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INDEPENDENT AUDITOR'S REPORT

To the Members of GAIL Gas Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GAIL Gas Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 state of affairs of the Company as at 31st March 2026, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

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

Sl. No	Key Audit Matter	Auditor's Response
1	**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. Refer note 31(I)(a) to the standalone financial statements.	**Principal audit procedures performed:** • 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. • We read summary on litigation matters provided by the management and its inhouse legal counsels with respect to the matters included in the summary.

2	**Uncertain tax positions** 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. Refer note 31(I)(b) to (c) to the standalone financial statements.	**Principal audit procedures performed:** • 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 held discussion with respective personnel to understand adequacy of provision made by the management. • 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.
3	**Contingencies: Minimum Work Programme Commitment (MWP)** The Company has a commitment to achieve MWP for 11 GAs awarded by the PNGRB in 9th, 10th & 11th 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 has been accepted by the latter in majority of the GA's. Penalty for not meeting MWP targets as on 31st March, 2026 works out to Rs.53.53 crores. Due to the complexity involved in the execution of the MWP, 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. Accordingly, it has been considered as a key audit matter. Refer note 31(I)(d) to the standalone financial statements.	**Principal audit procedures performed:** • We perused copies of communication exchanged between PNGRB and the Company during the year. We compared the said communication with the appropriateness of disclosure in the standalone financial statements. • We performed inquiries with the personnel on the working of penalty and verified the calculation. • We evaluated the disclosure in the standalone financial statements given by the management.
4	**Technical Parameters and voluminous transactions of Natural Gas trading**	**Principal audit procedures performed:** • We have performed test of controls, over the

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	and transmission captured to measure Revenue and Inventory through Integrated system and complexities involved therein. 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 on March 31, 2026. Refer Note 10 to the standalone financial statements.	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.
5	**Provisional liability on estimation basis** Provisional liability of Rs. 298.04 Crores as at March 31, 2026 accounted for on estimation basis. Refer note 33 to the standalone financial statements.	**Principal Audit Procedures performed:** • 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 respective contracts. • We held discussion with respective personnel to understand execution of work and evaluated estimation of the provisional liabilities made by the management. We checked receipt of invoices against provisional liability and payments made subsequently till the date of our Audit report.
6	**Revenue recognition** The Company is in the business of distribution of natural gas. The Company has various types of customers such as industrial, commercial, non-commercial, domestic and is respect of CNG - oil marketing companies and others. Revenue from sale of natural gas is considered as key audit matter as there is a risk of accuracy of recognition and measurement of gas sales in the Standalone Financial Statements considering following aspects:	**Principal audit procedures performed:** Our approach was a combination of test of internal controls, analytical and substantive procedures which included the following: • Evaluated the design of internal control • For evaluation of operative effectiveness of internal control: – Verified samples of gas sales invoices with agreements executed with the customers, accuracy of pricing, consumption quantity, tax amount of invoices of various categories of customers. – Visited site to understand actual operation • Performed analytical procedures to verify number of bills generated during the year for each major

	– Different pricing structure for different types of customers and frequency of price change – Voluminous number of customers – Capturing Gas Consumption data in billing – Estimating unbilled revenue at the year-end – Extensive use of SAP and other IT systems for managing the billing operation Refer Note 21 to the standalone financial statements	type of customers as per their respective billing cycle • On sample basis, verified: – Updation of Daily Contracted Quantity of gas of Industrial customers in the billing system. – Updation of prices of gas for all major types of customers in the billing system. – Sales invoices • Verified subsequent realization of amounts due as per invoices generated for the month of March 2026. • Evaluated the appropriateness of accounting policies, related disclosure made and overall presentation in the Standalone Financial Statements in terms of Ind AS 115.
7	**Valuation of Investments in Jointly Controlled entities** The Company has investments in jointly controlled entities aggregating to Rs. 464.93 crore as at March 31, 2026. Due to the materiality of the investment in the context of the parent Company's financial statements and the market risk related with recoverability of investments, this was considered to be the area of focus during the course of Company's audit. Hence, it was considered as a key Audit matter in our Report. Refer Note 5 to the standalone financial statements	**Principal audit procedures performed** We obtained understanding of the Company's policy on assessment of impairment of investment jointly controlled entities and assumptions used by the management including design and implementation of controls. We have assessed the methodology used by the management of the Company to estimate recoverable value of each investment and consistency with Ind AS 36 Impairment of Assets and, where applicable, Ind AS 113 Fair Value Measurement. We compared the carrying value of the Company's investment in jointly controlled entities with their respective net asset values as per the audited financial statements. With respect to the cases where indicators of impairment were identified by the management. We evaluated management's methodology, assumptions, estimates used in the calculation, and which is free from impairment in the opinion of management. (Refer Note 55) We evaluated the appropriateness of its accounting and the disclosures, if any, for the impairment of investment in jointly controlled entities.

Information Other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for 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, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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(e) The Company being a government company, provisions of Section 164(2) of the Act, with respect to disqualification of Directors is 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 with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

(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 our information and according to the explanations given to us, the Company being a Government Company, provisions regarding remuneration paid by the Company to its directors during the year is 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 31(1)(a) to the standalone financial statements;

ii. The Company did not have any derivative contracts. None of the long-term contracts require provision for material foreseeable losses, as required under the applicable law or accounting standards;

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 Management has represented that, to the best of its 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 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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, 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.

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v. The Board of Directors of the company have proposed final dividend for the year which is subject to the approval at the ensuing Board Meeting. The amount of dividend proposed in accordance with Circular of Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18.11.2024 and Section 123 of the Act, as applicable.

vi. Based on examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.

3. As required by Section 143 (5) of the Act, we have considered the directions issued by the Comptroller & Auditor General of India, the action taken thereon and its impact on the standalone financial statements of the Company is given in "**Annexure – C**".

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm registration number: 01411N

ATUL AGGARWAL
Digitally signed by ATUL AGGARWAL
Date: 2026.04.29 18:39:34 +05'30'

CA ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 26099374JLXPUR6754

Place: New Delhi
Date: 29.04.2026

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of GAIL Gas Ltd. of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details of property, plant & equipment. The company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us and based on our examination of records, the Company has a regular programme of physical verification of property, plant & equipment (PPE) and ROU assets other than underground pipelines which as per management cannot be physically verified. PP and Inventory for capital projects shown under Capital Work in progress has been physically verified by the Project Management Consultant (PMC) and the management during the year. Capital stores in the nature of free issue material has been verified and certified by the PMC. Discrepancies noticed on verification between physical assets and book records were not material, necessary entries for which has already been accounted for in the standalone financial statements. In our opinion, the frequency of verification of the PPE is reasonable having regard to the size of the Company and the nature of its assets.

(c) As explained to us and based on our examination of records, title deed of immovable properties of land and buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) which are freehold, are held in the name of the company, *except as stated below*:

Description of property	Gross carrying value (Rs. In Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Freehold Land, Plot No 2241, Phase-II, Sector-38, I.E Rai, Sonipat, Haryana (3004.42 square meters)	2.05	Haryana State Industrial and Infrastructure Development Corporation (HSIIDC)	No	Since 08.04.2010	Completion certificate is pending

(d) As explained to us and based on our examination of records, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

(a) According to the information and explanations given to us, *except for material in transit*, inventory of stores and spares has been physically verified by the management at reasonable intervals including inventory lying with project management consultant which has also been confirmed by the latter. Further, the coverage and procedure of such verification adopted by the management is appropriate. No material discrepancies were noticed by the management on such verification.

As explained to us, having regard to the nature of inventory of natural gas, procedures followed by the management for estimation of natural gas quantities is based on volume of pipelines and the volume of cascades containing natural gas considering standard temperature and pressures, are reasonable and no material discrepancies were noticed on such computation. Also, the coverage and procedure of such verification adopted by the management is appropriate.

(b) In our opinion and according to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties except for Loan to 1 Joint Venture entity and Investment in 6 Joint Ventures, in respect of which:

(a)

A. As per information and explanation given to us, the company has provided guarantee on behalf of JV and has provided loan to JV detail of which as follows: -

(Rs. in Crores)

Particulars	Guarantees	Loans
Aggregate of amounts granted/ provided during the year to Joint Ventures	Nil	Nil
Balance outstanding as at the balance sheet date in respect of above	Nil	3.75

B. As the Company has not provided any loans or provided advances in the nature of loans, or stood any guarantee, or provided security to parties other than joint ventures, hence, paragraph 3(iii)(a)B of the Order is not applicable to the Company.

(b) In our opinion, investments made, guarantees provided, terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal and receipt of interest are generally being regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company has fallen due during the year or has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, paragraph 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company being a Government Company, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, are not applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from public during the year and does not have any unclaimed deposits, as at March 31, 2026. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed book of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for maintenance of cost records under section 148 (1) (d) of the Act and we are of the opinion that prima facie, prescribed cost accounts and records have been maintained. However, we have not carried out detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income-tax, sales tax, excise duty, goods & services tax, customs duty, value added tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, customs duty, value added tax, sales tax, excise duty, cess and other material statutory dues were in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Nature of the Statute	Nature of Dues	Period to which amount relates	Rs. in Crores	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	F.Y. 2019-20	9.89	CIT Appeals (New Delhi)
Central Excise Act, 1944	Excise Duty and Penalty	January 2012 – June 2013	1.74	CESTAT, New Delhi
The Uttar Pradesh Trade Act, 1948	Entry Tax	A.Y. 2004-05 & A.Y. 2005-06	26.25	Supreme Court of India
Haryana VAT ACT,2003	Value Added Tax	FY 2019-20 & FY 2020-21	0.35	Appeal filed before Commissioner (Appeals)
CGST Act, 2017	GST	FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21	1.05	Appeal filed before Commissioner (Appeals)

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

(a) In our opinion and according to the information and explanation given to us by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, paragraph 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us by the management, the company has not been declared wilful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.

(c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us by the management, the company has applied the term loans for which they were obtained. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, funds not raised on short- term basis. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as company does not have any subsidiary.

(f) On an overall examination of the financial statements of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.

(a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

xi.

(a) The management has represented that they have not come across any case of fraud on or by the Company involving its management or employees who have significant roles in internal control, or fraud involving others that could have a material effect on the financial information presented in the financial statements.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year (and up to the date of this report). Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the company.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with provisions of section 177 and 188 of the Companies Act, 2013, wherever applicable, all transactions with related parties and the details of related party have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, internal audit reports up to First Half for the year under audit, issued to the Company, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with Directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

xvi.

(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

(b) In our opinion, and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. Statutory auditors of the Company have not resigned during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the company.

xix. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

(a) In our opinion and according to the information and explanations given to us, the company has incurred expenditure under Corporate Social Responsibility as required by the provisions of Section 135 of the Act and there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

xxi. The company is a standalone company and therefore the provision of clause 3 (xxi) of the order are not applicable to the company.

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm registration number: 01411N

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Date: 2026.04.29 18:40:13 +05'30'

CA ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 26099374JLXPUR6754

Place: New Delhi
Date: 29.04.2026

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of GAIL Gas Ltd. of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **GAIL Gas Limited** ("the Company") as of 31st March, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to standalone financial statements 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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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 or our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2026, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm registration number: 01411N

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Date: 2026.04.29 18:40:36 +05'30'

CA ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 26099374JLXPUR6754

Place: New Delhi
Date: 29.04.2026

AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of GAIL Gas Ltd. of even date)

Directions under section 143(5) of Companies Act, 2013 issued by the Comptroller & Auditor General of India

Sl. No.	Directions/ Sub Directions	Action Taken	Impact on Financial Statement
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability. and compliance with applicable regulations. Reporting and material deviations or misstatements.	Based on our verification, GAIL Gas Limited, being a wholly owned subsidiary of GAIL (India) Limited, has its post-retirement benefit investments managed by the GAIL (India) Ltd Employees Provident Fund Trust. As we are the auditors of GAIL Gas Limited, we were unable to independently verify the investments valuation approach, its reasonability, and compliance with applicable regulations.	
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	The company is having SAP to record all the accounting transactions. The company's IT and Cyber Security system has been audited by an independent agency and the management has provided us the Vulnerability Assessment & Penetration Testing Report which is certified by CERT IN. No transactions have been done outside the SAP/IT system.	
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central /State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	As per the information and explanations given to us, the Company has not received any funds (grants/subsidy, etc.) from Central/State Government or its agencies.	

