

GAIL GAS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FY 2021-22

INDEPENDENT AUDITOR'S 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 March 31, 2022, and 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

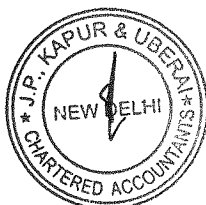
In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the "Emphasis of Matter" section of our report*, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. 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 Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

1. *Company has requested respective owners/operators to obtain factory licence for few online CNG stations operated under COCO/DODO/RO model. Refer note no. 48 to the consolidated financial statements.*
2. *Company has accounted for Provision for Expected Credit Loss of Rs. 1.76 crores as at the year end, which has been calculated as a percentage of provision for doubtful debts over Total trade receivables. Management should have considered debts for different customer segments under various time brackets and applied incremental percentage for debts past due and considering historical realisation data to work out a provision matrix to calculate Provision for Expected*



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Credit Loss in line with Ind AS 109 – “Financial Instruments” as notified by the Ministry of Corporate Affairs. Refer note no. 6B to the consolidated financial statements.

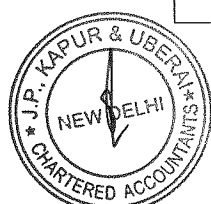
3. *The company has provided for employee benefits aggregating to Rs. 13.28 crores on account of Gratuity, Earned Leaves/HPL, PRMBS, Baggage allowance and LSA which is not in line with provisions stated in Ind AS 19 – ‘Employee benefits’ as notified by Ministry of Corporate Affairs, as the same is based on amount apportioned by GAIL (India) Ltd. on the basis of Basic plus DA of employees deputed to the Company over Basic plus DA of total employees of the parent organisation without either considering leaves to the credit of deputed employees or their length of service. Refer note no. 46 to the consolidated financial statements.*
4. *The company has accounted for Provisional liabilities amounting to Rs. 262.48 Crores based on estimated work done till 31st March, 2022 for which invoices are yet to be received from suppliers/ contractors. Refer note no. 45 to the consolidated financial statements.*

Our opinion is not modified with respect to the above matter.

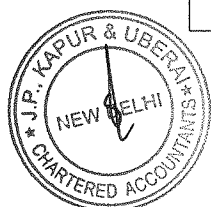
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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.

Sl. No	Key Audit Matter	Auditor's Response
1	Provisional liability on estimation basis Provisional liability of Rs. 262.48 Crores outstanding as at March 31, 2022 accounted for on estimation basis. Refer Note No 45 to the consolidated financial statements.	Principal Audit Procedures performed: <ul style="list-style-type: none"> We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination and accounting of provisional liabilities to ensure that they operate effectively. We examined contracts/LOI/FOA in respect of the contracts. We held discussion with respective personnel to understand execution of work and evaluated estimation of the provisional liabilities made by the management.
2	Litigations The Company operates in an industry, which is heavily regulated, which increases inherent litigation risk. The Company is engaged in a number of legal cases.	Principal audit procedures performed: <ul style="list-style-type: none"> We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination of provisions to ensure that they operate effectively. We examined correspondence in respect of these cases.



	Refer note no. 34 (i) to the consolidated financial statements.	<ul style="list-style-type: none"> We read summary on litigation matters provided by the management and its inhouse legal counsels with respect to the matters included in the summary.
3	<p>Uncertain tax positions</p> <p>The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for transactions entered into by the Company are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Company is also a matter of ongoing dispute with the authorities.</p> <p>Refer note no. 34 (ii) to (iv) to the consolidated financial statements.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We evaluated and tested the design and operating effectiveness of the Company's controls over provisions for uncertain tax positions to ensure that they operate effectively. In understanding and evaluating management's judgment, we examined correspondence connected with the cases, considered the status of recent and current tax authorities enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. We reviewed status update provided by the management in respect of estimates of tax exposures and contingencies in order to assess adequacy of the Company's tax provisions.
4	<p>Contingencies: Minimum Work Programme Commitment (MWP)</p> <p>The Company has a commitment to achieve MWP for 9 GAs awarded by the PNGRB in 9th and 10th CGD bidding round. Keeping in view non-availability of pipeline connectivity from the gas source in these GAs and disruption in work due to COVID-19 pandemic and complete/partial lockdown imposed by the District administration on various occasions, the company had requested PNGRB for deferment of period of meeting the MWP targets under Regulation 11 and 12 of the PNGRB regulations, 2008 which is being deliberated by the latter. Penalty for not meeting MWP targets as on 31st March, 2022 works out to Rs. 7.92 Crores. Due to the complexity involved in the execution of the MWP, the management's judgement regarding completion of MWP as per revised plan and measurement of provisions for this matter is inherently uncertain and might change over time as the work on MWP progresses. The PNGRB Board may allow extension based on management representation. Accordingly, it has been considered</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We perused copies of communication exchanged between PNGRB and the Company during the year. We have compared the said communication with the appropriateness of disclosure in the consolidated financial statements. We performed inquiries with the personnel on the working of penalty and verified the calculation. We evaluated the disclosure in the consolidated financial statements given by the management.



	as a key audit matter.	
	Refer note no. 34 (vii) to the consolidated financial statements.	
5	<p>Technical Parameters and voluminous transactions of Natural Gas trading and transmission captured to measure Revenue and Inventory through Integrated system and complexities involved therein.</p> <p>The determination of quantity of Natural Gas sold and in stock through gas-pipelines involves use of various technical aspects of the natural gas such as pressure, temperature etc. captured from the measuring devices installed on gas pipelines. We were informed that the methodology is standard and used industry-wide. This increases the complexity of validating quantity of Natural gas sold and stock available in pipeline as at March 31, 2022.</p> <p>Refer Note No. 10 to the consolidated financial statements</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • We have performed test of controls, over the accuracy and completeness of the quantity captured via IT system through to the accounting software. • We have obtained management representation that the IT system applies a standard methodology to capture the quantity of Natural Gas for the purpose of Revenue and inventory measurement. • We have verified valuation of Closing inventories by applying various aspects made available to us by the management such as conversion factors, meter reading etc.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

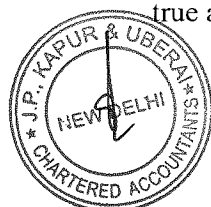
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including



other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards 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 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 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 Company, as aforesaid.

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

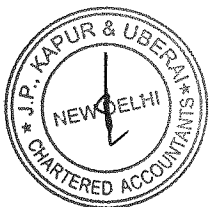
The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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 scepticism 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 control 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 Company 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 the 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 ability of the Group 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 within the Group to express an opinion on the consolidated financial statements.

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 consolidated 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 consolidated financial statements.

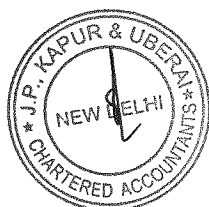
We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant 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 Matter

The consolidated financial statements include the Company's share of net profit (including other comprehensive income) of Rs. 6.62 Crores for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of six jointly controlled entities, whose financial statements have not been audited by us. Out of the above, one entity has been audited by other auditor whose report has been furnished to us by the management & other five entities are taken on the basis of unaudited financial statements certified by the respective managements. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, are based solely on the report of the other auditor and such unaudited financial statements certified by the respective management.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor and such unaudited financial statements provided to us by the company's management.



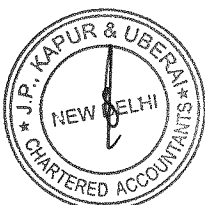
Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 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.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, 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) *Except for the effects of matter stated in 'Emphasis of Matter' paragraph*, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- e) The Holding Company being a government company, provisions of Section 164(2) of the Act, with respect to disqualification of Directors are not applicable, in view of notification no. G.S.R. 463(E) dated 05-06-2015.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its jointly controlled entities incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- 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 to the best of information, the Holding Company being a Government Company, the provisions in relation to the remuneration in accordance with the provisions of section 197 of the Act is not applicable.

- 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, as amended 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.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on longterm contracts including derivative contracts;
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company. Therefore, question of delay in transferring of such sums does not arise.
 - iv.
 - (a) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their



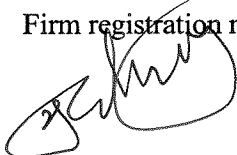
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knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such jointly controlled entities to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such jointly controlled entities shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Holding Company has not declared or paid any dividend during the year under Section 123 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, refer to our separate Report in "Annexure B" which is based on the auditors' reports of the Company and one jointly controlled entity incorporated in India.

For J. P., Kapur & Uberai
Chartered Accountants
Firm registration number: 000593N



Sudhir Gupta
Partner

Membership number: 099417
UDIN: 22099417AIZSIA9299



Place: New Delhi
Date: 14/05/2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 March 31, 2022, we have audited the internal financial controls over financial reporting of **GAIL Gas Limited** (hereinafter referred to as the "Company") and its jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its jointly controlled entities 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 consolidated 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 internal financial controls system over financial reporting of the Company.



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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 the consolidated 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 the consolidated 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 consolidated financial statements.

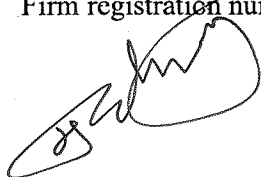
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 to the best of our information and according to the explanations given to us, the company and its jointly controlled entities, 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 31 March, 2022, 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 J. P., Kapur & Uberai
Chartered Accountants
Firm registration number: 000593N

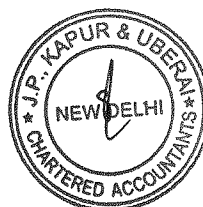


Sudhir Gupta

Partner

Membership number: 099417

UDIN: 22099417AIZSIA9299



Place: New Delhi

Date: 14/05/2022

J.P., KAPUR & UBERAI

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

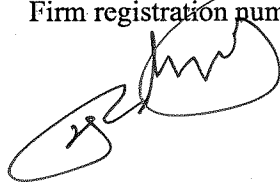
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO"), we state that:

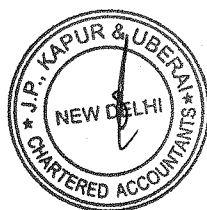
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Sr. No.	Name	CIN	Holding Company/Subsidiary/Associate/Joint Venture	Clause number of the CARO report
1	GAIL Gas Limited	U40200DL2008GOI178614	Holding Company	i (a) & (c)
2	GAIL Gas Limited	U40200DL2008GOI178614	Holding Company	xi(a)
3	GAIL Gas Limited	U40200DL2008GOI178614	Holding Company	xiv(b)
4	Goa Natural Gas Private Limited	U40300GA2017PTC013095	Joint Venture	i (c)

For J. P., Kapur & Uberai
Chartered Accountants
Firm registration number: 000593N



Sudhir Gupta
Partner
Membership number: 099417
UDIN: 22099417AIZSIA9299



Place: New Delhi
Date: 14/05/2022

GAIL GAS LIMITED
Consolidated Balance Sheet as at 31st March 2022

(Rs in Crores)


Particulars	Note	As at 31st March 2022	As at 31st March 2021
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3A	1,641.00	1,398.59
(b) Right of Use Assets	3B	90.66	64.36
(c) Capital Work-In-Progress	3A	1,499.68	946.74
(d) Intangible Assets	04	1.87	5.01
(e) Financial Assets			
(i) Investments	05	383.70	328.94
(ii) Trade receivable	6A	5.93	0.04
(iii) Loans & Other Receivables	7A	61.28	46.08
(f) Other Non Current Assets (Non Financial)	8	9.23	3.83
Total Non Current Assets (A)		3,693.35	2,793.59
Current Assets			
(a) Inventories	10	29.15	22.00
(b) Financial Assets			
(i) Trade Receivable	6B	643.60	361.67
(ii) Cash and Cash Equivalents	11	35.30	183.13
(iii) Loans & Other Receivables	7B	41.80	30.96
(iv) Other Financial Assets	12	3.73	3.77
(c) Other Current Assets (Non Financial)	9	24.21	31.64
Total Current Assets (B)		777.79	633.17
TOTAL ASSETS (A+B)		4,471.14	3,426.76
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	1,625.00	1,590.70
(b) Other Equity	14	806.31	506.66
Total Equity (C)		2,431.31	2,097.36
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15A	635.21	410.32
(ii) Lease Liabilities		55.75	28.99
(b) Deferred Tax Liabilities (Net)	16	126.24	99.42
(c) Other Non Current Liabilities	17	0.60	2.91
Total Non Current Liabilities (D)		817.80	541.64
Current Liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities		14.97	17.20
(ii) Trade Payables	18		
- Total outstanding dues of Micro and Small Enterprises		5.73	1.60
- Total outstanding dues of creditors other than Micro and Small Enterprises		611.62	312.65
(iii) Other Financial Liabilities	15B	518.26	398.68
(b) Other Current Liabilities	19	32.82	35.32
(c) Provisions	20	29.17	15.96
(d) Current Tax Liabilities (Net)	21	9.46	6.35
Total Current Liabilities (E)		1,222.03	787.76
TOTAL EQUITY AND LIABILITIES (C+D+E)		4,471.14	3,426.76


The accompanying Notes form an integral part of the Consolidated Financial Statements.


