H.S. AHUJA & CO.
CHARTERED ACCOUNTANTS

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Independent Auditor's Report
To the Members of Gail Gas Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Gail Gas Limited ('the Company'), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015,as amended,("Ind AS"), of the state of affairs of the Company as at 31st March, 2019, and the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to the following matters in Notes to Standalone Financial Statements:-

Note no: 31(ii) & (iii) in respect of uncertain tax positions relating to disputed tax demand.

Note no: 40 in respect of provisions for employee benefit expenses made during the year.

Note no: 43 in respect of stating of investment in joint venture entity which includes the advance made as a part of investment.

Note no: 60 Regarding non- incurring of expenses for Corporate Social Responsibility (CSR) activity.
Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Recoverability of Indirect tax receivables As at March 31, 2019, other current assets (Non financial) in respect of claim recoverable includes VAT recoverable amounting to Rs 37.25 crores which are pending adjudication. Refer Note 41 to the Standalone Financial Statements	Principal Audit Procedures We have reviewed the information and detail given by the management to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.
2	Provisional liability on estimation basis Provisional liability of Rs. 104.93 crore outstanding as at March 31, 2019 made on the estimation basis Refer Note No. 39 to the Standalone Financial Statements	Principal Audit Procedures We reviewed procedure on the basis of which provision has been made on the basis of past event and contractual obligation executed as on date and reliable estimation have been made of the amount of the obligation on the basis of past event and execution of work.

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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Message from the chairman, Director's report, Management Discussion and Analysis, Report on Corporate Governance, Secretarial Audit Report, Annual report on CSR activities and Comments of CAG on the annual financial statements, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The balance sheet, the statement of profit and loss (including the other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the ministry of Corporate Affairs, government of India, provisions of sub-section (2) of the Section 164 of the Companies Act,2013, are not applicable to the company.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration to its directors during the year. However, we have been informed that the company is a government company and as per notification no. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, and Sec.197 is not applicable to the government companies. Therefore, the reporting requirement whether the remuneration paid/provided is in excess of the limit laid down under the provisions of Sec. 197 of the Act, is not applicable to the company.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no 31 to the standalone financial statements;

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ii. The Company did not have any long-term contracts including derivative contracts for which may lead to any material foreseeable losses.

iii. There has not been any occasion where any amount is required to be transferred, to the Investor Education and Protection Fund by the Company; and

3. As required by Section 143(5) of the Companies Act, 2013 please refer Annexure-C enclosed.

For H S AHUJA & CO
Chartered Accountants
Firm's Reg. No.: 000099N

H. S. AHUJA & CO. * New Delhi * Chartered Accountants

(CA Jaswant Singh)
Partner
Mem.Number: 095483
Place: New Delh
Dated: 23 .05.2019

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report that:

(i) In respect of fixed assets:-

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets other than fixed assets related to the underground natural gas distribution which as per the Management cannot be physically verified, by the committee constituted by the company during the year. In accordance with this programme, certain fixed assets like Land & Building, Leasehold Land, ROU Land including warehouse and CNG stations including Natural Gas Generator, DRS Stations, Scada & its AMR systems, were not verified during the year; however no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the cases as follows:

Description of Assets	No. of Cases	Area in sq. meter	Gross block /Deemed Cost as on 31st.03.2019 (in Cr.)	Net block as on 31st.03.2019 (in Cr)
Land				
-Freehold	1	3004.42	2.05	2.05
Building & Structures	20	- -	29.37	25.34

(ii) In respect of its inventory:

The Inventories of the Company comprise inventory of stores and spare parts and inventory of natural gas .On the basis of information and explanation provided by the management, the Company has a regular programme of physical verification of inventories of store and spare except for the inventories lying with contractors and project consultants. No material discrepancies were noticed on verification between the physical stocks and the book records.

As explained to us, having regard to the nature of the inventory of natural gas, management has followed policy for estimation of natural gas quantitates which is based on volume of pipelines and the volume cascades containing the natural gas considering standard temperature and pressure whereas opening stock of gas has been arrived at on the basis of book balances since as per the management it is not possible as gas is flowing continuously in pipelines.

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(iii) According to the information and explanation given to us, the Company has not granted any loan to a party covered in the register maintained under section 189 of the Companies Act,2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the investments made. According to the information and explanation given to us, the Company has not given any guarantee and not granted any loan and security during the year in respect of which the provisions of section 185 and 186 are to be complied with, hence not commented upon.

(v) The Company has not accepted any deposits from the public during the year covered under directive issued by the Reserve bank of India and under section 73 to 76 or any other relevant provision of Companies Act, 2013 and rules framed thereunder.

(vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Companies Act,2013 for the products sold by the Company. The company has maintained proper cost records which are yet to be audited.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, goods and service tax, cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, goods and service tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there were no dues of provident fund or income-tax or sales tax or value added tax or duty of customs or service tax or goods and service tax or cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, duty of excise and sales tax/VAT have not been deposited by the Company on account of disputes:

Name of the statute	**Nature of Dues**	**Gross disputed amount (Rs in Crores)**	**Amount deposited/adjusted under protest/appeal (Rs in Crores)**	**Amount not deposited (Rs in Crores)**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act, 1961	Income Tax	1.61	1.61[1]	-	A.Y. 2015-16	CIT(A) is partly allowed and Company is in the process of filing appeal with ITAT

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	Income Tax and Interest	3.95	2.19[2]	1.76	A.Y. 2016-17	CIT (A), New Delhi
Central Excise Act, 1944	Excise duty & Penalty	1.74[3]	-	1.74	F.Y. 2010-11	CESTAT, New Delhi
Sales Tax/ VAT	UP Vat Demand	0.17	0.02	0.15	F.Y. 2010-11	Sales Tax Tribunal Noida
	UP Vat Demand	0.27	0.13	0.14	F.Y. 2015-16	Addl. Commissioner, Noida

1. Adjusted against MAT credit available.
2. IT refund of Rs.2.19 crores adjusted against the demand.
3. A stay order has been obtained against the amount disputed and not been deposited.

(viii) The Company has got outstanding dues of term loan taken from Oil Industry Development Board (OIDB) at the end of the year and there is no default in payment of dues during the year. The Company did not have any borrowings from banks and government or debenture holders during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (Including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration during the year. However, we have been informed that the company is a government company and as per notification no. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Sec.197 is not applicable to the government companies Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

H. S. AHUJA & CO. New Delhi Chartered Accountants

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For H S AHUJA & CO
Chartered Accountants
Firm's Reg. No.: 000099N

H. S. AHUJA & CO. New Delhi Chartered Accountants

Jaswant Singh

(CA Jaswant Singh)
Partner
Mem.Number: 095483
Place: New Delh
Dated: 23 .05.2019

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Gail Gas Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act,2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

H. S. AHUJA & CO.
New Delhi
Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3)provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For H S AHUJA & CO
Chartered Accountants
Firm's Reg. No.: 000099N

H. S. AHUJA & CO. New Delhi Chartered Accountants

(CA Jaswant Singh)
Partner
Mem.Number: 095483
Place: New Delh
Dated: 23 .05.2019

Annexure - C to the Independent Auditors' Report

DIRECTIONS UNDER SECTION 143(5) OF COMPANIES ACT, 2013

S No.	Directions	Auditor's Remark
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	On the basis of information and explanation given to us and on the basis of our examination of the records of company, the company has system in place to process all the accounting transactions through IT system i.e. SAP System. Therefore, there is no implications on the integrity of the accounts and no financial implications thereof, since there is no processing of transactions outside IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the- company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us and based on the examination of the records, there are no cases of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan during the year under audit. Hence no comments are made on requirement of Direction No 2.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	We have been informed that no such funds have been received/receivable from central/state agencies. Hence no comments are made on requirement of Direction No 3.

For H S AHUJA & CO
Chartered Accountants
Firm's Reg. No.: 000099N

H. S. AHUJA & CO. New Delhi Chartered Accountants

(CA Jaswant Singh)
Partner
Mem.Number: 095483
Place: New Delh
Dated:23 .05.2019

GAIL GAS LIMITED
Standalone Balance Sheet as at 31st March 2019

(Rs in Crores)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	975.96	712.91
b) Capital Work-In-Progress	3	534.14	411.60
c) Intangible Assets	4	9.34	12.32
d) Financial Assets			
i. Investments	5	173.52	155.44
ii. Trade receivable	9A	2.32	2.34
iii. Loans & Other Receivables	6A	1.52	1.51
e) Non Current Tax Assets (Net)	7	4.58	2.93
f) Other Non Current Assets (Non Financial)	11A	22.26	10.96
Total Non-Current assets (A)		**1,723.64**	**1,310.01**
Current Assets			
a) Inventories	8	11.40	8.67
b) Financial Assets			
i. Trade Receivable	9B	280.47	268.16
ii. Cash and Cash Equivalents	10	125.24	269.56
iii. Loans & Other Receivables	6B	21.16	8.70
iv. Other Financial Assets	6C	0.27	0.18
c) Other Current Assets (Non Financial)	11B	49.85	58.90
Total Current Assets (B)		**488.39**	**614.17**
Total Assets (A+B)		**2,212.03**	**1,924.18**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	12	1,127.00	877.00
b)Other Equity	13	293.48	362.54
Total Equity (C)		**1,420.48**	**1,239.54**
LIABILITIES			
Non Current Liabilities			
a)Financial Liabilities			
i. Borrowings	14	154.72	138.12
b) Deferred Tax Liabilities (Net)	15	63.24	46.37
Total Non-Current liabilities (D)		**217.96**	**184.49**
Current Liabilities			
a) Financial Liabilities			
i. Trade Payables			
Trade Payable other than Micro and Small Enterprises	16	213.63	229.73
Trade Payable to Micro and Small Enterprises	16	16.58	5.99
ii. Other Financial Liabilities	17	165.54	118.62
b) Other Current Non Financial Liabilities	18	48.69	62.10
c) Provisions	19	129.15	83.71
Total Current Liabilities (E)		**573.59**	**500.15**
Total Equity and Liabilities (C+D+E)		**2,212.03**	**1,924.18**

The accompanying Notes form an integral part of the standalone financial statements. 1 to 66

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija
Company Secretary
PAN-ADRPA0983E

Pankaj Walia
CFO
PAN-AABPW1139M

A K Jana
CEO
PAN-ABIPJ0467D

A K Tiwari
Director
DIN-07654612

B C Tripathi
Chairman
DIN-01657366

As per our report of even date attached
For H S Ahuja & Co
Chartered Accountants
Firm Reg. No: 000099N

CA Jaswant Singh
Partner
Membership No: 095483

H. S. AHUJA & CO. New Delhi Chartered Accountants

Place: New Delhi
Dated: 23.05.2019

GAIL GAS LIMITED

Standalone Statement of Profit and Loss for the year ended 31st March 2019

(Rs In Crores)

Particulars	Note No.	Year ended 31st March 2019	Year ended 31st March 2018
I INCOME			
Revenue from Operations (Gross)	20	5,367.05	4,602.13
Other Income	21	13.39	7.52
Total Income		**5,380.44**	**4,609.65**
II EXPENSES			
Gas Consumed	22	5,007.10	4,330.83
Excise Duty		37.41	23.89
Employee Benefit Expenses	23	74.17	35.32
Finance Cost	24	2.15	7.07
Depreciation and Amortization Expenses	25	32.14	23.36
Other Expenses	26	101.86	70.24
Total Expenses		**5,254.83**	**4,490.71**
III Profit before Tax from continuing operations		**125.61**	**118.94**
IV Tax Expenses	27	**44.67**	**42.90**
- Current Year		21.41	23.31
- Deferred Tax		22.43	19.59
- Provision / Adjustment of Tax relating to earlier periods		0.83	-
V Profit after tax from continuing operations		**80.94**	**76.04**
VI Profit after tax from discontinued operations	28	-	**4.71**
VII Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-
Re-measurement gains/ (losses) on defined benefit plans		-	-
Revaluation of land and buildings		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year (net of tax)		-	-
VIII Total comprehensive income (Net of Tax) (V+VI+VII)		**80.94**	**80.75**
IX Earning Per Share from continuing operations	63		
Basic In (Rs.)		0.78	1.07
Diluted In (Rs.)		0.78	1.07
Earning Per Share from discontinued operations	63		
Basic In (Rs.)		-	0.07
Diluted In (Rs.)		-	0.07
Earning Per Share from continuing & discontinued operations	63		
Basic In (Rs.)		0.78	1.14
Diluted In (Rs.)		0.78	1.14
The accompanying Notes form an integral part of the standalone financial statements.	1 to 66		

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija	Pankaj Walia	A K Jana	A K Tiwari	B C Tripathi
Company Secretary	CFO	CEO	Director	Chairman
PAN-ADRPA0983E	PAN-AABPW1139M	PAN-ABIPJ0467D	DIN- 07654612	DIN-01657366

As per our report of even date attached

For H S Ahuja & Co
Chartered Accountants
Firm Reg. No: 000099N

H.S. AHUJA & CO. New Delhi Chartered Accountants

CA Jaswant Singh
Partner
Membership No: 095483

Place: New Delhi
Dated: 23.05.2019

GAIL GAS LIMITED

Standalone Cash Flow Statement for the year ended 31st March, 2019

(Rs in Crores)

		Year Ended 31st March 2019		Year Ended 31st March 2018	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
1	**Net Profit before Tax from**				
	Continuing operations		125.61		118.94
	Discontinued operations		-		12.57
	Profit before tax including discontinued operations		**125.61**		**131.51**
2	ADD :				
	Depreciation & Amortization Expenses	32.14		24.01	
	Exchange Rate Variation on foreign currency	0.01		0.01	
	Provision for employee benefits	20.41		15.29	
	Provision for probable obligation	1.68		1.40	
	Provision for Doubtful Debts	0.00		0.32	
	Gain on sale of discontinued operations	0.00		(12.53)	
	Loss / (Profit) on sale of fixed assets	(0.50)		0.01	
	Interest Expenditure	2.15		7.07	
	Interest Income	(12.08)		(4.64)	
			43.81		30.94
3	**Operating Profit Before Working Capital Changes (1 + 2)**		**169.42**		**162.45**
4	**Changes in Working Capital (Excluding Cash & Bank Balances)**				
	Trade and Other Receivables	(7.41)		(79.28)	
	Inventories	(2.73)		0.10	
	Trade and Other Payables	26.12		246.48	
			15.98		167.30
5	**Cash Generated from Operations (3+4)**		**185.40**		**329.75**
6	**Direct Taxes Paid**		(27.91)		(28.42)
	NET CASH FROM OPERATING ACTIVITIES (5+6)		**157.49**		**301.33**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets (Net)	(414.76)		(373.44)	
	Investment in Other Companies (Net)	(30.00)		(50.00)	
	Proceeds from reduction in share capital-KGGL	11.92			
	Proceeds from discontinued opeartions	0.00		80.00	
	Interest Received	12.08		4.64	
	NET CASH FROM INVESTING ACTIVITIES		**(420.76)**		**(338.80)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Share Application Money Received	0.00		150.00	
	Proceeds from Equity	100.00		250.00	
	Proceeds from Long Term Borrowings	36.66		35.57	
	Repayment of Long Term Borrowings	(15.56)		(92.11)	
	Repayment of Cash Credit Facilities from HDFC Bank	0.00		(9.48)	
	Interest Paid	(2.15)		(7.07)	
	Dividend & Dividend Tax Paid	0.00		(22.64)	
	NET CASH FROM FINANCING ACTIVITIES		**118.95**		**304.27**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(144.32)**		**266.80**
	CASH AND CASH EQUIVALENTS AS AT 01.04.2018		**269.56**		**2.76**
	CASH AND CASH EQUIVALENTS AS AT 31.03.2019		**125.24**		**269.56**

NOTES :

1. Net Cash flow from operating activities includes an amount of (Rs.8.24) Crore from sale of discontinued operations during the FY 2017-18.
2. Net Cash flow from investing activities includes an amount of Rs.12.53 Crore from sale of discontinued opeartions during the FY 2017-18.
3. Net Cash flow from financing activities includes an amount of (Rs.0.37) Crore from sale of discontinued opeartions during the FY 2017-18.
4. Proceed from discontinued opeartions is of Rs.80 Crores out of which Rs.40 Crores received in the form of equity shares which has been shown as in Investment in Other Companies during the FY 2017-18
5. Previous year's figure have been regrouped /re- classified wherever necessary to corrospond with current year's classification/disclosure.

The accompanying Notes form an integral part of the standalone financial statements. 1 to 66

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija	**Pankaj Walia**	**A K Jana**	**A K Tiwari**	**B C Tripathi**
Company Secretary	CFO	CEO	Director	Chairman
PAN-ADRPA0983E	PAN-AABPW1139M	PAN-ABIPJ0467D	DIN- 07654612	DIN-01657366

As per our report of even date attached

For H S Ahuja & Co

Chartered Accountants

Firm Reg. No: 000099N

CA Jaswant Singh

Partner

Membership No: 095483

H.S. AHUJA & CO. New Delhi Chartered Accountants

Place: New Delhi

Dated: 23.05.2019

GAIL GAS LIMITED

Standalone Statement of changes in Equity for the Year ended 31st March 2019

I. Equity Share Capital (Note 12) (Issued , Subscribed & Paid Up Equity Share of Rs. 10 Each)

(Rs In Crores)

Balance as at April 1, 2018	Changes during the Year	Balance as at 31.03.2019
877.00	250.00	1,127.00

II. Other Equity (Note 13)

(Rs In Crores)

	Share Application money Pending allotment	Reserves and surplus	Other comprehensive income	Total
Balance as at April 1, 2018	-	**212.54**	-	**212.54**
Share application money received	-		-	-
Add: Profit for the year	-	80.94	-	80.94
Balance as at March, 2019	-	**293.48**	-	**293.48**

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija
Company Secretary
PAN-ADRPA0983E

Pankaj Walia
CFO
PAN-AABPW1139M

A K Jana
CEO
PAN-ABIPJ0467D

A K Tiwari
Director
DIN-07654612

B C Tripathi
Chairman
DIN-01657366

As per our report of even date attached
For H S Ahuja & Co
Chartered Accountants

H. S. AHUJA & CO. New Delhi Chartered Accountants

CA Jaswant Singh
Partner
Membership No: 095483

Place: New Delhi
Dated: 23.05.2019

1. Corporate Information

The company is domiciled in India with registered office in New Delhi. It is a wholly owned subsidiary of GAIL (India) Limited. It was incorporated on May 27, 2008 for the smooth implementation of City Gas Distribution (CGD) projects. The company has been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for implementing City Gas Distribution Projects in Dewas & Raisen, Shajapur and Sehore Districts (Madhya Pradesh), Sonepat (Haryana), Meerut, Firozabad (TTZ) & Mirzapur, Chandauli and Sonbhadra Districts (Uttar Pradesh), Bengaluru Rural and Urban Districts & Dakshina Kannada Districts (Karnataka), Giridih and Dhanbad Districts, West Singhbhum Districts & Seraikela-Kharsawan Districts (Jharkhand), Sundargarh and Jharsuguda Districts & Ganjam, Nayagarh and Puri Districts (Odisha) and Dehradun District (Uttarakhand). In addition, the company is pursuing City Gas Business in the state of Kerala, Andhra Pradesh, Vadodara (Gujarat), Haridwar (Uttrakhand), North Goa (Goa) and Rajasthan through its Joint Venture Companies

The financial statements of the company for the year ended 31st March 2019 were authorized for issue by Board of Directors on 23.05.2019.

2. Basis of preparation and significant accounting policy

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities which have been measured at fair value or revalued amount. The fact is disclosed in the relevant accounting policy.

Effective April 1, 2016, the company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (IGAAP) which was the previous GAAP.

The financial statements are presented in Indian Rupees ('INR') and the values are rounded to the nearest crore, except otherwise indicated.

b) Summary of significant Accounting Policies

(i) Property, Plant and Equipment (PPE)

(a) Tangible Assets

Property, Plant and Equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized.

When significant parts of property, plant and equipment (identified individually as

UJA & CO. New Delhi Chartered Accountants component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

Stores and Spares having the value of each item of Rs. 5 lakhs and above which meet the definition of PPE (whether as component or otherwise) and satisfy the recognition criteria, are capitalized as PPE in the underlying asset.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case of retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on tangible fixed assets is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

Leasehold lands are amortized over the lease period. Leasehold improvements are amortized over the remaining period of the primary lease or expected useful economic lives, whichever is shorter.

