



INDRAPRASTHA GAS LIMITED



Shaping the Future of Energy

GREEN. SMART. AFFORDABLE

20th Annual Report 2018- 19



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Vision

India's leading clean energy solution provider through customer centricity, innovative technology and diversification, with international presence.



Mission

Committed to provide safe, reliable and clean energy solutions to improve quality of life and enhance stakeholders' value.

Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.



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www.iglonline.net



CHAIRMAN'S MESSAGE



The Company gives due importance to its human resource capital who are responsible for the growth of the Company. The Company keeps reviewing employee related welfare schemes from time to time to motivate the employees.

Dear Shareowners,

Your Company has completed its successful journey of two decades, in which it has achieved many milestones. Today, it is a matter of pride for all of us that the Company is the largest City Gas Distribution Company in the country, catering to 1.1 million CNG vehicles, 1.2 million domestic PNG customers and over 4500 Commercial & Industrial customers.

The financial year 2018-19 was another year of robust growth both in financial and operational numbers. During the year, gross turnover showed a growth of 26.9% increasing from Rs. 4994 Crores to Rs. 6337 Crores in the previous year. Profit after tax also showed an increase of 17.3% from Rs. 671 Crores in FY2018 to Rs. 787 Crores in FY2019. Both gross turnover and PAT of FY2019 have been the highest in the history of the Company. In line with its performance, Board of Directors have recommended dividend of 120% i.e. Rs. 2.4 per share, the highest dividend so far in a financial year.

On the operational front, your Company augmented its infrastructure by adding 54 new CNG stations with total number crossing milestone of 500 with total compression capacity of around 84 Lakhs kg per day. During the year, the Company provided a record number of 2.1 Lakhs new PNG domestic connections and around 850 new commercial and industrial connections.

The scenario in CGD sector is fast changing with the coverage of a large number of geographical areas and entry of new players in this sector. PNGRB through its recently conducted 10th round of CGD bidding has now cumulatively covered 70% of the country's total population and 50% of total geographical area for setting up PNG and CNG distribution network. Government of India has been providing full allocation of Gas for transport and PNG -Domestic to meet the growing demand of the CGD sector. The government has set a mission of providing 1 crore PNG domestic connections by 2020. The government is giving thrust to natural gas to make India as a gas based economy. This changing business environment provides challenges as well as opportunities to your Company. The Company has been reviewing its corporate strategy for sustainable future growth.

The Company has been expanding its area of operations by entering into new geographical areas. The Company has already started supply of CNG and PNG domestic in earmarked area of Gurugram and Karnal districts. The Company has started building infrastructure in geographical area of Meerut (except area already authorised), Muzaffarnagar & Shamli district in Uttar Pradesh. The Company has also received authorization from PNGRB for development of CGD network in geographical areas of (i) Kaithal District (ii) Ajmer, Pali and Rajsamand District & (iii) Kanpur (except area already authorized) District, Fatehpur and Hamirpur Districts. The Company is also looking for inorganic growth by acquiring stakes in other CGD companies.

The Company has taken various new initiatives for its future growth. Recently,

it has started working in association with Indian Oil Corporation to set up a H-CNG station as a pilot project, first of its kind in India. The Company has entered into memorandum of understandings with reputed parties for promoting the usage of gas in home appliances in households, conversion of diesel gensets into gas based generators and to provide charging facilities to e-vehicles. As a backward integration, the Company has a plan to set up a gas meter manufacturing unit in India. The Company is also looking to leverage its expertise and execution capabilities by providing consultancy services for setting up CGD projects in India and abroad. Optimisation of overall cost and organisational transformation are other areas in which studies are underway. All these initiatives will add to the growth and business expansion of the Company. The Company has earmarked total capex of Rs. 1170 Crores for FY2019-20.

Your Company has strong belief in Customer centric approach. It is striving for excellence in customer services by making continuous efforts to improve its services. The Company has upgraded its customer app – IGL connect by adding new features and further strengthening its customer relationship management (CRM) module in SAP. It is promoting digital payment by providing various options to its customers. The Company has been providing facilities such as self-billing, spot billing, prepaid cards, automatic meter reading and various incentive schemes for acquiring new PNG Customers.