M.K. AGGARWAL & CO. Chartered Accountants FRN 01411N NEW DELHI

4.	Whether the Company has identified the Key Risk areas'? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risk ? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices'? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	a. The Company has identified its key risk areas, which include operational, financial, regulatory, and strategic risks that may impact its business objectives. b. The Company has formulated a Risk Management Policy to mitigate the identified risks. c. The Company has identified its critical data assets, including financial, operational, and customer-related information.	
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority Of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable ? If not, the cases of deviation may be highlighted.	The company is complying with rules & regulations of SEBI and other regulatory authorities, wherever it is applicable.	

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm registration number: 01411N

ATUL AGGARWAL Digitally signed by ATUL AGGARWAL Date: 2026.04.29 18:40:56 +05'30'

CA ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 26099374JLXPUR6754

Place: New Delhi
Date: 29.04.2026

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

GAIL GAS LIMITED
Standalone Balance Sheet as at 31st March 2026

(₹ In Crore)

Particulars	Note	As at 31st March 2026	As at 31st March 2025
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3A	3,267.02	2,913.62
(b) Right of Use Assets	3B	185.97	151.63
(c) Capital Work-In-Progress	3A	1,694.66	1,585.15
(d) Intangible Assets	04	3.93	0.54
(e) Financial Assets			
(i) Investments	05	464.93	442.64
(ii) Loans	6A	3.75	-
(iii) Other Financial Assets	7A	16.15	12.82
(f) Other Non Current Assets	8A	28.99	46.12
(g) Non Current Tax Assets (Net)	09	9.95	20.65
Total Non Current Assets (A)		**5,675.15**	**5,173.17**
Current Assets			
(a) Inventories	10	14.88	13.49
(b) Financial Assets			
(i) Trade Receivable	11	868.39	919.61
(ii) Loans	6B	-	3.75
(iii) Cash and Cash Equivalents	12A	87.69	212.47
(iv) Bank Balances Other than Cash and Cash Equivalents	12B	220.97	451.80
(v) Other Financial Assets	7B	59.32	63.96
(c) Other Current Assets	8B	38.82	42.79
Total Current Assets (B)		**1,290.07**	**1,707.85**
TOTAL ASSETS (A+B)		**6,965.22**	**6,881.02**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	2,000.00	2,000.00
(b) Other Equity	14	1,896.88	1,604.49
Total Equity (C)		**3,896.88**	**3,604.49**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15A	1,067.75	1,286.32
(ii) Lease Liabilities		117.09	87.46
(b) Deferred Tax Liabilities (Net)	16	318.78	252.69
(c) Provisions	17A	0.05	-
Total Non Current Liabilities (D)		**1,503.67**	**1,626.47**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15B	218.57	218.57
(ii) Lease Liabilities		30.44	25.63
(iii) Trade Payables	18		
- Total outstanding dues of Micro and Small Enterprises		64.55	46.04
- Total outstanding dues of creditors other than Micro and Small Enterprises		618.29	791.22
(iv) Other Financial Liabilities	19	592.83	521.45
(b) Other Current Liabilities	20	29.12	31.83
(c) Contract Liabilities		3.65	5.93
(d) Provisions	17B	7.22	9.39
Total Current Liabilities (E)		**1,564.67**	**1,650.06**
TOTAL EQUITY AND LIABILITIES (C+D+E)		**6,965.22**	**6,881.02**

The material accounting policies and accompanying notes form an integral part of the Standalone Financial Statements.

For and on behalf of the Board of Directors of GAIL GAS LIMITED

As per our report of even date attached

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No: 01411N

ATUL AGGARWAL
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Date: 2026.04.29 17:51:09 +05'30'

Preeti Aggarwal	**Amit Jhalani**	**Goutam Chakraborty**	**R K Jain**	**Deepak Gupta**	**CA Atul Aggarwal**
Company Secretary	CFO	CEO	Director	Chairman	Partner
PAN-AANPG3779M	PAN-ABTPJ9584G	PAN-ABKPC5087E	DIN-08788595	DIN-09503339	Membership No: 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा गेल गैस लिमिटेड

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

GAIL GAS LIMITED

Standalone Statement of Profit and Loss for the Financial Year Ended 31st March 2026

(Rs in Crore)

	Particulars	Note	Year Ended 31st March 2026	Year Ended 31st March 2025
I	INCOME			
	Revenue from operations (Gross)	21	12681.15	12228.98
	Other Income	22	45.47	51.74
	Total Income		**12726.62**	**12280.72**
II	EXPENSES			
	Purchases of stock-in-trade of natural gas	23	10920.47	10669.52
	Changes in inventories of stock-in-trade of natural gas	24	0.46	(2.09)
	Excise Duty		367.17	280.44
	Employee Benefit Expenses	25	0.99	4.47
	Finance Cost	26	48.00	41.37
	Depreciation and Amortization Expenses	27	175.13	150.68
	Other Expenses	28	618.87	521.47
	Total Expenses		**12131.09**	**11665.86**
III	**Profit before Tax (I-II)**		**595.53**	**614.86**
IV	**Tax Expenses**	29	**153.14**	**164.22**
	- Current tax		94.82	114.05
	- Deferred tax		66.09	46.31
	- Adjustment of tax relating to previous years		(7.77)	3.86
V	**Profit after Tax (III-IV)**		**442.39**	**450.64**
VI	**Other comperhensive 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)		-	-
VII	**Total comprehensive income (Net of Tax) (V+VI)**		**442.39**	**450.64**
VIII	**Earning per share in (Rs.) (face value of Rs. 10 each)**			
	Basic (Rs.)		2.21	2.25
	Diluted (Rs.)		2.21	2.25

The accompanying Notes form an integral part of the Standalone Financial Statements. 1 to 65
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

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No: 01411N

ATUL AGGARWAL Digitally signed by ATUL AGGARWAL Date: 2026.04.29 17:51:33 +05'30'

Preeti Aggarwal	Amit Jhalani	Goutom Chakraborty	R K Jain	Deepak Gupta	CA Atul Aggarwal
Company Secretary	CFO	CEO	Director	Chairman	Partner
PAN-AANPG3779M	PAN-ABTPJ9584G	PAN-ABKPC5087E	DIN-087885'	DIN-09503339	Membership No: 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा गैल गैस लिमिटेड

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

GAIL GAS LIMITED

Standalone Statement of Changes in Equity for the Financial Year Ended 31st March 2026

I. Equity Share Capital (Note 13)
Equity Share Capital issued, Subscribed & Paid Up Equity Share of Rs.10 Each

(₹ in Crore)

Particulars	Amount
As at 1st April 2025	2,000.00
Changes in equity share capital during the year	-
As at 31st March 2026	**2,000.00**

Particulars	Amount
As at 1st April 2024	2,000.00
Changes in equity share capital during the year	-
As at 31st March 2025	**2,000.00**

II. Other Equity (Note 14)

(₹ in Crore)

Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st April 2025	61.35	-	1543.14	-	1604.49
Profit for the year	-	-	442.39	-	442.39
Changes during the year	-	-	-	-	-
Dividend	-	-	(150.00)	-	(150.00)
Share application money received	-	-	-	-	-
Balance as at 31st March 2026	61.35	-	1835.53	-	1896.88

Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st April 2024	50.32	-	1092.50	-	1142.82
Profit for the year	-	-	450.64	-	450.64
Changes during the year	11.03	-	-	-	11.03
Dividend	-	-	-	-	-
Share application money received	-	-	-	-	-
Balance as at 31st March 2025	61.35	-	1543.14	-	1604.49

For and on behalf of the Board of Directors of GAIL GAS LIMITED

As per our report of even date attached

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No: 01411N

ATUL AGGARWAL
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Date: 2026.04.29 17:51:52 -05'30'

Preeti Aggarwal	**Amit Jhalani**	**Goutam Chakraborty**	**R K Jain**	**Deepak Gupta**	**CA Atul Aggarwal**
Company Secretary	CFO	CEO	Director	Chairman	Partner
PAN-AANPG3779M	PAN-ABTPJ9584G	PAN-ABKPC5087E	DIN-08788595	DIN-09503339	Membership No: 099374

GAIL GAS LIMITED NOIDA नोएडा

Place: New Delhi
Date: 29-04-2026

M.K. AGGARWAL & CO.

GAIL GAS LIMITED

Standalone Cash Flow Statement for the Financial Year Ended 31st March 2026

(₹ in Crore)

Particulars	Year Ended 31st March 2026		Year Ended 31st March 2025	
A CASH FLOW FROM OPERATING ACTIVITIES				
1 Profit before Tax		595.53		614.86
2 Adjustment for :				
Depreciation & Amortization Expenses	175.13		150.68	
Finance Cost	48.00		41.37	
Dividend Income on Investments	(0.33)		(0.67)	
Interest Income	(38.61)		(35.93)	
Provision for Employee Benefits	0.30		-	
Provision for Doubtful Debts	4.16		3.83	
Provision for probable obligation	(2.42)		0.43	
Loss / (Profit) on sale of fixed assets	0.39		0.30	
Provision for CWIP	(0.03)	186.59	(11.85)	148.16
3 Operating Profit Before Working Capital Changes (1 + 2)		782.12		763.02
4 Changes in Working Capital (Excluding Cash & Bank Balances)				
Trade and Other Receivables	53.26		(150.56)	
Inventories	(1.39)		(0.79)	
Trade and Other Payables	(101.88)	(50.01)	(16.98)	(168.33)
5 Cash Generated from Operations (3 + 4)		732.11		594.69
6 Direct Taxes Paid (Net off Refund)		(76.35)		(129.88)
NET CASH FROM OPERATING ACTIVITIES (5 + 6)		655.76		464.81
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Net)	(519.52)		(388.00)	
Investment in JV's Companies (Net)	(22.29)		(18.88)	
Investment in bank deposits with maturity more than three months	230.00		(450.00)	
Movement in restricted bank balance	0.83		0.02	
Dividend received on Investments	0.33		0.67	
Interest Received	44.16		28.59	
NET CASH FROM INVESTING ACTIVITIES		(266.49)		(827.60)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	-		447.46	
Repayment of Long Term Borrowings	(218.57)		(132.06)	
Repayment of Lease Liability	(41.42)		(40.84)	
Interest Paid	(104.06)		(107.17)	
Dividend Paid	(150.00)		-	
NET CASH FROM FINANCING ACTIVITIES		(514.05)		167.41
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(124.78)		(195.38)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD		212.47		407.85
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD		87.69		212.47

Note :

1. Reconciliation between the Opening and Closing balances in the balance sheet for liabilities arising from financing activities:

For the Year Ended 31st March 2026

Particulars	Borrowings	Lease Liabilities
Opening Balance as at 1st April 2025	1504.89	113.09
Cash Flows during the year	(218.57)	(41.42)
Non-cash changes due to:		
Acquisitions under Right of Use Assets	-	66.70
Other adjustments	-	9.16
Closing Balance as on 31st March 2026	1286.32	147.53

For the Year Ended 31st March 2025

Particulars	Borrowings	Lease Liabilities
Opening Balance as at 1st April 2024	1189.47	79.32
Cash Flows during the year	315.42	(40.84)
Non-cash changes due to:		
Acquisitions under Right of Use Assets	-	70.92
Other adjustments	-	3.69
Closing Balance as on 31st March 2025	1504.89	113.09

2. Statement of Cash Flows has been prepared using Indirect Method as per Ind AS 7 Statement of Cash Flows

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

4. Refer Note 12A for Cash and Cash Equivalents

For and on behalf of the Board of Directors of GAIL GAS LIMITED

As per our report of even date attached

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No. 01411N

ATUL AGGARWAL
Digitally signed by ATUL AGGARWAL Date: 2026.04.29

Preeti Aggarwal	Amit Jhalani	Goutam Chakraborty	R K Jain	Deepak Gupta	CA Atul Aggarwal
Company Secretary	CFO	CEO	Director	Chairman	Partner
PAN-AANPG3779M	PAN-ABTPJ9584G	PAN-ABKPC5087E	DIN-08788595	DIN-09503339	Membership No: 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI

Note 1: Corporate Information & Material Accounting Policies

Corporate Information

GAIL Gas Limited ("GGL" or "the Company") is an Unlisted Public Limited Company domiciled in India (CIN: U40200DL2008GOI178614) was incorporated on May 27, 2008. The Company is a wholly owned subsidiary of GAIL (India) Limited. The registered office of the Company is located at 16, Bhikaji Cama Place, R K Puram, New Delhi- 110066.