1 to 77


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


As per our report of even date attached

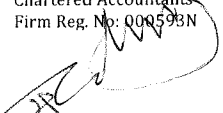

Deepak Asija
Company Secretary
PAN-ADRP0983E


Bhaskar Debnath
CFO
PAN-AFJPD9216M


Raman Chadha
CEO
PAN-AAVPC9652R

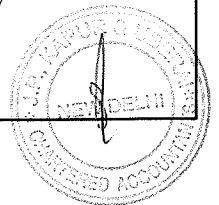
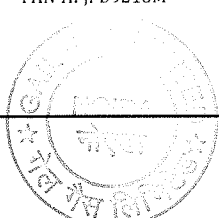

R K Jain
Director
DIN-08788595


Manoj Jain
Chairman
DIN-07556033

For J.P., KAPUR & UBERAI
Chartered Accountants
Firm Reg. No: 000593N

CA Sudhir Gupta
Partner
Membership No: 099417

Place: New Delhi
Date: 13-05-2022

Place: New Delhi
Date: 14-05-2022



GAIL GAS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March 2022

(Rs in Crores)

Particulars	Note	Year Ended 31st March 2022	Year Ended 31st March 2021
I INCOME			
Revenue from operations (Gross)	22	6,853.08	4,014.60
Other Income	23	10.12	4.89
Total Income		6,863.20	4,019.49
II EXPENSES			
Purchases of stock-in-trade of natural gas / Gas Consumed	24	6,059.24	3,488.14
Changes in inventories of stock-in-trade of natural gas	25	(0.27)	0.08
Excise Duty		73.32	41.07
Employee Benefit Expenses	26	65.21	73.46
Finance Cost	27	21.68	15.83
Depreciation and Amortization Expenses	28	74.79	65.64
Other Expenses	29	185.35	121.53
Total Expenses		6,479.32	3,805.75
III Profit before Share of Profit/(Loss) of Joint Ventures and Tax (I - II)		383.88	213.74
IV Share of Profit/(Loss) of Joint Ventures		6.62	4.67
V Profit before Tax (III+IV)		390.50	218.41
VI Tax Expenses	30	100.52	56.04
- Current tax		73.70	34.00
- Deferred tax		26.82	22.07
- Adjustment of tax relating to previous years		-	(0.03)
VII Profit after Tax (V-VI)		289.98	162.37
VIII 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)		-	-
IX Total comprehensive income (Net of Tax) (VII+VIII)		289.98	162.37
X Earning per share in (Rs.) (face value of Rs. 10 each)			
Basic (Rs.)		1.80	1.10
Diluted (Rs.)		1.80	1.10

The accompanying Notes form an integral part of the Consolidated Financial Statements.


1 to 77


There is no discontinuing operation in the above period

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


As per our report of even date attached

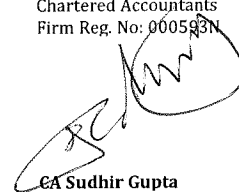

Deepak Asija
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Raman Chadha
CEO
PAN-AAVPC9652R

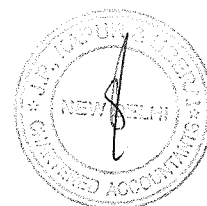
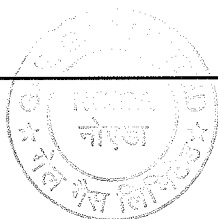

R K Jain
Director
DIN-08788595


Manoj Jain
Chairman
DIN-07556033


CA Sudhir Gupta
Partner
Membership No: 099417

Place: New Delhi
Date: 13-05-2022

Place: New Delhi
Date: 14-05-2022



GAIL GAS LIMITED

Consolidated Cash Flow Statement for the year ended 31st March 2022

(Rs in Crores)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
1 Profit before Tax	390.50	218.41
2 Adjustment for :		
Depreciation & Amortization Expenses	74.79	65.64
Exchange Rate Variation on foreign currency	0.06	-
Provision for Doubtful Debts	1.01	1.58
Provision for probable obligation	5.09	(0.68)
Loss / (Profit) on sale of fixed assets	0.05	0.04
Other Misc. Income	(1.89)	(0.40)
Dividend Income on Investments	(0.33)	-
Finance Cost	21.68	15.83
Share of (Profit) / Loss of Joint Venture	(6.62)	(4.67)
Interest Income	(3.94)	(2.45)
	89.90	74.89
3 Operating Profit Before Working Capital Changes (1 + 2)	480.40	293.30
4 Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(319.69)	110.64
Inventories	(7.15)	(6.88)
Trade and Other Payables	444.95	125.63
	118.11	229.39
5 Cash Generated from Operations (3 + 4)	598.51	522.70
6 Direct Taxes Paid (Net off Refund)	(63.70)	(24.93)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (5 + 6)	534.81	497.77
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(851.70)	(509.27)
Investment in Other Companies (Net)	(50.64)	(8.88)
Loans & Advances - Related Parties		(17.00)
Dividend received on Investments	0.33	-
Interest Received	3.94	2.45
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(898.07)	(532.70)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Equity	34.30	235.00
Proceeds from Long Term Borrowings	337.39	274.42
Repayment of Long Term Borrowings	(112.49)	(21.42)
Net Proceeds / (Repayment) from Short Term Borrowings	-	(148.91)
Repayment of Lease Liability	(22.08)	(17.01)
Interest Paid	(21.68)	(15.83)
Dividend Paid	-	(90.00)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	215.44	216.25
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(147.83)	181.32
CASH AND CASH EQUIVALENTS AS AT 01.04.2021	183.13	1.81
CASH AND CASH EQUIVALENTS AS AT 31.03.2022	35.30	183.13

Note :

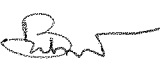
- Statement of Cash Flows has been prepared using Indirect Method as per Ind AS 7 Statement of Cash Flows.
- Refer Note 11 for Cash and Cash equivalents.
- Previous year figures have been regrouped wherever necessary to correspond with current year classification/disclosure.


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


As per our report of even date attached

For J.P., KAPUR & UBERAI
Chartered Accountants
Firm Reg. No: 000593N


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Company Secretary
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CA Sudhir Gupta
Partner
Membership No: 099417

Place: New Delhi
Date: 13-05-2022

Place: New Delhi
Date: 14-05-2022

GAIL GAS LIMITED

Consolidated Statement of changes in Equity for the year ended 31st March 2022

I. Equity Share Capital (Note 13)

Equity Share Capital issued, Subscribed & Paid Up Equity Share of Rs.10 Each

(Rs in Crores)

Particulars	Amount
As at 1st April 2021	1,590.70
Changes in equity share capital during the year	34.30
As at 31st March 2022	1,625.00

Particulars	Amount
As at 1st April 2020	1,275.00
Changes in equity share capital during the year	315.70
As at 31st March 2021	1,590.70

II. Other Equity (Note 14)

(Rs In Crores)


Particulars	Deemed Equity	Share Application money Pending allotment	Reserves and Surplus	Other comprehensive Income	Total
			Retained earnings		
Balance as at 1st April 2021	11.33	-	495.33	-	506.66
Profit for the year	-	-	289.98	-	289.98
Adjustment in Retained Earnings					
Transfer during the year	12.13	-	-	-	12.13
Share application money received	-	-		-	-
Balance as at 31st March 2022	23.46	-	785.31	-	808.77


Particulars	Deemed Equity	Share Application money Pending allotment	Reserves and Surplus	Other comprehensive Income	Total
			Retained earnings		
Balance as at 1st April 2020	10.92	80.70	334.40	-	426.02
Profit for the year	-	-	162.37	-	162.37
Adjustment in Retained Earnings			(1.44)		(1.44)
Transfer during the year	0.41	(80.70)	-	-	(80.29)
Share application money received	-	-		-	-
Balance as at 31st March 2021	11.33	-	495.33	-	506.66

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

As per our report of even date attached

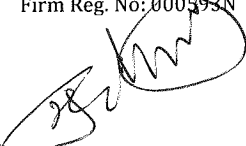

Deepak Asija
Company Secretary
PAN-ADRPA0983E


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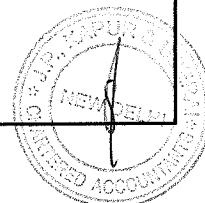
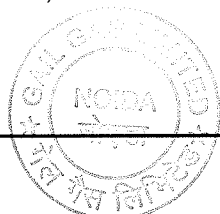

R K Jain
Director
DIN-08788595


Manoj Jain
Chairman
DIN-07556033


CA Sudhir Gupta
Partner
Membership No: 099417

Place: New Delhi
Date: 13-05-2022

Place: New Delhi
Date: 14-05-2022



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

(Rs in Crores)

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progress *
1. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st April 2021	28.29	1,425.41	75.50	1.70	25.56	1,556.46	946.74
Additions	6.14	283.67	2.80	0.21	5.78	298.60	851.54
Transfer to Capitalisation	-	-	-	-	-	-	(298.60)
Disposals	-	(0.06)	-	-	-	(0.06)	-
Transfer / Adjustment	-	-	-	-	-	-	-
Balance as at 31st March 2022	34.43	1,709.02	78.30	1.91	31.34	1,855.00	1,499.68
Depreciation and impairment							
Balance as at 1st April 2021	-	139.91	7.75	0.46	9.75	157.87	-
Depreciation expense	-	50.14	2.35	0.16	3.48	56.13	-
Impairment	-	-	-	-	-	-	-
Disposal/Other adjustment	-	-	-	-	-	-	-
Transfer / Adjustment	-	-	-	-	-	-	-
Balance as at 31st March 2022	-	190.05	10.10	0.62	13.23	214.00	-
Net Book value							
As at 31st March 2022	34.43	1,518.97	68.20	1.29	18.11	1,641.00	1,499.68

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progress *
1. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st April 2020	28.29	1,196.94	59.42	1.05	18.70	1,304.40	687.47
Additions	-	229.17	16.08	0.70	7.02	252.97	512.62
Transfer to Capitalisation	-	-	-	-	-	-	(253.35)
Disposals	-	(0.70)	-	(0.05)	(0.16)	(0.91)	-
Transfer / Adjustment	-	-	-	-	-	-	-
Balance as at 31st March 2021	28.29	1,425.41	75.50	1.70	25.56	1,556.46	946.74
Depreciation and impairment							
Balance as at 1st April 2020	-	96.89	5.64	0.39	7.21	110.13	-
Depreciation expense	-	43.12	2.11	0.10	2.69	48.02	-
Impairment	-	-	-	-	-	-	-
Disposal/Other adjustment	-	(0.10)	-	(0.03)	(0.15)	(0.28)	-
Transfer / Adjustment	-	-	-	-	-	-	-
Balance as at 31st March 2021	-	139.91	7.75	0.46	9.75	157.87	-
Net Book value							
As at 31st March 2021	28.29	1,285.50	67.75	1.24	15.81	1,398.59	946.74

Capital work-in-progress ageing schedule

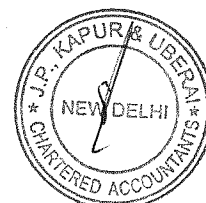
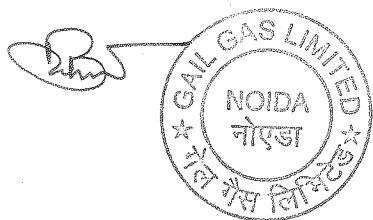
(Rs in Crores)

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	740.26	226.55	109.63	423.24	1,499.68
Total Capital work-in-progress	740.26	226.55	109.63	423.24	1,499.68

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	367.71	147.62	52.58	378.83	946.74
Total Capital work-in-progress	367.71	147.62	52.58	378.83	946.74

* Capital Work in Progress includes a sum of Rs.38.49 Crores as Material in Transit on 31.03.2022 (Previous Year of Rs. 0.30 Crores)

The Company has no stalled/ temporarily suspended project and no projects have cost or time overrun as at the year end and previous year end, hence no disclosure is required.

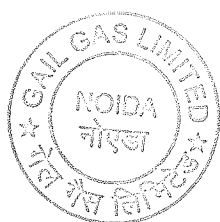


Note 3B : Right of Use Assets

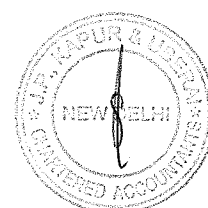
(Rs in Crores)

Cost/ Valuation	Leasehold Land	Buildings	Vehicle	Office Equipment	Total
1. Cost or deemed cost (Gross Carrying Amount)					
Balance as at 1st April 2021	44.37	21.13	23.22	0.12	88.84
Reclassification	-	-	-	-	-
Additions	35.39	1.34	9.89	-	46.62
Disposal/Other adjustment	(0.26)	(3.40)	(8.46)	(0.12)	(12.24)
Transfer / Adjustment	-	-	-	-	-
Balance as at 31st March 2022	79.50	19.07	24.65	-	123.22
Amortisation and impairment					
Balance as at 1st April 2021	5.10	7.60	11.71	0.08	24.49
Amortisation expense	4.04	6.34	9.89	0.04	20.31
Impairment	-	-	-	-	-
Disposal/Other adjustment	(0.26)	(3.40)	(8.46)	(0.12)	(12.24)
Transfer / Adjustment	-	-	-	-	-
Balance as at 31st March 2022	8.88	10.54	13.14	-	32.56
Net Book value					
As at 31st March 2022	70.62	8.53	11.51	-	90.66

Cost/ Valuation	Leasehold Land	Buildings	Vehicle	Office Equipment	Total
1. Cost or deemed cost (Gross Carrying Amount)					
Balance as at 1st April 2020	34.35	15.97	18.78	0.12	69.22
Reclassification	-	-	-	-	-
Additions	10.02	6.71	6.18	-	22.91
Disposal/Other adjustment	-	(1.55)	(1.74)	-	(3.29)
Transfer / Adjustment	-	-	-	-	-
Balance as at 31st March 2021	44.37	21.13	23.22	0.12	88.84
Amortisation and impairment					
Balance as at 1st April 2020	2.18	3.01	4.85	0.04	10.08
Amortisation expense	2.92	6.04	8.46	0.04	17.46
Impairment	-	-	-	-	-
Disposal/Other adjustment	-	(1.45)	(1.60)	-	(3.05)
Transfer / Adjustment	-	-	-	-	-
Balance as at 31st March 2021	5.10	7.60	11.71	0.08	24.48
Net Book value					
As at 31st March 2021	39.27	13.53	11.51	0.04	64.36



Signature



Note 4 : Intangible Assets

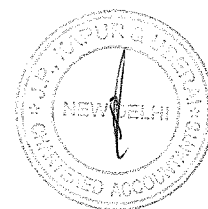
(Rs in Crores)

Cost/Valuation	Right of Use	Computer Software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st April 2021	0.35	20.73	21.08
Additions	-	0.17	0.17
Disposals	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st March 2022	0.35	20.90	21.25
Accumulated amortization and impairment			
Balance as at 1st April 2021	-	16.07	16.07
Amortization expense	-	3.31	3.31
Disposals	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st March 2022	-	19.38	19.38
Net Book Value			
As at 31st March 2022	0.35	1.52	1.87