The asset's residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

(b) Capital Work in Progress

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

(ii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives (principally comprise those 'right of use' for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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(iii) Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipments and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

(iv) Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria are capitalized as property, plant and equipment.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Raw materials and finished products are valued at cost or net realizable value, whichever is lower.

Stock in process is valued at cost or net realizable 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.

Stock of gas in pipeline is valued at cost (FIFO) or net realizable value whichever is lower.

Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realizable 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.

Surplus/obsolete stores and spares are valued at cost or net realizable value, whichever is lower.

Surplus/obsolete capital stores, other than held for use in construction of a capital assets, are valued at lower of cost or net realizable value.

(v) Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

At each balance sheet date, foreign currency monetary items (such as Cash, Receivables, Loans, Payables, etc.) are reported using the closing exchange rate (BC selling rate for payable and TT buying rate for receivable).

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as gain or loss in the period in which they arise.

Non-monetary items (such as Investments, Fixed Assets, etc.) which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(vi) Revenue and Other Income

Sales are recognized when control of the good or services are transferred to the customer at an amount that company expects to be entitled in exchange for those goods or services. Sales include excise duty but exclude value added tax. Any retrospective revision in prices is accounted for in the years of such revision.

Income in respect of MGO of Natural Gas and Interest on delayed realization from customers is not provided on accrual basis. Receipts during the year on account of MGO and Interest on delayed realization from customers are accounted on receipt basis.

Entire revenue from provision of extra pipelines at customers premises is accounted for as Income in the year of receipt / incurrence.

(vii) Employee Benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee render the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are recognized during the period in which the employee renders related service.

(viii) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale, after netting off any income earned on temporary investment of such funds. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

(ix) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership of the company is classified as a finance lease.

Finance lease are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payment. Lease Payments are apportioned between finance charge and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the

AHUJA & CO. New Delhi Chartered Accountants liability. Finance Charges are recognized in finance costs in the Statement of Profit and Loss.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on straight line basis unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(x) Taxes

(a) Current Income Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

(b) Deferred Tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

(xi) Provisions, Contingent Liabilities, Contingent Assets and Commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities exceeding Rs.5 Lakhs in each case are disclosed by way of notes to accounts.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xii) Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

H. S. AHUJA & CO. New Delhi Chartered Accountants

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(xiii) Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through statement of profit and loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

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Initial Recognition and Measurement
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement
For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. .

- **Financial assets at fair value through statement of profit and loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

Derecognition
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in Subsidiaries, Joint Ventures and Associates
The company has accounted for its investment in joint ventures at cost.

Impairment of Financial Assets
The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

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(b) Financial Liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through statement of profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial Liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial Liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle

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the liabilities simultaneously.

(xv) **Others**

Liquidated damages/Price Reduction Schedule, if any, are accounted for as and when recovery is affected and the matter is considered settled by the management.

Insurance claims are accounted for on the basis of claims admitted by the insurers

Custom duty and other claims (Including interest on delayed payments) are accounted for on acceptance in principle.

(xvi) Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is calculated by dividing the adjusted net profit after tax attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

(xvii) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

(a) Judgments

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

H. S. AHUJA & CO. New Delhi Chartered Accountants

(b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(xviii) Standards Issued but not yet Effective

Ind - AS 116 "Leases"

Ind AS 116 was notified by Ministry of Corporate Affairs, Govt. of India. The core principle of the new standard is that an entity should recognize most leases on their Balance Sheets. Lessees will use a single accounting model for all leases with limited exemptions.

This standard will come into force from accounting period commencing on or after 1st April, 2019. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 116.

H. S. AHUJA & CO. New Delhi Chartered Accountants

NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 3 : Property, Plant and Equipment and Capital Work in Progress

(Rs In Crores)

Cost/ Valuation	Freehold Land	Leasehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess
1. Cost or deemed cost (Gross Carrying Amount)								
Balance at 1 April 2018	**18.61**	**7.24**	**674.27**	**47.48**	**0.88**	**11.08**	**759.55**	**411.60**
Additions	-	-	288.21	6.38	0.19	2.88	**297.66**	420.54
Transfer to Capitalisation	-	-	-	-	-	-	-	(297.66)
Disposals	-	-	(2.63)	(3.17)	(0.05)	(0.02)	(5.87)	(0.34)
Transfer	-	-	-	-	-	-	-	
As at 31st March 2019	**18.61**	**7.24**	**959.84**	**50.69**	**1.02**	**13.94**	**1,051.34**	**534.14**

(Rs In Crores)

Depreciation and impairment	Freehold Land	Leasehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess
Balance at 1 April 2018	-	**0.32**	**39.82**	**2.92**	**0.21**	**3.37**	**46.64**	
Depreciation expense	-	0.08	25.85	1.56	0.10	1.72	29.31	
Impairment	-	-	-	-	-	-	-	-
Disposal/Other adjustment	-	-	(0.27)	(0.26)	(0.02)	(0.02)	(0.57)	-
As at 31st March 2019	-	**0.40**	**65.40**	**4.22**	**0.29**	**5.07**	**75.38**	-

(Rs In Crores)

Net Book value	Freehold Land	Leasehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess
As at 31st March 2019	**18.61**	**6.84**	**894.44**	**46.47**	**0.73**	**8.87**	**975.96**	**534.14**
As at 31st March 2018	**18.61**	**6.92**	**634.45**	**44.56**	**0.67**	**7.71**	**712.91**	**411.60**

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Note 4 : Intangible Assets

(Rs In Crores)

Cost/Valuation	Right of use	Computer software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1 April 2018	0.35	19.32	19.66
Additions	-	-	-
Disposals	-	(0.45)	(0.45)
As at 31st March 2019	0.35	18.87	19.21

(Rs In Crores)

Accumulated amortization and impairment	Right of use	Computer software/Licenses	Total
Balance at 1 April 2018	-	7.34	7.34
Amortization expense	-	2.83	2.83
Disposals		(0.29)	(0.29)
As at 31st March 2019	0.00	9.88	9.88

(Rs In Crores)

Net Book Value	Right of use	Computer software/Licenses	Total
As at 31st March 2019	0.35	8.99	9.34
As at 31st March 2018	0.35	11.97	12.32

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Note 5 : Investments

(Rs In Crores)

	Particulars	Nature of investment	Basis of valuation	As at 31-Mar-19	As at 31-Mar-18
	Non-Current Investments				
	In Joint Venture Companies:				
1	- Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 325,00,000 Equity shares of Rs 10 each fully paid up (Previous year 200,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	32.50	20.00
2	- Kerala GAIL Gas Ltd (KGGL) 5,000 Equity shares of Rs 10 each fully paid up (Previous year 119,28,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	0.01	11.93
3	- Rajasthan State Gas Limited (RSGL) 650,00,000 Equity shares of Rs 10 each fully paid up (Previous year 650,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	65.00	65.00
4	- Vadodara Gas Limited(VGL) 4,10,08, 943 Equity shares of Rs 10 each fully paid up (Previous year 4,10,08, 943 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	41.01	41.01
5	-Haridwar Natural Gas Private Limited (HNGPL) 125,00,000 Equity shares of Rs 10 each fully paid up) (Previous year 75,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	12.50	7.50
6	-Goa Natural Gas Private Ltd (GNGPL) 95,00,000 Equity shares of Rs 10 each fully paid up (Previous Year 75,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	9.50	7.50
	Advances for Investments (Pending Allotment)				
7	-Andhra Pradesh Gas Distribution Corporation Limited (APGDCL)		Cost	10.00	2.50
8	-Goa Natural Gas Private Ltd (GNGPL)		Cost	3.00	
	Total			173.52	155.44
	Current			-	-
	Non current			**173.52**	**155.44**

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Note 6A : Loans & Other Receivables- Non Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Other Loans & Receivables:		
- Security deposits:		
- Unsecured, Considered Good	1.52	1.51
- Unsecured, Considered Doubtful	3.54	3.54
Less : Provision for Doubtful Deposits	3.54	3.54
Total	**1.52**	**1.51**
Total 6A- Non current	**1.52**	**1.51**

Note 6B : Loans & Other Receivables- Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Recoverables from related parties:		
-Receivables from joint ventures (Unsecured considered good)	21.16	8.70
Total	**21.16**	**8.70**
Total 6B- Current	**21.16**	**8.70**

Note 6C : Other Financial Assets

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Interest Accrued but not due	0.27	0.18
Total	**0.27**	**0.18**
Non current	-	-
Current	**0.27**	**0.18**

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Note 7 : Non Current Tax Assets (Net)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Advance tax and TDS	72.89	64.67
Less: Provision for Tax	68.31	61.74
Total	**4.58**	**2.93**
Total 7 Non current- Tax Assets (Net)	**4.58**	**2.93**

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Note 8 : Inventories

(Rs in Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Stock in Trade:		
Gas	1.39	0.74
Finished Goods:		
Compressed Natural Gas	0.18	0.15
Stores and Spares:		
Stores and Spares	8.53	7.12
Material in Transit	1.30	0.66
Total	**11.40**	**8.67**

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Note 9A : Trade Receivables- Non Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables	3.85	3.87
Receivables from Related Parties	0.04	0.04
Less: Provision for Doubtful Debts	1.57	1.57
Total Trade and Other Receivables	**2.32**	**2.34**
Non current	**2.32**	**2.34**

Note 9B : Trade Receivables- Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables	274.63	262.32
Receivables from Related Parties	5.84	5.84
Less: Provision for Doubtful Debts	-	-
Total Trade and Other Receivables	**280.47**	**268.16**
Current	**280.47**	**268.16**

Break up of Trade Receivables

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Non Current(Unsecured)		
Considered good	**2.32**	**2.34**
Considered doubtful	1.57	1.57
	3.89	**3.91**
Less: Provisions for bad and doubtful debts	1.57	1.57
	2.32	**2.34**
Current(Unsecured)		
Considered good	280.47	268.16
Considered doubtful	-	-
	280.47	**268.16**
Less: Provisions for bad and doubtful debts	-	-
	280.47	**268.16**
Total Trade and Other Receivables	**282.79**	**270.50**

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Note 10 : Cash and Cash Equivalents

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balances with banks:		
- Current accounts	2.17	2.59
- Corporate Liquid Term Deposit - SBI with maturity less than three months.	72.00	105.50
- Corporate Liquid Term Deposit - ICICI with maturity less than three months.	48.10	158.40
Cash in Hand	2.97	3.07
Total	**125.24**	**269.56**

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Note 11A : Other Non Current Assets (Non Financial)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Capital Advances (Unsecured considered good)	19.65	9.24
Prepaid Expenses	2.61	1.72
Total	**22.26**	**10.96**
Total 11 A Non current	**22.26**	**10.96**

Note 11B : Other Current Assets (Non Financial)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Claims recoverables: (Unsecured considered good)	43.39	53.93
Other advances recoverable in cash or in kind (Unsecured considered good)	6.46	4.97
Total	**49.85**	**58.90**
Total 11 B Current	**49.85**	**58.90**

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 12 : Equity share capital

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Share capital		
Authorised		
200,00,00,000 Equity Shares of Rs. 10 each (Previous Year 200,00,00,000 Equity shares of Rs. 10 each)	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid up		
99,43,34,132 Equity shares of Rs. 10 each (in cash) (Previous Year 74,43,34,132 Equity shares of Rs. 10 each)	994.33	744.33
132,66,5868 Equity Shares of Rs. 10 each (otherwise than in cash). (Previous Year 132,66,5868 Equity shares of Rs. 10 each)	132.67	132.67
	1,127.00	877.00

a) Reconciliation of the Shares outstanding at the beginning and end of the year

(Rs In Crores)

Description	31st March 2019		31st March 2018	
	No of Share	Amount	No of Share	Amount
At the beginning of the year	87,70,00,000	877.00	62,70,00,000	627.00
Change in Equity Share during the year (Note 1)	25,00,00,000	250.00	25,00,00,000	250.00
Outstanding at the end of the period	1,12,70,00,000	1,127.00	87,70,00,000	877.00

b) Details of Shareholding more than 5% shares in the company

Description	31st March 2019		31st March 2018	
	No of Share	% Holding	No of Share	% Holding
Equity share of Rs.10 Each fully Paid Up				
GAIL(India) Ltd	1,12,70,00,000	100%	87,70,00,000	100%

Note 1: 10,00,00,000 Equity Shares of Rs 10 each fully paid up was alloted on 04.02.2019 and Equity Shares were issued on 04.04.2019.

c) The company has only one class of equity shares having a per value of Rs.10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholdings at the shareholders meeting.

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Note 13 : Other equity

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Other equity:		
Share Application Money Pending Allotment		
i) Consideration received in Cash Pending Allotment of Equity Shares from GAIL (India) Ltd	-	150.00
Retained Earnings		
Opening balance	212.54	154.65
Add:Current Period Profit	80.94	80.75
Less: Appropriation		
-Tax Adjustment	-	0.22
-Dividend Paid	-	18.81
-Dividend Distribution Tax Paid	-	3.83
Total	**293.48**	**362.54**

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Note 14 : Borrowings

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Non current borrowings		
Secured Term loans:		
- Oil Industry Development Board	154.72	138.12
Secured against all the assets of Sonepat, Meerut, TTZ, Dewas & Bengaluru Projects.		
Availed up to 31.03.2015 of Rs. 58 crore for TTZ Project.		
Availed during 2015-16 of Rs. 24.23 crore for Sonepat, Meerut and Dewas Project.		
Availed during 2016-17,2017-18 and 2018-19 of Rs. 87.35 crore, Rs. 35.57 and 36.66 crore respectively for Bengaluru Project.		
Loan is repayable in four equal yearly instalments after expiry of moratorium of one year from the date of disbursement, for the amount of loan disbursed till financial year 2015-16.		
Loan is repayable in eight equal yearly instalments after expiry of moratorium of two years from the date of disbursement, for the amount of loan disbursed from financial year 2016-17onwards.		
Loan disbursed in instalment from June 2014 to March 2019 with rate of interest from 7.00% per annum to 8.81%% per annum depending on date of disbursement.		
Total	**154.72**	**138.12**
Current	-	-
Non current	**154.72**	**138.12**

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Note 15 : Deferred Tax Liabilities (Net)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Deferred Tax Liabilities	79.61	57.18
Less: Corporate MAT Receivable	16.37	10.81
Total	**63.24**	**46.37**

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Note 16 : Trade Payables

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade payables to related parties	166.07	212.90
Trade payable to Micro and Small Enterprises	16.58	5.99
Trade payable other than Micro and Small Enterprises	47.56	16.83
Total	**230.21**	**235.72**
Current	**230.21**	**235.72**
Non current	-	-

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 17 : Other Financial Liabilities

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Current maturity of long term Borrowings		
Secured Term loans:		
- Oil Industry Development Board	20.06	15.56
Secured against all the assets of Sonepat, Meerut Dewas, TTZ & Bengaluru project.		
Availed up to 31.03.2015 of Rs. 58 crore for TTZ Project.		
Availed during 2015-16 of Rs. 24.23 crore for Sonepat, Meerut and Dewas Project.		
These Loan are repayable in four equal yearly instalments after expiry of moratorium of one year from the date of disbursement.		
Loan disbursed in instalment from June 2014 to Jan 2016 with rate of interest from 7.97% to 8.81% per annum depending on date of disbursement.		
Availed during FY 2016-17 Rs 63 Crore @ 7% p.a rate of interest and Rs 24.35 Cr @ 7.20% p.a rate of interest for Bangaluru CGD project. These loans are repayable in 8 equal yearly Installments after expiry of 2 years monatorium period.		
Deposits/Retention Money from Customers/contractors/others	139.56	96.36
Other Liabilities	5.92	6.70
Total	**165.54**	**118.62**
Current	**165.54**	**118.62**
Non current	-	-

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Note 18 : Other Current Non Financial Liabilities

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Statutory payables		
TDS, VAT, Excise, GST and WCT payable	48.69	62.10
Total	**48.69**	**62.10**
Current	**48.69**	**62.10**
Non current	-	-

Note 19 : Provisions

(Rs In Crores)

Particulars	**As at 31-Mar-19**	**As at 31-Mar-18**
Provisions :		
Provisional Liabilities	104.93	66.55
Provision for Employee Benefits	20.67	15.29
Provision for Probable Obligations	3.55	1.87
Total	**129.15**	**83.71**
Current	**129.15**	**83.71**
Non current	-	-

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Note : 20 Revenue from Operations (Gross)

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Sale of products/Gas	5,282.33	4,533.43
Gas Transmission charges	81.35	65.94
Other Operating Revenues:		
Service charges	0.27	-
Application Fees Domestic Connections	0.53	0.62
Interest Income from Customers & Others	1.14	0.95
Income from Extra Pipe Line	0.64	0.21
Income from after Sales Service	0.04	0.09
Minimum Guranteed Offtake Receipts	0.75	0.89
Total	**5,367.05**	**4602.13**

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Note : 21 Other Income

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Interest Income	12.08	4.64
Miscellaneous Receipts	0.81	2.88
Profit on Sale of Fixed Assets(Net)	0.50	-
Total	**13.39**	**7.52**

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Note : 22 Gas Consumed

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Opening Stock	0.89	0.87
Add:Purchases	5013.11	4334.31
Less: Gas used as Fuel	5.33	3.46
Less: Closing Stock	1.57	0.89
Gas Consumed	**5007.10**	**4330.83**

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Note : 23 Employee Benefit Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Salary Wages & Allowances	62.34	46.88
Contribution to Provident Fund	4.17	3.32
Welfare Expenses	26.55	9.42
Less: Employees Benefits Transferred to IEDC	18.89	24.30
Total	**74.17**	**35.32**

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note : 24 Finance Cost

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Interest on Term Loan From Banks	-	2.92
Interest on Cash Credit Facilities	0.10	1.54
Interest on OIDB Loan	11.14	9.88
Less: Interest & Finance Charges transferred to IEDC	9.09	7.27
Total	**2.15**	**7.07**

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Note : 25 Depreciation & Amortisation Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Depreciation & Amortisation Expenses	32.14	23.36
Total	**32.14**	**23.36**

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Note : 26 Other Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Power & Fuel Charges		
-Electricity Charges	1.70	1.25
-Fuel Charges	5.33	3.46
Rent-Office & Others	8.78	6.90
Repairs and Maintenance		
-Plant & Machinery	28.24	20.12
-Buildings	0.15	0.22
-Others	2.96	3.06
Insurance Charges	0.44	0.34
Rates & Taxes	0.35	0.87
Payment to Auditors		
-Audit Fees (incl. other Certification)	0.06	0.05
-Taxation matter	0.01	0.01
Stores & Spares Consumed	2.60	1.63
Loss/(Gain) of Foreign Currency Transaction	0.01	0.01
Water Charges	0.02	0.01
Communication Expenses	0.20	0.24
Printing & Stationery	0.39	0.41
Travelling Expenses	3.40	2.17
Books & Periodicals	0.01	0.01
Provision for Probable Obligation	1.68	1.03
Advertisement & Publicity	3.73	3.96
Training Expenses	1.91	1.91
Vehicle Hire & Running Expenses	5.23	2.17
Consultancy & Legal Charges	3.18	6.02
Data Processing Expenses	3.38	2.69
Selling & Distribution Expenses	1.65	0.69
Dealer Commission	8.93	6.04
Security Expenses	4.83	3.44
CSR Expenses	1.98	0.79
Other Miscellaneous Expenses	3.07	2.58
Loss on sale of Fixed aseet	-	0.01
Provision for Doubtful debts	-	0.32
Business Development Expenses	9.84	0.80
Less: Expenditure transferred to CWIP		
IEDC- Rent & Warehouse Expenses	0.32	1.96
IEDC - Travelling Expenses	0.69	1.01
IEDC - Vehicle Hire Charges	1.19	-
Total	**101.86**	**70.24**

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Note : 27 Tax Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Current tax	21.41	23.31
Deferred Tax	22.43	19.59
Provision / Adjustment of Tax relating to earlier periods	0.83	-
Total	**44.67**	**42.90**

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29. The Company is a 100% subsidiary of GAIL (India) Ltd. The Authorized Share Capital of the Company is Rs. 2,000 Crores (Previous Year: Rs. 2,000 Crores) and issued, subscribed and paid-up equity share capital is Rs.1127 Crores (Previous Year: Rs. 877 Crores).

