Sundry Debtors and Bank balances	USD	139.28	-
	EURO	-	-
	Others	-	-
Unexecuted amount of contracts remaining to be executed	USD	1090.09	1600.35
	EURO	8.32	293.32
	Others	35.04	429.90

50. In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under "The Micro, Small and Medium Enterprises development Act, 2006". The Company has certified that as a practice, the payment to Suppliers is made within 7-10 days. No payments beyond appointed date were noticed. The amount remaining unpaid as at 31st March 2012 is ` .3096.39 Crores (Previous Year: ` .2336.12 Crores). No payments beyond the appointed date were noticed. No interest was paid or payable under the Act.

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

complex is in progress. Further, Public Investment Board (PIB) in meeting dated 13th 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 ` 255.68 Crores as on 31st March 2012 (Previous Year: ` 258.33 Crores).

(b) In pursuance with the Board Resolution passed in its 287th Meeting held on 06th April'2011, existing and ongoing expansion of local distribution assets amounting to ` 44.22 Crore in Agra and Firozabad has been transferred to GAIL Gas Limited, a wholly-owned subsidiary of GAIL, on 16th November'2011.

(c) Further the Board in its 287th Meeting held on 06th April'2011 has approved transfer of CNG stations and its associated pipeline in Vadodara to proposed Joint Venture

Company of GAIL Gas Ltd. and Vadodra Municipal Seva Samiti at market value yet to be determined. The transfer has not been effected during the financial year.

52. Non-Refundable Deposits ` 7.34 Crores (Previous Year: ` 24.09 Crores) made with the concerned authorities for railway crossings, forest crossings, removal and laying of electric/telephone poles and lines are accounted for under Capital Work-in-Progress on the basis of work done/confirmation from the concerned department.

53. During the year 2011-12, a newly wholly-owned Subsidiary in the name of GAIL Global (USA) Inc. was incorporated in USA on 26th September, 2011 with an investment of ` 179.17 Crore (USD 36 million).

54. (a) Request for confirmations of balances of trade receivable and payables were send. Confirmation of balances has been received from majority of cases. These confirmations are subject to

reconciliation and consequential adjustments

which in the opinion of the management is not material.

(b) In the opinion of management, the value of assets, other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

55. The Statement of Profit & Loss includes:-

(a) Expenditure on Public Relations and Publicity amounting to ` 24.21 Crores (Previous Year: ` 20.92 Crores). The ratio of annual expenditure on Public Relations and Publicity to the annual turnover is 0.0006:1 (Previous Year: 0.0006:1).

(b) Research and Development Expenses ` 1.19 Crores (Previous Year: ` 0.13 Crores).

(c) Entertainment Expenses ` 0.17 Crores (Previous Year: ` 0.15 Crores).

56. Other disclosures as per Schedule VI of the Companies Act, 1956.

For and on behalf of the Board of Directors

N. K. Nagpal
Secretary

P. K. Jain
Director (Finance)

R. D. Goyal
Director (Projects)

B. C. Tripathi
Chairman & Managing Director

As per our separate report of even date

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

Navin Bansal
Partner
Membership No. 91922

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

G. S. Haldia
Partner
Membership No.007012

Place : New Delhi
Dated : May 30, 2012

(` in crores)

	2011-2012	2010-2011
I. CIF Value of Imports		
i) Capital Goods	555.18	971.67
ii) Spare Parts & Components	177.97	110.87
iii) Raw Material	3,239.03	595.74
II. a) Expenditure in Foreign Currency		
i) Interest/Commitment Charges	57.66	-
ii) Technical/Consultancy/License Fee/Engineering	91.91	50.32
iii) Others	2,301.85	2,332.26
b) Earnings in Foreign Currency		
i) Sales	-	-
ii) Others (Including Tender fee)	8.85	4.72
III. Remuneration paid/payable to Directors		
Functional Directors including Chairman & Managing Director:		
Salaries & Allowances	2.19	2.09
Contribution to Provident and Other Funds	0.10	0.09
Other Benefits and Perquisites	0.33	0.23
TOTAL	2.62	2.41
Independent Directors:		
Directors Sitting Fee	0.22	0.21

Notes:

- In addition to above remuneration, 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.
- The remuneration did not include Provision for Leave, Gratuity and Post Retirement Benefits as per revised Accounting Standard-15 since the same were not ascertained for individual employees. (Refer Note No.37)

IV. Value of Raw Materials , Stores/Spares and Components consumed during the year.

	CURRENT YEAR			PREVIOUS YEAR		
	2011-12			2010-11		
	Qty.	in crores	%	Qty.	in crores	%
i) Raw Material Consumed						
a) Gas (MMSCM)						
- Indigeneous	1425.55	2494.10	100	1,291.06	2,178.78	100.00
- Imported					-	-
Sub total	1425.55	2494.10	100	1,291.06	2,178.78	100.00
ii) Stores , Spares Components Consumed						
- Indigeneous		153.80	57.36		129.20	54.20
- Imported		114.34	42.64		109.18	45.80
Sub total		268.14	100.00	-	238.38	100.00
Total		2,762.24			2,417.16	