Cost/Valuation	Right of Use	Computer Software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st April 2020	0.35	19.68	20.03
Additions	-	1.05	1.05
Disposals	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st March 2021	0.35	20.73	21.08
Accumulated amortization and impairment			
Balance as at 1st April 2020	-	12.89	12.89
Amortization expense	-	3.18	3.18
Disposals	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st March 2021	-	16.07	16.07
Net Book Value			
As at 31st March 2021	0.35	4.66	5.01

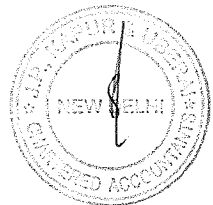
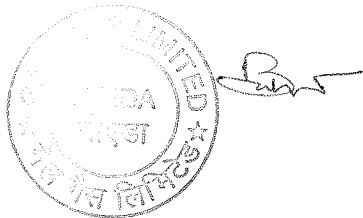


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Note 5 : Investments

(Rs in Crores)								
Particulars		Nature of investment	Basis of valuation	As at 31st March 2022	Consolidation adjustments for the period			As at 31st March 2021
					Adjustment in Profit & Loss	Adjustment in Retained Earnings	Adjustment in Investment	
	Non-Current Investments (Unquoted)							
	In Joint Venture Companies:							
1	- Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 683,70,849 Equity shares of Rs 10 each fully paid up (Previous year 383,70,849 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	58.08	(0.78)	(0.01)	30.00	28.87
2	-Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each fully paid up (Previous year 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each fully paid up)	Preference Shares	Cost	100.00	-	-		100.00
3	Deemed Investment in Andhra Pradesh Gas Distribution Corporation Limited (APGDCL)		Fair Value	-		-	(1.94)	1.94
4	- Kerala GAIL Gas Ltd (KGGL) Nil (Previous year 5,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	-	(0.40)	(1.64)	(0.01)	2.05
5	- 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	71.70	2.95	0.31	-	68.44
6	- 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	48.26	2.80	(1.10)	-	46.56
7	-Haridwar Natural Gas Private Limited (HNGPL) 222,00,000 Equity shares of Rs 10 each fully paid up (Previous year 222,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	21.82	1.67	-	-	20.15
8	-Goa Natural Gas Private Ltd (GNGPL) 300,00,000 Equity shares of Rs 10 each fully paid up (Previous Year 175,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	27.21	0.10	-	3.62	23.49
9	Deemed Investment in Goa Natural Gas Private Ltd (GNGPL)		Fair Value	4.41		-	1.91	2.50
10	-Purba Bharati Gas Private Limited 260,00,000 Equity shares of Rs 10 each fully paid up (Previous year 260,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	26.07	0.28	(0.02)	-	25.81
	Advances for Investments (Pending Allotment)							
11	-Andhra Pradesh Gas Distribution Corporation Limited (APGDCL)	Equity shares	Cost	26.15			17.02	9.13
	Total			383.70	6.62	-2.46	50.60	328.94



Note 6A : Trade Receivables- Non Current

Particulars	(Rs in Crores)	
	As at 31st March 2022	As at 31st March 2021
Trade Receivables	11.60	4.70
Receivables from Related Parties	0.04	0.04
Less: Provision for Doubtful Debts	5.71	4.70
Total Trade and Other Receivables	5.93	0.04

Note 6B : Trade Receivables- Current

Particulars	(Rs in Crores)	
	As at 31st March 2022	As at 31st March 2021
Trade Receivables	633.75	356.74
Receivables from Related Parties	11.61	6.68
Less: Provision for Doubtful Debts	-	0.52
Less: Provision for expected credit loss	1.76	1.23
Total Trade and Other Receivables	643.60	361.67

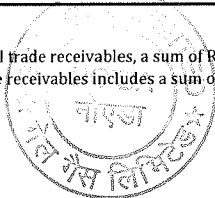
Break up of Trade Receivables

Particulars	Outstanding for following periods from due date of payment						As at 31st March 2022
	Not Due ²	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Non Current							
Undisputed Trade receivables – considered good	-	-	-	3.38	1.87	0.68	5.93
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	0.46	0.37	1.71	2.54
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	0.03	0.47	2.67	3.17
Disputed Trade Receivables – credit impaired	-	-	-	3.87	2.71	5.06	11.64
Less: Provision for Doubtful Debts							5.71
							5.93
Current							
Undisputed Trade receivables – considered good	613.90	24.78	3.51	0.03	0.47	2.67	645.36
Undisputed Trade receivables – which have significant increase in credit risk							-
Undisputed Trade Receivables – credit impaired							-
Disputed Trade receivables – considered good							-
Disputed Trade receivables – which have significant increase in credit risk							-
Disputed Trade Receivables – credit impaired							-
	613.90	24.78	3.51	0.03	0.47	2.67	645.36
Less: Provision for Doubtful Debts							-
Less: Provision for expected credit loss							1.76
							643.60
Total Trade and Other Receivables							649.53

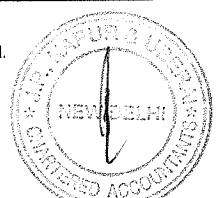
Particulars	Outstanding for following periods from due date of payment						As at 31st March 2021
	Not Due ²	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Non Current							
Undisputed Trade receivables – considered good	-	-	-	-	-	0.04	0.04
Undisputed Trade receivables – which have significant increase in credit risk	-	0.34	-	0.46	-	0.75	1.55
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	0.48	0.32	2.35	3.15
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	0.34	-	0.94	0.32	3.14	4.74
Less: Provision for Doubtful Debts							4.70
							0.04
Current							
Undisputed Trade receivables – considered good	329.82	24.10	3.51	2.47	2.39	1.13	363.42
Undisputed Trade receivables – which have significant increase in credit risk							-
Undisputed Trade Receivables – credit impaired							-
Disputed Trade receivables – considered good							-
Disputed Trade receivables – which have significant increase in credit risk							-
Disputed Trade Receivables – credit impaired							-
	329.82	24.10	3.51	2.47	2.39	1.13	363.42
Less: Provision for Doubtful Debts							0.52
Less: Provision for expected credit loss							1.23
							361.67
Total Trade and Other Receivables							361.71

Note :

- Out of the total trade receivables, a sum of Rs.619.36 Crores (Previous Year Rs.332.40 Crores) receivable from Bulk, Industrial & Commercial Customers is secured.
- The total trade receivables includes a sum of Rs.6.25 Crores (Previous Year Rs.2.05 Crores) unbilled dues of customers.



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Note 7A : Loans & Other Receivables (Non Current)

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Loans:		
To Related Parties:		
Secured, Considered good		
- Loan to Joint Venture Companies (RSGI Rs. 2 Crore (Previous Year Nil) and HNGPL Rs. 15 Crore (Previous Year Nil)	17.00	17.00
Recoverables from related parties:		
-Receivables from joint ventures (Unsecured considered good) [On account of Corporate guarantee of JV Company]	0.33	1.50
Other advances recoverable in cash or in kind (Unsecured considered good)	43.95	27.58
Total	61.28	46.08

Note 7B : Loans & Other Receivables (Current)

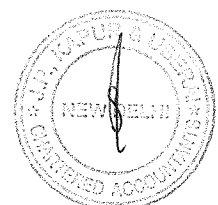
(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
<u>Recoverables from related parties:</u>		
-Receivables from joint ventures (Unsecured considered good) [includes Corporate guarantee of JV Company]	37.74	28.29
Other advances recoverable in cash or in kind		
- Unsecured considered good	4.06	2.67
- Unsecured considered doubtful	0.31	0.31
Less : Provision for doubtful claims	(0.31)	(0.31)
Total	41.80	30.96

Note 8 : Other Non Current Assets

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Prepaid Expenses [Including Rs.5.91 Cr. (Previous year Rs.0.36 Cr.) in respect of Finanacial Guarantee of Holding Company - Ref Note 51]	9.23	3.83
Total	9.23	3.83



Note 9 : Other Current Assets (Non Financial)

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Claims recoverables: (Unsecured considered good)	16.07	14.69
Prepaid Expenses [including Rs.3.84 Crore (Previous year Rs.2.85 Cr.) on account Finanacial Guarantee of JV Company - Ref Note 51]	8.14	16.95
Total	24.21	31.64

Note 10 : Inventories

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Stock in Trade:		
Natural Gas	0.49	0.28
Finished Goods:		
Compressed Natural Gas	0.31	0.25
Stores and Spares:		
Stores and Spares	28.33	16.84
Material in Transit	0.02	4.63
Total	29.15	22.00

Note 11 : Cash and Cash Equivalents

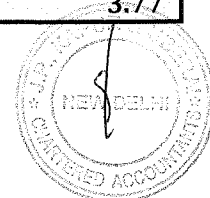
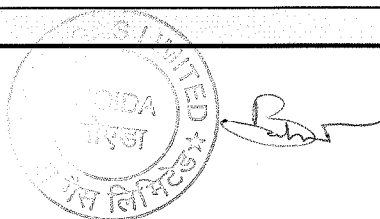
(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with banks:		
- Current accounts	4.64	12.58
- Corporate Liquid Term Deposit - SBI with maturity less than three months.	1.40	67.00
- Term Deposit -SBI with maturity more than three months	2.00	-
- Corporate Liquid Term Deposit - ICICI with maturity less than three months.	25.00	101.00
- Other Bank Balance (FD with original maturity more than three months)	0.01	0.01
Cash in hand	2.25	2.30
Cheques in hand	-	0.24
Total	35.30	183.13

Note 12 : Other Financial Assets (Current)

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Security deposits:		
- Unsecured, Considered Good	3.68	3.68
Interest Accrued but not due	0.05	0.09
Total	3.73	3.77



Note 13 : Equity share capital

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
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		
149,23,34,132 Equity shares of Rs. 10 each (in cash) (Previous Year 145,80,34,132 Equity shares of Rs. 10 each)	1,492.33	1,458.03
13,26,65,868 Equity Shares of Rs. 10 each (otherwise than in cash). (Previous Year 13,26,65,868 Equity shares of Rs. 10 each)	132.67	132.67
Total	1,625.00	1,590.70

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

(Rs in Crores)

Description	31st March 2022		31st March 2021	
	No of Share	Amount	No of Share	Amount
At the beginning of the year	1,590,700,000	1,590.70	1,275,000,000	1,275.00
Change in Equity Share during the Period	34,300,000	34.30	315,700,000	315.70
Outstanding at the end of the period	1,625,000,000	1,625.00	1,590,700,000	1,590.70

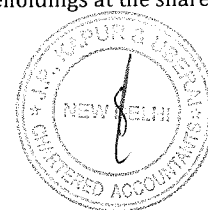
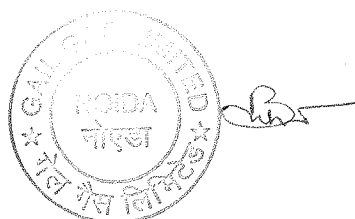
b) Details of Shareholding more than 5% shares in the company

Description	31st March 2022		31st March 2021	
	No of Share	% Holding	No of Share	% Holding
Equity share of Rs.10 Each fully Paid Up GAIL(India) Ltd	1,625,000,000	100%	1,590,700,000	100%

c) Shares held by promoters as at March 31, 2022

Promoter Name	No of Share	% Holding	% Change during the year
GAIL(India) Ltd	1,625,000,000	100%	2%

c) The company has only one class of equity shares having a par 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.



Note 14 : Other equity

(Rs In Crores)

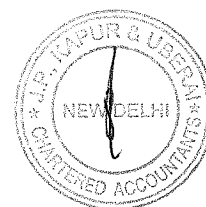
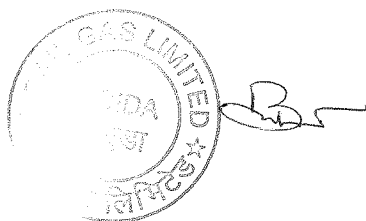
Particulars	As at 31st March 2022	As at 31st March 2021
Deemed Equity *	23.46	11.33
Retained Earnings		
Opening balance	495.33	334.40
Adjustment in Retained Earnings	(2.46)	(1.44)
Add: Current Period Profit	289.98	162.37
Total	806.31	506.66

* The amount of Rs.23.46 Crore (Previous year Rs.11.33 Crore) denotes fair value of fees towards financial guarantee received from the Holding Company GAIL (India) Limited without any consideration.