30. Capital Commitments:

i. The estimated amount of contracts over Rs. 5 lacs amounting to Rs. 446.04 Crores (Previous Year Rs. 393.09 Crores) are remaining to be executed on capital accounts and not provided for.

ii. The Company has no uncalled liability on shares and other investments partly paid.

31. Contingent Liabilities :

Claims against the company not acknowledged as debts :

i) Legal & other cases for claims of Rs.132.78 Crores (Previous year : Rs.123.94 Crores) by vendors/suppliers/contractors etc.

ii) Disputed Direct Tax Demand of Rs. 5.56 crores ((Previous year : Nil) is as under :-

a. <u>Assessment year 2015-16 (FY 2014-15) - Rs. 1.61 crore.</u>

The appeal filled by the company with CIT (Appeals) against the assessment order issued u/s 143 (3) dated 28.12.2017 has been partly allowed by the Appellant Authority vide order dated 26.02.2019 received by the company on 02.04.2019. The company has decided to contest the order and is in the process of filing appeal with Income Tax Appellate Tribunal (ITAT) in this regard. Therefore, an amount of Rs. 1.61 crores has been shown as Contingent Liability which as per the order of Assessing Officer has been adjusted against MAT credit available to the company.

b. <u>Assessment year 2016-17 (FY 2015-16) - Rs. 3.95 crore.</u>

The Assessing Officer (AO) has raised income tax demand of Rs. 2.49 crores including interest of Rs. 0.73 crores after adjusting income tax refund due to the company of Rs. 2.19 crores vide its order dated 07.12.2018 for assessment year 2016-17. The company has filed an appeal against the same with CIT (Appeals) on 04.01.2019. The final outcome of which is pending as on 31.03.2019. Subsequently, Assessing Officer has rectified its order u/s 154 dated 14.01.2019 and reduced the income tax demand to Rs. 1.76 crores including interest of Rs. 0.55 crores. Accordingly, a sum of Rs. 3.95 crores has been shown as Contingent Liability since the sum of Rs. 2.19 crores being the refund adjusted by AO and the demand of Rs. 1.76 crore including interest has not been accepted by the company and appeal has been filed with CIT (Appeals).

iii) Disputed Indirect Tax Demand in respect of Excise and VAT cases of Rs. 2.03 Crores (Previous year : Rs. 1.89 Crores)

iv) Bank Guarantees from Banks of Rs. 7.38 Crores (Previous year: Rs. 1.76 Crores) towards permission charges for various cities for submission to Central and State Authorities.

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v) Bank Guarantees of Rs. 7090.18 Crores (Previous year : Rs. 6714.49 Crores) submitted to PNGRB towards minimum work program in respect of geographical areas (GAs) awarded to the company by PNGRB and for Goa Natural Gas Pvt. Ltd., a joint venture company in respect of North Goa Districts.

Out of above, holding company GAIL (India) Ltd. has provided the Corporate Guarantee of Rs. 5199.99 crores (Previous Year : Rs. 5199.99 crores) in respect of Bengaluru Rural and Urban Districts, Rs. 133 crores (Previous Year : NIL) in respect of 4 GAs awarded under 10th round of PNGRB CGD Bidding and Rs. 752 crores (Previous Year : Rs. 752 crores) for Goa Natural Gas Pvt. Ltd., a joint venture company, in respect of North Goa Districts for submission of Performance Bank Guarantee to PNGRB. Further, M/s BPCL, the other joint venture partner in Goa Natural Gas Pvt. Ltd. has also provided the Corporate Guarantee of Rs. 752 crores (Previous Year: Rs.752 crores) in respect of North Goa Districts for submission of Performance Bank Guarantee to PNGRB.

32. The employees working in the various disciplines have been identified as working for (a) project activities and (b) operation activities and accordingly employee expenses of such employees have been accounted for under project and operation activities respectively. Rent expenses for on-going projects have been accounted for under project activities. The Incidental Expenditure during Construction amounting to Rs. 21.09 Crores (Previous Year Rs. 27.27 Crores) have been allocated to completed Projects and Capital Work in Progress in the ratio of allocated cost of assets.

33. Capital Work in Progress (CWIP) includes assets under construction which are under different stages of completion. Capitalization is done as and when asset is ready to put to use.

34. a). Title Deeds in respect of Freehold Land measuring 3004.42 sq. mtr. amounting to Rs. 2.05 Crores (Previous Year: Rs. 2.05 Crores) is pending for execution, which includes Rs. 0.15 crores (Previous Year : Rs.0.15 crores) towards registration charges provided on provisional basis. Mutation of Freehold Land is in process.

b). Title Deeds in respect of Leasehold Land at Kota at its Book value amounting to Rs. 3.71 Crores (Previous Year : Rs. 3.71 Crores) is still in the name of the company but the physical possession of the land has been transferred to M/s Rajasthan State Gas Ltd. (RSGL) on 31.07.2017 on account of transfer of Kota City Gas Distribution Business and the same had been de-capitalized in the books of the company during FY 2017-18. The mutation process in the name of RSGL is under process.

35. Building of Rs. 50.69 Crores (Previous Year : Rs.47.48 Crores) mainly includes :-

a. Building of Rs. 10.58 Crores (Previous Year : Rs.13.76 Crores) has been constructed on land provided by GAIL (India) Ltd. and the terms and conditions of these land are yet to be finalized.

b. Building of Rs.2.23 Crores (Previous Year : Rs.2.23 Crores) has been constructed on land (2080 sq. mtr) taken from Madhya Pradesh Audyogik Kendra Vikas Nigam Ltd. (MPAKVNL).

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c. Building of Rs.8.32 Crores (Previous Year: Rs.8.32 Crores) has been constructed on land measuring 993 sq.meter provided by the Bengaluru Municipal Transport Corporation (BMTC) free of cost for the CNG Station installed at BMTC Bus Depots in Bengaluru with the condition of filling CNG Gas only in the BMTC Buses. The documentation of which is pending for execution.

d. Building of Rs. 4.98 Crores (Previous Year : Rs. Nil) has been constructed on the land measuring 2,700 sq. meters provided by the Karnataka Industrial Area Development Board (KIADB) under Lease cum Sale Basis for setting up of Industrial Project such as DRS, Online Daughter / Booster CNG Station, CNG activities or incidental thereto at Bengaluru. Lease cum Sale Agreement of the land has been executed and KIADB shall sell the said land to the company at the end of two years or the extended period, if any, on implementation of the project and satisfactory utilization of land as per the terms and conditions of agreement.

e. Building of Rs. 3.26 Crores (Previous Year : Rs. 3.26 Crores) has been constructed on the land provided by the dealer, warehouse providers etc.

36. Company has paid an amount of Rs. 9.97 Crores (Previous Year : 9.24 Crores) for purchase of 9 numbers (Previous Year: 8 numbers) of lands measuring 15,333 sq. meters from Karnataka Industrial Area Development Board (KIADB) under Lease cum Sale Basis for setting up of Industrial Project such as DRS, Online Daughter / Booster CNG Station, CNG activities or incidental thereto at Bengaluru. Total amount of Rs. 9.97 crores paid to KIADB has been accounted for under Capital Advance as KIADB shall sell the said lands to the company at the end of two years or the extended period, if any, on implementation of the project and satisfactory utilization of land as per the terms and conditions of agreement.

Company has executed Lease cum Sale Agreement of lands of Rs. 9.47 crores (Previous Year : Nil) including Stamp Duty and Registration Charges for 5 numbers of KIADB lands as on 31.03.2019 measuring 13,833 sq. meters. The said lands shall be capitalized after completion of lease period or the extended period, if any, on implementation of the project and satisfactory utilization of lands as per the terms and conditions of agreement. Company is also required to pay Lease Charges and Maintenance Charges annually for these lands. Further, execution of Lease cum Sale Agreement amounting to Rs. 0.50 crores is pending for remaining 4 numbers. of land measuring 1500 sq. meters.

37. During the year, the Company has paid an amount of Rs. 9.05 Crores to Mathura – Vrindavan Development Authority for purchase of freehold land measuring 2018.48 sq. meters for setting up CNG Station and Service Building at Vrindavan. Further, an amount of Rs. 0.63 crores has also been paid towards stamp duty charges. Total amount of Rs. 9.68 crores has been shown under Capital Advance since possession has been handed over after 31.3.2019 and registration of sale deed has been executed on 02.05.2019.

38. Board of Director in its meeting held on 27.10.2017 approved the purchase of 5 Last Mile Connectivity Assets from GAIL (India) Ltd. in Bengaluru City at an estimated book value of Rs. 53.39 Crores as on 30.06.2017 plus applicable taxes. Further, the asset transfer value shall be at the book value as on the date of transfer plus any taxes (other than taxes on income) involved in the transaction including any stamp duty. During the year, out of the above, the company has purchased 3 Last Mile Connectivity Assets from GAIL (India) Ltd.

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in Bengaluru City at a book value of Rs. 27.57 crores excluding Stamp Duty as per Pipeline Transfer Agreement dated 05.12.2018 executed with GAIL (India) Ltd. A provision for liability on estimated basis on account of Stamp Duty amounting to Rs. 1.82 crores has been provided pending registration. Further, purchase of remaining 2 Last Mile Connectivity Assets amounting to Rs. 15.23 crores excluding Stamp Duty is under process.

39. Provisional liabilities of Rs. 104.93 Crores (Previous Year Rs. 66.55 Crores) have been created in the books of accounts as on 31.3.2019 which will be settled on submission of actual bills by the parties.

40. Salary and Allowances of employees posted in the Company are being paid by the Company. A sum of Rs. 20.41 crore (Previous Years : Nil) on account of share of Employees Benefits Expenses of the employees of the company based of actuarial valuation carried out by the holding company GAIL(India) Limited on 31.3.2019 and debited by the holding company has been accounted for under Employee Benefit Expenses. No disclosure as per the requirement of Ind AS 19 has been made as the same have been complied by holding company including for the employees posted in the company, since all the employees are on the rolls of the holding company.

41. Claim Recoverable includes an amount of Rs. 37.25 Crores (Previous Year Rs. 48.50 Crores) towards refund of VAT (excess of VAT paid on purchase of gas over the amount of VAT recovered on sale of gas) in the state of Haryana and Gujarat. The refund of VAT is being pursued with concerned authorities and is considered good.

42. In compliance to PNGRB Regulation, all the CNG Stations of the Company are having PESO/CCOE License which is mandatory for commencement of commercial operations. However, additionally the company has also applied for Factory Licenses for its Company Owned CNG stations, which is under progress. Further, necessary advice has been given to owners of CNG Stations operated under Retail Outlet of Oil Marketing Companies and Dealer Owned Dealer Operated Model to obtain the Factory License in respect of their CNG Stations.

43. As on 31.3.2019, the company has an equity investment of Rs. 42.50 Crores (Previous Year – Rs. 22.50 crores) in M/s Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), a Joint Venture Company, including advance pending allotment of Rs. 10.00 Crores (Previous Year – Rs. 2.50 Crores) as per joint venture agreement. Further, the company has an equity investment of Rs. 9.50 Crores (Previous Year – Rs. 7.50 crores) in M/s Goa Natural Gas Pvt. Ltd., a Joint Venture Company, including advance pending allotment of Rs. 3.00 Crores (Previous Year – Nil) as per joint venture agreement.

44. During the year Gross cost of Assets of Kavvur CNG Station of Rs.6.14 crore (Building of Rs 3.17 Crores, Plant & Machinery of Rs 2.63 Crores and Capital Works in Progress of Rs.0.34 Crores), has been transferred to receivable from Andhra Pradesh Gas Distribution Corporation Ltd., a Joint Venture Company based on approval of the Board of the company in its meeting held on 04.04.2019 for transfer of the gross cost of assets as on 31.3..2019 on going concern basis to APGDCL against issue of shares at par which are yet to be issued by APGDCL.

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45. An amount of Rs. 11.92 crores has been received from Kerala GAIL Gas Ltd (KGGL), one of the joint venture company on reduction in the equity share capital of the KGGL. Further KGGL is in the process of voluntary winding up. No diminution in value of the balance equity investment of Rs. 0.50 lakhs has been considered as the investment has been valued at cost as the assets of KGGL mainly consists of current assets in the form of deposits with Schedule Commercial Banks and there is no diminution in the value of such deposits on the reporting date.

46. Company has one CNG Station at Dibiyapur which was operating under Company Owned and Company Operated (COCO) Model. Under 9th round of CGD Bidding, M/s Torrent Gas Private Ltd. has been authorized by PNGRB for implementation of CGD in the GA of Auraiya, Kanpur Dehat and Etawah Districts, UP which includes Dibiyapur. Accordingly, company has entered into a Term Sheet with M/s Torrent Gas Private Ltd. to operate CNG Station at Dibiyapur as a dealer of M/s Torrent Gas Private Ltd. w.e.f. 16.02.2019 under Dealer Owned Dealer Operated (DODO) Model for a period of 3 years extendable by further period of 2 years on mutual consent. Final Term Sheet has also been executed on 02.05.2019 and detailed agreement with M/s Torrent Gas Private Ltd. is in process.

47. The company has been awarded 5 new Geographical areas(GAs) namely Giridh-Dhanbad Districts, Dakshina Kannada Districts, Sundergarh-Jharsuguda Districts, Ganjam-Nayagarh-Puri Districts and Dehradun Districts by Petroleum and Natural Gas Board (PNGRB) in the 9th round of CGD Bidding and 4 new GAs namely Seraikela – Kharsawan Districts, Mirzapur, Chandauli and Sonbhadra Districts, West Singhbhum Districts, and Raisen, Shajapur and Sehore Districts in the 10th round of CGD Bidding for carrying out the development of City Gas Distribution Network in these GAs.

48. A MOU has been executed on 06.07.2018 among Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd. to participate as a consortium in the 9th round of CGD Bidding conducted by PNGRB for geographical areas of Kamrup and Kamrup Metropolitan Districts and geographical areas of Cachar, Hailakandi & Karimganj Districts in Assam. These GAs have been awarded to the consortium and PNGRB has issued the Grant of Authorization. Further, as per MOU, in the event of successful bid, the parties shall form a Joint Venture Company. Accordingly, a Joint Venture Company will be incorporated to carry out the CGD activities in these GAs having a shareholding pattern in the ratio of 48%, 26% and 26% among Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd. respectively and the same is in process.

49. No dividend on equity share capital for FY 2018-19 is proposed by the company as company needs the funds for funding the capex requirement.

50. Department of Investment & Public Asset Management (DIPAM) Government of India, Ministry of Finance, has vide OM No. F.No. 5/2/2016-Policy dated 27.05.2016 issued Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend, Issue of Bonus Shares, Buyback of Shares etc. The guidelines for payment of dividend shall be applicable from financial year ending on or after 31st March, 2016. Since, the company has paid the lower dividend during the FY 2015-16 and FY 2016-17 and submitted an application on 01.09.2017 for FY 2015-16 and 27.09.2017 for FY 2016-17 for grant of relaxation to Department of Investment and Public

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Asset Management (DIPAM) on dividend payment through Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, DIPAM. Reply is awaited.

Further, company has also submitted an application on 24.10.2018 for FY 2017-18 for grant of relaxation to Department of Investment and Public Asset Management (DIPAM) on dividend payment through Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, DIPAM as company has not paid the any dividend during the FY 2017-18 as per approval of Board. Reply is awaited

51. Information required as per Schedule III of the Companies Act, 2013:

I. CIF Value of Import

(Rs in Crores)

	2018-19	2017-18
CIF Value of Import	Nil	Nil

II. Expenditure in Foreign Currency

(Rs. in Crores)

	2018-19	2017-18
Others – Travelling	0.03	0.01

III. Value of Raw Materials, Stores & Spares and Components consumed during the year –

(Rs. in Crores)

Description	2018-19		2017-18	
	Value	%	Value	%
Consumption of Raw Material	Nil	Nil	Nil	Nil
Stores & Spares and components consumed (Indigenous)	2.60	100%	1.61	98.77%
Stores & Spares and components consumed (Imported)	Nil	Nil	0.02	1.23%
TOTAL	2.60	100%	1.63	100%

IV. Earning in Foreign Currency –

Earning in Foreign Currency during FY 2018-19 is Nil (Previous Year – Nil)

52. In compliance of Ind AS 12 on "Income Taxes" issued by the Institute of Chartered Accountantsof India, the Company has created tax liability as per details given below:-

a) Income Tax related to items charged or credited directly to profit or loss during the year:

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Rs. in Crores

Statement of Profit or Loss	31st March 2019	31st March 2018
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	21.41	23.31
Provision/Adjustment of Tax relating to earlier periods	0.83	-
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	0.01
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	7.85
	22.24	**31.17**
Deferred Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations)	22.43	19.59
Relating to origination and reversal of temporary differences (Discontinued Operations)	-	-
	22.43	19.59
Income Tax Expense (Continuing Operations)	**44.67**	**42.90**
Income Tax Expense (Discontinued Operations)	-	**7.86**

b) Reconciliation of Effective Tax Rate (Continuing Operations):

(Rs. in Crores)

	31st March 2019	31st March 2018
Profit Before Income Taxes	125.61	118.94
Effective Tax Rate	17.71%	19.60%
Computed Effective Tax Expenses	22.24	23.31
Movement in Deferred Tax Liability	22.43	19.59
Income Tax charged to Statement of Profit & Loss	**44.67**	**42.90**
Effective Tax Rate	**35.56%**	**36.07%**

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c) Recognized Deferred Tax Assets and Liabilities :

Deferred Tax Assets/ (Liabilities) are attributable to the following:

Rs. in Crores

Particulars	**Balance Sheet**		**Statement of Profit & Loss**	
	31st March 2019	**31st March 2018**	**31st March 2019**	**31st March 2018**
Property, Plant and Equipment	(84.82)	(59.62)	(25.21)	(20.37)
Provisions	5.21	2.44	2.78	0.78
Deferred Tax Assets/ (Liabilities)	**(79.61)**	**(57.18)**	**(22.43)**	**(19.59)**
Offsetting of Deferred Tax Assets/ (Liabilities)	-	-	-	-
Net Deferred Tax Assets /(Liabilities)	**(79.61)**	**(57.18)**	**(22.43)**	**(19.59)**

53. As per Ind AS 17 on 'Leases', the disclosure in respect of Leases is as under :-

Finance Leases

(a) Lease Deed executed with UPSIDC for lease hold land measuring 9075.18 sq. meters in Kosi Kotwan Extn-2 Industrial Area, Uttar Pradesh for putting up CNG Station and Gas Grid with following disclosures :-

- The period of lease is 90 years from 07.10.2013 with one time premium of Rs. 5.95 crore (including Registration Charges and One Time Lease Rental for 90 years of Rs. 0.46 crore).
- The net carrying amount on 31.03.2019 is Rs. 5.69 Crores (Previous Year : Rs. 5.76 Crores)
- Since entire lease rent has been paid at the inception and no future lease rent is payable, the other disclosure requirements are not applicable.

(b) Lease Deed executed with RIICO, Jaipur for lease hold land in Bharatpur, Rajasthan measuring 2788.73 sq. meters for setting up CNG Station and District Regulatory System (DRS) with following disclosures :-

- The period of lease is 99 years from 16.07.2014 with one time premium of Rs. 1.20 crore (including Registration Charges).
- The net carrying amount on 31.03.2019 is Rs. 1.15 Crores (Previous Year : Rs. 1.16 Crores)
- Since annual lease rent is only Rs.209/- per annum therefore the other disclosures requirement are not material.

Operating Leases

a). Company has paid a sum of Rs. 55.60 Lakhs during FY 2017-18 as one time lease premium in respect of land measuring 200 sq. meters taken on lease from Nazul Department, Collectrate Dewas, MP for a period of 30 years for purpose of setting up of a District Regulatory System (DRS). The rent payable has been determined at circle rates. Lease is renewable after 30 years and lease rent thereafter will be decided based upon the then prevailing terms and conditions at that time and there is no contingent rent payable.