GGL has emerged as a leading company in the City Gas Distribution (CGD) business, with a primary focus on addressing and accelerating the energy needs of various authorised geographical areas across the nation. The Company has been authorised by the Petroleum and Natural Gas Regulatory Board (PNGRB) to implement City Gas Distribution Projects in the districts of Bharatpur (Rajasthan): Dewas & Raisen, Shajapur, and Sehore (Madhya Pradesh); Sonepat (Haryana); Meerut, Firozabad, Agra (TTZ), Mirzapur, Chandauli, and Sonbhadra (Uttar Pradesh); Bengaluru Rural and Urban, and Dakshina Kannada (Karnataka); Giridih, Dhanbad, West Singhbhum, Seraikela-Kharsawan, and Kondagaon, Bastar, Sukma, Narayanpur, Bijapur, and Dantewada (Jharkhand); Sundargarh, Jharsuguda, Ganjam, Nayagarh, Puri, Gajapati, Kandhamal, Boudh, and Sonepur (Odisha); and Dehradun (Uttarakhand).

In addition, the Company is pursuing City Gas Distribution business in the states of Andhra Pradesh, Gujarat, Uttarakhand, Goa, Rajasthan, and Assam through its joint venture companies.

The Standalone Financial Statements of the company for the year ended 31st March 2026 were authorized in accordance with a resolution of the Board of Directors on 29.04.2026

Basis of preparation

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by the Ministry of Corporate Affairs ("MCA") under section 133 of the Companies Act, 2013 ("Act"), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Financial Statements have been prepared as a going concern on accrual basis of accounting. The Company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

The Standalone Financial Statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and the values are rounded to the nearest crore (up to two decimals) except when otherwise indicated.

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1. Material Accounting Policies

1.1. Property, Plant and Equipment (PPE)

a) In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability subject to necessary adjustment in cost and depreciation in the year of settlement.

b) Stores & Spares which meet the definition of PPE i.e. when the company intended to use for a period exceeding 12 months.

c) Expenditure on major inspection and overhauls of PPE is capitalized, when it meets the recognition criteria of PPE.

d) Technical know-how / license fee relating to plants / facilities and specific software that are integral part of the related hardware are capitalized as part of the underlying asset.

e) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the PPE.

1.2. Intangible Assets

a) Right of Use (RoU) acquired for laying of pipelines, Software, Licenses etc. which meets the recognition criteria of an intangible asset are capitalized as Intangible Assets.

b) Expenditure incurred in research phase is charged to Statement of Profit and Loss and that in development phase, unless it is of capital nature, is also charged to Statement of Profit and Loss.

c) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the intangible assets.

1.3. Capital Work in Progress

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

b) All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized.

c) Capital Stores are valued at weighted average cost, specific provision is made for likely diminution in value, wherever required.

1.4. Foreign Currency Transactions

a) Transactions in foreign currency are initially accounted at the spot exchange rate prevailing on the transaction date.

b) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the reporting date, are translated at spot exchange rates prevailing on that date.

c) Non-monetary items (such as Equity Investments, Property plant and equipment, Intangible assets etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s) other than those measured at fair value.

d) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted in the foreign exchange fluctuation/ finance cost in the statement of profit and loss.

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c) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

1.5. Borrowing Cost

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for its intended use after netting off any income earned on temporary investment of such funds. Other borrowing costs are recognized as expense in the year of incurrence.

1.6. Inventories

a) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable. Stock lying at CNG cascades are estimated on a volumetric basis.

c) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at or above cost.

d) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.

e) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.

1.7. Revenue recognition

The Company has applied the modified retrospective approach on transition to Ind AS 115.

a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

b) Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.

c) The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the Company to recognize revenue based on performance completion till date e.g. time elapsed. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.

d) Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, discounts and damages etc.

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

f) Claims (including interest on delayed realization from customers) are accounted for, when there is a significant certainty that the claims are realizable.

g) Liability in respect of Minimum Guaranteed Offtake (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.

h) In terms of the Gas Sales Agreement with the customers, amount received towards Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.

i) Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.8. Depreciation /Amortisation

a) **Property Plant and Equipment (PPE)**

(i) Depreciation on PPE 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.

(ii) Depreciation due to price adjustment in the original cost of PPE is charged prospectively.

(iii) In case of immovable assets constructed on leasehold assets are depreciated over useful life as per schedule II or lease period whichever is lower.

(iv) The residual values, useful lives and methods of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates.

(v) Residual value of PPE is determined considering past experience and generally the same is between 0 to 5% of cost of PPE.

b) **Intangible Assets**

The cost of Intangible assets comprising software and licences, etc. are amortised on Straight Line Method (SLM) over a period of 5 years/actual useful life whichever is lower from the date of capitalization.

c) **Right of Use Assets (Leasehold assets)**

Right of Use Assets are depreciated on Straight Line Method over the lease term. If the ownership of the leasehold assets transfers to the Company at the end of the lease term then it is depreciated over its useful life of the asset. Perpetual Right of Use Assets related to land are not depreciated but tested for impairment loss, if any.

1.9. 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.

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The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

1.10. Impairment of non-financial assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal / External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

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

a) A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

b) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation.

c) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.

d) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

e) Show Cause Notices (SCNs) issued by various Government authorities are generally not considered as obligation. However, when the demand notices are raised against the SCNs and disputed by the Company, they are classified as disputed obligations.

f) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that

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developments are appropriately reflected in the financial statements.

g) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets exceeding ₹ 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.

h) For Capital Commitments, Estimated amount of contracts (Inclusive of Tax & net of advances) remaining to be executed on capital accounts are disclosed in each case above ₹ 5 lacs.

1.12. Taxes on Income

(a) **Current Tax**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

(b) **Deferred Tax**

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legal right exists to set off the same.

1.13. Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.14. Segment reporting

The Management of the company monitors the operating results of its business Segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products / services.

a) Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.

c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

1.15. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

1.16. Statement of Cash Flow

Statement of cash flow is prepared in accordance with the indirect method prescribed in Ind AS 7, 'Statement of Cash Flows'

1.17. Fair value measurement

The Company measures financial instruments and specific investments (other than joint venture), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.18. Financial instruments

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

(A) Financial assets

a) **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.

b) **Initial recognition and measurement**

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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.

c) **Subsequent measurement**

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

(i) **Financial assets carried at amortised cost**

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

(ii) **Financial assets at fair value through other comprehensive income**

A financial asset other than derivatives comprising specific investment 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) **Financial assets at fair value through Statement of Profit and Loss**

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

d) **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.

e) **Investment in subsidiaries, joint ventures and associates**

(i) The company has accounted for its investment in joint ventures at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.

(ii) When the company issues financial guarantees on behalf of joint ventures initially it measures the financial guarantee at their fair values and subsequently measures at higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 and

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- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'

(iii) The Company recognizes the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as financial guarantee obligation. Such deemed investment is added to the carrying value amount of the investment in subsidiaries, joint venture and associates. Financial guarantee obligation is recognized as other income in Statement of Profit and Loss over the remaining period of financial guarantee.

f) **Impairment of other 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 etc.

(B) Financial liabilities

a) **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 shall be subsequently measured at fair value.

b) **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, and derivative financial instruments.

c) **Subsequent measurement**

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

(i) **Financial liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and 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.

(ii) **Financial liabilities at fair value through Statement of Profit and Loss**

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

d) **Derecognition**

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(C) Offsetting of financial instruments

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

1.19. Leases

The Company assesses at the inception of contract whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

a) **Identifying a lease**

The Company applies a single recognition and measurement approach for all leases except for short term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

b) **Initial recognition of Right of use asset (ROU)**

The Company recognizes a ROU asset at the lease commencement date (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

c) **Subsequent measurement of Right of use asset (ROU)**

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.

Initial 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:

(i) Fixed payments, including in-substance fixed payments

(ii) Variable lease payments that depend on an index or a rate

(iii) Amounts expected to be payable under a residual value guarantee; and

(iv) 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.

d) **Subsequent measurement of lease liability**

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 remeasured 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.

e) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption 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 to the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense in Statement of Profit and Loss.

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the lease term.

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 so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Estimates and assumptions

Determination of discount rate as a lessee

Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. Company estimates its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment using observable available inputs (such as market interest rates).

1.20. Current Versus Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.

a) **An asset is treated as current when it is:**

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

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(iii) Expected to be realized within twelve months after the reporting period, or
(iv) Cash or Cash Equivalents 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.

b) **A liability is treated as current when:**

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

All other liabilities are classified as non-current

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Note 2: Accounting Judgements, Estimates and Assumptions

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, contingent liabilities/assets at the date of the standalone 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 adjustment to the carrying amount of assets or liabilities affected in future periods.

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

1. Judgements

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

1.1. Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Revenue and Profit Before Tax. The materiality limits are reviewed from time to time.

1.2. Contingencies

Contingent liabilities and assets which 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 involve the exercise of significant judgments and the use of estimates regarding the outcome of future events.

2. 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 adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company determines its assumptions and estimates on parameters available when the financial statements are 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

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they occur.

2.1. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

2.2. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.3. 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 judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Impairment of investment in subsidiaries, joint ventures or associates is based on the impairment calculations using discounted cash flow/net asset value method, valuation report of external agencies, Investee Company's past history etc.

2.4. Income Taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

2.5. Estimation of defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

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

(₹ in Crore)

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess *
I. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2025	40.98	3176.12	136.25	3.15	55.22	3411.72	1585.15
Additions during the year	-	473.63	11.97	1.46	12.50	499.56	610.87
Transfer to Capitalisation	-	-	-	-	-	-	(499.56)
Sales/Disposals during the year	-	(10.26)	(1.05)	(0.08)	(1.67)	(13.06)	-
Transfer / Provision	-	-	-	-	-	-	(2.00)
Balance as at 31st March 2026	**40.98**	**3639.49**	**147.17**	**4.53**	**66.05**	**3898.22**	**1694.46**
Accumulated Depreciation							
Balance as at 1st Apr 2025	-	449.10	23.40	1.22	24.38	498.10	
Depreciation for the year	-	125.00	5.64	0.49	6.17	137.30	-
Disposals/Adj during the year	-	(2.65)	(0.27)	(0.07)	(1.21)	(4.20)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st March 2026	-	**571.45**	**28.77**	**1.64**	**29.34**	**631.20**	-
Net Book value							
As at 31st March 2026	**40.98**	**3068.04**	**118.40**	**2.89**	**36.71**	**3267.02**	**1694.46**

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess *
1. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2024	35.09	2791.53	124.77	2.75	47.33	3001.47	1498.95
Additions during the Year	5.89	384.75	11.64	0.42	7.96	410.66	498.89
Transfer to Capitalisation	-	-	-	-	-	-	(410.66)
Sales/Disposals during the year	-	(0.16)	(0.16)	(0.02)	(0.07)	(0.41)	-
Transfer / Provision	-	-	-	-	-	-	(2.03)
Balance as at 31st March 2025	**40.98**	**3176.12**	**136.25**	**3.15**	**55.22**	**3411.72**	**1585.15**
Depreciation and impairment							
Balance as at 1st Apr 2024	-	344.42	18.91	0.97	20.54	384.84	
Depreciation for the year	-	104.70	4.51	0.26	3.88	113.35	-
Disposals/Adj during the year	-	(0.02)	(0.02)	(0.01)	(0.04)	(0.09)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st March 2025	-	**449.10**	**23.40**	**1.22**	**24.38**	**498.10**	-
Net Book value							
As at 31st March 2025	**40.98**	**2727.02**	**112.85**	**1.93**	**30.84**	**2913.62**	**1585.15**

Capital work-in-progress ageing schedule #

(₹ in Crore)

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	751.51	394.53	197.62	350.80	1694.46
Total Capital work-in-progress	**751.51**	**394.53**	**197.62**	**350.80**	**1694.46**

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	729.81	272.17	279.46	303.71	1585.15
Total Capital work-in-progress	**729.81**	**272.17**	**279.46**	**303.71**	**1585.15**