Note 15A : Borrowings

(Rs In Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Non current borrowings		
Secured Term loans:		
- Oil Industry Development Board	297.83	317.78
Secured against all the assets of Bengaluru Projects. The loan is repayable after 3 years of moratorium period. The total loan drawn for Bengaluru Project was Rs. 364 cr. till 31.03.2021 Rs. 26.28 Cr was repaid. Rs. 19.95 Cr. was repaid in the current financial year. In the next F.Y. 19.95 Cr. shall be repaid. The total non current borrowings as on 31.03.2022 is Rs. 297.83 Cr.		
- State Bank of India	-	92.54
"Loan is availed based on the Corporate Guarantee of the Holding company and Secured against First charge over the fixed assets (both movable and immovable) of the Borrower, both present and future, in relation to the geographical areas of Firozabad, Taj Trapezium Zone, (excluding the fixed assets at Bharatpur); Dakshin Kannada, Ganjam, Nayagarh & Puri, Giridh and Dhanbad, Sundargarh and Jharsuguda, and Dehradun.		
Loan will have a Door to Door tenor of 13 years comprising 4 year drawdown period, one year moratorium period and 8 year repayment period with equated quarterly instalment starting from 31.12.2024 and will carry rate of interest linked to One month MCLR of SBI. The loan was refinanced from HDFC Bank Ltd and entire loan was repaid to SBI on 29.09.2022. The Corporate Guarantee and other assets have been released by State Bank of India.		
- HDFC Bank	337.38	-
"Loan is availed based on the Corporate Guarantee of the Holding company and Secured against First charge over the fixed assets (both movable and immovable) of the Borrower, both present and future, in relation to the geographical areas of Firozabad, Taj Trapezium Zone, (excluding the fixed assets at Bharatpur); Dakshin Kannada, Ganjam, Nayagarh & Puri, Giridh and Dhanbad, Sundargarh and Jharsuguda, and Dehradun.		
'Loan will have a Door to Door tenor of 11 years from September 28th 2021 till September 30th, 2032 and shall be repaid in 32 consecutive equal quarterly instalments commencing from December 31, 2024 & ending on September 30, 2032. Loan will carry rate of interest of 178 bps above RBI Repo rate, present effective 5.78% per annum per month and shall be fully floating and will change with RBI repo rate every month.		
Total	635.21	410.32



Note 15B : Other Financial Liabilities (Current)

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Current maturity of Borrowings		
Secured Long Term loans:		
- Oil Industry Development Board	19.95	19.95
Secured against all the assets of Bengaluru Projects. The loan is repayable after 3 years of moratorium period. The total loan drawn for Bengaluru Project was Rs. 364 cr. till 31.03.2022 Rs. 26.28 Cr was repaid. Rs. 19.95 Cr. was repaid in the current financial year. In the next F.Y. 19.95 Cr. shall be repaid.		
Deposits/Retention Money from Customers/contractors/others	204.52	170.10
Payable for Capital expenditure [includes a sum of Rs.4.13 Crores (Previous Year: Nil) payable to Holding Company GAIL (India) Limited]	279.81	198.85
Other Liabilities	13.98	9.78
Total	518.26	398.68

Note 16 : Deferred Tax Liabilities (Net)

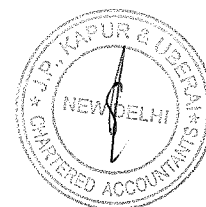
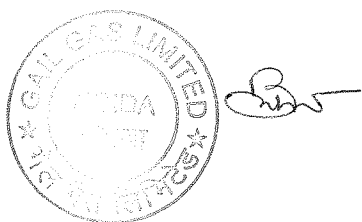
(Rs in Crores)

Particulars	As at 31st March 2022		As at 31st March 2021	
Deferred Tax Liabilities		126.24		99.42
Less: Corporate MAT Receivable	8.97		8.97	
Less : Provision for MAT Credit	8.97	-	8.97	-
Total		126.24		99.42

Note 17 : Other Non Current Liabilities (Non Financial)

(Rs in Crores)

Particulars	As at 31st March 2022	As at 31st March 2021
Financial Guarantee Obligation	0.60	2.91
Total	0.60	2.91



Note 18 : Trade Payables

Particulars	(Rs in Crores)	
	As at 31st March 2022	As at 31st March 2021
Trade payables to related parties	579.14	271.97
Trade payable to Micro and Small Enterprises	5.73	1.60
Trade payable other than Micro and Small Enterprises	32.48	40.68
Total	617.35	314.25

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					As at 31st March 2022
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade payable to Micro and Small Enterprises	-	5.73	-	-	-	5.73
Trade payable other than Micro and Small Enterprises	24.32	576.62	4.36	0.28	3.88	609.45
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	0.02	0.27	1.88	2.17
Total	24.32	582.34	4.38	0.55	5.76	617.35

Particulars	Outstanding for following periods from due date of payment					As at 31st March 2021
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade payable to Micro and Small Enterprises	-	1.60	-	-	-	1.60
Trade payable other than Micro and Small Enterprises	18.17	283.08	1.56	5.71	1.96	310.48
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	0.27	0.12	1.78	2.17
Total	18.17	284.68	1.83	5.83	3.74	314.25

Note 19 : Other Current Liabilities

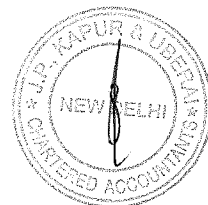
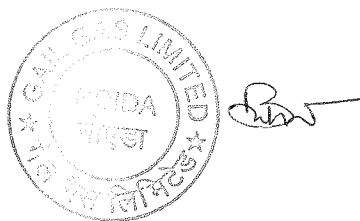
Particulars	(Rs in Crores)	
	As at 31st March 2022	As at 31st March 2021
Statutory payables		
TDS, VAT, Excise, GST and WCT payable	32.82	35.32
Total	32.82	35.32

Note 20 : Provisions

Particulars	(Rs in Crores)			
	As at 31st March 2022		As at 31st March 2021	
Provisions :				
Provision for Employee Benefits	53.46	21.40	36.49	13.29
	32.06		23.20	
Provision for Probable Obligations		7.77		2.67
Total		29.17		15.96

Note 21 : Current Tax Liabilities (Net)

Particulars	(Rs in Crores)	
	As at 31st March 2022	As at 31st March 2021
Provision for Tax	141.20	67.50
Less : Advance tax and TDS	131.74	61.15
Total	9.46	6.35



Note : 22 Revenue from Operations (Gross)

(Rs in Crores)		
Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Sale of products/Gas	6,749.96	3,930.84
Gas Transmission charges	85.49	72.43
Other Operating Revenues:		
Service charges	14.37	9.78
Interest Income from Customers & Others	1.69	1.03
Income from Extra Pipe Line	1.37	0.30
Income from after Sales Service	0.35	0.22
Minimum Guranteed Offtake Receipts	(0.15)	-
Total	6,853.08	4,014.60

Note : 23 Other Income

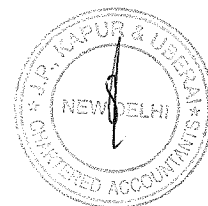
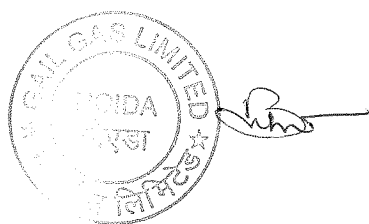
(Rs in Crores)		
Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Interest Income	3.93	2.45
Miscellaneous Receipts [including Rs.1.89 Crore (Previous year Rs.0.40 Crore) on account Finanacial Guarantee of JV Company - Ref Note 51]	5.86	2.44
Dividend Income from Investments	0.33	-
Total	10.12	4.89

Note : 24 Purchases of stock-in-trade of natural gas / Gas Consumed

(Rs in Crores)		
Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Natural Gas	6,059.24	3,488.14
Total	6,059.24	3,488.14

Note : 25 Changes in inventories of stock-in-trade of natural gas and CNG

(Rs in Crores)		
Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Changes in Stock of Natural Gas and CNG:		
Closing Stock	0.80	0.53
Opening Stock	0.53	0.61
(Increase) / Decrease in Stock	(0.27)	0.08



Note : 26 Employee Benefit Expenses

(Rs in Crores)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Salary Wages & Allowances	87.30	69.92
Contribution to Provident Fund	5.81	5.22
Welfare Expenses	24.40	19.48
Less: Employees Benefits Transferred to IEDC (Incidental Expenditure During Construction)	52.30	21.16
Total	65.21	73.46

Note : 27 Finance Cost

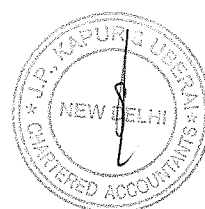
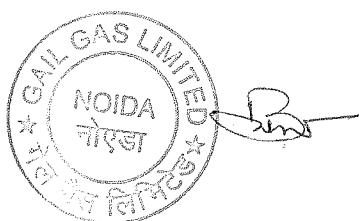
(Rs in Crores)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Interest on Term Loan From SBI	3.26	4.81
Interest on Term Loan From HDFC	5.82	-
Interest on Term Loan From OIDB	23.19	14.44
Interest on Working Capital /Cash Credit Facilities	0.27	0.53
Interest on Lease Liability	4.28	3.57
Interest on Others [including Rs.5.51 Crore (Previous year Rs. 2.93 Crore) on account Finanacial Guarantee of Parent Company - Ref Note 51]	5.51	3.15
Less: Interest & Finance Charges transferred to IEDC	20.65	10.67
Total	21.68	15.83

Note : 28 Depreciation & Amortisation Expenses

(Rs in Crores)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Depreciation & Amortisation Expenses	79.75	68.65
Less: Depreciation and Amortization transferred to IEDC	4.96	3.01
Total	74.79	65.64

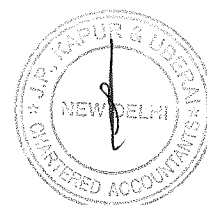


Note : 29 Other Expenses

(Rs in Crores)		
Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Power & Fuel Charges		
-Electricity Charges	6.46	3.27
-Fuel Charges	10.17	5.41
Rent-Office & Others ¹	10.21	9.67
Repairs and Maintenance		
-Plant & Machinery	54.23	44.99
-Buildings	0.17	0.16
-Others	8.25	5.77
Insurance Charges	3.89	3.30
Rates & Taxes	0.34	0.30
Payment to Auditors		
-Audit Fees	0.12	0.08
-Tax audit Fees	0.01	0.01
-Other Services (for issuing certificates, etc.)	0.06	-
-Travelling & Out of Pocket Expenses	0.03	0.02
Stores & Spares Consumed	5.53	2.36
Loss/(Gain) of Foreign Currency Transaction	0.06	-
Water Charges	0.04	0.03
Communication Expenses	0.22	0.18
Printing & Stationery	0.48	0.36
Travelling Expenses	2.40	1.39
Books & Periodicals	0.01	0.01
Provision for Probable Obligation	5.09	(0.68)
Advertisement & Publicity ²	0.79	1.23
Training Expenses	0.63	0.48
Vehicle Hire & Running Expenses	4.63	2.66
Vehicle Hire Charges LCV	14.54	5.46
Consultancy & Legal Charges	4.27	1.53
Data Processing Expenses	3.52	3.76
Selling & Distribution Expenses	4.52	4.27
Dealer Commission	15.93	7.84
Security Expenses	5.32	5.45
CSR Expenses	2.57	1.71
Other Miscellaneous Expenses	14.89	10.79
Loss on sale of Fixed asset	0.05	0.04
Provision for Doubtful debts / claims	1.01	1.58
Business Development Expenses	6.72	-
Less: Expenditure transferred to CWIP		
IEDC- Rent & Warehouse Expenses	0.32	0.21
IEDC - Travelling Expenses	-	0.01
IEDC - Vehicle Hire Charges	1.49	1.53
IEDC - Other Misc Expenses	-	0.15
Total	185.35	121.53

Note : 1. Includes an amount of Rs.3.85 Crore (Previous Year : Rs.3.67 Crore) on account of lease expenses.

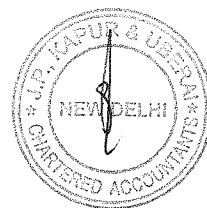
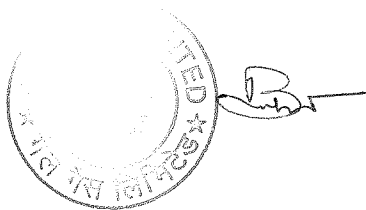
2. Includes an amount of Rs.0.01 Crore (Previous Year : Rs.0.01 Crore) on account of lease expenses.



Note : 30 Tax Expenses

(Rs in Crores)

Particulars	Year Ended 31st March 2022	Year Ended 31st March 2021
Current tax	73.70	34.00
Deferred Tax	26.82	22.07
Provision / Adjustment of Tax relating to earlier periods	-	(0.03)
Total	100.52	56.04



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), Sonapat (Haryana), Meerut, Firozabad (TTZ) & Mirzapur, Chandauli and Sonbhadra Districts (Uttar Pradesh), Bengaluru Rural and Urban Districts & Dakshina Kannada Districts (Karnataka), Giridih & Dhanbad Districts, West Singhbhum Districts & Seraikela-Kharsawan Districts (Jharkhand), Sundargarh & Jharsuguda Districts & Ganjam, Nayagarh & Puri Districts, Gajapati, Kandhamal, Boudh and Sonepur Districts (Odisha) and Dehradun District (Uttarakhand). In addition, the company is pursuing City Gas Business in the state of Andhra Pradesh, Gujarat, Uttarakhand, Goa, Rajasthan and Assam through its Joint Venture companies

The financial statements of the company for the year ended 31st March 2022 were authorized for issue by Board of Directors on 13.05.2022.

2. Basis of preparation and significant accounting policy

i. 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.

ii. Current Versus Non-Current Classification

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

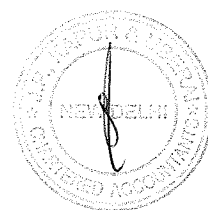
An asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.



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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.

iii. Operating expenses

Operating expenses are recognized in statement of profit or loss upon utilization of the service or as incurred.

iv. Summary of significant Accounting Policies

a) Equity, reserves and dividend payment

Equity shares are classified as equity. Retained earnings include current and prior period retained profits.

The Company recognizes a liability for dividends to equity holders of the Company when the dividend is authorized and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorized when it is approved by the shareholders.

b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents also include short-term (with original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

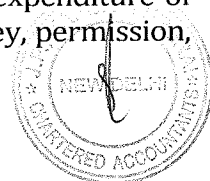
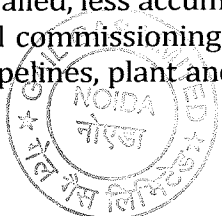
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

c) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

d) Property, Plant and Equipment (PPE)

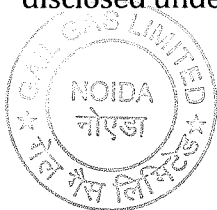
- (i) Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. Such costs include expenditure of pipelines, plant and machinery, cost of laying of pipeline, cost of survey, permission,



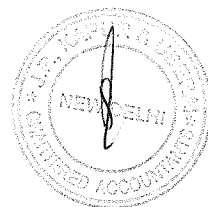
- commissioning and testing charge, detailed engineering and interest on borrowings attributable to acquisition of such assets.
- (ii) Gas distribution systems are commissioned when ready for commencement of supply of gas to consumers. In the case of commissioned assets where final payment to the contractors is pending, capitalization is made on an estimated basis pending receipt of final bills from the contractors and subject to adjustment in cost and depreciation in the year of final settlement.
 - (iii) Subsequent expenditures, including replacement costs where applicable, incurred for an item Property plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
 - (iv) 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.
 - (v) 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.
 - (vi) Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Related cost and accumulated depreciation are eliminated from financial statements. Further, 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.
 - (vii) 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.
 - (viii) 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).
 - (ix) The asset's residual values, useful lives and methods of depreciation/amortization are reviewed at each reporting period and adjusted prospectively, if appropriate.

e) Capital Work in Progress

- (i) Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.
- (ii) 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.
- (iii) Borrowing cost related to a acquisition/construction of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. The cost of asset not put to use before the year and capital inventory are disclosed under capital work in progress.