For and on behalf of the Board of Directors

N. K. Nagpal
Secretary

P. K. Jain
Director (Finance)

R. D. Goyal
Director (Projects)

B. C. Tripathi
Chairman & Managing Director

As per our separate report of even date

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

Navin Bansal
Partner
Membership No. 91922

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

G. S. Haldia
Partner
Membership No.007012

Place : New Delhi
Dated : May 30, 2012

(Annexure - A)

INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2011-12

(₹ in Crores)

SL NO	SEGMENTS	TRANSMISSION SERVICES **		NATURAL GAS TRADING **	PETRO CHEMICALS	LPG & LIQUID HYDROCARBONS	OTHER SEGMENT ***	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSOLIDATED TOTAL
		NATURAL GAS	LPG								
1	REVENUE										
	External Sales/ Other Income	3,564.31	454.21	29,670.79	3,377.53	3,090.24	123.66	-	40,280.74	-	40,280.74
	Inter-segment sales	288.10	-	3,380.77	37.87	-	-	-	3,706.74	3,706.74	-
	Total revenue	3,852.41	454.21	33,051.56	3,415.40	3,090.24	123.66	-	43,987.48	3,706.74	40,280.74
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	2,153.86	272.01	1,088.60	1,465.80	554.43	(196.42)	-	5,338.28	-	5,338.28
	Unallocated expenses (Net)							287.75	287.75	-	287.75
	Operating Profit	2,153.86	272.01	1,088.60	1,465.80	554.43	(196.42)	(287.75)	5,050.53	-	5,050.53
	Interest Expenses							116.46	116.46	-	116.46
	Interest/Dividend Income							405.94	405.94	-	405.94
	Provision for Taxation							1,686.17	1,686.17	-	1,686.17
	Profit/(Loss) from Ordinary Activities	2,153.86	272.01	1,088.60	1,465.80	554.43	(196.42)	(1,684.44)	3,653.84	-	3,653.84
	Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-
	Net Profit/(Loss)	2,153.86	272.01	1,088.60	1,465.80	554.43	(196.42)	(1,684.44)	3,653.84	-	3,653.84
3	OTHER INFORMATION										
	Segment Assets	16,776.36	912.60	-	1,945.60	1,199.94	713.83	-	21,548.33	-	21,548.33
	Unallocated Assets	-	-	-	-	-	-	17,536.35	17,536.35	-	17,536.35
	Total Assets	16,776.36	912.60	-	1,945.60	1,199.94	713.83	17,536.35	39,084.68	-	39,084.68
	Segment Liabilities	3,570.07	118.63	-	326.36	414.60	362.12	-	4,791.78	-	4,791.78
	Unallocated Liabilities							5,552.93	5,552.93	-	5,552.93
	Total Liabilities	3,570.07	118.63	-	326.36	414.60	362.12	5,552.93	10,344.71	-	10,344.71
	Cost to acquire fixed assets	3,411.55	13.79	-	26.87	120.81	594.57	143.60	4,311.19	-	4,311.19
	Depreciation*	463.50	49.04	-	164.28	86.97	11.77	15.16	790.72	-	790.72
	Non Cash expenses other than Depreciation*	363.20	0.05	40.18	(4.61)	0.57	53.66	13.89	466.94	-	466.94

Sales net off Excise Duty

* Excluding Prior period adjustments

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

*** Other Segment includes GAILTel, E&P, City Gas & Power Generation.

(Annexure - A)

INFORMATION ABOUT BUSINESS SEGMENTS FOR FINANCIAL YEAR 2010-11

(` in Crores)