* Capital Work in Progress includes a sum of Rs.32.20 Crores as Material in Transit on 31.03.2026 (Previous Year of Rs. 10.91 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 38 : Right of Use Assets

(₹ in Crore)

Cost/ Valuation	Leasehold Land	Plant and Machinery	Buildings	Vehicle	Office Eqipment	Total
1. Cost or deemed cost (Gross Carrying Amount)						
Balance as at 1st Apr 2025	79.63	20.39	36.00	105.03	0.01	241.06
Reclassification	-	-	-	-	-	-
Additions during the year	25.53	6.76	9.59	31.57	-	73.45
Sales/Disposal during the year	(4.16)	-	(0.85)	(2.82)	-	(7.83)
Transfer / Adjustment	-	-	-	-	-	-
Balance as at 31st March 2026	101.00	27.15	44.74	133.78	0.01	306.68
Accumulated Depreciation						
Balance as at 1st Apr 2025	13.63	6.75	13.70	55.35	-	89.43
For the year	4.23	3.36	5.53	26.01	-	39.13
Impairment	-	-	-	-	-	-
Sales/Disposal during the year	(4.16)	0.02	(0.76)	(2.95)	-	(7.85)
Transfer / Adjustment	-	-	-	-	-	-
Balance as at 31st March 2026	13.70	10.13	18.47	78.41	-	120.71
Net Book value						
As at 31st March 2026	87.30	17.02	26.27	55.37	0.01	185.97

Cost/ Valuation	Leasehold Land	Plant and Machinery	Buildings	Vehicle	Office Eqipment	Total
1. Cost or deemed cost (Gross Carrying Amount)						
Balance as at 1st Apr 2024	55.21	28.49	40.71	71.19	0.01	195.61
Reclassification	-	-	-	-	-	-
Additions during the year	32.70	2.67	1.18	46.08	-	82.63
Sales/Disposal during the year	(8.45)	(10.77)	(5.89)	(12.24)	-	(37.35)
Transfer / Adjustment	0.17	-	-	-	-	0.17
Balance as at 31st March 2025	79.63	20.39	36.00	105.03	0.01	241.06
Accumulated Depreciation						
Balance as at 1st Apr 2024	13.96	3.14	14.11	41.29	-	72.50
For the year	4.08	3.61	5.49	26.30	-	39.48
Impairment	-	-	-	-	-	-
Sales/Disposal during the year	(4.40)	-	(5.89)	(12.24)	-	(22.53)
Transfer / Adjustment	(0.01)	-	(0.01)	-	-	(0.02)
Balance as at 31st March 2025	13.63	6.75	13.70	55.35	-	89.43
Net Book value						
As at 31st March 2025	66.00	13.64	22.30	49.68	0.01	151.63

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Note 4 : Intangible Assets

(₹ In Crore)

Cost/Valuation	Right of Use	Computer Software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st Apr 2025	**0.35**	**20.90**	**21.25**
Additions during the year	-	4.25	**4.25**
Sales/Disposal during the year	-	(5.36)	**(5.36)**
Transfer / Adjustment	-	-	**-**
Balance as at 31st March 2026	**0.35**	**19.79**	**20.14**
Accumulated Depreciation			
Balance as at 1st Apr 2025	-	20.71	**20.71**
For the year	-	0.82	**0.82**
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	(5.32)	**(5.32)**
Balance as at 31st March 2026	-	**16.21**	**16.21**
Net Book Value			
As at 31st March 2026	**0.35**	**3.58**	**3.93**

Cost/Valuation	Right of Use	Computer Software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st Apr 2024	**0.35**	**20.90**	21.25
Additions during the year	-	-	-
Sales/Disposal during the year	-	-	**-**
Transfer / Adjustment	-	-	**-**
Balance as at 31st March 2025	**0.35**	**20.90**	**21.25**
Accumulated Depreciation			
Balance as at 1st Apr 2024	-	**20.35**	**20.35**
For the year	-	0.36	0.36
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	-	**-**
Balance as at 31st March 2025	-	**20.71**	**20.71**
Net Book Value			
As at 31st March 2025	**0.35**	**0.19**	**0.54**

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 5 : Investments

(₹ In Crore)

	Particulars	Nature of Investment	Basis of Valuation	As at 31st March 2026	As at 31st March 2025
	Non-Current Investments (Unquoted)				
	In Joint Venture Companies:				
1	- Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 12,35,70,831 Equity shares of Rs 10 each fully paid up (Previous year 10,93,30,449 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	123.57	109.33
2	-Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each (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	- Rajasthan State Gas Limited (RSGL) 6,50,00,000 Equity shares of Rs 10 each fully paid up (Previous year 6,50,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	65.00	65.00
4	- Vadodara Gas Limited(VGL) 4,10,08,943 Equity shares of Rs 10 each fully paid up (Previous year 4,10,08,943 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	41.01	41.01
5	-Haridwar Natural Gas Private Limited (HNGPL) 4,35,80,000 Equity shares of Rs 10 each fully paid up (Previous year 4,35,80,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	43.58	43.58
6	-Goa Natural Gas Private Ltd (GNGPL) 4,00,00,000 Equity shares of Rs 10 each fully paid up (Previous year 4,00,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	40.00	40.00
7	-Purba Bharati Gas Private Limited (PBGPL) 5,17,65,350 Equity shares of Rs 10 each fully paid up (Previous year 4,37,21,600 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	51.77	43.72
	Total			**464.93**	**442.64**

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 6A : Loans (Non Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Loans:		
To Related Parties:		
Unsecured, Considered good		
- Loan to Joint Venture Company	3.75	-
(HNGPL Rs.3.75 Crore (Previous Year Rs. Nil)		
Total	**3.75**	-

Note 7A : Other Financial Assets (Non Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Security deposits:		
- Unsecured considered good	16.15	12.82
Includes deposit amounting to INR 1.52 Crore (Previous year Rs. 1.52 Crore) of Holding Company		
Total	**16.15**	**12.82**

Note 6B : Loans (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Loans:		
To Related Parties:		
Unsecured, Considered good		
- Loan to Joint Venture Company	-	3.75
(HNGPL Rs. Nil (Previous Year Rs. 3.75 Crore)		
Total	-	**3.75**

Note 7B : Other Financial Assets (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Recoverables from Related Parties:		
-Receivables from Joint Ventures (Unsecured considered good)	53.04	54.78
Security deposits:		
- Unsecured, Considered Good	3.99	1.32
Interest Accrued but not due	2.29	7.84
Total	**59.32**	**63.94**

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 8A : Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Prepaid Expenses [Including Rs.17.66 Crore (Previous year Rs.23.89 Crore) in respect of Finanacial Guarantee of Holding Company]	18.03	24.52
Capital Advances [Including Rs.10.10 Crore (Previous year Rs.20.90 Crore) in respect of Hookup advance of Holding Company]	10.96	21.60
Total	**28.99**	**46.12**

Note 8B : Other Current Assets

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Claims recoverables: (Unsecured considered good)	16.40	19.98
Other advances recoverable in cash or in kind		
- Unsecured considered good	2.51	2.00
- Unsecured considered doubtful	0.31	0.31
Less : Provision for doubtful deposits	0.31	0.31
Prepaid Expenses [including Rs.6.23 Crore (Previous year Rs.6.98 Crore) on account of Finanacial Guarantee of Holding Company]	19.91	20.81
Total	**38.82**	**42.79**

Note 09 : Non Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Advance tax and TDS	104.77	134.70
Less : Provision for Tax	94.82	114.05
Total	**9.95**	**20.65**

Note 10 : Inventories

(₹ in crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Stock in Trade:		
Natural Gas	2.80	2.09
Finished Goods:		
Compressed Natural Gas	2.44	3.61
Stores and Spares:		
Stores and Spares	9.47	7.79
Material in Transit	0.17	-
Total	**14.88**	**13.49**

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Note 11 : Trade Receivables (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
From Others	823.66	847.93
From Related Parties	61.51	84.30
Less: Provision for Doubtful Debts	14.64	11.53
Less: Provision for expected credit loss	2.14	1.09
Total Trade and Other Receivables	**868.39**	**919.61**

Note 12A : Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Balances with banks:		
- Current accounts	18.59	42.68
- Corporate Liquid Term Deposit - maturity less than three months	52.00	163.26
Cash on hand	17.10	6.10
Cheques on hand	-	0.43
Total	**87.69**	**212.47**

Note 12B : Bank Balances Other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Other Bank Balances		
- Term Deposit - maturity more than three months	220.02	450.01
Balances with banks:		
- Unspent CSR Accounts	0.95	1.79
Total	**220.97**	**451.80**

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Note 13 : Equity share capital

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Share capital		
Authorised		
5,00,00,00,000 Equity Shares of Rs. 10 each	5000.00	5000.00
(Previous Year 5,00,00,00,000 Equity shares of Rs. 10 each)		
	5000.00	**5000.00**
Issued, subscribed and fully paid up		
1,86,73,34,132 Equity shares of Rs. 10 each (in cash)	1867.33	1867.33
(Previous Year 1,86,73,34,132 Equity shares of Rs. 10 each)		
13,26,65,868 Equity Shares of Rs. 10 each (otherwise than in cash)	132.67	132.67
(Previous Year 13,26,65,868 Equity shares of Rs. 10 each)		
Total	**2000.00**	**2000.00**

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

(₹ in Crore)

Description	As at 31st March 2026		As at 31st March 2025	
	No of Share	Amount	No of Share	Amount
At the beginning of the year	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Change in Equity Share during the Period	-	-	-	-
Outstanding at the end of the period	**2,00,00,00,000**	**2,000.00**	**2,00,00,00,000**	**2,000.00**

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

Description	As at 31st March 2026		As at 31st March 2025	
	No of Share	% Holding	No of Share	% Holding
Equity share of Rs.10 Each fully Paid Up				
GAIL(India) Ltd	2,00,00,00,000	100%	2,00,00,00,000	100%

c) Shares held by promoters as at Mar 31, 2026

Promoter Name	No of Share	% Holding	% Change during the period
GAIL(India) Ltd	2,00,00,00,000	100%	0%

d) 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.

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Note 14 : Other equity

(₹ In Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Deemed Equity *	61.35	61.35
Retained Earnings		
Opening balance	1543.14	1092.50
Add:Current Period Profit	442.39	450.64
Less: Final Dividend	150.00	-
Total	**1896.88**	**1604.49**

* The amount of Rs.61.35 Crore (Previous year Rs.61.35 Crore) denotes fair value of fees towards financial guarantee received from the Holding Company GAIL (India) Limited without any consideration.