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f) Intangible Assets

- (i) 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.
- (ii) 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.
- (iii) 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.

g) Capital assets facilities installed at the consumers' premises

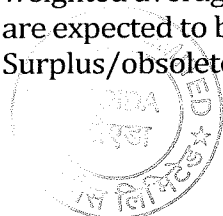
Assets installed at customer premises, including meters and regulators where applicable, are recognized as property plant and equipment if they meet the definition provided under Ind AS 16 subject to materiality as determined by the management and followed consistently and depreciated on SLM basis in accordance with the useful life as specified in Schedule II of the Companies Act, 2013.

h) Impairment of Assets

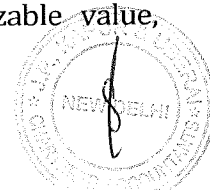
At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite life may be impaired. If any such impairment exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

i) Inventories

- (i) Inventories are measured at the lower of cost and net realizable value.
- (ii) 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.
- (iii) Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria are capitalized as property, plant and equipment.
- (iv) Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.
- (v) Raw materials and finished products are valued at cost or net realizable value, whichever is lower.
- (vi) 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.
- (vii) Stock of gas in pipeline is valued at cost (FIFO) or net realizable value whichever is lower.
- (viii) 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.
- (ix) Surplus/obsolete stores and spares are valued at cost or net realizable value,



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whichever is lower.

- (x) 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.

j) Foreign Currency Transactions

Functional and Presentation Currency

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

Transactions and balances

- (i) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.
- (ii) 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).
- (iii) 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.
- (iv) 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.

k) Revenue and Other Income

Revenue from operations

Revenue is 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 products / services. Revenue is measured based on transaction price which is consideration adjusted for discount and other incentives, if any, as per contract with customers. Revenue also excludes taxes collected from customer in its capacity as agent.

Revenue includes excise duty but exclude value added tax. Any retrospective revision in prices is accounted for in the years of such revision.

Revenue on sale of natural gas is recognized on transfer of title to customers at delivery point. Sales are billed bi-monthly to domestic customers and on fortnightly basis to commercial, bulk customers and industrial customers. Revenue on sale of Compressed Natural Gas (CNG) from is recognized on sale of gas to customers from CNG Stations. Gas transportation income is recognized in the same period in which the related volumes of gas are delivered to the customers.

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.

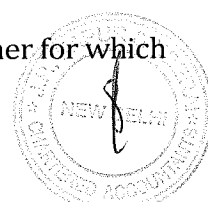
Entire revenue from provision of extra pipelines at customers premises is accounted for as Income in the year of receipt / incurrence.

Trade Receivables

A receivable represents the company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract Liability

A contract liability is the obligation to transfer products / services to a customer for which



the company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognized as revenue when the company performs obligations under the contract. The same is disclosed as "Advance from customers" under other current liabilities.

Other Income

Interest Income is recognized on effective interest rate taking into account the amount outstanding and the rate applicable. Dividend income from investment is recognized when the company's right to receive payment is established.

l) 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.

m) 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.

n) Leases

Ind AS 116 Leases, mandatory for reporting periods beginning on or after April 1, 2019, is applicable to all contracts existing as on, or entered into, on or after 1 April 2019.

Company as a lessee

Identification of Lease

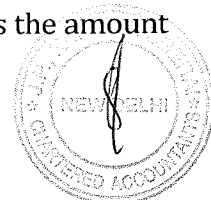
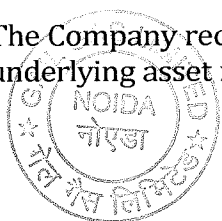
At the inception of the contract, each contract is, or contains, a lease is assessed. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Each contract is assessed whether:

- The contract involves the use of an identified asset, specified explicitly or implicitly.
- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use, and
- The Company has right to direct the use of the asset.

Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Recognition of Right of Use Asset (ROU)

The Company recognises a ROU asset at the lease commencement date (i.e., the date the underlying asset is available for use). The cost of right-of-use assets includes the amount



of lease liabilities recognised, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

ROU assets are subsequently amortized using the straight-line method from the commencement date to the earlier of the end of the useful life of ROU asset or the end of the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

Recognition of Lease Liability

Lease liabilities are initially measured at the present value of the lease payments to be paid over the lease term. Lease payments included in the measurement of the lease liabilities comprise of the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option, extension option and penalties for early termination only if the Company is reasonably certain to exercise those options.

Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

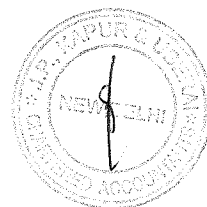
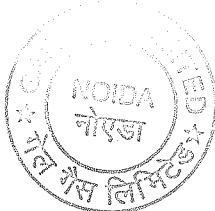
Short-Term Leases and Leases of Low-Value Assets

Short-Term lease recognition exemption are being applied to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of Rs. 5 lakhs that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense.

Company as a lessor

Leases are classified as operating leases when all the risks and rewards of ownership of an asset do not transfer substantially. Rental income from operating lease is recognized as revenue.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables and finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.



o) Taxes

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.

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.

p) 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.

q) 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.

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.

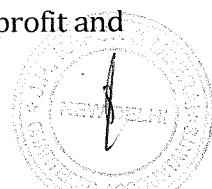
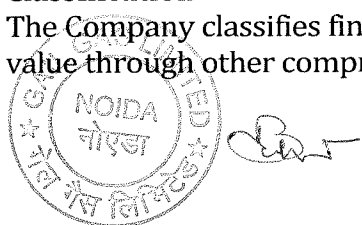
r) Financial Instruments

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.

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.

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 amortized cost**

A financial asset is subsequently measured at amortized 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.

De-recognition

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.

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.

When the company receives financial guarantee from its Holding Company, initially it measures guarantee fees at the fair value. The company records the initial fair value of fees for financial guarantee received as "Deemed Equity" from Holding Company with a corresponding asset recorded as prepaid guarantee charges. Such deemed equity is presented under the head other equity" in the balance sheet. Prepaid guarantee charges are recognized in statement of profit and loss over the period of financial guarantee received.

Subsequent Measurement

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

- **Financial Liabilities at amortized 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**

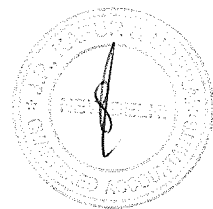
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose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

De-recognition

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 de-recognition 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.

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 the liabilities simultaneously.



s) Earnings Per Share

Basic earnings per equity share are 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.

t) Events occurring after the Reporting Date

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

u) Exceptional Items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

v) Prior Period Adjustments and Pre-paid Expenses

Income / expenditure in aggregate pertaining to prior year(s) above the threshold limit are corrected retrospectively. Prepaid expenses up to threshold limit in each case, are charged to revenue as and when incurred.

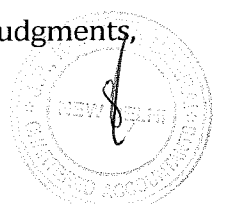
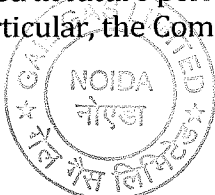
w) Others

- (i) 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.
- (ii) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- (iii) Custom duty and other claims (Including interest on delayed payments) are accounted for on acceptance.

x) Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgments, 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 judgments,



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

y) Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated 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.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

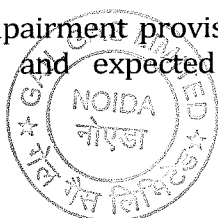
The Company has several lease contracts that include extension and termination options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customization to the leased asset).

Estimates and Assumptions

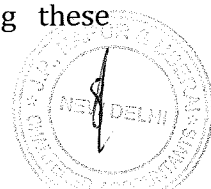
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions 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 judgment in making these



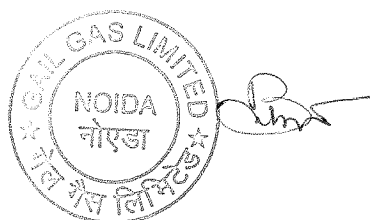
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assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Leases - Estimating the incremental Borrowing Rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.



31. 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, 2022.

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).

32. The Company is a wholly owned subsidiary of GAIL (India) Ltd. The Authorized Capital of the Company as on 31st March, 2022 is Rs. 2000 Crores (Previous Year: Rs. 2000 Crores) and issued, subscribed and paid-up capital as on 31st March, 2022 is Rs. 1625.00 Crores (Previous Year: Rs. 1590.70 Crores).

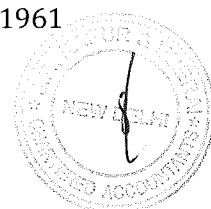
33. Capital Commitments:

- (i) The estimated amount of contracts over Rs. 5 lacs amounting to Rs.1458.16 Crores (Previous Year Rs. 1517.86 Crores) remain to be executed on capital account.
- (ii) The Company has no uncalled liability on shares and other partly paid-up investments.

34. Contingent Liabilities:

Claims against the company not acknowledged as debts:

- (i) Legal cases of Rs. 16.89 Crores (Previous Year: Rs. 72.25 Crores) by vendors/suppliers/contractors etc.
- (ii) Disputed Direct Tax Demand of Rs.0.47 Crore for Assessment Year 2018-19 (Previous Year: Rs. 0.47 Crores for Assessment Years 2018-19) on account of disallowance of certain expenses as per assessment order dated 09.03.2021 against which the company has filed an application for rectification u/s 154 of the Income Tax Act,1961



on 06.04.2021 and has also filed an appeal with CIT (Appeals) on 08.04.2021. Hearing of appeal is yet to commence.

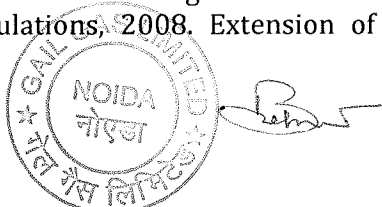
- (iii) Disputed Indirect Tax demand under the Excise and VAT Acts of Rs. 1.89 Crores (Previous Year: Rs. 1.89 Crores).
- (iv) Re-assessment notice dated 14.3.2011 were issued on the holding company GAIL (India) Ltd by the commercial tax department under the U.P. Trade Tax Act, 1948 in respect of Entry tax on taxable amount of Rs.26.25 Crore arising out of for the assessment years 2004-05 and 2005-06, to be ascertained on re-assessment. Against these re-assessment notices, a writ petition was filed by the holding company with the Hon'ble Allahabad High Court which was dismissed on 18.4.2011 and against which Special Leave Petition was filed by the holding company in May, 2011 with the Hon'ble Supreme Court of India which is yet to be decided. Business Transfer Agreement dated 31.10.2011 transfers Agra Firozabad City Gas Distribution business to the company from the holding company with effect from 16.11.2011, under which the company has exclusive obligations to deal with any and all court cases that are brought against the company or holding company whether for the period prior to the date of transfer or thereafter.

Demand, if any will be ascertained on reassessment. Hon'ble Supreme Court of India has issued an interim order directing Commercial Tax authorities that final assessment order shall not be passed without leave of Hon'ble Supreme Court of India.

- (v) Bank Guarantee of Rs.1504 Crores (Previous Year: Rs.1504 Crores) in favour of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization of geographical areas (GAs) awarded to M/s. Goa Natural Gas Pvt. Ltd in respect of North Goa Districts GA.

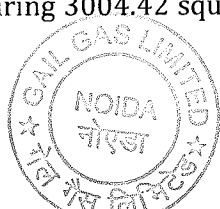
The above Bank Guarantee has been given to PNGRB based on the Corporate Guarantee of Rs.752 Crores (Previous Year: Rs.752 Crores) provided by the holding company GAIL (India) Ltd. Further, M/s Bharat Petroleum Corporation Limited (BPCL), the other joint venture partner of Goa Natural Gas Pvt. Ltd. has also provided Corporate Guarantee of Rs. 752 Crores (Previous Year: Rs.752 Crores).

- (vi) During the year comfort letters provided to APGDCL were discharged as the underlying loan was fully repaid. (Previous year the company had provided Comfort Letter / Corporate Guarantee for Rs.100 Crores in favour of Andhra Bank and for Rs. 50 Crores in favour of Bank of Maharashtra in connection with sanction of long-term loan of Rs.200 Crores by Andhra Bank and Rs.100 Crores by Bank of Maharashtra to Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), a Joint Venture Company for its Kakinada - Srikakulam Pipeline Project, based on Counter Guarantee of APGDCL. Against the above comfort letters, Andhra Bank has sanctioned a loan of Rs.200 Crores to APGDCL and Bank of Maharashtra had not sanctioned any loan.)
- (vii) The company is carrying on construction activities for capital projects in 9 GAS awarded by the PNGRB in 9th and 10th CGD bidding round to meet the Minimum Work Program (MWP) targets as per grant of authorization. Keeping in view non-availability of pipeline connectivity from the gas source in these GAS and prevailing conditions due to COVID-19 pandemic, the company has further requested PNGRB for deferment of period of meeting the MWP targets under Regulation 11 and 12 of the PNGRB regulations, 2008. Extension of Original Date of Start of Contract Year has been

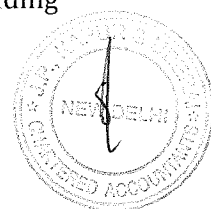


obtained for 07 GAs and balance 2 number of GA, extension from PNGRB is under process. Therefore, penalty for not meeting of MWP targets aggregating to Rs. 7.92 Crores as on 31st March, 2022 (Previous year: Rs. 23.16 Crore) has been disclosed as Contingent Liability. Management is hopeful that the PNGRB Board will consider the request and not levy any penalty.