Accordingly, a sum of Rs. 1.85 lakhs (Previous Year - Rs. 0.64 Lakhs) has been charged to Profit and Loss Statement during the year and the balance amount of Rs. 53.11 lakhs (Previous Year - Rs. 54.96 Lakhs) has been shown as pre-paid expenses (Refer note 11A – Other Non Current Assets (Non Financial)

As per terms of agreement, an annual lease / ground rent is 7.50% of total value and Rs. 4.17 lakhs is payable annually and lease is renewable. Total of future minimum lease payment for each of the period as specified in Ind AS 17 is as under :-

Not later than 1 year	Rs. 4.17 lakhs
Later than 1 year but not later than 5 year	Rs. 16.68 lakhs
Later than 5 years	Rs. 95.91 lakhs

b. Lease Deed executed with Bharat Electronics Limited, Bengaluru for land at erstwhile Poornapura Village at Bengaluru, Karnataka measuring 165 sq. meters for installing District Regulation Station (DRS). The period of lease is 10 years from 01.10.2015 to 30.09.2025 for an annual rent of Rs.3.20 lakhs subject to renewal at every 12 months commencing from 01.10.2016 for an annual rent of Rs. 3.35 lakhs with 5% escalation every year on enhanced rent. Total of future minimum lease payment for each of the period as specified in Ind AS 17 is as under :-

Not later than 1 year	Rs. 3.79 lakhs
Later than 1 year but not later than 5 year	Rs. 17.15 lakhs
Later than 5 years	Rs. 7.31 lakhs

c. Lease deed executed with Karnataka Rural Poor and Handicapped Women's Development Society, Bengaluru for land measuring 1076 sq. ft. and closed space to the extent of 823 sq. ft. in Peenya IIIrd Phase Yashwantapura Hobali, Bengaluru, Karnataka for putting up District Regulation Station (DRS). The period of lease is 10 years from 11.01.2017 to 10.01.2027 with a provision of yearly rent of Rs.4.79 lakhs with 5% escalation every year on the enhanced rent. Total of future minimum lease payment for each of the period as specified in Ind AS 17 is as under :-

Not later than 1 year	Rs. 5.33 lakhs
Later than 1 year but not later than 5 year	Rs. 24.13 lakhs
Later than 5 years	Rs. 19.77 lakhs

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54. In terms of disclosure requirement as per Ind-AS 23 on "Borrowing Costs", total finance cost of Rs. 11.24 Crores (Previous Year: Rs.14.34 Crores) was incurred by the company during the year, out of which an amount of Rs. 9.09 Crores (Previous Year: Rs.7.27 Crores) has been capitalized including allocated towards Capital Work in Progress during the period.

55. In compliance of Ind AS 36 on "Impairment of Assets", company has carried out an assessment of impairment of assets and there are no impaired assets.

56. In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" the required information on provision for probable obligations is as under :-

Rs. in Crores

Provisions	Opening Balance	Additions incl. interest during the year	Reversal / adjustment during the year	Closing Balance
Direct Tax	61.74	22.24	15.67	68.31
Deferred Tax (net of MAT)	46.37	22.43	5.56	63.24
Legal & Arbitration Cases	123.94	10.46	1.62	132.78

57. The company operates in a single segment of Natural Gas Business, therefore, disclosure requirements as per Ind AS 108 "Operating Segments" are not required. However Entity-wise disclosures are as below:-

Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas".

Geographic Information:

The company operates presently in the business of Natural Gas, including City Gas Distribution in India. Accordingly, revenue from customers and all assets are located in India only.

Information about major customers:

One customer during the year ended 31st March 2019 and two customers during the year ended 31st March 2018 contributed to more than 10% of the revenue individually. Revenue from these customers was Rs. 3469.86 and Rs. 3550.67 Crores during the year ended 31st March, 2019 and 31st March, 2018 respectively.

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58. Disclosure under Ind AS 112 on "Disclosure of Interests in other Entities", is as under :-

Sl. No.	Name of Companies (Indian Entities)	Relation	Proportion of ownership as on	
			31.03.2019	31.03.2018
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)	Joint Venture	50%	50%
2	Kerala GAIL Gas Limited. (KGGL)	Joint Venture	50%	50%
3	Vadodara Gas Limited. (VGL)	Joint Venture	17.07%	17.07%
4	Rajasthan State Gas Limited. (RSGL)	Joint Venture	50%	50%
5	Haridwar Natural Gas Pvt. Ltd. (HNGPL)	Joint Venture	50%	50%
6	GOA Natural Gas Pvt. Ltd. (GNGPL)	Joint Venture	50%	50%

The company's share in the assets and liabilities and in the income and expenditure for the year in respect of above joint venture companies based on audited financial statement of Goa Natural Gas Pvt. Ltd. and unaudited financial statements of other 5 joint venture companies as furnished by management of these companies is as under :-

Rs. in Crores

Sl. No.	Description	2018-19	2017-18
A.	**Summary of Balance Sheet**		
1	**Assets**		
	Non Current	279.69	160.06
	Current	50.03	43.85
	Total	329.72	203.91
2.	**Liabilities & Provisions**		
	Non Current	68.07	25.48
	Current	92.42	25.89
	Total	160.49	51.37
B.	**Summery of Profit and Loss A/c**		
1.	Income	62.20	38.54
2.	Expenditure	60.97	37.95
C.	**Contingent Liability**	17.65	17.64
D.	**Capital Commitment**	341.64	44.83

59. Disclosure under Ind AS 115 on "Revenue from Contract with Customers" is as under :-

Disaggregated Revenue Information

The disaggregation of the company's revenue from contracts with customers is disclosed at Note -20.

Sale of Natural Gas is the main activity of City Gas Distribution Business and other operating income is incidental to sale of natural gas. Other Operating Income includes significantly the compensation towards minimum contracted quantity for the respective billing period, interest

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received from the customers for the delayed payments and application fees collected from customers. Sale of pipes, fittings and other material is revenue incidental to the activity of construction of pipeline network for own use for the purpose of sale and distribution of natural gas to customers. Services Charges are the consideration received against operating the CNG Station as a dealer of other entity. Income from after sales services mainly includes services rendered for re-location of meter, temporary disconnection, name change etc. Company sells and distribute's natural gas in India.

Sale of natural gas includes excise duty but excludes VAT collected from customers on behalf of the government. All the revenue are earned by transfer of goods or services to the customers.

Contract Balances

Rs. in Crores

Description	For the years ended March 31, 2019	For the years ended March 31, 2018	As at 1st April 2017
Trade Receivables	282.79	270.50	111.59
Contract Liabilities	-	-	-

Trade receivables are interest bearing and are generally on terms of 3 to 21 days after billing. Contract liabilities are the advances received from the customers against the supply of gas to be made after the reporting date.

Reconciliation of revenue recognized in the Statement of Profit & Loss with the contracted price

Rs. in Crores

Type of goods or Services	For the years ended March 31, 2019	For the years ended March 31, 2018
Revenue as per contracted price	5367.29	4602.13
Less :- Facility Charges on sale of gas	0.25	-
Revenue from contract with customers	5367.04	4602.13

Performance Obligation

The company earns revenues primarily from sale of natural gas. Revenue is recognized on supply of gas to customers based on reading recorded on the meter. There are no return rights attached to the sale, hence, no right of return liability or asset exists. There are no performance obligations remaining to be satisfied as at reporting date for which transaction price has been allocated.

60. Disclosure related to Corporate Social Responsibility Expenses :

a. As per Section 135 of the Companies Act 2013 read with DPE Guidelines, the company is required to spend Rs. 1.86 Crores during the FY 2018-19 including carried forward CSR fund for FY 2017-18. Amount incurred during the year is Rs. 1.60 Crores (Previous Year – Rs. 0.79 Crores) as per details given below :-

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(Rs. in Crores)

Description	In Cash / liability provided	Yet to be paid in Cash and / or carried forward in FY 2019-20	Total
i). Construction/acquisition of any asset	Nil	Nil	Nil
ii). On purposes other than (i) above	1.60	0.26	1.86

b. Board of Directors in its 59th meeting held on 18.05.2017 approved the CSR Policy along with administrative guidelines of the Company. Therefore, no CSR activity was identified by the company before the approval of CSR Policy and no provision has been made in the books of accounts in accordance with generally accepted accounting principles.

61. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"):

(Rs. in Crores)

Particulars	2018-19	2017-18
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; *	Nil	Nil.
ii) The amount of interest paid by the buyer in terms of Section 16 of MSMED Act 2016, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2016.	Nil	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

*Does not include trade payable to micro and small enterprises as on 31.03.2019 of Rs. 16.58 crores (Previous Year : Rs. 5.99 crores) for liabilities booked on accrual basis since

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there is no interest due thereon remaining unpaid to any supplier as at the end of reporting date.

62. **Related Party Disclosures:**

A. The entire Equity Share Capital of the Company is held by GAIL (India) Ltd. (Holding Company) either singly or jointly.

B. Related Party Disclosures as per Ind AS 24.

a. Relation and name of the related parties are:

i. Holding Company - GAIL (India) Ltd.

ii. Indian Joint Venture Companies
Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)
Kerala GAIL Gas Limited. (KGGL)
Vadodara Gas Limited. (VGL)
Rajasthan State Gas Limited. (RSGL)
Haridwar Natural Gas Pvt. Ltd. (HNGPL)
GOA Natural Gas Pvt. Ltd. (GNGPL)

iii. Other (Joint Venture & Associate Companies of Holding Company)
Indraprastha Gas Ltd.
Central UP Gas Ltd.
Green Gas Ltd.

iv. Key Management Personnel:

Chairman & Non-Executive Director - Mr. B. C Tripathi

Non-Executive Directors -

Mr. Subir Purkayastha (upto 30.11.2018)
Mr. Gajendra Singh
Mr. A.K.Tiwari
Mrs. Anuradha Sharma Chagti (upto 03.10.2018)
Ms. Kiran Vasudeva (from 03.10.2018)
Mr. Rajeev Mathur (from 19.06.2018)
Mr. S B Mitra (from 04.01.2019)
Mr. A K Jana (upto 23.04.2018)

Chief Executive Officer: - Mr. Pankaj Kumar Pal (upto 30.04.2018) and Mr. A.K. Jana (from 01.05.2018)

Chief Financial Officer: - Mr. Pankaj Walia

Company Secretary: - Mr. Deepak Asija

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b. **Related Party Transactions**

(Rs. in Crores)

Sl No	Particulars	Holding Co.	Joint Venture & Others*	Key Management Personnel
1	Purchase of Goods and Material	5015.39 (4348.81)	- (-)	- (-)
2	Interest on Delayed Payment	- (0.01)	- (-)	- (-)
3	Sales of Goods (Material) and Gas / Material Issued on Loans	- (9.51)	138.84 (138.12)	- (-)
4	Purchase and Sale of Fixed Assets	27.57 (-)	6.14 (-)	- (-)
5	Reimbursement of Remuneration to Key Management personnel- Salary & Allowances	- (-)	- (-)	2.41 (1.93)
6	Reimbursement of remuneration to staff received / receivable	- (-)	18.24 (14.74)	- (-)
7	Reimbursement of Retirement Benefits payable	20.41 (-)	- (-)	- (-)
8	Reimbursement of Training Cost payable / receivable	0.81 (1.71)	0.37 (0.31)	- (-)
9	Reimbursement of BG Charges received / receivable	- (-)	1.60 (1.55)	- (-)
10	Rent, Electricity and UCS Expenses paid / payable	3.74 (3.47)	- (-)	- (-)
11	Outstanding Balance Payable	193.06 (221.53)	0.20 (0.20)	- (-)
12	Outstanding Balance Receivable	- (9.51)	21.16 (14.58)	- (-)
13	Corporate Guarantee given to Banks for BG issued on behalf of the Company as at Balance Sheet date	6084.99 (5951.99)	- (-)	- (-)
14	Investment in APGDCL as at Balance Sheet date (JV)	- (-)	32.50 (20.00)	- (-)
15	Advance to APGDCL against Equity Share pending Allotment of Share	- (-)	10.00 (2.50)	- (-)
16	Investment in KGGL as at Balance Sheet date (JV)	- (-)	0.01 (11.93)	- (-)
17	Investment in VGL as at Balance Sheet date (JV)	- (-)	41.01 (41.01)	- (-)
18	Investment in RSGL as at Balance Sheet date (JV)	- (-)	65.00 (65.00)	- (-)
19	Investment in HNGPL as at Balance Sheet date (JV)	- (-)	12.50 (7.50)	- (-)

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20	Investment in GNGPL as at Balance Sheet date (JV)	- (-)	9.50 (7.50)	- (-)
21	Advance to GNGPL against equity Share pending Allotment of Shares	- (-)	3.00 (-)	- (-)
22	Share allotment to Holding Company.	250 (250)	- (-)	- (-)
23	Advance against Equity Share pending Allotment of Share	- (150)	- (-)	- (-)

*Others include joint venture and associate companies of Holding Company.

(Figure shown in brackets pertains to previous year).

The company has formed six Joint Venture Companies by executing Joint Venture Agreement/Shareholder Agreement with various agencies of State Governments and Corporates. In all these companies, it was agreed that Equity Shareholding of both the promoters will be in equal ratio till the time strategic investor comes in. However, after the investment of strategic investor, the shareholding of both the promoters will be as per the Shareholder Agreement executed amongst them.

No provision has been made for the leasehold charges in respect of land provided by Holding Company M/s GAIL (India) Ltd. used for setting up CNG Station at Dibiyapur, Vijaipur, and Bengaluru as the terms and conditions are yet to be finalized.

63. **Earning per Share:**

Particulars	2018-19	2017-18
Profit after Tax from Continuing Operations (Rs. in Crores)	80.94	76.04
Profit after Tax from Discontinued Operations (Rs. in Crores)	-	4.71
Weighted Average No. of Equity Shares	103,86,43,836	71,07,26,027
Nominal Value per Share (in Rs.)	10.00	10.00
Basic Earning per Share (in Rs.)		
From Continuing Operations	0.78	1.07
From Discontinued Operations	-	0.07
Total	0.78	1.14
Diluted Earning per Share (in Rs.)		
From Continuing Operations	0.78	1.07
From Discontinued Operations	-	0.07
Total	0.78	1.14

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64. Notes on Financial Risk Management

Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk. Board of Directors of the company has overall responsibility for the establishment and oversight of the Company's Risk Management Framework.

(i). Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

(a) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with fixed interest rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and investing in fixed and floating interest instruments.

Sensitivity analysis:

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

(Rs.in Crores)

Reporting period	Increase/decrease in interest rate basis points	Impact on profit before taxes
31.03.2019	+100	Nil
	-100	Nil
31.03.2018	+100	Nil
	-100	Nil

The sensitivity analysis is limited only to variable rate on loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year. Further, there is no loan outstanding as on 31.03.2019 having variable rate of interest, hence, there is no impact on the Company's profit before tax during the year ended 31.03.2019.

(b) Foreign Currency Risk:

The Company does not have significant exposure in currency other than INR.

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(ii) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements to meet the payment obligations. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources of finance in the form of short term and long term borrowings. The contractual maturities of the Company's financial liabilities are presented below:

(Rs.in Crores)

As at 31.03.2019	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	3.09	16.98	90.29	64.42	**174.78**
Trade and other payables	-	230.21	-	-	-	**230.21**
Other financial liabilities	95.01	0.89	49.59	-	-	**145.48**

(Rs.in Crores)

As at 31.03.2018	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	3.08	12.48	72.22	65.90	**153.68**
Trade and other payables	-	235.72	-	-	-	**235.72**
Other financial liabilities	71.28	0.34	31.44	-	-	**103.06**

(iii) Credit Risk

Credit Risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including deposits with banks and financial institutions. Credit exposure also exists in relation to guarantees issued by the company.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reviewed for impairment. The summary of the Company's product wise credit policy is tabulated below:

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Product	Credit period
Piped Natural Gas (Domestic)	21 days
Piped Natural Gas (Industrial)	03-07 days
Piped Natural Gas (Commercial)	07 days
Compressed Natural Gas (CNG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 -15 days

The company does not expect any significant credit risk out of its exposure to trade receivable as the major part of revenue is contributed by either through cash sales or within credit period of 3-21 days. The aging analysis of trade receivables as of the reporting date is as follows:

(Rs.in Crores)

Trade receivables	Neither past due nor impaired	Past due but not impaired				
		Less than 30 days	30-60 days	60-90 days	Above 90 days	Total*
31.03.2019	267.42	6.99	2.47	0.68	5.22	282.79
31.03.2018	257.81	2.90	3.13	0.63	6.03	270.50

*Net of Provision

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables:

(Rs.in Crores)

Provisions	31st March 2019	31st March 2018
Start of the year	1.57	1.25
Provision for Doubtful Debt	-	0.32
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	**1.57**	**1.57**

Cash deposits:

The cash deposits are held with public and private sector banks. Further, company is also investing its surplus funds into Banks linked with Current Account. There is no impairment on these cash deposits as on the reporting date and comparative period.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the holding company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company's management assesses regularly the net debt to capital employed ratio to ensure it maintains a balance between borrowings and capital position. The net debt to capital employed ratio enables the users to see how significant net debt is relative to capital employed.

Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 31.03.2019:

(Rs.in Crores)

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans and Other Receivables	22.68	-	-	-
Trade Receivables	282.79	-	-	-
Cash and Cash Equivalents	125.24	-	-	-
At Fair value through profit and loss		-	-	-
At Fair value through OCI		-	-	-
Total Financial Assets	**430.71**	-	-	-
Financial Liabilities at amortized cost				
Borrowings	174.78	-	-	-
Trade Payables	230.21	-	-	-
Other Financial Liabilities	145.48	-	-	-
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	**550.47**	-	-	-

As at 31.03.2018:

(Rs.in Crores)

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans and Other Receivables	10.21	-	-	-
Trade Receivables	270.50	-	-	-
Cash and Cash Equivalents	269.56	-	-	-
At Fair value through Profit and Loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	**550.27**	-	-	-

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Financial Liabilities at amortized cost				
Borrowings	153.68	-	-	-
Trade Payables	235.72	-	-	-
Other Financial Liabilities	103.06	-	-	-
At Fair value through Profit and Loss	-	-	-	-
Total Financial Liabilities	**492.46**	-	-	-

Cash and short-term receivables, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of non-current financial assets (such as security deposits) and long-term fixed-rate and variable-rate borrowings are considered to be same as their carrying values as the impact of fair valuation is not material.

65. Balance confirmation has been sought from vendors / contractors / authorities / joint venture companies for balances grouped under loan and advances, deposits and trade payables. However reconciliation of accounts with parties is carried out as ongoing process and balances are subject to reconciliation and consequent adjustment which in the opinion of the management are not material.

66. Previous Year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

Deepak Asija	**Pankaj Walia**	**A.K.Jana**	**A.K.Tiwari**	**B.C. Tripathi**
Company Secretary	**CFO**	**CEO**	**Director**	**Chairman**
PAN-ADRPA0983E	**PAN-AABPW1139M**	**PAN-ABIPJ0467D**	**DIN 07654612**	**DIN-01657366**

As per our report of even date attached
For M/s H.S.AHUJA & CO.
Chartered Accountants
Firm's Reg. No.000099N

(CA Jaswant Singh)
Membership No. 095483

Place: New Delhi
Date: 23.05.2019

H.S. AHUJA & CO.
CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To the Members of GAIL Gas Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of GAIL Gas Limited ("the Holding Company") and its jointly controlled entities (collectively referred to as "the Company" or "the Group"), which comprise the consolidated balance sheet as at 31st March 2019, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015, as amended ("Ind AS"), of the consolidated state of affairs of the Group, as at 31st March 2019, the consolidated profit (including other comprehensive income), the consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provision of the act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to the following matters in Notes to Consolidated Financial Statements:-

Note no: 33 (ii) & (iii) in respect of uncertain tax positions relating to disputed tax demand.

Note no: 41 in respect of provisions for employee benefit expense made during the year.

Note no : 45 in respect of stating of investment in joint venture entity which includes the advance made the part of investment.

Note no : 61 regarding non- incurring of expenses for Corporate Social Responsibility (CSR) activity.
Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key Audit Matter	Auditor's Response
1	Recoverability of Indirect tax receivables As at March 31, 2019, other current assets (Non-financial) in respect of claim recoverable includes VAT recoverable amounting to Rs 37.25 crores which are pending adjudication. Refer Note 42 to the Consolidated Financial Statements.	Principal Audit Procedures We have reviewed the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.
2	Provisional liability on estimation basis Provisional liability of Rs. 104.93 crore outstanding as at March 31, 2019 made on the estimation basis Refer Note No. 44 to the Consolidated Financial Statements	Principal Audit Procedures We reviewed procedure on the basis of which provision has been made on the basis of past event and contractual obligation executed as on date and reliable estimation have been made of the amount of the obligation on the basis of past event and execution of work.

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New Delhi
Chartered Accountants

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Message from the chairman, Details of Board of Directors, Director's report, Management Discussion and Analysis, Report on Corporate Governance, Secretarial Audit Report, Annual report on CSR activities and Comments of CAG on the annual consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance , consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company and and its jointly controlled entities which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by him. We remain solely responsible for our audit opinion.