Note 15A : Borrowings (Non Current)

(₹ In Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Non current borrowings		
Secured Term loans:		
- Oil Industry Development Board	115.83	161.33
Secured against all the assets of Bengaluru Projects. The total loan outstanding for Bengaluru Project was Rs. 161.33 Crore as on 31.03.2026. The current portion of long term borrowing of Rs. 45.50 Crore, which will be due within next 12 months is disclosed under current financial liabilities. Loans drawn in different tranches and some of the tranches carrying floating rate of interest and some tranches carrying fixed rate of interest.		
- HDFC Bank	951.92	1124.99
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 all geographical areas. The current portion of long term borrowing of Rs. 173.07 Crore, which will be due within next 12 months is disclosed under current financial liabilities.		
Loan has a Door to Door tenor of 11 years from September 28th 2021 till September 30th, 2032 and repayable in 32 consecutive equal quarterly instalments commenced from December 31, 2024 & ending on September 30, 2032. Loan carries floating rate of interest linked to RBI Repo rate.		
Total	**1067.75**	**1286.32**

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 15B : Borrowings (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Current maturity of Borrowings		
Secured Long Term loans:		
- Oil Industry Development Board	45.50	45.50
- HDFC Bank	173.07	173.07
Total	**218.57**	**218.57**

Note 16 : Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at 31st March 2026		As at 31st March 2025	
Deferred Tax Liabilities		318.78		252.69
Less: Corporate MAT Receivable	(8.50)		(8.97)	
Less : Provision for MAT Credit	8.50	-	8.97	-
Total		**318.78**		**252.69**

Note 17A : Provision (Non Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Gratuity	0.05	-
Total	**0.05**	**-**

Note 17B : Provision (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Gratuity	0.25	-
Provision for Probable Obligations	6.97	9.39
Total	**7.22**	**9.39**

Note 18 : Trade Payables

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Trade payables to related parties	510.51	654.48
Trade payable to Micro and Small Enterprises	64.55	46.04
Trade payable other than Micro and Small Enterprises	107.78	136.74
Total	**682.84**	**837.26**

Note 19 : Other Financial Liabilities (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Deposits/Retention Money from Customers/contractors/others	378.14	313.15
Payable for Capital expenditure	200.00	184.10
Other Liabilities	14.69	24.20
Total	**592.83**	**521.45**

Note 20 : Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Statutory payables		
TDS, VAT, Excise and GST payable	29.12	31.83
Total	29.12	31.83

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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note : 21 Revenue from Operations

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Sale of Products		
City Gas Distribution	6,006.34	4,947.52
Natural Gas Trading	6,658.26	7,263.92
Other Operating Income:		
Service charges	13.63	15.70
Income from Extra Pipe Line	2.02	1.27
Income from after Sales Service	0.90	0.57
Total	**12,681.15**	**12,228.98**

Note : 22 Other Income

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest Income	38.61	35.93
Miscellaneous Receipts	6.53	15.14
Dividend Income from Investments	0.33	0.67
Total	**45.47**	**51.74**

Note : 23 Purchases of stock-in-trade of natural gas

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Natural Gas	10,920.47	10,669.52
Total	**10,920.47**	**10,669.52**

Note : 24 Changes in inventories of stock-in-trade of natural gas and CNG

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Changes in Stock of Natural Gas and CNG:		
Closing Stock	5.24	5.70
Opening Stock	5.70	3.61
(Increase) / Decrease in Stock	**0.46**	**(2.09)**

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Note : 25 Employee Benefit Expenses

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Salary Wages & Allowances	4.13	4.33
Contribution to Provident Fund	0.11	0.14
Less: Employees Benefits Transferred to IEDC	3.25	-
Total	**0.99**	**4.47**

Note : 26 Finance Cost

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest on Term Loan From HDFC	79.63	85.34
Interest on Term Loan From OIDB	13.22	16.65
Interest on Lease Liability	9.16	7.61
Less: Interest & Finance Charges transferred to IEDC	54.01	68.23
Total	**48.00**	**41.37**

Note : 27 Depreciation & Amortisation Expenses

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Depreciation & Amortisation Expenses	176.99	153.20
Less: Depreciation and Amortization transferred to IEDC	1.86	2.52
Total	**175.13**	**150.68**

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Note : 28 Other Expenses

(₹ in Crore)

Particulars	Year Ended 31st March 2026		Year Ended 31st March 2025	
Power & Fuel Charges				
-Electricity Charges		18.10		16.61
-Fuel Charges		63.81		47.94
Rent-Office & Others		11.96		10.69
Manpower cost	133.42		129.18	
Less: Manpower cost transferred to CWIP	44.81		52.06	
Less: Reiumbursement of employees on deputation	7.95	80.66	8.86	68.26
Repairs and Maintenance				
-CNG		97.28		85.12
-Pipelines		49.19		40.80
-Others		9.20		8.81
Forecourt Management Services-CNG		16.27		13.68
Insurance Charges		12.94		14.03
Rates & Taxes		0.83		0.61
Payment to Auditors				
-Audit Fees		0.16		0.17
-Tax audit Fees		0.02		0.02
-Travelling & Out of Pocket Expenses		0.16		0.08
-Other Services (for issuing certificates, etc.)		0.02		-
Other Audit Fees		0.11		0.11
Stores & Spares Consumed		5.53		5.79
Loss/(Gain) of Foreign Currency Transaction		0.21		0.03
Water Charges		0.03		0.02
Communication Expenses		0.26		0.30
Printing & Stationery		0.81		0.76
Travelling Expenses	4.54		4.15	
Less : Travelling cost transferred to CWIP	1.28	3.26	1.49	2.66
Books & Periodicals		0.01		0.01
Provision for Probable Obligation		0.30		0.43
Advertisement & Publicity		2.06		1.58
Training Expenses		0.82		0.40
Vehicle Hire Charges		4.53		4.33
Consultancy & Legal Charges		1.76		2.62
Data Processing Expenses		7.92		17.67
ERV/QRV Hire Charges		8.43		6.89
Selling & Distribution Expenses:				
-Dealer Commission		124.15		91.34
-HCV/LCV Hire Charges		27.41		15.84
-Facility Charges		19.11		13.76
-Other S&D Expenses		5.15		4.44
Security Expenses		6.20		7.55
CSR Expenses		9.28		8.49
Loss on sale of Fixed asset		0.39		0.30
Provision for Doubtful debts / claims		3.84		3.84
Other Miscellaneous Expenses		26.70		25.49
Total		**618.87**		**521.47**

NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note : 29 Tax Expenses

(₹ in Crore)

Particulars	**Year Ended 31st March 2026**	**Year Ended 31st March 2025**
Current tax	94.82	114.05
Deferred Tax	66.09	46.31
Provision / Adjustment of Tax relating to earlier periods	(7.77)	3.86
Total	**153.14**	**164.22**

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30. The Company is a wholly owned subsidiary of GAIL (India) Ltd. The authorized capital of the Company as on 31st March, 2026 is ₹5,000.00 Crore (Previous Year: ₹5,000.00 Crore) and issued, subscribed and paid-up capital as on 31st March, 2026 is ₹2,000.00 Crore (Previous Year: ₹2,000.00 Crore).

31. **Contingent Liabilities and Capital Commitments:**

I. **Contingent Liabilities:**

Claims against the company not acknowledged as debts:

a. Legal cases for claim of ₹4.18 crore (Previous Year: ₹4.54 crore) by Vendors/Suppliers / Contractors/Customers etc.

b. Income Tax Demands & Appeals of ₹9.89 crore (Previous Year ₹10.77 crore) is pending and disclosed as Contingent Liability as on 31st March, 2026.

c. Disputed Indirect Tax Demands are as under:

(₹ in crore)

Sl. No	Particulars	As at 31st March, 2026	As at 31st March, 2025
i.	Excise Duty	1.74	1.74
ii.	VAT	0.35	0.31
iii.	GST	1.04	0.99
iv.	Entry Tax*	26.25	26.25
Total		**29.38**	**29.29**

*Re-assessment notice dated 14-03-2011 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 ₹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 18-04-2011 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.

d. The company is carrying on construction activities for capital projects in 11 GAs awarded by the PNGRB in 9th, 10th and 11th CGD bidding round to meet the Minimum Work Program (MWP) targets as per grant of authorization. Keeping in view delay in availability of pipeline connectivity from the gas source to the respective GAs and non-availability of permissions from different authorities, there is a shortfall in achievement of MWP targets as per grant of authorization. In this regard the Company has not received any notices from PNGRB till date. Therefore, penalty for not meeting of MWP targets aggregating to ₹53.53 crore as on 31st March, 2026, (Previous year: ₹36.09 Crore) has been disclosed as Contingent Liability. Management is hopeful that the Company will achieve the cumulative MWP targets in its subsequent periods as per grant of authorization.

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II. Capital Commitments:

Estimated amount of contracts over ₹5.00 lakhs *(inclusive of taxes & net of advances)* remaining to be executed on capital account as on 31st March, 2026 is ₹1,271.96 crore (Previous Year: ₹ 1,180.44 crore).

32. The Company has submitted a Bank Guarantee of ₹2,079.99 crore (Previous Year: ₹2,079.99 crore) in favour of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization for Bengaluru Rural and Urban Districts GA.

33. Provisional liabilities of Rs. 298.04 Crores (Previous Year Rs. 297.50 Crores) have been created in the books of accounts as on 31.03.2026 based on 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.

34. As per provisions of Ind AS 109, the company has made following fair valuation recognition:

a. In previous years, the holding company GAIL (India) Ltd has provided Corporate Guarantee's to the Company, for obtaining bank guarantees in favour of PNGRB for different GA's. The Company has shown it as Deemed Equity as capital contribution from Holding Company *(Note-14)* based on the fair valuation as per Ind AS 109. The Corporate Guarantee (CG) wise details are given below:

(₹ in crore)

Sl. No.	Descriptions	Deemed Equity (Note-14)	Guarantee commission expenses (Note-26)
1	CG Bengaluru Rural and Urban Districts GA of ₹2,079.99 Crore	11.74 (11.74)	- (1.44)
2	CG 10th Bidding round GAs of ₹133.00 Crore	0.72 (0.72)	- -

(Figure shown in brackets pertains to Previous Year).

b. In case of Corporate Guarantee (valid up to 07-06-2024) 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 ₹4.41 crore (Previous Year: ₹4.41 crore) has been shown as deemed equity as capital contribution from Holding Company *(Note-14)* with corresponding account receivables from Joint Venture Company Goa Natural Gas Pvt. Limited *(Note-7B)*, based on the fair valuation.

c. In case of Corporate Guarantee provided by the holding company GAIL (India) Ltd. for long-term loan of ₹1,500.00 Crore (Previous Year: ₹1,500.00 crore) from HDFC, a sum of ₹44.48 crore (Previous Year: ₹44.48 crore) has been shown as deemed equity as capital contribution from the holding company *(Note-14)*. Accordingly, a sum of ₹23.89 crore (Previous Year: ₹30.87 crore) has been shown as pre-paid expenses *(Note-8A & 8B)* and ₹6.98 crore (Previous Year: ₹6.14 crore) as guarantee-commission expenses *(Note-28)*.

35. Department of Investment & Public Asset Management (DIPAM), Government of India, Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18-11-2024 has issued revised guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend. In FY 2025-26, the Board of Directors of the company has proposed a final dividend of ₹160.00 crore (Previous Year: ₹150.00 crore) more than the minimum required as per the above guidelines.

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36. Disclosure relating to Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, Government of India, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses are as under:

I. The disclosure in respect of CSR expenditure is as under:

(₹ in crore)

	Particulars	FY 2025-26	FY 2024-25
i.	**Amount required to be spent by the company during the year**		
	Annual CSR Allocation	12.00	10.00
	Carry forward from previous year	-	-
	Gross amount required to be spent @ 2% *(as per provision of Section 135 of the Companies Act 2013)*	9.65	8.12
	Set-off available from previous years	0.37	-
	Total CSR obligation for the year	9.28	8.12
ii.	Amount of expenditure incurred	10.42	8.49
	Set-off available for succeeding years	1.14	0.37
iii.	Shortfall at the end of the year	-	-
iv.	Total of previous years' shortfall	-	-
v.	Reasons for shortfall	NA	NA
vi.	Nature of CSR activities	*as per 35 (II) below*	
vii.	Details of related party transactions	NIL	NIL

II. Break-up of the CSR expenses under major heads is as under:

(₹ in crore)

	Particulars	FY 2025-26			FY 2024-25		
		Paid	Yet to be paid **	Total	Paid	Yet to be paid **	Total
i.	Major Health and Nutrition Related Projects	5.18	0.43	5.61	4.95	1.38	6.33
ii.	Promoting Education	3.09	0.37	3.46	1.21	0.29	1.50
iii.	Empowering Women	0.42	0.05	0.47	0.05	-	0.05
iv.	Sanitation	0.42	-	0.42	0.36	-	0.36
v.	Rural Development	-	-	-	0.25	-	0.25
vi.	Capacity Building / Administrative Overheads	0.46	-	0.46	-	-	-
	Total Expenses	**9.57**	**0.85**	**10.42**	**6.82**	**1.67**	**8.49**
vii.	Refunds / Adjustments for earlier years projects	-	-	-	-	-	-
	Net Amount (i) to (vi) - (vii)	9.57	**0.85**	**10.42**	**6.82**	**1.67**	**8.49**

*** Provisions made for liabilities incurred*

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37. Land & Building:

Title deeds of Land pending for execution in the name of the Company as on 31st March 2026 are as under:

Sl. No.	Particular line in the Balance Sheet	Description of item of Property	Gross Carrying Value (₹ in crore)	Title deeds held in name of	Whether title deed holder is a promoter, director or relative of promoters/director or employee of promoter/director	Property held since which date	Reason for not being held in name of Company (also indicate if in dispute)
1	Property, Plant and Equipment	Plot No. 2241, Phase-II, Sector 38 , HSIIDC Industrial Estate, Rai Sonepat	2.05	HSIIDC	No	08-04-2010	Completion Certificate is pending

38. Ind AS 115 - Revenue from Contracts with Customers:

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The disaggregation of the company's revenue from contracts with customers is disclosed at Note -21.