35. Employees work in various disciplines including project activities and operation activities. Salary and other expenses of employees identified under project activities by the management has been accounted as incidental expenditure during construction and transferred to Capital work in progress and relied upon by the auditor. Rent, Depreciation and other expenses pertaining to on-going capital projects have been accounted as incidental expenditure during construction and transferred to Capital work in progress. During the year, a sum of Rs.59.08 Crores (Previous Year: Rs. 26.05 Crores) has been accounted as Incidental Expenditure during Construction.
36. Capital Work in Progress includes assets under construction which are at different stages of completion. Capitalization is done as and when the asset is ready to be put to use, based on certification by the PMC.
37. During physical verification of inventories, no material discrepancies were observed. Further, a sum of Rs. NIL (Previous Year: 0.04 Crores) has been written off on account of shortages/damages observed on physical verification of fixed assets.
38. Free Issue Material amounting to Rs. 32.56 Crores (Previous Year: Rs 38.84 Crores) is lying with the contractors as at year end. Free Issue Material as at 28.02.2022 has been confirmed by the contractors & PMC.
39. The company is charging depreciation on pipeline based on its useful life of 30 years specified in Schedule-II of the Companies Act, 2013 on a consistent basis. As per grant of authorization provided to the company for various GAs by the Petroleum and Natural Gas Regulatory Board, company has been allowed exclusivity period of 300 months from the date of grant of authorization, for laying, building and expansion of the City Gas Distribution (CGD) network in the respective Geographical areas. As per PNGRB regulations, at the end of the economic life of the project, issue of allowing further extension of the period of exclusivity or not may be considered by the PNGRB for a block of ten years at a time, depending on the satisfactory compliance of the service obligations and quality of specified service norms and on such terms and conditions, as the PNGRB may deem fit.
40. Physical Possession in respect of 4.44 Acres (17983 Sq. Meters) of Land located at various urban areas of Bengaluru is received from Karnataka Industrial Area Development Board (KIADB) and capitalized under Right of Use assets at Rs.11.07 Crores (Previous year: Rs.11.07 Crores). As per terms of the lease agreement, on successful commencement of the projects, the same will be converted as freehold land. Consequent upon commencement of projects/utilization of the lands allotted for the purpose, applications have been submitted to KIADB for conversion of the said lands to freehold by registering the Sale Deeds in favour of GAIL Gas Ltd. The registration is pending. No provision towards registration and other cost has been made in the books of account for pending registration.
41. Title Deeds in respect of Freehold Land of Rs.2.05 Crores (Previous Year: Rs. 2.05 Crores) measuring 3004.42 square meters at Sonapat, Haryana is pending for execution including



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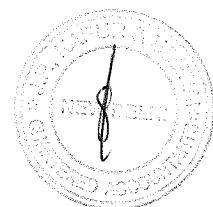
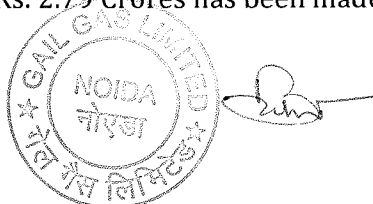
Rs. 0.15 Crores (Previous Year: Rs. 0.15 Crores) towards registration charges provided on provisional basis]. Mutation of Freehold Land is in process.

42. Buildings of Rs.78.30 Crores (Previous Year: Rs. 75.50 Crores) includes: -

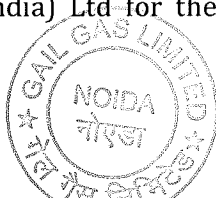
- (i) Buildings amounting to Rs. 10.81 Crores (Previous Year: Rs. 10.81 Crores) constructed on land provided by the holding company GAIL (India) Ltd. for which terms and conditions are yet to be finalized.
- (ii) Buildings amounting to Rs.1.66 Crores (Previous Year: Rs.1.66 Crores) constructed on land measuring 2080 square meters taken on lease from Madhya Pradesh Audyogik Kendra Vikas Nigam Ltd. (MPAKVNL).
- (iii) Buildings amounting to Rs. 8.32 Crores (Previous Year: Rs. 8.32 Crores) constructed on land measuring 993 square meters provided by the Bengaluru Municipal Transport Corporation (BMTTC) free of cost for the CNG Stations installed at BMTTC Bus Depots in Bengaluru with the condition of filling of CNG Gas only in the BMTTC Buses, documentation of which is pending for execution.
- (iv) Buildings amounting to Rs. 16.16 Crores (Previous Year: Rs. 15.77 Crores) constructed on the land measuring 16,483 square meters (Previous Year: 16,483 square 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 terms and conditions of the agreement.
- (v) Buildings amounting to Rs. 6.38 Crores (Previous Year: Rs. 6.38 Crores) constructed on the land of CNG stations, warehouse providers and land taken on rent / lease etc.

43. Company has not purchased any further land from KIADB during FY 2021-22 (Previous Year: Rs. 11.07 Crores was paid for purchase of 10 numbers of lands measuring 17983 square 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. 11.07 Crores paid to KIADB has been accounted for under Right to Use Assets during FY 2020-21 as per requirement of Ind AS 116, 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 terms and conditions of the agreement. Company has executed Lease cum Sale Agreement of lands of Rs. 11.07 Crores for 10 numbers of lands measuring 17,983 square. Further, Lease cum Sale Agreement in respect of all the 10 lands have been executed). During FY 2021-22 necessary application for converting 08 lands out of 10, from Lease to Sale Deed have been submitted to KIADB, which is under process.

44. The registration of 5 nos. of Last Mile Connectivity Assets purchased during FY 2020-21 from the holding company in Bengaluru City at a book value of Rs. 42.30 Crores excluding stamp duty, is in process. A provision for liability on estimated basis on account of Stamp Duty of Rs. 2.79 Crores has been made pending registration.



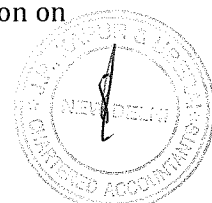
45. Provisional liabilities of Rs. 262.48 Crores (Previous Year Rs. 217.02 Crores) have been created in the books of accounts as on 31.3.2022 on the basis of work done till that date for which invoices are yet to be received from the parties and will be settled on submission of actual invoices.
46. All employees of Gail Gas Limited are on the rolls of the Holding Company i.e. GAIL (India) Limited. Salary and Allowances of employees posted in the Company are being paid by the Company and debited to Salaries. A sum of Rs. 13.28 Crores (Previous Year: Rs. 11.91 Crores) on account of share of Retirement Benefits Expenses of the employees posted in the company has been debited by the Holding Company GAIL(India) Limited which have been accounted for under Employee Benefit Expenses. These employee benefits have been allocated to the company by the holding company in proportion of Annual Basic plus DA of employees posted at Gail Gas Limited. No disclosure as per Ind AS 19 has been made as the same will be complied by the Holding Company for employees posted in the company.
47. Claim recoverable includes an amount of Rs. 0.26 Crores (Previous Year Rs. 9.72 Crores) towards excess payment of VAT in the state of Haryana and UP. Refund of VAT is being pursued with the concerned authorities and is considered good.
48. In compliance with the Petroleum and Natural Gas Regulatory Board (PNGRB) Regulation, company is having PESO/CCOE License for the CNG Stations owned by the Company. Further, the company has received Factory Licenses for 21 operational CNG stations. BMTC, Bengaluru have been requested to obtain factory licenses for 3 CNG stations inside their premises. Also, necessary advice has been given to owners of 104 CNG Stations operated under Retail Outlets of Oil Marketing Companies and to the dealers of 11 CNG stations being operated under the Dealer Owned and Dealer Operated Model to obtain Factory License in respect of respective CNG Stations.
49. As on 31.3.2022, the company has an equity investment of Rs. 94.52 Crores (Previous Year: Rs. 47.50 Crores) and investment in Preference shares of Rs. 100 Crores (Previous Year: Rs. 100 Crores) in Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), a Joint Venture (JV) company, including advance pending allotment of Rs. 26.15 Crores (Previous Year: Rs. 9.13 Crores) as per joint venture agreement. The Board of Directors of the company had given in principle approval to transfer shares held by the company in APGDCL (including shares held, subscription made against equity call, CCCPS and any further investment in APGDCL till final approval of the Board of GAIL(India) Limited is received) to the holding company GAIL(India) Limited and initiate necessary action in this regard subject to the consent of Govt. of Andhra Pradesh entities (i.e other joint venture partners of the JV company) and GAIL (India) Limited. The consent is yet to be received.
50. A Joint venture company, Kerala GAIL Gas Ltd. (KGGL) has been voluntary liquidated vide order dated 09.02.2022 of NCLT, Kochi Bench. A sum of Rs 1.65 crores has been received from KGGL on 27.12.2021 upon liquidation.
51. As per provisions of Ind AS 109, the company has made following fair valuation recognition:
- a. Corporate Guarantee of Rs. 5199.99 Crores provided by the Holding Company GAIL (India) Ltd for the Bank Guarantee in favour of PNGRB for Bengaluru Rural and



- Urban Districts GA, a sum of Rs. 9.50 Crores (Previous Year: Rs. 7.53 Crores) has been shown as deemed equity as capital contribution from Holding Company (Note-14) based on the fair valuation as per Ind AS 109. Accordingly, a sum of Rs. 1.74 Crores (Previous Year: Rs. 2.47 Crores) has been shown as pre-paid expenses (Note-8 & 9) and Rs. 2.70 Crores (Previous Year: Rs. 2.61 Crores) as guarantee commission expenses (Note-27).
- b. Corporate Guarantee of Rs. 133.00 Crores provided by the Holding Company GAIL (India) Ltd for the Bank Guarantee in favour of PNGRB for 10th PNGRB Bidding round valid up to 24th March, 2022 and thereafter for extension for the Bank Guarantee in favour of PNGRB of no Corporate Guarantee taken from the Holding Company GAIL (India) Ltd. A sum of Rs. 0.75 Crores (Previous Year: Rs. 0.75 Crores) has been shown as deemed equity as capital contribution from Holding Company (Note-14) based on the fair valuation. Accordingly, a sum of Rs. Nil (Previous Year: Rs. 0.25 Crores) has been shown as pre-paid expenses (Note-8 & 9) and Rs. 0.25 Crores (Previous Year: Rs. 0.25 Crores) as guarantee commission expenses (Note-27).
- c. In case of Corporate Guarantee of Rs. 752 Crores provided by the Holding Company GAIL (India) Ltd. for the Bank Guarantee in favour of PNGRB for GA awarded to the joint venture company i.e. GNGPL, a sum of Rs. 4.41 Crores (Previous Year: Rs. 2.50 Crores) has been shown as deemed equity as capital contribution from Holding Company (Note-14) with corresponding deemed investment in Joint Venture Company Goa Natural Gas Pvt. Limited. (Note-5), based on the fair valuation. Accordingly, a sum of Rs. 0.60 Crores (Previous Year: Rs. 0.22 Crores) has been shown as receivable from the Joint Venture Company and a sum of Rs. 0.60 Crores (Previous Year: Rs. 0.22 Crores) as financial guarantee obligation (Note – 17).
- d. In case of Corporate Guarantee provided by the Holding Company GAIL (India) Ltd. for sanction of long-term loan of upto Rs. 1500 Crores (Previous Year: Rs. 1500 Crores) from HDFC, a sum of Rs. 8.80 Crores (Previous Year: Rs. 0.55 Crores) has been shown as deemed equity as capital contribution from the Holding Company (Note-14). Accordingly, a sum of Rs. 8.01 Crores (Previous Year: Rs. 0.46 Crores) has been shown as pre-paid expenses (Note-8 & 9) and Rs. 0.73 Crores (Previous Year: Rs. 0.07 Crores) as guarantee commission expenses (Note-27).
- e. In the previous year, a Comfort Letter (Corporate Guarantee) was provided by the company to joint venture company i.e. APGDCL for raising loan up to Rs. 300 Crores from Banks, the company has recognized its share of the financial guarantee liability net of guarantee commission receivable from the JV company @1 % per annum on the amount of loan drawn by the Joint Venture company from Andhra Bank. However, in the current financial year M/s APGDCL had repaid the Loan to the bank on 31.07.2021 and returned the duly discharged comfort letter to the Company for cancellation and as on date there is no outstanding comfort letter issued by the Company.
52. Department of Investment & Public Asset Management (DIPAM) Government of India, Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 27.05.2016 has issued Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend, applicable from financial year (FY) ended on or after 31st March, 2016. Since, the company has paid the lower dividend during the FY 2015-16, FY 2016-17 and nil dividend during the FY 2017-18, FY 2018-19 and FY 2020-21 the company has made an application for each of these years for grant of relaxation on



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dividend payment to Department of Investment and Public Asset Management (DIPAM) through Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, DIPAM, as per the said guidelines for which the reply is awaited. In FY 2019-20, the company has paid dividend more than minimum required as per the above guidelines, hence no application has been made in this regard. Further, as nil dividend for FY 2021-22 is being proposed, the company is in process of making application for the FY 2021-22.