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Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of following jointly controlled entities, whose financial statements / financial information reflect the detail given below:

(i) Rs in Crores

S.NO	Name of the Company	Total Assets	Total Revenue	Net Cash Flow
01	Goa Natural Gas Private Limited	74.32	0.06	1.31

These financial statements have been audited by other auditor whose report has been furnished to us by the management.

(ii) Rs in Crores

S.NO	Name of the Company	Total Assets	Total Revenue	Net Cash Flow
01	Andhra Pradesh Gas Distribution Corporation Limited	245.78	6.14	17.08
02	Rajasthan State Gas Limited	135.94	58.77	3.89
03	Vadodra Gas Limited	341.05	171.59	0.37
04	Kerala Gail Gas Limited	4.13	0.75	23.06
05	Haridwar Natural Gas Private Ltd	82.84	0.10	1.04

These financial statements/financial information are unaudited and have been furnished to us by the management.

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Our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of aforesaid jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on the report of the other auditor and such unaudited financial statements/financial information.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order,2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act is not applicable on consolidated financial Statements as referred in proviso to para 2 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor.

(c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

(e) Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5th June ,2015 issued by the Ministry of Corporate Affairs, government of India, provisions of sub-section (2) of the Section 164 of the Companies Act,2013, are not applicable to the Gail Gas Limited (Holding Company). In respect of jointly controlled entities, on the basis of the audit report of statutory auditor of one jointly controlled entity incorporated in India, none of the directors of the entity is disqualified as on 31st March,2019 from being appointed as a director in terms of section 164(2) of the Act. However for the other five jointly controlled entities incorporated in India, the audit reports of the statutory auditors are not available as these are under audit as informed to us.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its joint controlled entities/joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

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(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the Holding Company has not paid/provided any managerial remuneration to its directors during the year. However, we have been informed that the holding company is a government company and as per notification no. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, and Sec.197 is not applicable to the government companies. Therefore, the reporting requirement whether the remuneration paid/provided is in excess of the limit laid down under the provisions of Sec. 197 of the Act is not applicable to the holding company. Based on the audit report of statutory auditor of one jointly controlled entity incorporated in India, the provisions of section 197 are not applicable to the entity and the audit report of other five jointly controlled entities incorporated in India, are not available as these are under audit as informed to us.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements;

ii. The Company did not have any long-term contracts including derivative contracts which may lead to any material foreseeable losses.

iii. There has not been any occasion where any amount is required to be transferred, to the Investor Education and Protection Fund by the Company.

For H S AHUJA & CO
Chartered Accountants
Firm's Reg. No.: 000099N

H. S. AHUJA & CO. New Delhi Chartered Accountants

(CA Jaswant Singh)
Partner
Mem.Number: 095483
Place: New Delhi
Dated:23 .05.2019

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019.We have audited the internal financial controls over financial reporting of Gail Gas Limited (hereinafter referred to as ("Holding Company') and its jointly controlled companies which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls over Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that. (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, the Holding Company and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters
Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far it relates to 1(One) jointly controlled entity which is incorporated in India , is based on the corresponding audit report of the statutory auditor of such company incorporated in India. The information of other five joint venture companies is not available as these are under audit.

For H S AHUJA & CO
Chartered Accountants
Firm's Reg. No.: 000099N

H.S. AHUJA & CO. New Delhi Chartered Accountants

(CA Jaswant Singh)
Partner
Mem.Number: 095483
Place: New Delhi
Dated:23 .05.2019

GAIL GAS LIMITED
Consolidated Balance Sheet as at 31st March 2019

(Rs in Crores)

Particulars	Note	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non Current Assets			
a) Property, Plant and Equipment	3	975.96	712.91
b) Capital Work-In-Progress	3	534.14	411.60
c) Intangible Assets	4	9.34	12.32
d) Financial Assets			
i. Investments	5	165.52	147.31
ii. Trade receivable	9A	2.32	2.34
iii. Loans & Other Receivables	6A	1.52	1.51
e) Non Current Tax Assets (Net)	7	4.58	2.93
f) Other Non Current Assets (Non Financial)	11A	22.26	10.96
Total Non-Current assets (A)		1,715.64	1,301.88
Current Assets			
a) Inventories	8	11.40	8.67
b) Financial Assets			
i. Trade Receivable	9B	280.47	268.16
ii. Cash and Cash Equivalents	10	125.24	269.56
iii. Loans & Other Receivables	6B	21.16	8.70
iv. Other Financial Assets	6C	0.27	0.18
c) Other Current Assets (Non Financial)	11B	49.85	58.90
Total Current Assets (B)		488.39	614.17
Total Assets (A+B)		2,204.03	1,916.05
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	12	1,127.00	877.00
b)Other Equity	13	285.48	354.41
Total Equity (C)		1,412.48	1,231.41
LIABILITIES			
Non Current Liabilities			
a)Financial Liabilities			
i. Borrowings	14	154.72	138.12
b) Deferred Tax Liabilities (Net)	15	63.24	46.37
Total Non-Current liabilities (D)		217.96	184.49
Current Liabilities			
a) Financial Liabilities			
i. Trade Payables			
Trade Payable other than Micro and Small Enterprises	16	213.63	229.73
Trade Payable to Micro and Small Enterprises	16	16.58	5.99
ii. Other Financial Liabilities	17	165.54	118.62
b) Other Current Non Financial Liabilities	18	48.69	62.10
c) Provisions	19	129.15	83.71
Total Current Liabilities (E)		573.59	500.15
Total Equity and Liabilities (C+D+E)		2,204.03	1,916.05

The accompanying Notes form an integral part of the consolidated financial statements. 1 to 67

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija	Pankaj Walia	A K Jana	A K Tiwari	B C Tripathi
Company Secretary	CFO	CEO	Director	Chairman
PAN-ADRPA0983E	PAN-AABPW1139M	PAN-ABIPJ0467D	DIN-07654612	DIN-01657366

As per our report of even date attached

For H S Ahuja & Co
Chartered Accountants
Firm Reg. No: 000099N

CA Jaswant Singh
Partner
Membership No: 095483

Place: New Delhi
Dated: 23.05.2019

GAIL GAS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(Rs In Crores)

Particulars	Note No.	Year ended 31st March 2019	Year ended 31st March 2018
I INCOME			
Revenue from Operations (Gross)	20	5,367.05	4,602.13
Other Income	21	13.39	7.52
Total Income		5,380.44	4,609.65
II EXPENSES			
Gas Consumed	22	5,007.10	4,330.83
Excise Duty		37.41	23.89
Employee Benefit Expenses	23	74.17	35.32
Finance Cost	24	2.15	7.07
Depreciation and Amortization Expenses	25	32.14	23.36
Other Expenses	26	101.86	70.24
Total Expenses		5,254.83	4,490.71
III Profit before Tax from continuing operations and share of Profit/Loss of JV		125.61	118.94
IV Share of Profit/Loss of Joint Ventures		0.45	(6.52)
V Profit/Loss before Tax from Continuing Operations		126.06	112.42
VI Tax Expenses	27	44.67	42.90
- Current Year		21.41	23.31
- Deferred Tax		22.43	19.59
- Provision / Adjustment of Tax relating to earlier periods		0.83	-
VII Profit after Tax from continuing operations		81.39	69.52
VIII Profit after Tax from discontinued operations	28		4.71
IX Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		-	-
Re-measurement gains/ (losses) on defined benefit plans		-	-
Revaluation of land and buildings		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income for the year (net of tax)		-	-
X Total comprehensive income (Net of Tax) (V+VI+VII)		81.39	74.23
XI Earning Per Share from continuing operations	64		
Basic In (Rs.)		0.78	0.98
Diluted In (Rs.)		0.78	0.98
Earning Per Share from discontinued operations	64		
Basic In (Rs.)		-	0.07
Diluted In (Rs.)		-	0.07
Earning Per Share from continuing & discontinued operations	64		
Basic In (Rs.)		0.78	1.05
Diluted In (Rs.)		0.78	1.05
The accompanying Notes form an integral part of the consolidated financial statements.	1 to 67		

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija	**Pankaj Walia**	**A K Jana**	**A K Tiwari**	**B C Tripathi**
Company Secretary	CFO	CEO	Director	Chairman
PAN-ADRPA0983E	PAN-AABPW1139M	PAN-ABIPJ0467D	DIN-07654612	DIN-01657366

As per our report of even date attached

For H S Ahuja & Co
Chartered Accountants
Firm Reg. No: 000099N

H. S. AHUJA & CO. New Delhi Chartered Accountants

CA Jaswant Singh
Partner
Membership No: 095483

Place: New Delhi
Dated: 23.05.2019

GAIL GAS LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(Rs in Crores)

		Year Ended 31st March 2019		Year Ended 31st March 2018	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
1	**Net Profit before Tax from**				
	Continuing operations		126.06		112.42
	Discontinued operations		-		12.57
	Profit before Tax including discontinued operations		**126.06**		**124.99**
2	ADD :				
	Depreciation & Amortization Expenses	32.14		24.01	
	Exchange Rate Variation on foreign currency	0.01		0.01	
	Provision for employee benefits	20.41		15.29	
	Provision for probable obligation	1.68		1.40	
	Provision for Doubtful Debts	0.00		0.32	
	Gain on sale of discontinued operations	0.00		(12.53)	
	Loss/(Profit) on sale of fixed assets	(0.50)		0.01	
	Interest Expenditure	2.15		7.07	
	Interest Income	(12.08)		(4.64)	
	Share of (Profit)/Loss of Joint Ventures	(0.45)		6.52	
			43.36		37.46
3	**Operating Profit Before Working Capital Changes (1 + 2)**		**169.42**		**162.45**
4	**Changes in Working Capital (Excluding Cash & Bank Balances)**				
	Trade and Other Receivables	(7.41)		(79.28)	
	Inventories	(2.73)		0.10	
	Trade and Other Payables	26.12		246.48	
			15.98		167.30
5	**Cash Generated from Operations (3+4)**		**185.40**		**329.75**
6	**Direct Taxes Paid**		(27.91)		(28.42)
	NET CASH FROM OPERATING ACTIVITIES (5+6)		**157.49**		**301.33**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets (Net)	(414.76)		(373.44)	
	Investment in Other Companies (Net)	(30.00)		(50.00)	
	Proceeds from reduction in share capital-KGGL	11.92		0.00	
	Proceeds from discontinued opeartions	0.00		80.00	
	Interest Received	12.08		4.64	
	NET CASH FROM INVESTING ACTIVITIES		**(420.76)**		**(338.80)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Share Application Money Received	0.00		150.00	
	Proceeds from Equity	100.00		250.00	
	Proceeds from Long Term Borrowings	36.66		35.57	
	Repayment of Long Term Borrowings	(15.56)		(92.11)	
	Repayment of Cash Credit Facilities from HDFC Bank	0.00		(9.48)	
	Interest Paid	(2.15)		(7.07)	
	Dividend & Dividend Tax Paid	0.00		(22.64)	
	NET CASH FROM FINANCING ACTIVITIES		**118.95**		**304.27**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(144.32)**		**266.80**
	CASH AND CASH EQUIVALENTS AS AT 01.04.2018		**269.56**		**2.76**
	CASH AND CASH EQUIVALENTS AS AT 31.03.2019		**125.24**		**269.56**

NOTES :

1. Net Cash flow from operating activities includes an amount of (Rs.8.24) Crore from sale of discontinued operations during the FY 2017-18.
2. Net Cash flow from investing activities includes an amount of Rs.12.53 Crore from sale of discontinued opeartions during the FY 2017-18.
3. Net Cash flow from financing activities includes an amount of (Rs.0.37) Crore from sale of discontinued opeartions during the FY 2017-18.
4. Proceed from discontinued opeartions is of Rs.80 Crores out of which Rs.40 Crores received in the form of equity shares which has been shown as in Investment in Other Companies during the FY 2017-18
5. Previous year's figure have been regrouped /re- classified wherever necessary to corrospond with current year's classification/disclosure.

The accompanying Notes form an integral part of the consolidated financial statements. 1 to 67

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija	Pankaj Walia	A K Jana	A K Tiwari	B C Tripathi
Company Secretary	CFO	CEO	Director	Chairman
PAN-ADRPA0983E	PAN-AABPW1139M	PAN-ABIPJ0467D	DIN- 07654612	DIN-01657366

As per our report of even date attached
For H S Ahuja & Co
Chartered Accountants
Firm Reg. No: 000099N

CA Jaswant Singh
Partner
Membership No: 095488

Place: New Delhi
Dated: 23.05.2019

GAIL GAS LIMITED

Consolidated Statement of Changes in Equity for the Year ended 31st March 2019

I. Equity Share Capital (Note 12) (Issued , Subscribed & Paid Up Equity Share of Rs. 10 Each)

(Rs In Crores)

Balance as at April 1, 2018	Changes during the Year	Balance as at 31.03.2019
877.00	250.00	1,127.00

II. Other Equity (Note 13)

(Rs In Crores)

	Share Application money Pending allotment	Reserves and surplus	Other comprehensive income	Total
Balance as at April 1, 2018	-	204.41	-	204.41
Share application money received	-		-	-
Add: Profit for the year	-	81.39	-	81.39
Balance as at March, 2019	-	285.80	-	285.80

For & on behalf of the Board of Directors of GAIL GAS LTD.

Deepak Asija	Pankaj Walia	A K Jana	A K Tiwari	B C Tripathi
Company Secretary	CFO	CEO	Director	Chairman
PAN-ADRPA0983E	PAN-AABPW1139M	PAN-ABIPJ0467D	DIN-07654612	DIN-01657366

As per our report of even date attached
For H S Ahuja & Co
Chartered Accountants

H. S. AHUJA & CO. New Delhi Chartered Accountants

CA Jaswant Singh
Partner
Membership No: 095483

Place: New Delhi
Dated: 23.05.2019

1. Corporate Information

The company is domiciled in India with registered office in New Delhi. It is a wholly owned subsidiary of GAIL (India) Limited. It was incorporated on May 27, 2008 for the smooth implementation of City Gas Distribution (CGD) projects. The company has been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for implementing City Gas Distribution Projects in Dewas & Raisen, Shajapur and Sehore Districts (Madhya Pradesh), Sonepat (Haryana), Meerut, Firozabad (TTZ) & Mirzapur, Chandauli and Sonbhadra Districts (Uttar Pradesh), Bengaluru Rural and Urban Districts & Dakshina Kannada Districts (Karnataka), Giridih and Dhanbad Districts, West Singhbhum Districts & Seraikela-Kharsawan Districts (Jharkhand), Sundargarh and Jharsuguda Districts & Ganjam, Nayagarhand and Puri Districts (Odisha) and Dehradun District (Uttarakhand). In addition, the company is pursuing City Gas Business in the state of Kerala, Andhra Pradesh, Vadodara (Gujarat), Haridwar (Uttrakhand), North Goa (Goa) and Kota (Rajasthan) through its Joint Ventures.

The financial statements of the company for the year ended 31st March 2019 were authorized for issue by Board of Directors on 23.05.2019.

2. Basis of preparation and significant accounting policy

a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The consolidated financial statements have been prepared on a historical cost basis except for certain assets and liabilities which have been measured at fair value or revalued amount. The fact is disclosed in the relevant accounting policy.

Effective April 1, 2016, the company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (IGAAP) which was the previous GAAP.

The consolidated financial statements are presented in Indian Rupees ('INR') and the values are rounded to the nearest crore, except otherwise indicated.

b) Summary of significant Accounting Policies

(i) Property, Plant and Equipment (PPE)

(a) Tangible Assets

Property, Plant and Equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized.

H. S. AHUJA & CO. New Delhi Chartered Accountants

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly.

Stores and Spares having the value of each item of Rs. 5 lakhs and above which meet the definition of PPE (whether as component or otherwise) and satisfy the recognition criteria, are capitalized as PPE in the underlying asset.

Property, plant and equipment's are eliminated from financial statements, either on disposal or when retired from active use. Losses/gains arising in case retirement/disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on tangible fixed assets is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

Leasehold lands are amortized over the lease period. Leasehold improvements are amortized over the remaining period of the primary lease or expected useful economic lives, whichever is shorter.

The asset's residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

(b) Capital Work in Progress

Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

(ii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets with indefinite useful lives (principally comprise those 'right of use' for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of respective pipelines) are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

S. AHUJA & CO. New Delhi Chartered Accountants

(iii) Impairment of assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipments and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

(iv) Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria are capitalized as property, plant and equipment.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Raw materials and finished products are valued at cost or net realizable value, whichever is lower.

Stock in process is valued at cost or net realizable 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.

Stock of gas in pipeline is valued at cost (FIFO) or net realizable value whichever is lower.

Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realizable 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.

Surplus/obsolete stores and spares are valued at cost or net realizable value, whichever is lower.

Surplus/obsolete capital stores, other than held for use in construction of a capital assets, are valued at lower of cost or net realizable value.

(v) Foreign Currency Transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

At each balance sheet date, foreign currency monetary items (such as Cash,

New Delhi

Chartered Accountants

Receivables, Loans, Payables, etc.) are reported using the closing exchange rate (BC selling rate for payable and TT buying rate for receivable).

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as gain or loss in the period in which they arise.

Non-monetary items (such as Investments, Fixed Assets, etc.) which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(vi) Revenue and Other Income

Sales are recognized when control of the good or services are transferred to the customer at an amount that company expects to be entitled in exchange for those goods or services. Sales include excise duty but exclude value added tax. Any retrospective revision in prices is accounted for in the years of such revision.

Income in respect of MGO of Natural Gas and Interest on delayed realization from customers is not provided on accrual basis. Receipts during the year on account of MGO and Interest on delayed realization from customers are accounted on receipt basis.

Entire revenue from provision of extra pipelines at customers premises is accounted for as Income in the year of receipt / incurrence.

(vii) Employee Benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee render the related services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are recognized during the period in which the employee renders related service.

(viii) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale, after netting off any income earned on temporary investment of such funds. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

All other borrowing costs are recognized as expense in the period in which they are incurred.

(ix) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership of the company is classified as a finance lease.

Finance lease are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease

H. S. AHUJA & CO. New Delhi Chartered Accountants

payment. Lease Payments are apportioned between finance charge and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance Charges are recognized in finance costs in the Statement of Profit and Loss.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on straight line basis unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(x) Taxes

(a) Current Income Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(b) Deferred Tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

(xi) Provisions, Contingent Liabilities, Contingent Assets and Commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities exceeding Rs.5 Lakhs in each case are disclosed by way of notes to accounts.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xii) Government Grants

Government grants are recognized where there is reasonable assurance that the grant

& Co. New Delhi Chartered Accountants

will be received and all attached conditions will be complied with.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(xiii) Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(xiv) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through statement of profit and loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

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Initial Recognition and Measurement
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent Measurement
For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. .

- **Financial assets at fair value through statement of profit and loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

Derecognition
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in Subsidiaries, Joint Ventures and Associates
The company has accounted for its investment in joint ventures at cost.

Impairment of Financial Assets
The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

(b) Financial Liabilities

Classification

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The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through statement of profit and loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial Liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

- **Financial Liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized

H. AHUJA & CO. New Delhi Chartered Accountants amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(xv) Others

Liquidated Damages/Price Reduction Schedule if any, are accounted for as and when recovery is affected and the matter is considered settled by the management.

Insurance claims are accounted for on the basis of claims admitted by the insurers

Custom duty and other claims (Including interest on delayed payments) are accounted for on acceptance in principle.

(xvi) Earnings Per Share

Basic earnings per equity share is calculated by dividing the net profit after tax attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is calculated by dividing the adjusted net profit after tax attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

(xvii) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

(a) Judgments

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the stand alone financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement

H. S. Hulia & Co. New Delhi Chartered Accountants and the use of estimates regarding the outcome of future events.

(b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(xviii) Standards Issued but not yet Effective

Ind - AS 116 "Leases"

Ind AS 116 was notified by Ministry of Corporate Affairs, Govt. of India. The core principle of the new standard is that an entity should recognize most leases on their Balance Sheets. Lessees will use a single accounting model for all leases with limited exemptions.

This standard will come into force from accounting period commencing on or after 1st April, 2019. The company will adopt the new standard on the required effective date. The Company is in the process of making an assessment of the impact of Ind - AS 116.