Your Company has always accorded top most priority to Safety related issues. In recent past, the Company participated in the mock drill of disaster management exercise carried out by government

of NCT of Delhi. Regular trainings are imparted to drivers, PNG customers, employees, contractual staff and other stakeholders on regular basis. It is a matter of pride that your Company has crossed 161 Million Man Hours accident free till 31st March, 2019. The Company has won various prestigious safety awards from different authorities in recognition of its high safety standards.

The Company gives due importance to its human resource capital who are responsible for the growth of the Company. The Company keeps reviewing employee related welfare schemes from time to time to motivate the employees. The Company gives due importance to training and development of employees to upgrade their skills and expertise in various areas. During the year, a number of team building, skill developments, and sports events were conducted by your Company. The Company recognizes and appreciates the contribution of all its employees in its growth path.

The Company has been taking various CSR activities with focus on health, education, environment and empowerment of women & underprivileged of the society. During FY2019, CSR programmes such as IGL Swasth Saarthi, Building Bonds through Gender Sensitisation, coaching for engineering entrance examination to underprivileged students, Self Defence training for school girls, education programmes at municipal schools, Skill Development for rural women and underprivileged/ unemployed youth etc. were undertaken after conducting impact assessment study. The Company has won a number of awards for its various CSR projects/programmes at different forums.

On behalf of the Board of Directors, I take this opportunity to thank the

Government of India, Petroleum and Natural Gas Regulatory Board and all departments of the Central and State governments, our valued Customers, our promoter companies (GAIL & BPCL), all the authorities and agencies for their unstinted support to your Company.

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

Finally, I would like to thank each one of you from IGL's family of Shareowners, for the confidence and trust reposed in us. With your support and blessings, I am confident that we shall continue to strive to achieve new milestones in the coming years.