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 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.

Trade Receivables and Contract Balance:

The following table provides the information about receivables and contract liabilities from contracts with customers:

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(₹ in crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Receivables	868.39	919.61
Contract Liabilities	3.65	5.93

Trade receivables are interest bearing and are generally on terms of 3 to 45 days credit after billing. Contract liabilities are advances received from customers against supply to be made of gas after the reporting date.

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.

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

Company as Lessee:

a. **Reconciliation of Lease Liabilities:**

(₹ in crore)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Opening Balance	113.09	79.32
Adjustments for:		
Additions during the year	66.70	70.92
Deletions during the year	-	-
Accretion of interest	9.16	7.61
Foreign exchange loss on restatement of lease liabilities	-	-
Lease liabilities paid during the year	41.42	40.84
Excess Lease liabilities written Back	-	3.92
Closing Balance	**147.53**	**113.09**
Current	30.44	25.63
Non-current	117.09	87.46

b. **Maturity analysis of Lease Liabilities:**

As at 31st March 2026

(₹ in crore)

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	7.94	22.50	-	-	**30.44**
Lease Liabilities (Non-Current)	-	-	51.10	65.99	**117.09**

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As at 31st March 2025

(₹ in crore)

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	7.16	18.47	-	-	**25.63**
Lease Liabilities (Non-Current)	-	-	48.32	39.14	**87.46**

c. **Amounts recognized in Statement of Profit and Loss:**

(₹ in crore)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation on right-of-use assets	37.28	36.96
Interest expense on lease liabilities	7.24	5.71
Expense relating to short-term leases	7.18	5.49
Expense relating to low value assets leases	-	0.01
Variable lease payments	-	-
Total	51.70	**48.17**

40. Employee Benefits *(Ind AS 19)*

a. Employees on Secondment from Parent Company

All employees of **GAIL Gas Limited**, other than Fixed Term Employees (FTEs), are on deputation/secondment from the Parent Company, **GAIL (India) Limited**.

The Parent Company raises monthly invoices on the Company towards the cost of such seconded employees, along with applicable GST. The cost incurred towards seconded employees has been disclosed under **"Other expenses – Manpower cost"** ***(Note 28)*** in the financial statements. These costs primarily comprise salaries, allowances, and other employee-related benefits paid by the Parent Company.

b. Fixed Term Employees (FTEs)

The Company has engaged Fixed Term Employees (FTEs) directly. As at 31st March 2026, 41 FTEs were on the Company's payroll (Previous year: 55 FTEs). FTEs are engaged for an initial fixed tenure of three years, which may be extended further for a maximum period of two years, subject to annual renewal.

Salaries, allowances, and other employee benefits payable to FTEs are recognised under "Employee benefit expense" in accordance with Ind AS 19 – Employee Benefits.

c. Allocation of Employee Costs to Capital Work-in-Progress

Employees are deployed across various functions, including project activities and operational activities. Employee costs, including those relating to FTEs and seconded employees, which are directly attributable to project activities during the construction phase, are identified by management and capitalized as incidental expenditure during construction and transferred to Capital Work-in-Progress (CWIP), in accordance with applicable accounting standards. FTEs Employee Cost which is attributable to

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Construction activities is being identified and capitalized from current year. Remaining employee costs are charged to the Statement of Profit and Loss.

d. **Gratuity Benefits**

The Company provides for gratuity benefits in accordance with the applicable provisions of Ind AS 19 and the new Labour Codes. Gratuity is treated as a defined benefit obligation, and the liability is determined based on an actuarial valuation carried out at the reporting date.

As at 31st March 2026, the gratuity liability recognized in the books as per Actuarial Valuation Report amounts to ₹0.30 crore.

41. **Disclosure as per Ind AS 23 'Borrowing Costs':**

Borrowing costs capitalized in assets including amount allocated towards Capital Work in Progress during the year was ₹54.01 crore (Previous Year: ₹68.23 crore).

42. In compliance of Ind AS 108 "Operating Segment", the Company has adopted following Business segments as its reportable segments:

a. City Gas Distribution
b. Natural Gas Trading

a. **Geographical Information:**

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

Information about Business Segments for the financial year ended 31st March 2026

(₹ in crore)

Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	**Segment Revenue** **						
	External Sales / Other Income	6022.89	6658.26	-	12,681.15	-	12,681.15
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	**6022.89**	**6658.26**	-	**12,681.15**	-	**12,681.15**
2	**Segment Results**						
	Segment Result (Profit before Interest &Tax)	612.06	77.83	(46.36)	643.53	-	643.53
	Unallocated expenses (Net)	-	-	(38.94)	(38.94)	-	(38.94)
	Operating Profit	**612.06**	**77.83**	**(85.30)**	**604.59**	-	**604.59**
	Interest Expenses			(48.00)	(48.00)		(48.00)

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Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
	Interest/ Dividend Income			38.94	38.94	-	38.94
	Provision for Taxation			(153.14)	(153.14)	-	(153.14)
	Profit/(Loss) from Ordinary Activities	**612.06**	**77.83**	**(247.50)**	**442.39**	-	**442.39**
	Net Profit/(Loss)	**612.06**	**77.83**	**(247.50)**	**442.39**	-	**442.39**
3	**Other Information**						
	Segment Assets	5,287.15	547.56	1,130.51	6,965.22	-	6,965.22
	Segment Liabilities	1,022.05	406.63	1,639.66	3,068.34	-	3,068.34
	Cost to acquire fixed assets	577.26	-	-	577.26	-	577.26
	Depreciation and Amortization Expenses	174.05	0.02	1.06	175.13	-	175.13
	Non-Cash expenses other than Depreciation and Amortization Expenses	4.83	-	-	4.83	-	4.83

** includes Compressed Bio Gas*

*** Segment Revenue includes Other Operating revenue*

Information about Business Segments for the financial year ended 31st March 2025

(₹ in crore)

Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	**Segment Revenue ****						
	External Sales / Other Income	4,965.06	7,263.92	-	12,228.98	-	12,228.98
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	**4,965.06**	**7,263.92**	-	**12,228.98**	-	**12,228.98**
2	**Segment Results**						
	Segment Result (Profit before Interest &Tax)	631.84	73.56	(49.17)	656.23	-	656.23
	Unallocated expenses (Net)	-	-	(36.60)	(36.60)	-	(36.60)
	Operating Profit	**631.84**	**73.56**	**(85.77)**	**619.63**	-	**619.63**

Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
	Interest Expenses	-	-	(41.37)	(41.37)	-	(41.37)
	Interest/ Dividend Income	-	-	36.60	36.60	-	36.60
	Provision for Taxation	-	-	(164.22)	(164.22)	-	(164.22)
	Profit/(Loss) from Ordinary Activities	**631.84**	**73.56**	**(254.76)**	**450.64**	-	**450.64**
	Net Profit/(Loss)	**631.84**	**73.56**	**(254.76)**	**450.64**	-	**450.64**
3	**Other Information**						
	Segment Assets	4,905.54	651.04	1,324.44	6,881.02	-	6,881.02
	Segment Liabilities	987.19	539.28	1750.06	3,276.53	-	3,276.53
	Cost to acquire fixed assets	493.29	-	-	493.29	-	493.29
	Depreciation and Amortization Expenses	149.92	-	0.76	150.68	-	150.68
	Non-Cash expenses other than Depreciation and Amortization Expenses	4.57	-	-	4.57	-	4.57

** includes Compressed Bio Gas*

*** Segment Revenue includes Other Operating revenue*

b. Information about major customers:

Revenue from two customers individually accounted for 10% or more of the Company's total revenue during the year.

Revenue of ₹4,934.15 crore (Previous year ₹5,625.64 crore) was derived from one customer and is attributable to the Natural Gas Trading segment.

Revenue of ₹1,535.62 crore (Previous year ₹1,396.55 crore) was derived from another customer and is mainly attributable to the Natural Gas Trading segment.

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43. **Related Party Disclosures:**

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

B. Related Party Disclosures as per Ind AS 24:

a. Relation and name of the related parties are as under:

a. **Holding Company:** 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 (wholly owned subsidiary of GAIL Global (USA) Inc.)
vii. GAIL Mangalore Petrochemicals Limited
viii. GAIL Global IFSC Limited (GGIL)
ix. Brahmaputra Cracker and Polymer Limited (BCPL)

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. Purba Bharati Gas Pvt. Ltd. (PBGPL)

d. **Subsidiaries of Joint Venture Companies:**

Godavari Gas Private Limited. (GGPL) – JV of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)

e. **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. Indradhanush Gas Grid Limited
vii. LLC Bharat Energy Office
viii. Mahanagar Gas Limited
ix. Maharashtra Natural Gas Limited
x. ONGC Petro additions Limited (OPaL)
xi. ONGC Tripura Power Company Limited
xii. Petronet LNG Limited
xiii. Ramagundam Fertilizers and Chemicals Limited
xiv. Talcher Fertilizers Limited
xv. TAPI Pipeline Company Limited

xvi. Coal Gas India Limited
xvii. Leafiniti Bioenergy Private Limited (LBPL)

f. Foreign Associates, Joint Venture Companies of Holding Company:
i. China Gas Holdings Limited
ii. Fayum Gas Company
iii. LNG Japonica Shipping Corporation Limited

b. Key Managerial Personnel

a. Chairman & Managing Director:
i. Shri Sandeep Kumar Gupta *(up to 28.02.2026)*
ii. Shri Deepak Gupta *(w.e.f. 01.03.2026)*

b. Non-Executive Directors:
i. Shri Rakesh Kumar Jain
ii. Shri Ayush Gupta
iii. Smt. Nalini Malhotra
iv. Shri Sanjay Kumar
v. Shri Noas Kindo *(up to 19.06.2025)*
vi. Shri Manoj Kumar Jha *(w.e.f. 25.06.2025)*
vii. Shri Sumit Kishore *(w.e.f. 10.02.2026)*

c. Chief Executive Officer:
Shri Goutom Chakraborty

d. Chief Financial Officer:
i. Shri Pankaj Gupta *(up to 22.05.2025)*
ii. Shri Amit Jhalani *(w.e.f. 28.05.2025)*

e. Chief Operating Officer:
i. Shri Ajay Kumar Jindal *(up to 31.07.2025)*
ii. Shri Sudhir Kumar Dixit *(w.e.f. 01.08.2025)*

f. Company Secretary:
i. Sh. Deepak Asija *(up to 02.04.2025)*
ii. Smt. Preeti Agarwal *(w.e.f. 03.04.2025)*

c. 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 31st March 2026 by the company.