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 3 : Property, Plant and Equipment and Capital Work in Progress

(Rs in Crores)

Cost/ Valuation	Freehold Land	Leasehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess
1. Cost or deemed cost (Gross Carrying Amount)								
Balance at 1 April 2018	18.61	7.24	674.27	47.48	0.88	11.08	759.55	411.60
Additions	-	-	288.21	6.38	0.19	2.88	297.66	420.54
Transfer to Capitalisation	-	-	-	-	-	-	-	(297.66)
Disposals	-	-	(2.63)	(3.17)	(0.05)	(0.02)	(5.87)	(0.34)
Transfer	-	-			-	-	-	
As at 31st March 2019	18.61	7.24	959.84	50.69	1.02	13.94	1,051.34	534.14

(Rs in Crores)

Depreciation and Impairment	Freehold Land	Leasehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess
Balance at 1 April 2018	-	0.32	39.82	2.92	0.21	3.37	46.64	
Depreciation expense	-	0.08	25.85	1.56	0.10	1.72	29.31	-
Impairment	-	-	-	-	-	-	-	-
Disposal/Other adjustment	-	-	(0.27)	(0.26)	(0.02)	(0.02)	(0.57)	-
As at 31st March 2019	-	0.40	65.40	4.22	0.29	5.07	75.38	-

(Rs in Crores)

Net Book Value	Freehold Land	Leasehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess
As at 31st March 2019	18.61	6.84	894.44	46.47	0.73	8.87	975.96	534.14
As at 31st March 2018	18.61	6.92	634.45	44.56	0.67	7.71	712.91	411.60

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Note 4 : Intangible Assets

(Rs in Crores)

Cost/Valuation	Right of use	Computer software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1 April 2018	0.35	19.32	19.66
Additions	-	-	-
Disposals	-	(0.45)	(0.45)
As at 31st March 2019	0.35	18.87	19.21

(Rs in Crores)

Accumulated amortization and impairment	Right of use	Computer software/Licenses	Total
Balance at 1 April 2018	-	7.34	7.34
Amortization expense	-	2.83	2.83
Disposals		(0.29)	(0.29)
As at 31st March 2019	0.00	9.88	9.88

(Rs in Crores)

Net Book Value	Right of use	Computer software/Licenses	Total
As at 31st March 2019	0.35	8.99	9.34
As at 31st March 2018	0.35	11.97	12.32

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 5 : Investments

(Rs in Crores)

	Particulars	Nature of investment	Basis of valuation	As at 31-Mar-19	Consolidation adjustments for the year			As at 31-Mar-18
					Adjustment in Profit & Loss	Adjustment in Retained	Adjustment in Investment	
	Non-Current Investments In Joint Venture Companies:							
1	- Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 325,00,000 Equity shares of Rs 10 each fully paid up (Previous year 200,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Equity Method	27.99	(2.24)	-	12.50	17.73
2	- Kerala GAIL Gas Ltd (KGGL) 5,000 Equity shares of Rs 10 each fully paid up (Previous year 119,28,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Equity Method	2.08	0.26	-	(11.92)	13.74
3	- Rajasthan State Gas Limited (RSGL) 650,00,000 Equity shares of Rs 10 each fully paid up (Previous year 650,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Equity Method	56.51	2.69	(0.37)	-	54.19
4	- Vadodara Gas Limited(VGL) 4,10,08, 943 Equity shares of Rs 10 each fully paid up (Previous year 4,10,08, 943 Equity shares of Rs 10 each fully paid up)	Equity shares	Equity Method	45.76	0.82	0.05	-	44.89
5	-Haridwar Natural Gas Private Limited (HNGPL) 125,00,000 Equity shares of Rs 10 each fully paid up) (Previous year 75,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Equity Method	11.11	(0.99)	-	5.00	7.10
6	-Goa Natural Gas Private Ltd (GNGPL) 95,00,000 Equity shares of Rs 10 each fully paid up (Previous Year 75,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Equity Method	9.07	(0.09)	-	2.00	7.16
	Advances for Investments (Pending Allotment)							
7	-Andhra Pradesh Gas Distribution Corporation Limited (APGDCL)		Cost	10.00	-	-	7.50	2.50
8	-Goa Natural Gas Private Ltd (GNGPL)		Cost	3.00	-	-	3.00	-
	Total			165.52	0.45	(0.32)	18.08	147.31
	Current			-				-
	Non Current			**165.52**	**0.45**	**(0.32)**	**18.08**	**147.31**

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Note 6A : Loans & Other Receivables- Non Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Other Loans & Receivables:		
- Security deposits:		
- Unsecured, Considered Good	1.52	1.51
- Unsecured, Considered Doubtful	3.54	3.54
Less : Provision for Doubtful Deposits	3.54	3.54
Total	**1.52**	**1.51**
Total 6A- Non Current	**1.52**	**1.51**

Note 6B : Loans & Other Receivables- Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Recoverables from related parties:		
-Receivables from joint ventures (Unsecured considered good)	21.16	8.70
Total	**21.16**	**8.70**
Total 6B- Current	**21.16**	**8.70**

Note 6C : Other Financial Assets

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Interest Accrued but not due	0.27	0.18
Total	**0.27**	**0.18**
Non Current	-	-
Current	**0.27**	**0.18**

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Note 7 : Non Current Tax Assets (Net)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Advance Tax and TDS	72.89	64.67
Less: Provision for Tax	68.31	61.74
Total	**4.58**	**2.93**
Total 7 Non Current- Tax Assets (Net)	**4.58**	**2.93**

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Note 8 : Inventories

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Stock in Trade:		
Gas	1.39	0.74
Finished Goods:		
Compressed Natural Gas	0.18	0.15
Stores and Spares:		
Stores and Spares	8.53	7.12
Material in Transit	1.30	0.66
Total	**11.40**	**8.67**

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 9A : Trade Receivables- Non Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables	3.85	3.87
Receivables from Related Parties	0.04	0.04
Less: Provision for Doubtful Debts	1.57	1.57
Total Trade and Other Receivables	**2.32**	**2.34**
Non current	**2.32**	**2.34**

Note 9B : Trade Receivables- Current

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade Receivables	274.63	262.32
Receivables from Related Parties	5.84	5.84
Less: Provision for Doubtful Debts	-	-
Total Trade and Other Receivables	**280.47**	**268.16**
Current	**280.47**	**268.16**

Break up of Trade Receivables

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Non Current(Unsecured)		
Considered good	2.32	2.34
Considered doubtful	1.57	1.57
	3.89	3.91
Less: Provisions for bad and doubtful debts	1.57	1.57
	2.32	2.34
Current(Unsecured)		
Considered good	280.47	268.16
Considered doubtful	-	-
	280.47	268.16
Less: Provisions for bad and doubtful debts	-	-
	280.47	268.16
Total Trade and Other Receivables	**282.79**	**270.50**

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Note 10 : Cash and Cash Equivalents

(Rs in Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Balances with banks:		
- Current accounts	2.17	2.59
- Corporate Liquid Term Deposit - SBI with maturity less than three months.	72.00	105.50
- Corporate Liquid Term Deposit - ICICI with maturity less than three months.	48.10	158.40
Cash in Hand	2.97	3.07
Total	**125.24**	**269.56**

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Note 11A : Other Non Current Assets (Non Financial)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Capital Advances (Unsecured considered good)	19.65	9.24
Prepaid Expenses	2.61	1.72
Total	**22.26**	**10.96**
Total 11 A Non Current	**22.26**	**10.96**

Note 11B : Other Current Assets (Non Financial)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Claims recoverables: (Unsecured considered good)	43.39	53.93
Other advances recoverable in cash or in kind (Unsecured considered good)	6.46	4.97
Total	**49.85**	**58.90**
Total 11 B Current	**49.85**	**58.90**

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Note 12 : Equity Share Capital

(Rs in Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Share Capital		
Authorised		
200,00,00,000 Equity Shares of Rs. 10 each (Previous Year 200,00,00,000 Equity shares of Rs. 10 each)	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid up		
99,43,34,132 Equity shares of Rs. 10 each (in cash) (Previous Year 74,43,34,132 Equity shares of Rs. 10 each)	994.33	744.33
132,66,5868 Equity Shares of Rs. 10 each (otherwise than in cash). (Previous Year 132,66,5868 Equity shares of Rs. 10 each)	132.67	132.67
	1,127.00	877.00

a) Reconciliation of the Shares outstanding at the beginning and end of the year

(Rs in Crores)

Description	31st March 2019		31st March 2018	
	No of Share	Amount	No of Share	Amount
At the beginning of the year	87,70,00,000	877.00	62,70,00,000	627.00
Change in Equity Share during the year (Note 1)	25,00,00,000	250.00	25,00,00,000	250.00
Outstanding at the end of the period	1,12,70,00,000	1,127.00	87,70,00,000	877.00

b) Details of Shareholding more than 5% shares in the company

Description	31st March 2019		31st March 2018	
	No of Share	% Holding	No of Share	% Holding
Equity share of Rs.10 Each fully Paid Up				
GAIL(India) Ltd	1,12,70,00,000	100%	87,70,00,000	100%

Note 1: 10,00,00,000 Equity Shares of Rs 10 each fully paid up was alloted on 04.02.2019 and Equity Shares were issued on 04.04.2019.

c) The company has only one class of equity shares having a per value of Rs.10 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholdings at the shareholders meeting.

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Note 13 : Other Equity

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Other Equity:		
Share Application Money Pending Allotment		
i) Consideration received in Cash Pending Allotment of Equity Shares from GAIL (India) Ltd	-	150.00
Retained Earnings		
Opening balance	204.41	152.11
Adjustment in Retained Earnings	(0.32)	0.93
Add:Current Period Profit	81.39	74.23
Less: Appropriation		
-Tax Adjustment	-	0.22
-Dividend Paid	-	18.81
-Dividend Distribution Tax Paid	-	3.83
Total	**285.48**	**354.41**

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 14 : Borrowings

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Non current borrowings		
Secured Term loans:		
- Oil Industry Development Board	154.72	138.12
Secured against all the assets of Sonepat, Meerut, TTZ, Dewas & Bengaluru Projects.		
Availed up to 31.03.2015 of Rs. 58 crore for TTZ Project.		
Availed during 2015-16 of Rs. 24.23 crore for Sonepat, Meerut and Dewas Project.		
Availed during 2016-17,2017-18 and 2018-19 of Rs. 87.35 crore, Rs. 35.57 and 36.66 crore respectively for Bengaluru Project. Loan is repayable in four equal yearly instalments after expiry of moratorium of one year from the date of disbursement, for the amount of loan disbursed till financial year 2015-16.		
Loan is repayable in eight equal yearly instalments after expiry of moratorium of two years from the date of disbursement, for the amount of loan disbursed from financial year 2016-17onwards.		
Loan disbursed in instalment from June 2014 to March 2019 with rate of interest from 7.00% per annum to 8.81%% per annum depending on date of disbursement.		
Total	**154.72**	**138.12**
Current	-	-
Non current	**154.72**	**138.12**

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Note 15 : Deferred Tax Liabilities (Net)

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Deferred Tax Liabilities	79.61	57.18
Less: Corporate MAT Receivable	16.37	10.81
Total	**63.24**	**46.37**

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Note 16 : Trade Payables

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Trade payables to related parties	166.07	212.90
Trade payable to Micro and Small Enterprises	16.58	5.99
Trade payable other than Micro and Small Enterprises	47.56	16.83
Total	**230.21**	**235.72**
Current	**230.21**	**235.72**
Non current	-	-

Note 17 : Other Financial Liabilities

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Current maturity of Long Term Borrowings		
Secured Term Loans:		
- Oil Industry Development Board	20.06	15.56
Secured against all the assets of Sonepat, Meerut Dewas, TTZ & Bengaluru project. Availed up to 31.03.2015 of Rs. 58 crore for TTZ Project. Availed during 2015-16 of Rs. 24.23 crore for Sonepat, Meerut and Dewas Project. These Loan are repayable in four equal yearly instalments after expiry of moratorium of one year from the date of disbursement. Loan disbursed in instalment from June 2014 to Jan 2016 with rate of interest from 7.97% to 8.81% per annum depending on date of disbursement. Availed during FY 2016-17 Rs 63 Crore @ 7% p.a rate of interest and Rs 24.35 Cr @ 7.20% p.a rate of interest for Bangaluru CGD project. These loans are repayable in 8 equal yearly Installments after expiry of 2 years moratorium period.		
Deposits/Retention Money from Customers/contractors/others	139.56	96.36
Other Liabilities	5.92	6.70
Total	**165.54**	**118.62**
Current	**165.54**	**118.62**
Non Current	-	-

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Note 18 : Other Current Non Financial Liabilities

(Rs In Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Statutory payables		
TDS, VAT, Excise, GST and WCT payable	48.69	62.10
Total	**48.69**	**62.10**
Current	**48.69**	**62.10**
Non current	-	-

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Note 19 : Provisions

(Rs in Crores)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Provisions :		
Provisional Liabilities	104.93	66.55
Provision for Employee Benefits	20.67	15.29
Provision for Probable Obligations	3.55	1.87
Total	**129.15**	**83.71**
Current	**129.15**	**83.71**
Non current	-	-

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Note : 20 Revenue from Operations (Gross)

(Rs in Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Sale of Products/Gas	5,282.33	4,533.43
Gas Transmission charges	81.35	65.94
Other Operating Revenues:		
Service charges	0.27	-
Application Fees Domestic Connections	0.53	0.62
Interest Income from Customers & Others	1.14	0.95
Income from Extra Pipe Line	0.64	0.21
Income from after Sales Service	0.04	0.09
Minimum Guranteed Offtake Receipts	0.75	0.89
Total	**5,367.05**	**4602.13**

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Note : 21 Other Income

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Interest Income	12.08	4.64
Miscellaneous Receipts	0.81	2.88
Profit on Sale of Fixed Assets (Net)	0.50	-
Total	**13.39**	**7.52**

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note : 22 Gas Consumed

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Opening Stock	0.89	0.87
Add:Purchases	5013.11	4334.31
Less: Gas used as Fuel	5.33	3.46
Less: Closing Stock	1.57	0.89
Gas Consumed	**5007.10**	**4330.83**

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Note : 23 Employee Benefit Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Salary Wages & Allowances	62.34	46.88
Contribution to Provident Fund	4.17	3.32
Welfare Expenses	26.55	9.42
Less: Employees Benefits Transferred to IEDC	18.89	24.30
Total	74.17	35.32

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Note : 24 Finance Cost

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Interest on Term Loan From Banks	-	2.92
Interest on Cash Credit Facilities	0.10	1.54
Interest on OIDB Loan	11.14	9.88
Less: Interest & Finance Charges transferred to IEDC	9.09	7.27
Total	**2.15**	**7.07**

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Note : 25 Depreciation & Amortisation Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Depreciation & Amortisation Expenses	32.14	23.36
Total	**32.14**	**23.36**

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Note : 26 Other Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Power & Fuel Charges		
-Electricity Charges	1.70	1.25
-Fuel Charges	5.33	3.46
Rent-Office & Others	8.78	6.90
Repairs and Maintenance		
-Plant & Machinery	28.24	20.12
-Buildings	0.15	0.22
-Others	2.96	3.06
Insurance Charges	0.44	0.34
Rates & Taxes	0.35	0.87
Payment to Auditors		
-Audit Fees (incl. other Certification)	0.06	0.05
-Taxation matter	0.01	0.01
Stores & Spares Consumed	2.60	1.63
Loss/(Gain) of Foreign Currency Transaction	0.01	0.01
Water Charges	0.02	0.01
Communication Expenses	0.20	0.24
Printing & Stationery	0.39	0.41
Travelling Expenses	3.40	2.17
Books & Periodicals	0.01	0.01
Provision for Probable Obligation	1.68	1.03
Advertisement & Publicity	3.73	3.96
Training Expenses	1.91	1.91
Vehicle Hire & Running Expenses	5.23	2.17
Consultancy & Legal Charges	3.18	6.02
Data Processing Expenses	3.38	2.69
Selling & Distribution Expenses	1.65	0.69
Dealer Commission	8.93	6.04
Security Expenses	4.83	3.44
CSR Expenses	1.98	0.79
Other Miscellaneous Expenses	3.07	2.58
Loss on sale of Fixed aseet	-	0.01
Provision for Doubtful debts	-	0.32
Business Development Expenses	9.84	0.80
Less: Expenditure transferred to CWIP		
IEDC- Rent & Warehouse Expenses	0.32	1.96
IEDC - Travelling Expenses	0.69	1.01
IEDC - Vehicle Hire Charges	1.19	-
Total	**101.86**	**70.24**

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Note : 27 Tax Expenses

(Rs In Crores)

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
Current tax	21.41	23.31
Deferred Tax	22.43	19.59
Provision / Adjustment of Tax relating to earlier periods	0.83	-
Total	**44.67**	**42.90**

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Note : 28 Profit from Discontinued Operations
For the four months ended 31st July 2017(Year Ended 31st March 2018 Column)

(Rs In Crores)

Particulars	Year ended 31st Mar 2019	Year ended 31st Mar 2018
I. Revenue from Operations (Gross)	-	8.21
II. Other Income	-	0.03
III Total Income (I+II)	-	**8.24**
IV Expenses		
Gas Consumed	-	4.50
Excise Duty	-	0.72
Employee Benefit Expenses	-	0.38
Finance Cost	-	0.37
Depreciation and Amortization Expenses	-	0.65
Other Expenses	-	1.58
Total Expenses	-	**8.20**
V Profit before tax from discontinued Opearations	-	0.04
VI Gain/ (Loss) before tax on disposal of discontinued operations		12.53
Total	-	12.57
VII Tax Expenses		
Discontinued operations		
-Current	-	0.01
-Deferred	-	-
-Disposal of discontinued operations		7.85
Total	-	7.86
VIII Profit after tax from discontinued operations	-	4.71

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29- Additional Information as Required by Schedule III of Companies Act 2013

Sr. No.	Name of the Entity (% of Share)	Proportion of ownership interest as on 31st March, 2019	Net Assets		Share of Profit or Loss		Share in Other Comprehensive		Share in Total Comprehensive	
			As % of Consolidated Net Asset	Amount (Rs. Crore)	As % of Consolidated Profit or Loss	Amount (Rs. Crore)	As % of Consolidated OCI	Amount (Rs. Crore)	As % of Total Comprehensive Income	Amount (Rs. Crore)
1	**Parent**									
	GAIL Gas Ltd.									
	Balance as at March 31, 2019		100.57%	1,420.48	99.44%	80.94	0.00%	-	99.44%	80.94
	Balance as at March 31, 2018		100.66%	1,239.54	108.57%	80.75	0.00%	-	108.57%	80.75
2	**Joint Ventures**									
	(Investment as per Equity method)									
A)	**Indian**									
i)	Andhra Pradesh Gas Distribution Corporation Limited									
	Balance as at March 31, 2019	50.00%	1.98%	27.99	-2.75%	(2.24)	0.00%	-	-2.75%	(2.24)
	Balance as at March 31, 2018	50.00%	1.44%	17.73	-1.14%	(0.85)	0.00%	-	-1.14%	(0.85)
ii)	Vadodara Gas Limited									
	Balance as at March 31, 2019	17.07%	3.24%	45.76	1.01%	0.82	0.00%	-	1.01%	0.82
	Balance as at March 31, 2018	17.07%	3.62%	44.89	1.71%	1.27	0.00%	-	1.71%	1.27
iii)	Rajasthan State Gas Limited									
	Balance as at March 31, 2019	50.00%	4.00%	56.51	3.31%	2.69	0.00%	-	3.31%	2.69
	Balance as at March 31, 2018	50.00%	4.37%	54.19	-9.66%	(7.17)	0.00%	-	-9.66%	(7.17)
iv)	Kerala GAIL Gas Limited									
	Balance as at March 31, 2019	50.00%	0.15%	2.08	0.32%	0.26	0.00%	-	0.32%	0.26
	Balance as at March 31, 2018	50.00%	1.11%	13.74	0.83%	0.62	0.00%	-	0.83%	0.62
v)	Haridwar Natural Gas Private Limited									
	Balance as at March 31, 2019	50.00%	0.79%	11.11	-1.22%	(0.99)	0.00%	-	-1.22%	(0.99)
	Balance as at March 31, 2018	50.00%	0.58%	7.10	-0.07%	(0.05)	0.00%	-	-0.07%	(0.05)
vi)	Goa Natural Gas Private Limited									
	Balance as at March 31, 2019	50.00%	0.64%	9.07	-0.11%	(0.09)	0.00%	-	-0.11%	(0.09)
	Balance as at March 31, 2018	50.00%	0.58%	7.16	-0.46%	(0.34)	0.00%	-	-0.46%	(0.34)

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30. **Basis of Preparation**

The Consolidated Financial Statements of the Company along with its Joint Ventures have been prepared in accordance with Indian Accounting Standards (IND-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. The consolidated financial statements comprise the financial statements of the company and its joint ventures as at 31st March, 2019.