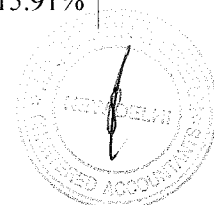
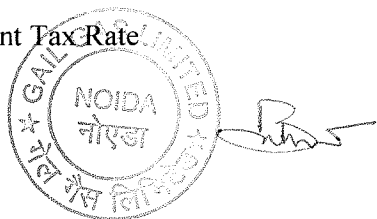
53. In compliance with Ind AS 12 on "Income Taxes" issued by the Institute of Chartered Accountants of India, the Company has created tax liability as per details given below:

- (i) Income Tax related to items charged or credited directly to Statement of Profit and Loss during the year:

Rs. in Crores		
Statement of Profit and Loss	31st March, 2022	31st March, 2021
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	73.70	34.00
Provision/Adjustment of Tax relating to earlier periods	-	(0.03)
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	-
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	-
	73.70	33.97
Deferred Income Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations)	26.82	22.07
Adjustment on account of opting concessional rate u/s 115BAA w.e.f FY 2019-20 (Continuing operations)	-	-
Relating to origination and reversal of temporary differences (Discontinued Operations)	-	-
	26.82	22.07
Provision for MAT Credit	-	-
Income Tax Expense reported in the Statement of Profit and Loss	100.52	56.04

- (ii) Reconciliation of Effective Tax Rate (Continuing Operations):

Rs. in Crores		
	31st March, 2022	31st March, 2021
Profit Before Income Tax	383.88	213.74
Current Tax Rate	19.20%	15.91%



Computed Effective Tax Expense	73.70	33.97
Movement in Deferred Tax Liability	26.82	22.07
Provision for MAT Credit	-	-
Income Tax charged to Statement of Profit and Loss	100.52	56.04
Effective Tax Rate	26.19%	26.22%

(iii) 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, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Property, Plant and Equipment	(134.16)	(107.63)	(26.53)	(24.27)
Provisions	7.92	8.21	(0.29)	2.20
Deferred Tax Assets/ (Liabilities)	(126.24)	(99.42)	(26.82)	(22.07)
Offsetting of Deferred Tax Assets/ (Liabilities)	-	-	-	-
Net Deferred Tax Assets /(Liabilities)	(126.24)	(99.42)	(26.82)	(22.07)

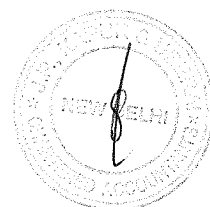
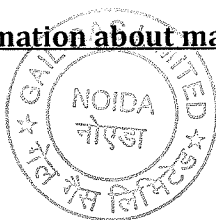
54. In terms of disclosure requirement as per Ind-AS 23 on "Borrowing Costs", total finance cost of Rs.42.33 Crores (Previous Year: Rs. 26.50 Crores) was incurred by the company during the year, out of which an amount of Rs. 20.65 Crores (Previous Year: Rs.10.67 Crores) has been allocated towards Capital Work in Progress during the year in respect of pipelines and CNG Stations under construction.
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. The company operates in a single segment of Natural Gas Business, therefore, disclosure requirements as per Ind AS 108 "Operating Segments" are not applicable. However, entity-wise disclosures are as under:

Information about products and services:

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

Geographical Information:

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

Information about major customers:

During the year ended 31st March, 2022 One customer (Previous Year: one) contributed more than 10% of revenue. Revenue from this customer was Rs. 4290.33 Crores during the year ended 31st March, 2021 (Previous Year: Rs. 2468.33 Crores).

57. 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	
			31.03.2022	31.03.2021
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)	Joint Venture	50%	50%
2	Vadodara Gas Limited. (VGL)	Joint Venture	17.07%	17.07%
3	Rajasthan State Gas Limited. (RSGL)	Joint Venture	50%	50%
4	Haridwar Natural Gas Pvt. Ltd. (HNGPL)	Joint Venture	50%	50%
5	GOA Natural Gas Pvt. Ltd. (GNGPL)	Joint Venture	50%	50%
6	Purba Bharati Gas Pvt. Ltd. (PBGPL)	Joint Venture	26%	26%

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:

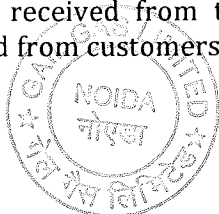
Rs. in Crores			
Sl. No.	Description	31.03.2022	31.03.2021
A.	Summary of Balance Sheet		
1	Assets		
	Non-Current	610.93	544.85
	Current	80.38	99.18
	Total	691.31	644.03
2.	Liabilities & Provisions		
	Non-Current	205.90	240.73
	Current	135.92	113.71
	Total	341.82	354.44
B.	Summary of Profit and Loss Account		
1.	Income	124.97	73.08
2.	Expenditure	113.15	68.42
C.	Contingent Liability	70.66	63.83
D.	Capital Commitment	290.22	325.75

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

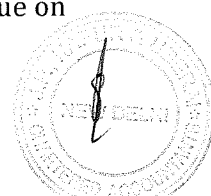
Disaggregated Revenue Information

The disaggregation of the company's revenue from contracts with customers is disclosed at Note -22.

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 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 incidental revenue on



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account of sale and distribution of natural gas to customers. Services Charges are the consideration received against operating CNG Station as a dealer of other entity and compression facility provided to other CGD Entities from company owned CNG Stations. 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 value added tax (VAT) collected from customers on behalf of the government. All revenues are earned on transfer of goods or services to the customers.

Contract Balances

Description	Rs. in Crores	
	As on 31 st March, 2022	As on 31 st March, 2021
Trade Receivables	649.53	361.71
Contract Liabilities	0.14	0.13

Trade receivables are interest bearing and are generally on terms of 3 to 30 days credit after billing. Contract liabilities are advances received from customers against supply to be made of gas after the reporting date.

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

Type of goods or Services	Rs. in Crores	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue as per contracted price	6854.62	4015.25
Less:- Facility Charges on sale of gas	1.54	0.65
Revenue from contract with customers	6853.08	4014.60

Performance Obligation

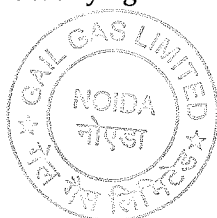
The company earns revenue primarily from sale of natural gas. Revenue is recognized on supply of gas to customers based on reading recorded on the meter. There are no return rights attached to the sale, hence, no right of return liability or asset exists. There are no performance obligations remaining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

59. In compliance of Ind AS 116 on 'Leases', the disclosures in respect of Leases are as under:

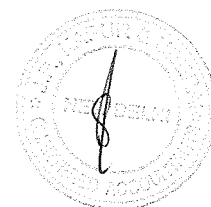
(i) Nature of the lease transaction

Land Leases

The Company has taken several plots of land on lease for setting up CNG, City Gas Station, CPRS/DPRS station and for site office purpose. The lease term mentioned in the agreements range from 11 months to 99 years. Lease agreements are renewable on mutually agreed terms and do not contain any non-cancellable period.



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Building Leases

The Company has taken various office/warehouse buildings on lease with monthly and annual payment terms. The lease term mentioned in the agreements range from 11 months to 9 years. Most of the agreements are renewable on mutually agreed terms, some of them are having non - cancellable period whereas few agreements are silent on renewal.

Other Leases

The company has also taken various commercial vehicles, CNG Cascade etc. on lease. The lease term mentioned in the agreements range from 6 months to 10 years. Some portion of the lease rentals is based on usage of the equipment. Lease rentals include lease and non-lease component viz. manpower, fuel cost, repair and maintenance etc. and only hiring portion is considered for ROU assets accounting.

(ii) Amounts recognized in profit and loss

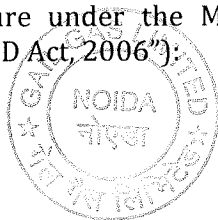
Description	Rs. in Crores	
	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Amortization expense of right-of-use assets	20.31	17.46
Interest expense (included in finance cost)	4.28	3.57
Expense relating to short-term leases	4.65	3.67
Expense relating to low value assets leases	0.01	0.01

(iii) The total cash outflow for leases

Description	Rs. in Crores	
	Year ended 31 st March, 2022	Year ended 31 st March, 2021
Principal Portion of lease liability	22.08	17.01
Interest portion of lease liability	4.28	3.57
Expense relating to short-term leases	4.65	3.67
Expense relating to low value assets leases	0.01	0.01

60. Disclosure related to Corporate Social Responsibility (CSR) Expenses:

- (i) As per Section 135 of the Companies Act, 2013, the company was required to spend an amount of Rs. 3.62 Crores during the FY 2021-22 (Previous Year: Rs. 3.16 Crores). The amount of CSR expenses incurred by the Company during the year was Rs. 1.47 Crores (Previous Year: Rs. 1.71 Crores). As per amended CSR rules notified on 22.01.2021, balance unspent amount of allocated projects amounting to Rs. 1.74 Crores for FY 2021-22 has been transferred by the company to a new bank account opened for this purpose. Further, an unspent and unallocated amount of Rs.0.42 Crores will be transferred to PM CARES Fund by the company by due date.
- (ii) Board of Directors in its meeting held on 18.05.2017 had approved CSR Policy along with administrative guidelines of the Company. 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"):

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Particulars	Rs. in Crores	
	2021-22	2020-21
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; Principal Interest	5.73 Nil	1.60 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 and have been relied upon by the Auditors.

62. Related Party Disclosures:

- (i) The entire Equity Capital of the Company is held by GAIL (India) Ltd. (Holding Company) either singly or jointly.
- (ii) Related Party Disclosures as per Ind AS 24.
- (a) Relation and name of the related parties are as under:

A. Holding Company:

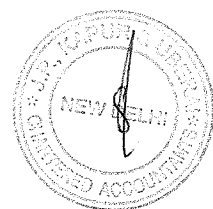
- (i) GAIL (India) Limited.

B. Subsidiaries of Holding Company:

- (i) Bengal Gas Company Limited
- (ii) Konkan LNG Limited
- (iii) Tripura Natural Gas Company Limited
- (iv) GAIL Global (Singapore) Pte. Limited
- (v) GAIL Global (USA) Inc.
- (vi) GAIL Global USA LNG LLC (100% subsidiary of GAIL Global (USA) Inc.)

C. Joint Venture Companies:

- (i) Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)
- (ii) Vadodara Gas Limited. (VGL)
- (iii) Rajasthan State Gas Limited. (RSGL)
- (iv) Haridwar Natural Gas Pvt. Ltd. (HNGPL)



- (v) GOA Natural Gas Pvt. Ltd. (GNGPL)
- (vi) PurbaBharati Gas Pvt. Ltd. (PBGPL)

D. Indian Associates, Joint Venture Companies of Holding Company :

- (i) Indraprastha Gas Ltd.
- (ii) Central UP Gas Ltd.
- (iii) Green Gas Ltd.
- (iv) Aavantika Gas Limited
- (v) Bhagyanagar Gas Limited
- (vi) Brahmaputra Cracker and Polymer Limited
- (vii) Indradhanush Gas Grid Limited
- (viii) LLC Bharat Energy Office
- (ix) Mahanagar Gas Limited
- (x) Maharashtra Natural Gas Limited
- (xi) ONGC Petro additions Limited (OPaL)
- (xii) ONGC Tripura Power Company Limited
- (xiii) Petronet LNG Limited
- (xiv) Ramagundam Fertilizers and Chemicals Limited
- (xv) Talcher Fertilizers Limited
- (xvi) TAPI Pipeline Company Limited

E. Foreign Associates, Joint Venture Companies of Holding Company:

- (i) China Gas Holdings Limited
- (ii) Fayum Gas Company

F. a. Chairman & Non-Executive Director:

- (i) Shri Manoj Jain

b. Non-Executive Directors:

- (i) Shri Rakesh Kumar Jain (w.e.f. 01.12.2021)
- (ii) Shri K R M Rao
- (iii) Smt. Jyoti Dua
- (iv) Shri Anand Kumar Jha
- (v) Shri E S Ranganathan (upto 18.01.2022)
- (vi) Shri A K Tiwari (upto 30.11.2021)
- (vii) Shri D V Shastry (upto 30.04.2021)

c. Chief Executive Officer:

- (i) Shri Raman Chadha (w.e.f. 02.06.2021)
- (ii) Shri M V Ravi Someswarudu (upto 01.06.2021)

d. Chief Financial Officer:

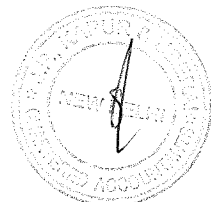
- (i) Shri Bhaskar Debnath (w.e.f. 15.06.2021)
- (ii) Shri Pankaj Walia (upto 14.06.2021)

e. Chief Operating Officer:

- (i) Shri Anupam Mukhopadhyay

f. Company Secretary:

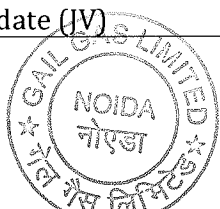
- (i) Shri Deepak Asija



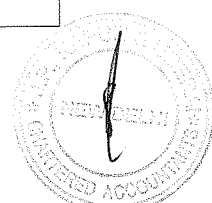
No Loans & Advances in the nature of loans are granted to Promoters, Directors, Key Managerial Persons (KMP) and Related Parties except stated below, for the period ending as on 31.03.2022 by the company.

(b) Related Party Transactions

Rs. in Crores				
Sl No	Particulars	Holding Co.	Joint Venture & Others *	Key Management Personnel
1	Purchase of Goods and Material / Services	6394.26 (3551.35)	4.94 (-)	- (-)
2	Guarantee Commission received / receivable	- (-)	1.89 (0.40)	- (-)
3	Sales of Goods (Material and Gas) / Material Issued on Loans	- (1.69)	283.59 (136.05)	- (-)
4	Purchase and Sale of Fixed Assets	- (-)	- (-)	- (-)
5	Remuneration to Key Management personnel- Salary & Allowances	- (-)	- (-)	2.95 (2.42)
6	Reimbursement of remuneration to staff received / receivable	- (-)	19.23 (17.38)	- (-)
7	Reimbursement of Retirement Benefits for the year	13.28 (11.91)	- (-)	- (-)
8	Reimbursement of Training Cost payable / receivable	0.63 (0.35)	- (-)	- (-)
9	Reimbursement of BG Charges received / receivable	- (-)	3.02 (1.60)	- (-)
10	Rent, Electricity, UCS Expenses, TTA, etc. paid / payable	6.17 (9.05)	- (-)	- (-)
11	Advances for Hook Up charges	16.41 (15.70)	- (-)	- (-)
12	Outstanding balance payable excluding fair valuation done as per Ind AS-109	583.27 (275.59)	0.33 (-)	- (-)
13	Outstanding Balance Receivable excluding fair valuation done as per Ind AS-109	- (1.69)	48.64 (28.29)	- (-)
14	Corporate Guarantee given to Banks for BG/Loan issued on behalf of the Company as at Balance Sheet date	7451.99 (7584.99)	- (-)	- (-)
15	Comfort Letter (Corporate Guarantee) issued to Banks for availing loan by Joint Venture Companies	- (-)	- (150.00)	- (-)
16	Investment in APGDCL as at Balance Sheet date (JV) including Pref. Shares	- (-)	168.37 (138.37)	- (-)
17	Advance to APGDCL against Equity Share pending Allotment of Share	- (-)	26.15 (9.13)	- (-)
18	Investment in KGGL as at Balance Sheet date (JV)	- (-)	- (0.01)	- (-)



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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

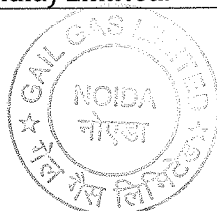
19	Investment in VGL as at Balance Sheet date (JV)	- (-)	41.01 (41.01)	- (-)
20	Investment in RSGL as at Balance Sheet date (JV)	- (-)	65.00 (65.00)	- (-)
21	Investment in HNGPL as at Balance Sheet date (JV)	- (-)	22.20 (22.20)	- (-)
22	Investment in GNGPL as at Balance Sheet date (JV)	- (-)	30.00 (26.38)	- (-)
23	Investment in PBGPL as at Balance Sheet date (JV)	- (-)	26.00 (26.00)	- (-)
24	Share allotment to Holding Company	34.30 (315.70)	- (-)	- (-)
25	Advance received against Equity Share pending Allotment of Share	- (-)	- (-)	- (-)
26	Advances/loans given as at Balance Sheet date	- (-)	17 (17)	- (-)
27	Commitment for Loan as at Balance Sheet date	- (-)	33 (33)	- (-)

*Others include joint venture 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. Further, Equity Shareholding in Purba Bharati Gas Pvt. Ltd. wherein there are three promoters i.e. Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd whose shareholdings will be in the ratio of 48%, 26% and 26% and they can transfer the shares after lock in period of 10 years subject to the conditions as per joint venture agreement.