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d. Related Party Transactions

(₹ in crore)

Sl No	Particulars	FY	Holding Co.	Joint Venture & Others*	Key Management Personnel
1.	Purchase of Goods and Material / Services	2025-26	9,675.88	0.58	-
		2024-25	9,605.68	0.69	-
2.	Guarantee Commission received / receivable	2025-26	-	10.41	-
		2024-25	-	10.41	-
3.	Sales of Goods (Material and Gas) / Services	2025-26	1,535.62	256.63	
		2024-25	1,396.55	301.50	-
4.	Remuneration to Key Management personnel- Salary & Allowances	2025-26	-	-	4.61
		2024-25	-	-	4.98
5.	Reimbursement for employees on deputation to JVs	2025-26	-	9.38	-
		2024-25	-	10.45	-
6.	Reimbursement for employees on deputation - paid	2025-26	133.74	-	-
		2024-25	136.43	-	-
7.	Reimbursement of BG Charges received / receivable	2025-26	-	-	-
		2024-25	-	0.30	-
8.	Rent, Electricity, UCS Expenses, TTA, etc. paid / payable	2025-26	18.99	-	-
		2024-25	12.98	-	-
9.	Advances for Hook Up charges during the year	2025-26	2.95	-	-
		2024-25	6.69	-	-
10.	Outstanding balance payable excluding fair valuation done as per Ind AS-109	2025-26	497.35	-	-
		2024-25	628.11	-	-
11.	Outstanding Balance Receivable excluding fair valuation done as per Ind AS-109	2025-26	61.21	53.34	-
		2024-25	72.37	66.04	-
12.	Guarantee Commission Expense	2025-26	6.98	-	-
		2024-25	7.58	-	-
13.	Corporate Guarantee given to bank for Loan issued on behalf of the Company as at balance sheet date	2025-26	1,500.00	-	-
		2024-25	1,500.00	-	-
14.	Dividend Paid	2025-26	150.00	-	-
		2024-25	-	-	-
15.	Dividend received	2025-26	-	0.33	
		2024-25	-	0.67	-
16.	Interest received	2025-26	-	0.30	-
		2024-25	-	0.57	-
17.	Investment in APGDCL as at Balance Sheet date *(including Pref. Shares)*	2025-26	-	223.57	-
		2024-25	-	209.33	-
18.	Investment in VGL as at Balance Sheet date	2025-26	-	41.01	-
		2024-25	-	41.01	-
19.	Investment in RSGL as at Balance Sheet date	2025-26	-	65.00	-
		2024-25	-	65.00	-
20.	Investment in HNGPL as at Balance Sheet date	2025-26	-	43.58	-
		2024-25	-	43.58	-
21.	Investment in GNGPL as at Balance Sheet date	2025-26	-	40.00	-
		2024-25	-	40.00	-
22.	Investment in PBGPL as at Balance Sheet date	2025-26	-	51.77	-
		2024-25	-	43.72	-
23.	Advances/loans given as at Balance Sheet date**	2025-26	-	3.75	-
		2024-25	-	3.75	-

**includes joint venture companies of Holding Company.*

*** The repayment of ₹3.75 crore, originally due on 30 June 2025, has been deferred to 30 June 2028 as per the revised terms agreed with HNGPL.*

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

Sl. No.	Name of Companies (Indian Entities) & Principal Place of business	Relation	Proportion of ownership as on	
			31-03-2026	31-03-2025
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada- Andhra Pradesh*	Joint Venture	50%	50%
2	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Joint Venture	17.07%	17.07%
3	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Joint Venture	50%	50%
4	Haridwar Natural Gas Pvt. Ltd. (HNGPL), Haridwar, Uttarakhand	Joint Venture	50%	50%
5	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Joint Venture	50%	50%
6	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam	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 statements of GNGPL and unaudited financial statements of other joint venture companies as furnished by management of these companies is as under:

(₹ in crore)

Sl. No.	Description	31-03-2026	31-03-2025
A.	**Summary of Balance Sheet**		
1	**Assets**		
	Non-Current	874.49	827.39
	Current	100.94	80.18
	Total	975.43	907.56
2.	**Liabilities & Provisions**		
	Non-Current	354.52	332.31
	Current	228.41	207.65
	Total	582.93	539.96
B.	**Summary of Profit and Loss Account**		
1.	Income	414.00	338.05
2.	Expenditure	399.42	326.98
C.	**Contingent Liability****	34.99	53.51

*** To the extent of information available with the Company*

45. **Impairment of Assets:**

In compliance of Ind AS 36 *"Impairment of Assets"*, company has carried out an assessment and confirm that there are no impairment assets which required provision.

46. **Movement of Provision**

In compliance of Ind AS 37 *"Provisions, Contingent liabilities and Contingent Assets"*, the required information is as under:

(₹in crore)

Particulars	Provision for Probable Obligation	Provision for Doubtful Claims
As at 1st April, 2025	9.39	0.31
Additional provision recognized during the year	0.29	-
Amount used during the year	-	-

Particulars	Provision for Probable Obligation	Provision for Doubtful Claims
Amount reversed during the year	(2.71)	-
As at 31st March, 2026	**6.97**	**0.31**

47. **Details of Loans, Investments, Guarantees and Securities given by the Company covered u/s 186 (4) of the Companies Act 2013:**

   a. Investments made and Loans given are disclosed under the respective *Note No. 5 & 6 A & B.*

   b. There is no security and guarantee provided by the Company.

48. In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under *"The Micro, Small and Medium Enterprises Development Act, 2006"*. As per practice, the payment to all suppliers has been made within 15 days of receipt of valid invoice.

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Amount due and Payable at the year end		
- Principal*	64.55	46.04
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

**includes Liabilities and Provisions etc.*

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.

49. **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.

A. Market Risk

Market risk is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, foreign currency risk, equity price risk and commodity price risk. Financial instruments affected by market risk includes Loans, Borrowings, Deposits and Derivative Instruments.

a. Interest Rate Risk

Interest rate risk is a 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 long-term domestic rupee term loans with floating interest rates.

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The Company manages its exposure to interest rate risk by maintaining a balanced mix of fixed and floating rate borrowings. In addition, the Company closely monitors movements in interest rates and periodically reviews the debt portfolio to ensure it remains within acceptable risk parameters.

Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of borrowings outstanding as on 31.03.2026

Particulars	31st March 2026		31st March 2025	
	Interest Rate		Interest Rate	
Increase/decrease *(by 100 BPS)*	+100	-100	+100	-100
Effect on Profit Before Tax *(₹ in Cr)*	-5.78	5.78	-9.3	9.3

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on Term Deposit as on 31st March 2026:

Particulars	31st March 2026		31st March 2025	
	Interest Rate		Interest Rate	
Increase/decrease *(by 100 BPS)*	+100	-100	+100	-100
Effect on Profit Before Tax *(₹ in Cr)*	2.72	-2.72	6.11	-6.11

b. Foreign Currency Risk

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

c. 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.

d. Equity Price Risk

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

B. 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:

Liquidity Risk - Maturity Profile as on 31st March 2026

(₹ in crore)

Particulars	On Demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current)	0	0	0	808.13	259.62	1,067.75
Borrowings (Current)	0	43.26	175.31	0	0	218.57
Trade Payables	0	682.84	0	0	0	682.84
Other Financial Liabilities (Current)	271.64	300.85	20.34	0	0	592.83
Lease Liabilities (Non-Current)	0	0	0	51.10	65.99	117.09
Lease Liabilities (Current)	0	7.94	22.50	0	0	30.44
Total	**271.64**	**1,034.89**	**218.15**	**859.23**	**325.61**	**2,709.52**

Liquidity Risk - Maturity Profile as on 31st March 2025

(₹ in crore)

Particulars	On Demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current)	-	-	-	1026.70	259.61	1,286.31
Borrowings (Current)	-	43.26	175.31	-	-	218.57
Trade Payables	-	837.26	-	-	-	837.26
Other Financial Liabilities (Current)	227.36	227.95	66.14	-	-	521.45
Lease Liabilities (Non-Current)	-	-	-	48.32	39.14	87.46
Lease Liabilities (Current)	-	7.16	18.47	-	-	25.63
Total	**227.36**	**1,115.63**	**259.92**	**1075.02**	**298.75**	**2976.68**

C. 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)	3-7 days
Piped Natural Gas (Commercial)	7 days
Compressed Natural Gas (CNG) & Compressed Bio Gas (CBG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 - 45 days

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The company does not expect any significant credit risk out of its exposure to trade receivable as a major part of revenue is contributed either by cash sales or within credit period of 3- 45 days.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding receivables from customers are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Trade Receivables Ageing Schedule:

As on 31st March, 2026

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months*	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Receivable - Considered good	859.48	5.82	4.39	0.94	4.47	875.10
(ii) Undisputed Trade Receivable- Considered doubtful	0.01	1.74	3.06	2.16	2.92	9.89
(iii) Disputed Trade Receivable- Considered good	-	-	-	-	0	0
(iv) Disputed Trade Receivable- Considered doubtful	-	-	-	-	0.18	0.18
Sub-total	**859.49**	**7.56**	**7.45**	**3.10**	7.57	**885.17**
Less: Provision for Expected Credit Loss	0.04	1.78	5.67	3.22	6.07	16.78
Net Amount	**859.45**	**5.78**	**1.78**	**(0.12)**	**1.50**	**868.39**

**includes unbilled trade receivables amounting to ₹ 19.65 Cr*

As on 31st March, 2025

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months*	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Receivable - Considered good	909.53	6.94	4.02	1.42	1.74	923.66
(ii) Undisputed Trade Receivable- Considered doubtful	0.37	0.97	1.58	1.41	1.52	5.85
(iii) Disputed Trade Receivable- Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable- Considered doubtful	-	-	-	-	2.72	2.72
Sub-total	**909.90**	**7.91**	**5.60**	**2.83**	**5.98**	**932.23**
Less: Provision for Expected Credit Loss	0.06	3.88	0.28	1.44	6.96	12.62
Net Amount	**909.84**	**4.03**	**5.32**	**1.39**	**(0.98)**	**919.61**

**includes unbilled trade receivables amounting to ₹ 14.23 Cr*

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Expected Credit Loss & Provision for Doubtful Debts

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

(₹ in crore)

Particulars	31st March 2026	31st March 2025
Start of the year	12.62	8.79
Provision for Impairment / (Reversal)	4.16	3.83
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
Other Provisions	-	-
End of year	**16.78**	**12.62**

Financial Instruments and Cash Deposits

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

D. Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the reporting year.

50. Accounting classifications and 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: technique which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31st March 2026, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

Particulars	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	3.75	-	-	3.75
Trade Receivables	868.39	-	-	868.39
Cash and Cash Equivalents	87.69	-	-	87.69
Bank Balances Other than Cash and Cash Equivalents	220.97	-	-	220.97

Particulars	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Other Financial Assets	75.47	-	-	75.47
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	**1,256.27**	-	-	**1,256.27**
Financial Liabilities at amortized cost				
Borrowings	1,286.32	-	-	1,286.32
Trade Payables	682.84	-	-	682.84
Other Financial Liabilities	592.83	-	-	592.83
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	**2,561.99**	-	-	**2,561.99**

Note:

(i) The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value.

(ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balance, other receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short-term nature.

(iii) The fair values of non-current financial assets (such as security deposits) and non-current financial liabilities are considered to be same as their carrying values as the impact of fair valuation is not material.

(iv) With respect to borrowings, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

(v) The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

As at 31st March 2025, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

Particulars	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	3.75	-	-	3.75
Trade Receivables	919.61	-	-	919.61
Cash and Cash Equivalents	212.47	-	-	212.47
Bank Balances Other than Cash and Cash Equivalents	451.80	-	-	451.80
Other Financial Assets	76.76	-	-	76.76
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	**1664.39**	-	-	**1664.39**
Financial Liabilities at amortized cost				
Borrowings	1504.89	-	-	1504.89
Trade Payables	837.26	-	-	837.26
Other Financial Liabilities	521.45	-	-	521.45
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	**2,863.60**	-	-	**2,863.60**

Note:

(i) The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value.

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(ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balance, others receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short-term nature.

(iii) The fair values of non-current financial assets (such as security deposits) and non-current financial liabilities are considered to be same as their carrying values as the impact of fair valuation is not material.

(iv) With respect to borrowings, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

(v) The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

51. Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate Companies and joint ventures

Part "B": Associates and Joint Ventures

(₹ in crore)

S. No	Particulars	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada-Andhra Pradesh	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Haridwar Natural Gas Pvt. Ltd. (HNGPL), Haridwar, Uttarakhand	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam
1	Latest audited Balance Sheet Date	31st March 2024	31st March 2025	31st March 2025	31st March 2025	31st March 2026	31st March 2025
2	No of Equity shares of Joint Ventures held by the Company on the year end-	12,35,70,831 (₹ 10 each)	4,10,08,943 (₹ 10 each)	6,50,00,000 (₹ 10 each)	4,35,80,000 (₹ 10 each)	4,00,00,000 (₹ 10 each)	5,17,65,350 (₹ 10 each)
3	Amount of Equity Investment in Associates / Joint Venture	123.57	41.01	65.00	43.58	40.00	51.77
4	Extent of Holding %	50.00%	17.07%	50.00%	50.00%	50.00%	26.00%
5	Joint Control / Significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
6	Reason for not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7	Net worth attributable to Shareholding as per latest audited Balance Sheet	56.69	58.54	89.19	51.04	31.04	36.53
8	Profit / Loss for the year*						
	(i) Considered in Consolidation	**(3.30)**	**8.01**	1.70	**4.52**	**2.32**	**(6.80)**
	(ii) Not Considered in Consolidation	-	-	-	-	-	-

* *Total profit of the entity including other comprehensive income*

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Note:

i. Name of the associates or joint ventures which are yet to commence operations: Nil

ii. Name of associates or joint ventures which have been liquidated or sold during the year: Nil

52. Confirmation of Assets & Liabilities:

a. Some balances of trade and other receivables, trade and other payables are subject to confirmation / reconciliation. Adjustment, if any, will be accounted for on confirmation / reconciliation of the same, which will not have a material impact.