A joint ventures is a type of joint arrangement whereby the parties that have a joint control of the arrangement have right to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Basis of Consolidation

The Company's investments in its joint ventures are accounted for using equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Consolidation of the financial statements has been made based on the unaudited financial statements of the joint venture companies except Goa Natural Gas Private Limited (GNGPL) which is based on audited financial statements of the company. Further, consolidated financial statements include consolidated financial statements of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL).

31. The Company is a 100% subsidiary of GAIL (India) Ltd. The Authorized Share Capital of the Company is Rs. 2,000 Crores (Previous Year: Rs. 2,000 Crores) and issued, subscribed and paid-up equity share capital is Rs.1127 Crores (Previous Year: Rs. 877 Crores).

32. Capital Commitment:

i. The estimated amount of contracts over Rs. 5 lacs amounting to Rs. 446.04 Crores (Previous Year Rs. 393.09 Crores) are remaining to be executed on capital accounts and not provided for.

ii. The Company has no uncalled liability on shares and other investments partly paid.

iii. Company's Share in estimated amount of contracts remaining to be executed on capital accounts and not provided for in JV Companies based on audited / unaudited financial statements is Rs. 341.64 Crores (Previous Year : Rs. 44.83 Crores)

33. Contingent Liabilities :

Claims against the company not acknowledged as debts :

i) Legal & other cases for claims of Rs. 132.78 Crores (Previous year : Rs. 123.94 Crores) by vendors/suppliers/contractors etc.

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ii) Disputed Direct Tax Demand of Rs. 5.56 crores ((Previous year : Nil) is as under :-

a. Assessment year 2015-16 (FY 2014-15) - Rs. 1.61 crore.

The appeal filled by the company with CIT (Appeals) against the assessment order issued u/s 143 (3) dated 28.12.2017 has been partly allowed by the Appellant Authority vide order dated 26.02.2019 received by the company on 02.04.2019. The company has decided to contest the order and is in the process of filing appeal with Income Tax Appellate Tribunal (ITAT) in this regard. Therefore, an amount of Rs. 1.61 crores has been shown as Contingent Liability which as per the order of Assessing Officer has been adjusted against MAT credit available to the company.

b. Assessment year 2016-17 (FY 2015-16) - Rs. 3.95 crore.

The Assessing Officer (AO) has raised income tax demand of Rs. 2.49 crores including interest of Rs. 0.73 crores after adjusting income tax refund due to the company of Rs. 2.19 crores vide its order dated 07.12.2018 for assessment year 2016-17. The company has filed an appeal against the same with CIT (Appeals) on 04.01.2019. The final outcome of which is pending as on 31.03.2019. Subsequently, Assessing Officer has rectified its order u/s 154 dated 14.01.2019 and reduced the income tax demand to Rs. 1.76 crores including interest of Rs. 0.55 crores. Accordingly, a sum of Rs. 3.95 crores has been shown as Contingent Liability since the sum of Rs. 2.19 crores being the refund adjusted by AO and the demand of Rs. 1.76 crore including interest has not been accepted by the company and appeal has been filed with CIT (Appeals).

iii) Disputed Indirect Tax Demand in respect of Excise and VAT cases of Rs. 2.03 Crores (Previous year : Rs. 1.89 Crores)

iv) Bank Guarantee from Banks of Rs. 7.38 Crores (Previous year : Rs. 1.76 Crores) towards permission charges for various cities for submission to Central and State Authorities.

v) Bank Guarantee of Rs. 7090.18 Crores (Previous year : Rs. 6714.49 Crores) submitted to PNGRB towards minimum work programme in respect of geographical areas (GAs) awarded to the company by PNGRB and for Goa Natural Gas Pvt. Ltd., a joint venture company in respect of North Goa Districts.

Out of above, holding company GAIL (India) Ltd. has provided the Corporate Guarantee of Rs. 5199.99 crores (Previous Year : Rs. 5199.99 crores) in respect of Bengaluru Rural and Urban Districts, Rs. 133 crores (Previous Year : NIL) in respect of 4 GAs awarded under 10^{th} round of PNGRB CGD Bidding and Rs. 752 crores (Previous Year : Rs. 752 crores) for Goa Natural Gas Pvt. Ltd., a joint venture company, in respect of North Goa Districts for submission of Performance Bank Guarantee to PNGRB. Further, M/s BPCL, the other joint venture partner in Goa Natural Gas Pvt. Ltd. has also provided the Corporate Guarantee of Rs. 752 crores (Previous Year: Rs.752 crores) in respect of North Goa Districts for submission of Performance Bank Guarantee to PNGRB.

vi) Share in Contingent Liabilities in JV Companies based on audited / unaudited financial statements is Rs.17.65 Crores (previous Year : Rs. 17.64 Crores)

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34. The employees working in the various disciplines have been identified as working for (a) project activities and (b) operation activities and accordingly employee expenses of such employees have been accounted for under project and operation activities respectively. Rent expenses for on-going projects have been accounted for under project activities. The Incidental Expenditure during Construction amounting to Rs. 21.09 Crores (Previous Year Rs. 27.27 Crores) have been allocated to completed Project & Capital Work in Progress in the ratio of allocated cost of assets.

35. Capital Work in Progress (CWIP) includes assets under construction which are under different stages of completion. Capitalization is done as and when asset is ready to put to use.

36. a). Title Deed in respect of Freehold Land measuring 3004.42 sq. mtr. amounting to Rs. 2.05 Crores (Previous Year: Rs. 2.05 Crores) which includes Rs. 0.15 crores (Previous Year : Rs.0.15 crores) towards registration charges provided on provisional basis. Mutation of Freehold Lands is in process.

b). Title Deeds in respect of Leasehold Land at Kota at its Book value amounting to Rs. 3.71 Crores (Previous Year : Rs. 3.71 Crores) is still in the name of the company but the physical possession of the land has been transferred to M/s Rajasthan State Gas Ltd. (RSGL) on 31.07.2017 on account of transfer of Kota City Gas Distribution Business and the same had been de-capitalized in the books of the company during FY 2017-18. The mutation process in the name of RSGL is under process.

37. Building of Rs. 50.69 Crores (Previous Year : Rs. 47.48 Crores) mainly includes :-

a. Building of Rs. 10.58 Crores (Previous Year : Rs. 13.76 Crores) which is constructed on the land provided by GAIL (India) Ltd. and the terms and conditions of these lands are yet to be finalized.

b. Building of Rs. 2.23 Crores (Previous Year : Rs. 2.23 Crores) is constructed on the land (2080 sq. mtr) taken from Madhya Pradesh Audyogik Kendra Vikas Nigam Ltd. (MPAKVNL).

c. Building of Rs. 8.32 Crores (Previous Year : Rs. 8.32 Crores) is constructed on the land measuring 993 sq.meter provided by the Bengaluru Municipal Transport Corporation (BMTC) at free of cost for the CNG Station installed at BMTC bus Depots in Bengaluru with the condition of filling CNG Gas only to BMTC Buses. The documentation of which is pending for execution.

d. Building of Rs. 4.98 Crores (Previous Year : Rs. Nil) is constructed on the land measuring 2,700 sq. meters provided by the Karnataka Industrial Area Development Board (KIADB) under Lease cum Sale Basis for setting up of Industrial Project such as DRS, Online Daughter / Booster CNG Station, CNG activities or incidental thereto at Bengaluru. Lease cum Sale Agreement of the land has been executed and KIADB shall sell the said land to the company at the end of two years or the extended period, if any, on implementation of the project and satisfactory utilization of land as per the terms and conditions of agreement.

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e. Building of Rs. 3.26 Crores (Previous Year : Rs. 3.26 Crores) is constructed on the land provided by the dealer, warehouse providers etc.

38. Company has paid an amount of Rs. 9.97 Crores (Previous Year : 9.24 Crores) for purchase of 9 no. (Previous Year : 8 no.) of lands measuring 15,333 sq. meters from Karnataka Industrial Area Development Board (KIADB) under Lease cum Sale Basis for setting up of Industrial Project such as DRS, Online Daughter / Booster CNG Station, CNG activities or incidental thereto at Bengaluru. Total amount of Rs. 9.97 crores paid to KIADB is shown under Capital Advance as KIADB shall sell the said lands to the company at the end of two years or the extended period, if any, on implementation of the project and satisfactory utilization of land as per the terms and conditions of agreement.

Company has executed Lease cum Sale Agreement amounting to Rs. 9.47 crores (Previous Year : Nil) including Stamp Duty and Registration Charges for 5 nos of KIADB lands as on 31.03.2019 measuring 13,833 sq. meters. The said lands shall be capitalized after completion of lease period or the extended period, if any, on implementation of the project and satisfactory utilization of land as per the terms and conditions of agreement. Company is also required to pay Lease Charges and Maintenance Charges annually on these lands. Further, execution of Lease cum Sale Agreement amounting to Rs. 0.50 crores is pending for remaining 4 nos. of lands measuring 1500 sq. meters.

39. During the year, Company has paid an amount of Rs. 9.05 Crores to Mathura – Vrindavan Development Authority for purchase of freehold land measuring 2018.48 sq. meters for setting up CNG Station and Service Building at Vrindavan. Further, an amount of Rs. 0.63 crores has also been paid towards stamp duty charges. Total amount of Rs. 9.68 crores has been shown under Capital Advance since possession has been handed over after 31.03.2019 and registration of sale deed has been executed on 02.05.2019.

40. Board of Director in its meeting held on 27.10.2017 approved the purchase of 5 Last Mile Connectivity Assets from GAIL (India) Ltd. in Bengaluru City at an estimated book value of Rs. 53.39 Crores as on 30.06.2017 plus applicable taxes. Further, the asset transfer value shall be at the book value as on the date of transfer plus any taxes (other than taxes on income) involved in the transaction including any stamp duty. During the year, out of the above, the company has purchased 3 Last Mile Connectivity Assets from GAIL (India) Ltd. in Bengaluru City on book value of Rs. 27.57 crores excluding Stamp Duty as per Pipeline Transfer Agreement dated 05.12.2018 which has been executed with GAIL (India) Ltd. A provision for liability on estimated basis on account of Stamp Duty amounting to Rs. 1.82 crores has been provided pending registration. Further, purchase of remaining 2 Last Mile Connectivity Assets amounting to Rs. 15.23 crores excluding Stamp Duty is under process.

41. Salary and Allowances of employees posted in the Company are being paid by the Company. A sum of Rs. 20.41 crore (Previous Years : Nil) on account of share of Employees Benefits Expenses of the employees of the company based of actuarial valuation carried out by the holding company GAIL(India) Limited on 31.3.2019 and debited by the holding company has been accounted for under Employee Benefit Expenses. No disclosure as per the requirement of Ind AS 19 has been made as the same have been complied by holding company including for the employees posted in the company, since all the employees are on the rolls of the holding company.

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42. Claim Recoverable includes an amount of Rs. 37.25 Crores (Previous Year Rs. 48.50 Crores) towards refund of VAT (excess of VAT paid on purchase of gas over the amount of VAT recovered on sale of gas) in the state of Haryana and Gujarat. The refund of VAT is being pursued with concerned authorities and is considered good.

43. In compliance to PNGRB Regulation all the CNG Stations of the company are having PESO/CCOE License which is mandatory for commencement of commercial operations. However, additionally the company has also applied for Factory Licenses for its Company Owned CNG stations, which is under progress. Further, necessary advice has been given to owners of CNG Stations operated under Retail Outlet of Oil Marketing Companies and Dealer Owned Dealer Operated Model to obtain the Factory License in respect of their CNG Stations.

44. Provisional liability of Rs. 104.93 Crores (Previous Year : Rs. 66.55 Crores) has been made in the books of accounts as at 31.3.2019 which will be settled as per actual bills. Further, share in provisional liabilities in JV Companies based on audited / unaudited financial statements is Rs. 4.93 Crores (previous Year : Rs. 2.34 Crores)

45. As on 31.3.2019, the company has an equity investment of Rs. 42.50 Crores (Previous Year – Rs. 22.50 crores) in M/s Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), a Joint Venture Company, including advance pending allotment of Rs. 10.00 Crores (Previous Year – Rs. 2.50 Crores) as per joint venture agreement. Further, the company has an equity investment of Rs. 9.50 Crores (Previous Year – Rs. 7.50 crores) in M/s Goa Natural Gas Pvt. Ltd., a Joint Venture Company, including advance pending allotment of Rs. 3.00 Crores (Previous Year – Nil) as per joint venture agreement.

46. During the year Gross cost of Assets of Kavvur CNG Station of Rs.6.14 crore (Building of Rs 3.17 Crores, Plant & Machinery of Rs 2.63 Crores and Capital Works in Progress of Rs.0.34 Crores), has been transferred to receivable from Andhra Pradesh Gas Distribution Corporation Ltd., a Joint Venture Company based on approval of the Board of the company in its meeting held on 04.04.2019 for transfer of the gross cost of assets as on 31.3.2019 on going concern basis to APGDCL against issue of shares at par which are yet to be issued by APGDCL.

47. An amount of Rs. 11.92 crores has been received from Kerala GAIL Gas Ltd (KGGL), one of the joint venture company due to reduction in the equity share capital of the company. Further company is in the process of voluntary winding up. No diminution in value of the balance equity investment of Rs. 0.50 lakhs has been considered as the investment has been valued at cost as the assets of KGGL mainly consists of current assets in the form of deposits with Schedule Commercial Banks and there is no diminution in the value of such deposits on the reporting date.

48. Company has one CNG Station at Dibiyapur which was operating under Company Owned and Company Operated (COCO) Model. Under 9th round of CGD Bidding, M/s Torrent Gas Private Ltd. has been authorized by PNGRB for implementation of CGD in the GA of Auraiya, Kanpur Dehat and Etawah Districts, UP which includes Dibiyapur. Accordingly, company has entered into a Term Sheet with M/s Torrent Gas Private Ltd. to operate CNG Station at Dibiyapur as a dealer of M/s Torrent Gas Private Ltd. w.e.f. 16.02.2019 under Dealer Owned Dealer Operated (DODO) Model for a period of 3 years extendable by further

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period of 2 years on mutual consent. Final Term Sheet has also been executed on 02.05.2019 and detailed agreement with M/s Torrent Gas Private Ltd. is in process.

49. The company has been awarded 5 new Geographical areas(GAs) namely Giridh-Dhanbad Districts, Dakshina Kannada Districts, Sundergarh-Jharsuguda Districts, Ganjam-Nayagarh-Puri Districts and Dehradun Districts by Petroleum and Natural Gas Board (PNGRB) in the 9th round of CGD Bidding and 4 new GAs namely Seraikela – Kharsawan Districts, Mirzapur, Chandauli and Sonbhadra Districts, West Singhbhum Districts, and Raisen, Shajapur and Sehore Districts in the 10th round of CGD Bidding for carrying out the development of City Gas Distribution Network in these GAs. Further, a joint venture company i.e. M/s RSGL has been awarded a GA namely Gwalior (excluding areas already authorized) Districts and Sheopur Districts during 10th round of CGD Bidding by PNGRB.

50. A MOU was executed on 06.07.2018 among Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd. to participate as a consortium in the 9th round of CGD Bidding conducted by PNGRB for geographical areas of Kamrup and Kamrup Metropolitan Districts and geographical areas of Cachar, Hailakandi & Karimganj Districts in Assam. These GAs have been awarded to the consortium and PNGRB has issued the Grant of Authorization. Further, as per MOU, in the event of successful bid, the parties shall form a Joint Venture Company. Accordingly, a Joint Venture Company will be incorporated to carry out the CGD activities in these GAs having a shareholding pattern in the ratio of 48%, 26% and 26% among Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd. respectively and the same is under process.

51. No dividend on equity share capital for FY 2018-19 is proposed by the company as company needs the funds for funding the capex requirement.

52. Department of Investment & Public Asset Management (DIPAM) Government of India, Ministry of Finance, has vide OM No. F.No. 5/2/2016-Policy dated 27.05.2016 issued Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend, Issue of Bonus Shares, Buyback of Shares etc. The guidelines for payment of dividend shall be applicable from financial year ending on or after 31st March, 2016. Since, the company has paid the lower dividend during the FY 2015-16 and FY 2016-17 and submitted an application on 01.09.2017 for FY 2015-16 and 27.09.2017 for FY 2016-17 for grant of relaxation to Department of Investment and Public Asset Management (DIPAM) on dividend payment through Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, DIPAM. Reply is awaited.

Further, company has also submitted an application on 24.10.2018 for FY 2017-18 for grant of relaxation to Department of Investment and Public Asset Management (DIPAM) on dividend payment through Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, DIPAM as company has not paid the any dividend during the FY 2017-18 as per approval of Board. Reply is awaited.

53. In compliance of Ind AS 12 on "Income Taxes" issued by the Institute of Chartered Accountants of India, the Company has created tax liability as per details given below:-

a) Income Tax related to items charged or credited directly to profit or loss during the year

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(Rs. in Crores)

Statement of Profit or Loss	**31st March 2019**	**31st March 2018**
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	21.41	23.31
Provision/Adjustment of Tax relating to earlier periods	0.83	-
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	0.01
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	7.85
	22.24	**31.17**
Deferred Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations)	22.43	19.59
Relating to origination and reversal of temporary differences (Discontinued Operations)	-	-
	22.43	**19.59**
Income Tax Expense (Continuing Operations)	**44.67**	**42.90**
Income Tax Expense (Discontinued Operations)	-	**7.86**

b) Reconciliation of Effective Tax Rate (Continuing Operations)

(Rs. in Crores)

	31st March 2019	**31st March 2018**
Profit Before Income Taxes (Before share of profit / loss of joint venture companies)	125.61	118.94
Effective Tax Rate	17.71%	19.60%
Computed Effective Tax Expenses	22.24	23.31
Movement in Deferred Tax Liability	22.43	19.59
Income Tax charged to Statement of Profit & Loss	**44.67**	**42.90**
Effective Tax Rate	**35.56%**	**36.07%**

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c) Recognized Deferred Tax Assets and Liabilities :-

Deferred Tax Assets/ (Liabilities) are attributable to the following:

Rs. in Crores

Particulars	**Balance Sheet**		**Statement of Profit & Loss**	
	31st March 2019	**31st March 2018**	**31st March 2019**	**31st March 2018**
Property, Plant and Equipment	(84.82)	(59.62)	(25.21)	(20.37)
Provisions	5.21	2.44	2.78	0.78
Deferred Tax Assets/ (Liabilities)	**(79.61)**	**(57.18)**	**(22.43)**	**(19.59)**
Net Deferred Tax Assets /(Liabilities)	**(79.61)**	**(57.18)**	**(22.43)**	**(19.59)**

54. As per Ind AS 17 on Lease, the disclosure in respect of Leases is as under :-

Finance Leases

(a) Lease Deed executed with UPSIDC for lease hold land measuring 9075.18 sq. meters in Kosi Kotwan Extn-2 Industrial Area, Uttar Pradesh for putting up CNG Station and Gas Grid with following disclosures :-

- The period of lease is 90 years from 07.10.2013 with one time premium of Rs. 5.95 crore (including Registration Charges and One Time Lease Rental for 90 years of Rs. 0.46 crore).
- The net carrying amount on 31.03.2019 is Rs. 5.69 Crores (Previous Year : Rs. 5.76 Crores)
- Since entire lease rent has been paid at the inception and no future lease rent is payable, the other disclosure requirements does not exist.

(b) Lease Deed executed with RIICO, Jaipur for lease hold land in Bharatpur, Rajasthan measuring 2788.73 sq. meters for setting up CNG Station and District Regulatory System (DRS) with following disclosures :-

- The period of lease is 99 years from 16.07.2014 with one time premium of Rs. 1.20 crore (including Registration Charges).
- The net carrying amount on 31.03.2019 is Rs. 1.15 Crores (Previous Year : Rs. 1.16 Crores)
- Since annual lease rent is only Rs.209/- per annum therefore the other disclosures requirement are not material.