Warm Regards,

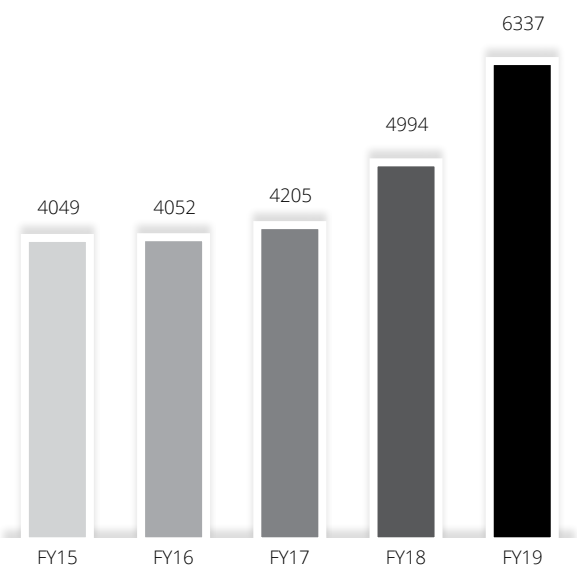


Gajendra Singh
Chairman

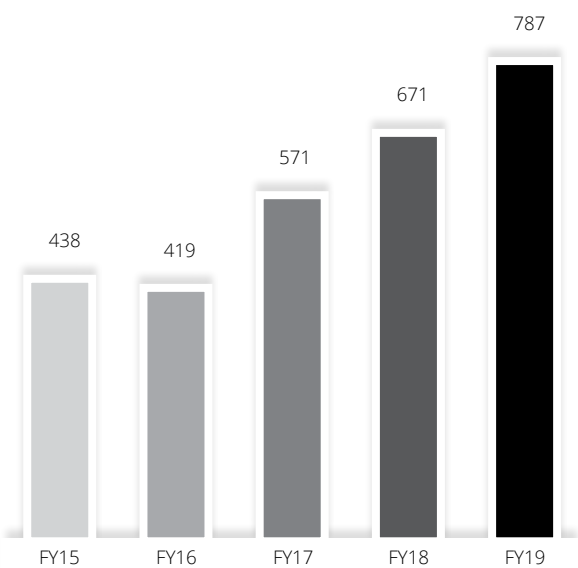


FINANCIAL HIGHLIGHTS

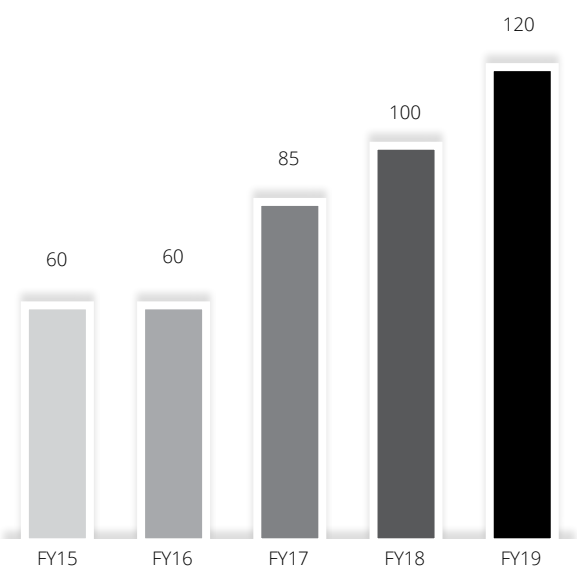
Gross Turnover (in Rs. Crores)



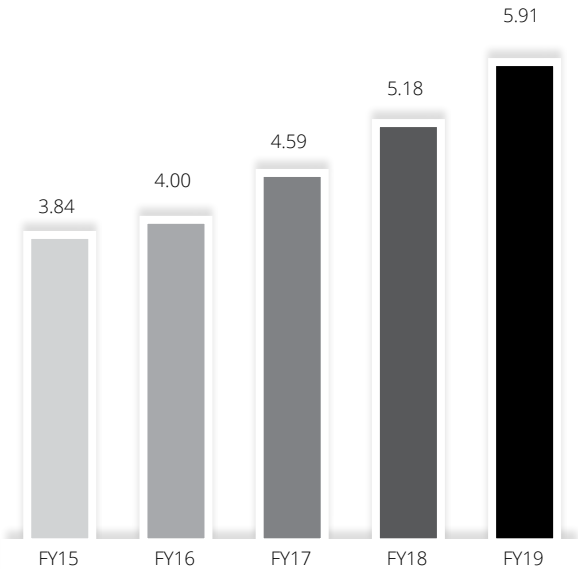
Profit after Tax (in Rs. Crores)



Dividend (%)



Average sales per day (mmscmd)



BOARD OF DIRECTORS



Shri Gajendra Singh
Chairman



Shri E. S. Ranganathan
Managing Director



Shri Amit Garg
Director (Commercial)



Shri R.P. Natekar
Director



Shri Rajeev Verma
Director



Smt. Saroj Bala
Director



Shri R.S. Sahoo
Director



Dr. A.K. Ambasht
Director



Shri R.N. Misra
Director



Shri Deepak Mishra
Director

Bankers

- ICICI Bank Limited
- IDBI Bank Limited
- State Bank of India
- Axis Bank Limited
- Andhra Bank
- HDFC Bank Limited
- IndusInd Bank Limited
- IDFC Bank Limited
- HSBC Bank

Statutory Auditors

M/s Walker Chandio & Co. LLP

Cost Auditors

M/s Ramanath Iyer & Co.

Secretarial Auditors

M/s V.K. Sharma & Co.

Company Secretary

Shri S. K. Jain

Registered Office

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

CIN: L23201DL1998PLC097614



Directors' Report

To

The Members

Your Directors have pleasure in presenting the Twentieth Annual Report and the Company's audited financial statements for the Financial Year ended March 31, 2019.

Physical Performance

During the year, the Company recorded sales as under:

Product	Figures in Million Standard Cubic Meters (mmscm)		
	For the Year 31 March 2019	For the Year 31 March 2018	% Growth (YoY)
Compressed Natural Gas (CNG)	1602.81	1412.66	13
Piped Natural Gas (PNG)	552.52	478.51	15
Total	2155.33	1891.17	14
Average Sales / per day (mmscmd)	5.91	5.18	



Shri Dharmendra Pradhan, Hon'ble Union Minister for Petroleum & Natural Gas and Steel, launching the Digital Customer Initiatives of Indraprastha Gas Limited in the presence of Shri B.C. Tripathi, then Chairman & Managing Director, GAIL (India) Limited; Shri Satpal Garg, Member, Petroleum and Natural Gas Regulatory Board (PNGRB) and Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited.