63. Movement of Provision

Particulars	Rs. in Crores		
	Provision for Employee retirement benefits	Provision for Doubtful claims	Provision for Probable Obligation
As at 1st April, 2021	-	0.31	2.68
Additional provision recognized during the year	13.28	-	5.09
Amount used during the year	-	-	-
Transfer / Paid to GAIL (India) Limited.	13.28	-	-



Unused amount reversed during the year	-	-	-
As at 31st March 2022	-	0.31	7.77

64. Earnings per Share:

Particulars	2021-22	2020-21
Profit after Tax (Rs. in Crores)	283.36	157.70
Weighted Average No. of Equity Shares (Basic)	160,94,00,548	148,11,93,151
Weighted Average No. of Equity Shares (Diluted)	160,94,00,548	148,11,93,151
Nominal Value per Share (in Rs.)	10.00	10.00
Basic Earnings per Share (in Rs.)	1.76	1.06
Diluted Earnings per Share (in Rs.)	1.76	1.06

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 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:

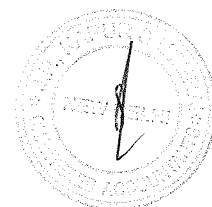
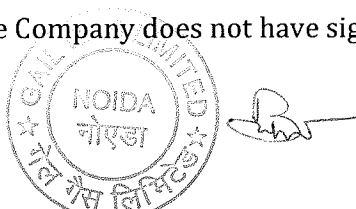
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with fixed 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:

Term Loans received from the Oil Industry Development Board do not have variable component. Term loan obtained from HDFC has a variable element of interest rate and outstanding balance of which as at the year-end is Rs. 337.38 Crores (Previous Year: Rs. 92.54 Crores in SBI). However, as the loan has been obtained for capital projects which are under construction, interest is capitalized as a part of Capital work in progress. Therefore, there is no impact on the Company's profit before tax during the year ended 31.03.2022 and 31.03.2021.

Foreign Currency Risk:

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



b) Commodity Price Risk

Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The company monitors movements in the prices closely on regular basis.

c) Equity Price Risk

The Company do not have any investment in quoted equity shares hence not exposed to equity price risk.

(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:

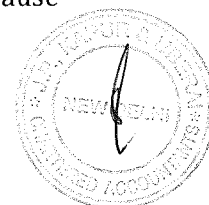
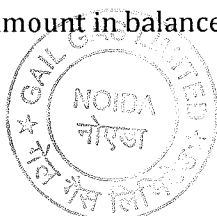
Rs.in Crores

As at 31.03.2022	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	-	19.95	287.44	347.78	655.16
Trade and other payables	-	617.35	-	-	-	617.35
Other financial liabilities	137.74	244.10	116.47	-	-	498.31
Lease Liabilities*	-	8.68	6.28	23.79	31.96	70.72

Rs.in Crores

As at 31.03.2021	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	-	19.94	173.77	236.56	430.27
Trade and other payables	-	314.25	-	-	-	314.25
Other financial liabilities	114.34	199.53	64.86	-	-	378.73
Lease Liabilities*	-	5.39	13.90	23.20	22.69	65.18

*As per provisions of Ind AS 107, the contractual amounts disclosed in the maturity analyses as required by paragraph 39(a) and (b) are the contractual undiscounted cash flows i.e. gross finance lease obligations (before deducting finance charges). Such undiscounted cash flows differ from the amount included in the balance sheet because the amount in balance sheet is based on discounted cash flows.



(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:

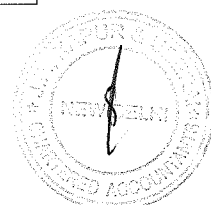
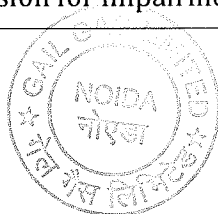
Product	Credit period
Piped Natural Gas (Domestic)	21 days
Piped Natural Gas (Industrial)	03-07 days
Piped Natural Gas (Commercial)	07 days
Compressed Natural Gas (CNG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 -30 days

The company does not expect any significant credit risk out of its exposure to trade receivable as the major part of revenue is contributed either by cash sales or within credit period of 3-30 days. The aging analysis of trade receivables as of the reporting date is as follows:

Particulars	Rs.in Crores	
	31 st March 2022	31 st March 2021
Neither due nor impaired	613.90	329.79
Less than 6 months	24.78	24.47
6 months to 1 year	3.51	3.51
1 year to 2 years	3.90	3.41
2 years to 3 years	3.18	2.71
More than 3 years	7.73	4.27
Total	657.00	368.16
Less: Expected credit loss (Allowances for bad and doubtful)	7.47	6.45
Carrying amount of Trade Receivable (Net of Impairment)	649.53	361.71

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

Provisions	Rs.in Crores	
	31 st March 2022	31 st March 2021
Start of the year	6.45	5.17
Provision for impairment during the year	1.02	1.28



Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
End of year	7.47	6.45

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 of 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. As on 31.03.22 the issued and paid-up capital was Rs. 1625.00 Crores (Previous Year: Rs.1590.70 Crores) (Note 13) and other equity was Rs.805.75 Crores (Previous Year: Rs.510.26 Crores) (Note 14). 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 maximize 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.

The adjusted net debt to equity ratio is as follows

	Rs.in Crores	
Provisions	31 st March 2022	31 st March 2021
Net Debt	655.16	430.27
Total Equity	2430.75	2100.96
Net Debt to Equity Ratio	0.27	0.20
Interest bearing borrowing	655.16	430.27
Less: Cash & Bank Balance	35.30	183.13
Adjusted Net Debt	619.86	247.14
Adjusted net debt to adjusted equity ratio	0.26	0.12

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

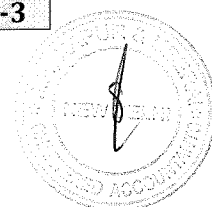
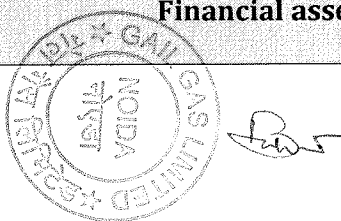
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

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 31.03.2022:

Rs.in Crores

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Financial Assets at amortised cost:				
Loans and Other Receivables	103.08	-	-	-
Trade Receivables	649.53	-	-	-
Cash and Cash Equivalents	35.30	-	-	-
Other Financial Assets	3.73	-	-	-
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	791.64	-	-	-
Financial Liabilities at amortized cost				
Borrowings	655.16	-	-	-
Trade Payables	617.35	-	-	-
Other Financial Liabilities	518.26	-	-	-
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	1790.77	-	-	-

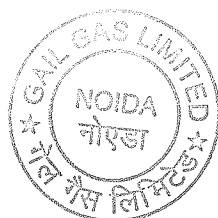
As at 31.03.2021:

Rs. in Crores

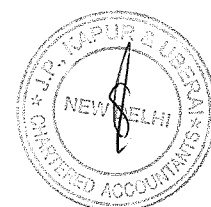
Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans and Other Receivables	77.04	-	-	-
Trade Receivables	361.71	-	-	-
Cash and Cash Equivalents	183.13	-	-	-
Other Financial Assets	3.77	-	-	-
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	625.65	-	-	-
Financial Liabilities at amortized cost				
Borrowings	430.27	-	-	-
Trade Payables	314.25	-	-	-
Other Financial Liabilities	398.68	-	-	-
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	1143.20	-	-	-

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.



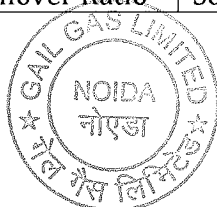
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66. Details of Loans given, Investment made and guarantee given or security provided covered u/s 186 of the companies Act, 2013 are given under respective heads (refer note 5 and 34(v)).
67. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as on 31.03.2022.
68. The Company has taken non fund based facility from banks on the basis of security of current assets and statement of current assets filed by the company with banks, if any, are in agreement with the books of accounts.
69. The company has not been declared as a willful defaulter by any bank or financial Institution or any other lender as on 31.03.2022.
70. As per information available with the management, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
71. All the charges with ROC have been filed within the statutory period for the year ended 31.03.2022.
72. GAIL Gas Bengaluru launched a new CNG vehicle conversion scheme from Dec 2021 onwards in Bengaluru Urban and Rural GA. Scheme is applicable on purchase of New CNG vehicle and retro fitment of old vehicles. Distribution of CNG Fuel cards for purchase of CNG thru COCO and RO stations in Bengaluru is made by GAIL Gas Limited through OEM Dealers and registered Retrofitters. As on 31.03.2022, 1224 cards have been activated and advance with M/s One97 – service provider for CNG Fuel cards is Rs. 15.60 Lakhs. The unused balance in 1224 number of CNG Fuel cards issued to customers as on 31.03.2022 to be used for CNG purchase at Company's Bengaluru CNG stations is Rs. 2.38 crores (Previous year Rs. Nil).

73. Ratios

Sl No.	Particulars	Numerator	Denominator	21-22	20-21	Variance
(a)	Current Ratio	Current assets	Current liabilities	0.64	0.80	-20%
(b)	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.27	0.21	29%(a)
(c)	Debt Service Coverage Ratio	Profit after tax plus Finance Cost plus Depreciation	Debt Service ⁽¹⁾	9.28	6.82	36%(b)
(d)	Return Equity Ratio	Profits after taxes	Average Shareholder's Equity ⁽²⁾	13%	9%	44%(b)
(e)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	245	196	25%



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(f)	Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	13	9	44% ^(c)
(g)	Trade Payable Turnover Ratio	Purchases of stock-in-trade of natural gas and other expenses	Average Trade Payables	13	11	18%
(h)	Net Capital Turnover Ratio	Net Sales	Working Capital	-15	-26	42% ^(c)
(i)	Net Profit Ratio	Profits after taxes	Total Income (Net of Excise Duty)	4%	4%	-
(j)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed ⁽³⁾	13%	9%	44% ^(b)
(k)	Return on Investment	Share of Profit / (Loss) of Joint Ventures	Average Investments	1.86%	1.45%	28% ^(d)

- 1) Finance Cost plus Principal Repayments of Debt
- 2) Average of Opening Shareholder's Equity and Closing Shareholder's Equity.
- 3) Shareholder's Equity + Total Debt + Deferred Tax Liabilities + Lease Liabilities

Explanation for change in the ratio by more than 25% as compared to preceding year;

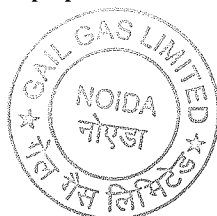
- (a) The increase in debt-equity ratio is due to increase in the long term borrowing of the Company by Rs.224.90 Crores during the current financial year. Long term borrowing as on 31.03.2022 is Rs.655.16 as compared to Rs.430.27 Crores as on 31.03.2021.
- (b) Due to growth in the profit of the company during the current financial year has resulted in an improvement in the ratio.
- (c) Growth in the revenue has resulted in an improvement in the ratio.

74. Events occurring after the balance sheet date

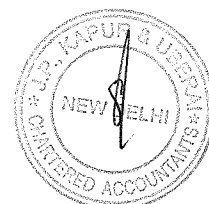
The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As on date, there are no material subsequent events to be recognized or reported that has not already been stated.

75. Confirmation of Assets & Liabilities

- a) Balance confirmation has been sought from Customers/ vendors / contractors / authorities for balances grouped under trade receivables, loan and advances, deposits and trade payables. Substantial replies have been received, wherever replies have been received, reconciliation is under process and impact on the financial statements which in the opinion of the management is not expected to be material.
- b) In the opinion of management, the value of assets, other than property, plant and equipment and non-current investments, on realization in the ordinary course of



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business, will not be less than the value at which these are stated in the Balance Sheet.

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

77. Approval of Financial Statements

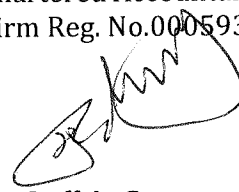
The Financial Statements were approved for issue by the board of directors on 13.05.2022.

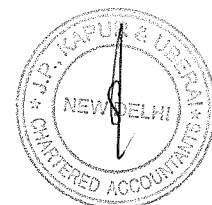
For & on behalf of the Board of Directors of GAIL GAS LTD.

 Deepak Asija Company Secretary	 Bhaskar Debnath CFO	 Raman Chadha CEO	 R K Jain Director	 Manoj Jain Chairman
PAN-ADRP0983E	PAN- AFJPD9216M	PAN- AAVPC9652R	DIN 08788595	DIN-07556033

As per our report of even date attached

For M/s J.P.,Kapur & Uberai
Chartered Accountants
Firm Reg. No.000593N


CA Sudhir Gupta
Partner
Membership No. 099417



Place: New Delhi
Date: 13-05-2022

Place: New Delhi
Date: 14-05-2022