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Operating Leases

a). Company has paid a sum of Rs. 55.60 Lakhs during FY 2017-18 as one time premium in respect of land measuring 200 sq. meters taken on lease from Nazul Department, Collectrate Dewas, MP for a period of 30 years for purpose of setting up of a District Regulatory System (DRS). The rent payable has been determined at circle rates. Lease is renewable after 30 years and lease rent will be decided based upon the then prevailing terms and conditions at that time and there is no contingent rent payable.
Accordingly, a sum of Rs. 1.85 lakhs (Previous Year - Rs. 0.64 Lakhs) has been charged to Profit and Loss Statement during the year and the balance amount of Rs. 53.11 lakhs (Previous Year - Rs. 54.96 Lakhs) has been shown as pre-paid expenses (Refer note 11A – Other Non Current Assets (Non-Financial)

As per terms of agreement, an annual lease / ground rent is 7.50% of total value and Rs. 4.17 lakhs is payable annually and lease is renewable. Total of future minimum lease payment for each of the period as specified in Ind AS 17 is as under :-

Not later than 1 year	Rs. 4.17 lakhs
Later than 1 year but not later than 5 year	Rs. 16.68 lakhs
Later than 5 years	Rs. 95.91 lakhs

b. Lease Deed executed with Bharat Electronics Limited, Bengaluru for land at erstwhile Poornapura Village at Bengaluru, Karnataka measuring 165 sq. meters for installing District Regulation Station (DRS). The period of lease is 10 years from 01.10.2015 to 30.09.2025 for an annual rent of Rs.3.20 lakhs subject to renewal at every 12 months commencing from 01.10.2016 for an annual rent of Rs. 3.35 lakhs with 5% escalation every year on enhanced rent. Total of future minimum lease payment for each of the period as specified in Ind AS 17 is as under :-

Not later than 1 year	Rs. 3.79 lakhs
Later than 1 year but not later than 5 year	Rs. 17.15 lakhs
Later than 5 years	Rs. 7.31 lakhs

c. Lease deed executed with Karnataka Rural Poor and Handicapped Women's Development Society, Bengaluru for land measuring 1076 sq. ft. and closed space to the extent of 823 sq. ft. in Peenya IIIrd Phase Yashwantapura Hobali, Bengaluru, Karnataka for putting up District Regulation Station (DRS). The period of lease is 10 years from 11.01.2017 to 10.01.2027 with a provision of yearly rent of Rs.4.79 lakhs with 5% escalation every year on the enhanced rent. Total of future minimum lease payment for each of the period as specified in Ind AS 17 is as under :-

Not later than 1 year	Rs. 5.33 lakhs
Later than 1 year but not later than 5 year	Rs. 24.13 lakhs
Later than 5 years	Rs. 19.77 lakhs

55. In terms of disclosure requirement as per Ind-AS 23 on "Borrowing Costs", total finance cost amounting to Rs. 11.24 Crores (Previous Year Rs. 13.17 Crores) was incurred by the company during the year, out of which an amount of Rs. 9.09 Crores (Previous Year Rs.

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7.27 Crores) has been capitalized including allocated towards Capital Work in Progress during the period.

56. In compliance of Ind AS 36 on "Impairment of Assets", company has carried out an assessment of impairment of assets and there are no impaired assets.

57. In compliance of Ind AS 37 on "Provisions, Contingent Liabilities and Contingent Assets" the required information on provision for probable obligations is as under :-

Rs. in Crores

Provisions	Opening Balance	Additions during the year	Reversal / adjustment during the year	Closing Balance
Direct Tax	61.74	22.24	15.67	68.31
Deferred Tax	46.37	22.43	5.56	63.24
Legal & Arbitration Cases	123.94	10.46	1.62	132.78

58. The company operates in a single segment of Natural Gas Business, therefore, disclosure requirements as per Ind AS 108 "Operating Segments" are not required. However Entity-wise disclosures are as below:-

Information about products and services:

The Company is in a single line of business of "Sale of Natural Gas".

Geographic Information:

The company operates presently in the business of Natural Gas, including City Gas Distribution in India. Accordingly, revenue from customers and all assets are located in India only.

Information about major customers:

One customer during the year ended 31st March 2019 and two Customers during the year ended 31st March 2018 contributed to more than 10% of the revenue individually. Revenue from these customers was Rs. 3469.86 and Rs. 3550.67 Crores during the year ended 31st March, 2019 and 31st March, 2018 respectively.

59. Disclosure under Ind AS 112 on "Disclosure of Interests in other Entities", is as under :-

Sl. No.	Name of Companies (Indian Entities)	Relation	Proportion of ownership as on	
			31.03.2019	31.03.2018
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)	Joint Venture	50%	50%
2	Kerala GAIL Gas Limited. (KGGL)	Joint Venture	50%	50%
3	Vadodara Gas Limited. (VGL)	Joint Venture	17.07%	17.07%
4	Rajasthan State Gas Limited. (RSGL)	Joint Venture	50%	50%

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5	Haridwar Natural Gas Pvt. Ltd. (HNGPL)	Joint Venture	50%	50%
6	GOA Natural Gas Pvt. Ltd. (GNGPL)	Joint Venture	50%	50%

The company's share in the assets and liabilities and in the income and expenditure for the year in respect of above joint venture companies based on audited financial statement of Goa Natural Gas Pvt. Ltd. and unaudited financial statements of other 5 joint venture companies as furnished by management of these companies is as under :-

Rs. in Crores

Sl. No.	Description	2018-19	2017-18
A.	**Summary of Balance Sheet**		
1	**Assets**		
	Non Current	279.69	160.06
	Current	50.03	43.85
	Total	329.72	203.91
2.	**Liabilities & Provisions**		
	Non Current	68.07	25.48
	Current	92.42	25.89
	Total	160.49	51.37
B.	**Summery of Profit and Loss A/c**		
1.	Income	62.20	38.54
2.	Expenditure	60.97	37.95

60. Disclosure under Ind AS 115 on "Revenue from Contract with Customers" is as under :-

Disaggregated Revenue Information

The disaggregation of the company's revenue from contracts with customers is disclosed at Note -20.

Sale of Natural Gas is the main activity of City Gas Distribution Business and other operating income is incidental to sale of natural gas. Other Operating Income includes significantly the compensation towards minimum contracted quantity for the respective billing period, interest received from the customers for the delayed payments and application fees collected from customers. Sale of pipes, fittings and other material is revenue incidental to the activity of construction of pipeline network for own use for the purpose of sale and distribution of natural gas to customers. Services Charges are the consideration received against operating the CNG Station as a dealer of other entity. Income from after sales services mainly includes services rendered for re-location of meter, temporary disconnection, name change etc. Company sells and distributes natural gas in India.

Sale of natural gas includes excise duty but excludes VAT collected from customers on behalf of the government. All the revenue are earned by transfer of goods or services to the customers.

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Contract Balances

Rs. in Crores

Description	**For the years ended March 31, 2019**	**For the years ended March 31, 2018**	**As at 1st April 2017**
Trade Receivables	282.79	270.50	111.59
Contract Liabilities	-	-	-

Trade receivables are interest bearing and are generally on terms of 3 to 21 days after billing. Contract liabilities are the advances received from the customers against the supply of gas to be made after the reporting date.

Reconciliation of revenue recognized in the Statement of Profit & Loss with the contracted price

Rs. in Crores

Type of goods or Services	**For the years ended March 31, 2019**	**For the years ended March 31, 2018**
Revenue as per contracted price	5367.29	4602.13
Less :- Facility Charges on sale of gas	0.25	-
Revenue from contract with customers	5367.04	4602.13

Performance Obligation

The company earns revenues primarily from sale of natural gas. Revenue is recognized on supply of gas to customers based on reading recorded on the meter. There are no return rights attached to the sale, hence, no right of return liability or asset exists. There are no performance obligations remaining to be satisfied as at reporting date for which transaction price has been allocated.

61. Disclosure related to Corporate Social Responsibility Expenses :-

a. As per Section 135 of the Companies Act 2013 read with DPE Guidelines, the company is required to spend Rs. 1.86 Crores during the FY 2018-19 including carried forward CSR fund for FY 2017-18. Amount incurred during the year is Rs. 1.60 Crores (Previous Year – Rs. 0.79 Crores) as per details given below :-

(Rs. in Crores)

Description	In Cash / liability provided	Yet to be paid in Cash and / or carried forward in FY 2019-20	Total
i). Construction/acquisition of any asset	Nil	Nil	Nil
ii). On purposes other than (i) above	1.60	0.26	1.86

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b. Further, Board of Directors in its 59th meeting held on 18.05.2017 approved the CSR Policy along with administrative guidelines of the Company. Therefore, no CSR activity was identified by the company before the approval of CSR Policy and no provision has been made in the books of accounts in accordance with generally accepted accounting principles.

62. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") :

(Rs. in Crores)

Particulars	2018-19	2017-18
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
ii) The amount of interest paid by the buyer in terms of Section 16 of MSMED Act 2016, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2016.	Nil	Nil

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

*Does not include trade payable to micro and small enterprises as on 31.03.2019 of Rs. 16.58 crores (Previous Year : Rs. 5.99 crores) for liabilities booked on accrual basis since there is no interest due thereon remaining unpaid to any supplier as at the end of reporting date.

63. **Related Party Disclosures**

A. The entire Equity Share Capital of the Company is held by GAIL (India) Ltd (Holding Company) either singly or jointly.

B. Related Party Disclosures as per Ind AS 24.

a. Relation and name of the related parties are:

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i. **Holding Company** - GAIL (India) Ltd.

ii. **Indian Joint Venture Companies**

Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)
Kerala GAIL Gas Limited. (KGGL)
Vadodara Gas Limited. (VGL)
Rajasthan State Gas Limited. (RSGL)
Haridwar Natural Gas Pvt. Ltd. (HNGPL)
GOA Natural Gas Pvt. Ltd. (GNGPL)

iii. **Other (Joint Venture and Associate Companies of Holding Company)**

Indraprastha Gas Ltd.
Central UP Gas Ltd.
Green Gas Ltd.

iv. **Key Management Personnel**:

Chairman & Non-Executive Director - Mr. B. C Tripathi

Non-Executive Directors -

Mr. Subir Purkayastha (upto 30.11.2018)
Mr. Gajendra Singh
Mr. A.K.Tiwari
Mrs. Anuradha Sharma Chagti (upto 03.10.2018)
Ms. Kiran Vasudeva (from 03.10.2018)
Mr. Rajeev Mathur (from 19.06.2018)
Mr. S B Mitra (from 04.01.2019)
Mr. A K Jana (upto 23.04.2018)

Chief Executive Officer: - Mr. Pankaj Kumar Pal (upto 30.04.2018) and Mr. A.K. Jana (from 01.05.2018)

Chief Financial Officer: - Mr. Pankaj Walia

Company Secretary: - Mr. Deepak Asija

(b) **Related Party Transactions**

(Rs. in Crores)

Sl No	Particulars	Holding Co.	Joint Venture & Others*	Key Management Personnel
1	Purchase of Goods and Material	5015.39 (4348.81)	- (-)	- (-)

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2	Interest on Delayed Payment	- (0.01)	- (-)	- (-)
3	Sales of Goods (Material) and Gas / Material Issued on Loans	- (9.51)	138.84 (138.12)	- (-)
4	Purchase and Sale of Fixed Assets	27.57 (-)	6.14 (-)	- (-)
5	Reimbursement of Remuneration to Key Management personnel- Salary & Allowances	- (-)	- (-)	2.41 (1.93)
6	Reimbursement of remuneration to staff received / receivable	- (-)	18.24 (14.74)	- (-)
7	Reimbursement of Retirement Benefits payable	20.41 (-)	- (-)	- (-)
8	Reimbursement of Training Cost payable / receivable	0.81 (1.71)	0.37 (0.31)	- (-)
9	Reimbursement of BG Charges received / receivable	- (-)	1.60 (1.55)	- (-)
10	Rent, Electricity and UCS Expenses paid / payable	3.74 (3.47)	- (-)	- (-)
11	Outstanding Balance Payable	193.06 (221.53)	0.20 (0.20)	- (-)
12	Outstanding Balance Receivable	- (9.51)	21.16 (14.58)	- (-)
13	Corporate Guarantee given to Banks for BG issued on behalf of the Company as at Balance Sheet date	6084.99 (5951.99)	- (-)	- (-)
14	Investment in APGDCL as at Balance Sheet date (JV)	- (-)	32.50 (20.00)	- (-)
15	Advance to APGDCL against Equity Share pending Allotment of Share	- (-)	10.00 (2.50)	- (-)
16	Investment in KGGL as at Balance Sheet date (JV)	- (-)	0.01 (11.93)	- (-)
17	Investment in VGL as at Balance Sheet date (JV)	- (-)	41.01 (41.01)	- (-)
18	Investment in RSGL as at Balance Sheet date (JV)	- (-)	65.00 (65.00)	- (-)
19	Investment in HNGPL as at Balance Sheet date (JV)	- (-)	12.50 (7.50)	- (-)
20	Investment in GNGPL as at Balance Sheet date (JV)	- (-)	9.50 (7.50)	- (-)
21	Advance to GNGPL against equity Share pending Allotment of Shares	- (-)	3.00 (-)	- (-)
22	Share allotment to Holding Company.	250 (250)	- (-)	- (-)
23	Advance against Equity Share pending Allotment of Share	- (150)	- (-)	- (-)

*Others include joint venture and associate companies of Holding Company.

(Figure shown in brackets pertains to previous year).

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The company has formed six Joint Venture Companies by executing Joint Venture Agreement/Shareholder Agreement with various State Governments and Corporates. In all these companies, it was agreed that Equity Shareholding of both the promoters will be in equal ratio till the time strategic investor comes in. However, after the investment of strategic investor, the shareholding of both the promoters will be as per the Shareholder Agreement executed amongst them.

No provision has been made for the leasehold charges in respect of land provided by Holding Company M/s GAIL (India) Ltd. used for setting up CNG Station at Dibiyapur, Vijaipur, and Bengaluru as the terms and conditions are yet to be finalized.

64. Earning per Share

Particulars	2018-19	2017-18
Profit after Tax from Continuing Operations (Rs. in Crores)	81.39	69.52
Profit after Tax from Discontinued Operations (Rs. in Crores)	-	4.71
Weighted Average No. of Equity Shares	103,86,43,836	71,07,26,027
Nominal Value per Share (in Rs.)	10.00	10.00
Basic Earning per Share (in Rs.)		
From Continuing Operations	0.78	0.98
From Discontinued Operations	-	0.07
Total	0.78	1.05
Diluted Earning per Share (in Rs.)		
From Continuing Operations	0.78	0.98
From Discontinued Operations	-	0.07
Total	0.78	1.05

65. Notes on Financial Risk Management

Financial Risk Management

The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk. Board of Directors of the company has overall responsibility for the establishment and oversight of the Company's Risk Management Framework.

(i). Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is a risk of changes in market prices such as

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foreign exchange rates and interest rates that will affect Company's income or the value of its holding of financial instruments.

(a) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and investing in fixed interest instruments.

Sensitivity analysis:

The table below summarizes the impact of a potential increase or decrease on the Company's profit before tax as applied to the variable element of interest rates on loans and borrowings. The increase/decrease is based on management estimates of potential interest rate movements.

(Rs.in Crores)

Reporting period	Increase/decrease in interest rate basis points	Impact on profit before taxes
31.03.2019	+100	Nil
	-100	Nil
31.03.2018	+100	Nil
	-100	Nil

The sensitivity analysis is limited only to variable rate on loans and borrowings and is conducted with all other variables held constant. The analysis is prepared with the assumption that the amount of variable rate liability outstanding at the balance sheet date was outstanding for the whole year. Further, there is no loan outstanding as on 31.03.2019 having variable rate of interest, hence, there is no impact on the Company's profit before tax during the year ended 31.03.2019.

(b) Foreign Currency Risk:

The Company does not have significant exposure in currency other than INR.

(ii) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements to meet the payment obligations. The Company closely monitors its liquidity position and deploys a robust cash management system. It also maintains adequate source of finance in the form of short term and long term borrowings. The contractual maturities of the Company's financial liabilities are presented below:

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(Rs.in Crores)

As at 31.03.2019	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	3.09	16.98	90.29	64.42	**174.78**
Trade and other payables	-	230.21	-	-	-	**230.21**
Other financial liabilities	95.01	0.89	49.59	-	-	**145.48**

(Rs.in Crores)

As at 31.03.2018	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	3.08	12.48	72.22	65.90	**153.68**
Trade and other payables	-	235.72	-	-	-	**235.72**
Other financial liabilities	71.28	0.34	31.44	-	-	**103.06**

(iii) Credit Risk

Credit Risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities, including deposits with banks and financial institutions. Credit exposure also exists in relation to guarantees issued by the company.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reviewed for impairment. The summary of the Company's product wise credit policy is tabulated below:

Product	Credit period
Piped Natural Gas (Domestic)	21 days
Piped Natural Gas (Industrial)	03-07 days
Piped Natural Gas (commercial)	07 days
Compressed Natural Gas (CNG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 -15 days

The company does not expect any significant credit risk out of its exposure to trade receivable as the major part of revenue is contributed by either through cash sales or within

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credit period of 3-21 days. The aging analysis of trade receivables as of the reporting date is as follows:

(Rs.in Crores)

Trade receivables	Neither past due nor impaired	Past due but not impaired				
		Less than 30 days	30-60 days	60-90 days	Above 90 days	Total*
31.03.2019	267.42	6.99	2.47	0.68	5.22	282.79
31.03.2018	257.81	2.90	3.13	0.63	6.03	270.50

*Net of Provision

The following table summarizes the changes in the allowances for doubtful accounts for trade receivables:

(Rs.in Crores)

Provisions	31st March 2019	31st March 2018
Start of the year	1.57	1.25
Provision for Doubtful Debt		0.32
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	**1.57**	**1.57**

Cash deposits:

The cash deposits are held with public and private sector banks. Further, company is also investing its surplus funds into Banks linked with Current Account. There is no impairment on these cash deposits as on the reporting date and comparative period.

Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company's management assesses regularly the net debt to capital employed ratio to ensure it maintains a balance between borrowings and capital position. The net debt to capital employed ratio enables the users to see how significant net debt is relative to capital employed.

Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

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Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As at 31.03.2019:

(Rs.in Crores)

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans and Other Receivables	22.68	-	-	-
Trade Receivables	282.79	-	-	-
Cash and Cash Equivalents	125.24	-	-	-
At Fair value through profit and loss		-	-	-
At Fair value through OCI		-	-	-
Total Financial Assets	**430.71**	-	-	-
Financial Liabilities at amortized cost				
Borrowings	174.78	-	-	-
Trade Payables	230.21	-	-	-
Other Financial Liabilities	145.48	-	-	-
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	**550.47**	-	-	-

As at 31.03.2018:

(Rs.in Crores)

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans and Other Receivables	10.21	-	-	-
Trade Receivables	270.50	-	-	-
Cash and Cash Equivalents	269.56	-	-	-
At Fair value through Profit and Loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	**550.27**	-	-	-
Financial Liabilities at amortized cost				
Borrowings	153.68	-	-	-
Trade Payables	235.72	-	-	-
Other Financial Liabilities	103.06	-	-	-
At Fair value through Profit and Loss	-	-	-	-
Total Financial Liabilities	**492.46**	-	-	-

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Cash and short-term receivables, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of non-current financial assets (such as security deposits) and long-term fixed-rate and variable-rate borrowings are considered to be same as their carrying values as the impact of fair valuation is not material.

66. Balance confirmation has been sought from vendors / contractors / authorities / joint venture companies for balances grouped under loan and advances, deposits and trade payables. However reconciliation of accounts with parties is carried out as ongoing process and balances are subject to reconciliation and consequent adjustment which in the opinion of the management are not material.

67. Previous Year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

Deepak Asija	Pankaj Walia	A.K.Jana	A.K.Tiwari	B.C. Tripathi
Company Secretary	**CFO**	**CEO**	**Director**	**Chairman**
PAN-ADRPA0983E	PAN-AABPW1139M	ABIPJ0467D	DIN 07654612	DIN-01657366

As per our separate report of even date
For M/s H.S.AHUJA & CO.
Chartered Accountants
Firm's Reg. No.000099N

H.S. AHUJA & CO. New Delhi Chartered Accountants

(CA Jaswant Singh)
Membership No. 095483

Place: New Delhi
Date: 23.05.2019