Financial Results

The Company's financial performance for the year ended March 31, 2019 is summarised below:

(Rs. in Crores)

Items	For the Year 31 March 2019	For the Year 31 March 2018
Net Sales & Other Income	5910.99	4635.52
Profit before Depreciation & Tax	1401.08	1213.78
Depreciation	201.07	181.29
Profit before tax	1200.01	1032.49
Provision for tax	413.34	361.72
Profit after tax	786.67	670.77
Other comprehensive income	(0.94)	(0.18)
Total comprehensive income	785.73	670.59
Retained Earnings – opening balance	3069.40	2483.06
Add : Profit for the period	786.67	670.77
Profit available for appropriations	3856.07	3153.83
Appropriations:		
Dividends including Interim Dividend	140.00	70.00
Corporate dividend tax	28.78	14.25
Transferred to general reserve	-	-
Other comprehensive income recognised directly in retained earnings	(0.94)	(0.18)
Retained Earnings – closing balance	3686.35	3069.40

Financial Reviews

During the year, the gross turnover of the Company increased from Rs. 4993.78 Crores in 2017-18 to Rs. 6336.66 Crores in 2018-19 showing an increase of 26.89%.



Shri B.C. Tripathi, then Chairman & Managing Director, GAIL (India) Limited inaugurating CGD pavilion at PETROTECH 2019 in the presence of Shri Gajendra Singh, Director (Marketing), GAIL (India) Limited & Chairman, Indraprastha Gas Limited; Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited; and senior officials from GAIL and IGL.



The Profit After Tax (PAT) increased by 17.28% from Rs. 670.77 Crores in 2017-18 to Rs. 786.67 Crores in 2018-19.

The Company has prepared the Consolidated Financial Statements also which includes the Company's share of profit in its Associates combined on an equity method in accordance with IndAS 28 - "Investment in Associates and Joint Ventures". The consolidated PAT during FY 2018-19 is Rs. 842.10 Crores against Rs. 721.72 Crores in the previous year.

Dividend

Your Directors are pleased to recommend a dividend of 120% (Rs. 2.40 per share). The proposed dividend, including corporate dividend tax, would absorb Rs. 202.53 Crores.

The Company has Dividend Distribution Policy in terms of the requirement of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015. The Policy is available on the website of the Company under the weblink: https://www.iglonline.net/5000_media/Dividend-Distribution-Policy.pdf

Performance Highlights

Compressed Natural Gas Business

During the year, your Company showed growth in CNG business in double digit i.e. 13% besides augmenting its CNG infrastructure in Delhi and NCR. The Company achieved a new milestone by setting up 500th CNG station in FY 2018-19. The Company was catering to 10.7 Lakhs vehicles including 7.4 Lakhs private cars in Delhi & NCR.



Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited inaugurating the supply of CNG & PNG at Karnal.

The Company has started setting up of CNG stations under Dealer Owned Dealer Operated (DODO) model considering the constraint of land availability from government land owning agencies. This would facilitate increase in number of CNG stations to provide comfortable fuelling experience to its customers.

The Company had introduced prepaid card for its CNG customers in order to promote digital payments. Till now more than 70,000 cards are under circulation catering to 100,000 vehicles. The Company has tied up with taxi aggregator companies like Meru, Burdy cab, Yorker cab, etc. to further promote the pre-paid cards.

Company has conducted joint promotion activities with Ford and Hyundai at the CNG stations. Due to constant follow up with the car manufacturers, they have launched Company fitted CNG variants, which are becoming very popular among the customers and thus boosting the sales of CNG.

Piped Natural Gas Business

PNG - Domestic Connections

PNG continued to be focus area of the Company during FY 2018-19. Total more than 2.10 Lakh new connections were provided which is the highest number of connections in a single financial year in the history of the Company. In order to create the PNG awareness further amongst target customers, a successful integrated campaign was run during the year.



Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited inaugurating 1st DODO model CNG station in NCT of Delhi.