SL NO	SEGMENTS	TRANSMISSION SERVICES **		NATURAL GAS TRADING **	PETRO CHEMICALS	LPG & LIQUID HYDROCARBONS	OTHER SEGMENT ***	UN-ALLOCABLE	TOTAL	ELIMINATION	CONSOLIDATED TOTAL
		NATURAL GAS	LPG								
1	REVENUE										
	External Sales/ Other Income	3,543.84	474.52	22,653.68	2,939.38	2,786.02	61.20	-	32,458.64	-	32,458.64
	Inter-segment sales	245.73	-	3,013.54	21.06	-	-	-	3,280.33	3,280.33	-
	Total revenue	3,789.57	474.52	25,667.22	2,960.44	2,786.02	61.20	-	35,738.97	3,280.33	32,458.64
2	RESULTS										
	Segment Result (Profit before Interest & Tax)	2,561.25	307.59	794.94	1,188.25	485.77	(105.60)	-	5,232.20	-	5,232.20
	Unallocated expenses (Net)							317.73	317.73	-	317.73
	Operating Profit	2,561.25	307.59	794.94	1,188.25	485.77	(105.60)	(317.73)	4,914.47	-	4,914.47
	Interest Expenses							82.86	82.86	-	82.86
	Interest/Dividend Income							408.38	408.38	-	408.38
	Provision for Taxation							1,678.86	1,678.86	-	1,678.86
	Profit/(Loss) from Ordinary Activities	2,561.25	307.59	794.94	1,188.25	485.77	(105.60)	(1,671.07)	3,561.13	-	3,561.13
	Extra Ordinary items								-	-	-
	Net Profit/(Loss)	2,561.25	307.59	794.94	1,188.25	485.77	(105.60)	(1,671.07)	3,561.13	-	3,561.13
3	OTHER INFORMATION										
	Segment Assets	12,609.96	916.93	-	1,833.54	1,100.40	91.39		16,552.22	-	16,552.22
	Unallocated Assets	-	-	-	-	-	-	15,459.23	15,459.23	-	15,459.23
	Total Assets	12,609.96	916.93	-	1,833.54	1,100.40	91.39	15,459.23	32,011.45	-	32,011.45
	Segment Liabilities	2,807.26	61.93	-	183.16	457.91	175.53		3,685.79	-	3,685.79
	Unallocated Liabilities							5,129.07	5,129.07	-	5,129.07
	Total Liabilities	2,807.26	61.93	-	183.16	457.91	175.53	5,129.07	8,814.86	-	8,814.86
	Cost to acquire fixed assets	912.64	54.72	-	126.16	17.34	6.68	9.85	1,127.39	-	1,127.39
	Depreciation*	338.35	51.04	-	158.47	89.62	6.04	6.77	650.29	-	650.29
	Non Cash expenses other than Depreciation*	(0.58)	0.24	(0.56)	3.00	(2.42)	(18.39)	13.98	(4.73)	-	(4.73)

Sales net off Excise Duty

* Excluding Prior period adjustments

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

*** Other Segment includes GAIL Tel, E&P, City Gas & Power Generation.

RELATED PARTY DISCLOSURES

(Annexure - B)

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) Maharashtra Natural Gas Limited
- 9) Avantika Gas Ltd.
- 10) GAIL China Gas Global Energy Holding Ltd.
- 11) ONGC Petro additions Ltd (OPAL)
- 12) Shell Compressed Natural Gas (Disposed off during FY 2011-12)
- 13) Gujrat State Energy Generation Ltd.
- 14) National Gas Company "Nat Gas"
- 15) Fayum Gas Company
- 16) China Gas Holdings Ltd.

Å) Key Management Personnel

Whole time Directors(KMP):

- 1) Shri B C Tripathi ,Chairman and Managing Director
- 2) Shri R D Goyal
- 3) Shri S L Raina
- 4) Shri Prabhat Singh
- 5) Shri S Venkatraman
- 6) Shri P K Jain

C) Unincorporated Joint venture for Exploration & Production Activities:

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

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

(` in Crores)

A) Details relating to parties referred to in item no. I (A) above:

	2011-12	2010-11
1) Sales	2,159.69	1,529.06
2) Amount receivable as at Balance Sheet Date for (1) above	84.43	75.86
3) Purchases	11,319.88	7,290.04
4) Amount payable as at Balance Sheet Date for (3) above	547.59	431.50
5) Reimbursement for other expenditure received/receivable	10.62	7.83
6) Amount receivable as at Balance Sheet Date for (5) above	5.98	4.20
7) Dividend Income	77.50	59.49
8) Other Income	0.45	1.88
9) Provision Created against Debtors	28.20	-

B) Details relating to parties referred to in item no.- 1 (B) above

	Key Management Personnel(KMP)		Relatives of KMP	
	2011-12	2010-11	2011-12	2010-11
1) Remuneration	2.62	2.41	0.34	0.44
2) Interest bearing outstanding loans receivable	0.45	0.25	-	-
3) Interest accrued on loans given	0.18	0.16	-	-
4) Self lease	0.14	0.23	0.03	0.03

* Remuneration includes Basic, Allowances, reimbursements, contribution to PF and perquisites. In addition, whole time directors are allowed use of staff car including for private journeys upto a ceiling of 1000 Kms per month on payment in accordance with the Bureau of Enterprises Circular

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

(` in Crores)

	2011-12	2010-11
1) Minimum work program commitment	-	-
2) Survey and other expenses	(13.34)	(1.93)
3) Other assets	316.40	101.31
4) Amount outstanding on Balance Sheet date	28.73	50.60
5) Amount written Off- Dry well expenditure	4.28	(0.14)