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

53. Trade Payables

Trade Payables ageing schedule as on 31st March 2026

(₹ in crore)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	58.44	6.11	-	-	-	64.55
(ii) Others	37.71	580.58	-	-	-	618.29
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**96.15**	**586.69**	-	-	-	**682.84**

Trade Payables ageing schedule as on 31st March 2025

(₹ in crore)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	42.96	3.08	-	-	-	46.04
(ii) Others	52.81	738.29	0.12	-	-	791.22
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**95.77**	**741.37**	**0.12**	-	-	837.26

54. Details of Relationship with Struck-off Companies

Details of Relationship with Struck-off Companies as on 31st March, 2026:

Sl. No.	Name of struck off Company	Nature of Transactions with struck-off Company					Relationship with Struck off Company if any to be disclosed
		Investment in Securities	Receivables	Payables	Shares held by Struck-off Company	Other Outstanding Balance (To be specified)	
		(₹ in Cr.)	(₹ in Cr.)	(₹ in Cr.)	(₹ in Cr.)	(₹ in Cr.)	
-	-	-	-	-	-	-	-

Details of Relationship with Struck-off Companies as on 31st March, 2025:

Sl. No.	Name of struck off Company	Nature of Transactions with struck-off Company					Relationship with Struck off Company if any to be disclosed
		Investment in Securities	Receivables	Payables	Shares held by Struck-off Company	Other Outstanding Balance (To be specified)	
		(₹ in Cr.)	(₹ in Cr.)	(₹ in Cr.)	(₹ in Cr.)	(₹ in Cr.)	
-	-	-	-	-	-	-	-

55. Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a 50:50 Joint Venture Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a 50:50 Joint Venture Company (JVC) of GAIL Gas Limited (GAIL Gas) and various PSUs'of Andhra Pradesh Government. APGDC surrendered its authorization of KSPL project during the financial year 2023-24 due to various challenges to complete the project.

The health assessment of pipeline and its related assets has been done by a reputed Project Management Consultancy firm in F.Y. 2024-25 and as per same pipeline and related assets are in satisfactory condition and fit for purpose. Further, revalidation of health assessment of APGDC Assets has been conducted during the current financial year, and assets have again been assessed to be in satisfactory and usable condition. APGDC requested PNGRB to factor in the investment done by APGDC while conducting the re-bidding of this line to recover the investment made in the project. Further, PNGRB has invited bids for Mallavaram to Srikakulam pipeline (MSPL) which includes the KSPL stretch. During the current year, bidding process has been annulled due to techno-legal issues.

Subsequent to the cancellation of the bid, Hon'ble Chief Minister of Andhra Pradesh has written to the Ministry of Petroleum and Natural Gas on 23.03.2026 expressing its intent to revive the project and has requested that the project be directly allocated to a public sector undertaking (PSU - GAIL or IOCL) under section 42 of PNGRB Act, to facilitate its completion.

GAIL vide its letter dated 17.04.2026 has again requested MOPNG to authorize Ennore-Srikakulam NG Pipelines (ESPL) under section 42 of PNGRB Act, which includes KSPL project. GAIL also stated its willingness to leverage the existing infrastructure of APGDC on KSPL.

Considering above including letter of Hon'ble Chief Minister of Andhra Pradesh and of GAIL (India) Limited, a significant recovery of funds deployed for the KSPL project is anticipated, mitigating any potential impairment risks .

Moreover, the Company has carried out impairment testing of its investment in Andhra Pradesh Gas Distribution Corporation Limited (APGDC) as on March 31, 2026 through independent professional consultant. As per report from valuer no impairment provision is required accordingly management is of the view that investment is free from impairment as on reporting date.

56. 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:

(₹ in crore)

Particulars	31st March, 2026	31st March, 2025
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	94.82	114.05
Provision/Adjustment of Tax relating to earlier periods	-7.77	3.86
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	-
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	-
Deferred Income Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations)	66.09	46.31
Relating to origination and reversal of temporary differences (Discontinued Operations)	-	-
Provision for MAT Credit	-	-
Income Tax Expense reported in the Statement of Profit and Loss	**153.14**	**164.22**

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

(₹ in crore)

Particulars	31st March, 2026	31st March, 2025
Profit Before Income Tax	595.53	614.86
Current Tax Rate	14.62%	19.18%
Computed Effective Tax Expense	87.05	117.91
Movement in Deferred Tax Liability	66.09	46.31
Provision for MAT Credit	-	-
Income Tax charged to Statement of Profit and Loss	**153.14**	**164.22**
Effective Tax Rate	**25.71%**	**26.71%**

(iii) Recognized Deferred Tax Assets and Liabilities:

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

(₹ in crore)

Particulars	Balance Sheet		Statement of Profit & Loss	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Property, Plant and Equipment	(325.21)	(258.69)	(66.52)	(44.37)
Provisions	6.43	6.00	0.43	(1.94)
Deferred Tax Assets/ (Liabilities)	**(318.78)**	**(252.69)**	**(66.09)**	**(46.31)**
Offsetting of Deferred Tax Assets/ (Liabilities)	-	-	-	-
Net Deferred Tax Assets /(Liabilities)	**(318.78)**	**(252.69)**	**(66.09)**	**(46.31)**

57. **Wilful Defaulter:**

The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender as on 31st March 2026 and 31st March 2025

58. **Benami Property:**

The Company is not holding any Benami Property as on 31st March 2026 and 31st March 2025. Further, 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.

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59. **Borrowings Secured against Current Assets:**
During the financial year ended 31st March 2026, the Company has not availed any borrowings from banks or financial institutions against security of current assets. Accordingly, there is no requirement for filing quarterly return/statements of current assets by the Company with Banks or Financial Institutions.

60. **Registration of Charges or satisfaction with Registrar of Companies (ROC):**
During the financial year 2025-26, the Company has registered charges or satisfaction with ROC on or before the statutory date and there is no delay in registration.

61. **Earnings per Share:**

Particulars	2025-26	2024-25
Profit after Tax *(₹ in crore)*	442.39	450.64
Weighted Average No. of Equity Shares (Basic) Weighted Average No. of Equity Shares (Diluted)	200,00,00,000 200,00,00,000	200,00,00,000 200,00,00,000
Nominal Value per Share (in Rs.)	10	10
Basic Earning per Share (in Rs.) **Diluted Earning per Share (in Rs.)**	2.21 2.21	2.25 2.25

62. **Ratios**

Ratio	Numerator	Denominator	Year Ended 31st March 2026	Year Ended 31st March 2025	% Variance*
Current Ratio (in times)	Current Assets	Current Liabilities	0.82	1.04	-21%
Debt-Equity Ratio	Total Debt (including Lease Liabilities)	Total Equity (excluding revaluation reserves)	0.37	0.45	-18%
Debt Service Coverage Ratio	Earnings available for debt service	Debt service = Interest payment + Principal payment + lease laibilities paid	1.89	2.31	-18%
Return on Equity Ratio	Net Profit after tax	Average shareholder's equity	11.79%	13.36%	-12%
Inventory Turnover ratio	Cost of Goods Sold	Inventory	851.82	887.70	-4%
Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	13.76	14.22	-3%

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Ratio	Numerator	Denominator	Year Ended 31st March 2026	Year Ended 31st March 2025	% Variance*
Trade Payables Turnover Ratio,	Net Credit Purchases	Average Trade Payables	15.18	13.03	17%
Net Capital Turnover Ratio	Net Sales	Working Capital	(44.79)	220.82	-120%
Net Profit Ratio	Net Profit after tax	Net Sales	3.60%	3.78%	-5%
Return on Capital Employed	Earnings Before Interest and Tax	Capital Employed	11.39%	11.99%	-5%
Return on Investment	Net income from investments	Closing investments	-	-	-

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 decrease in Net Capital Turnover Ratio is primarily attributable to a reduction in deposits with Bank.

63. Due to uncertainties arose from geopolitical developments in the Gulf region, gas sale invoices for the month of March, 2026 raised by GAIL (India) Limited for pooled price RLNG, billed to the Company are provisional in nature. Accordingly, the Company has also issued provisional invoices to its Bulk and Industrial Customers.

Any adjustments, if any, arising pursuant to the finalisation of invoices by GAIL (India) Limited will be accounted for in the period in which the related debit or credit notes are received. Accordingly, Company shall also issue debit or credit notes to the respective customers subsequently. Till date, no debit or credit note has been received.

Based on management's assessment, such adjustments, if any, are not expected to have material impact on the financial statements as at the reporting date.

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64. **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.

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

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

Preeti Aggarwal
Company Secretary
PAN-AANPG3779M

Amit Jhalani
CFO
PAN- ABTPJ9584G

Goutom Chakraborty
CEO
PAN- ABKPC5087E

R K Jain
Director
DIN 08788595

Deepak Gupta
Chairman
DIN 09503339

As per our report of even date attached

For M/s M.K.Aggarwal & Co
Chartered Accountants
Firm Reg. No.01411N

ATUL AGGARWAL Digitally signed by ATUL AGGARWAL Date: 2026.04.29 17:51:36 +05'30'

CA Atul Aggarwal
Partner
Membership No. 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा गैल गैस लिमिटेड

AGGARWAL & CO. Chartered Accountants

M.K. AGGARWAL & CO.
CHARTERED ACCOUNTANTS
(EST. 1973)

30, Nishant Kunj, Pitam Pura,
New Delhi-110034

Tele : 011-47517171
M.: 9899997699
Email : atul@mkac.in
Website : www.mkac.in

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 "Company") and its Joint Controlled Entities, which comprise the Consolidated Balance Sheet as at 31 March 2026, 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 ended on that date, 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, 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 Company and its Joint Controlled Entities as at 31 March 2026, and their Consolidated net profit (Financial performance including other comprehensive income), their Consolidated changes in equity, and the Consolidated Statement of Cash Flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in to paragraph 1 of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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	**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. Refer note 32(I)(a) to the consolidated financial statements.	**Principal audit procedures performed:** • 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. • We read summary on litigation matters provided by the management and its inhouse legal counsels with respect to the matters included in the summary.
2	**Uncertain tax positions** 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. Refer note 32(I)(b) to (c) the consolidated financial statements.	**Principal audit procedures performed:** • 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 held discussion with respective personnel to understand adequacy of provision made by the management. • 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.
3	**Contingencies: Minimum Work Programme Commitment (MWP)** The Company has a commitment to achieve MWP for 11 GAs awarded by the PNGRB in 9th, 10th & 11th 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 has been accepted by the latter in majority of the GA's. Penalty	**Principal audit procedures performed:** • We perused copies of communication exchanged between PNGRB and the Company during the year. We 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.

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	for not meeting MWP targets as on 31st March, 2026 works out to Rs. 53.53 Crores. Due to the complexity involved in the execution of the MWP, 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. Accordingly, it has been considered as a key audit matter. Refer note 32(I)(d) to the Consolidated Financial Statements.	
4	**Technical Parameters and voluminous transactions of Natural Gas trading and transmission captured to measure Revenue and Inventory through Integrated system and complexities involved therein.** 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 on March 31, 2026. Refer Note 10 to the Consolidated Financial Statements	**Principal audit procedures performed:** • 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.
5	**Provisional liability on estimation basis** Provisional liability of Rs. 298.04 Crores as at March 31, 2026 accounted for on estimation basis. Refer note 34 to the consolidated financial statements.	**Principal Audit Procedures performed:** • 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 respective contracts. • We held discussion with respective personnel to understand execution of work and evaluated estimation of the provisional liabilities made by

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		the management. • We checked receipt of invoices against provisional liability and payments made subsequently till the date of our Audit report.

6	**Revenue recognition**
	
	The Company is in the business of distribution of natural gas. The Company has various types of customers such as industrial, commercial, non-commercial, domestic and is respect of CNG - oil marketing companies and others. Revenue from sale of natural gas is considered as key audit matter as there is a risk of accuracy of recognition and measurement of gas sales in the consolidated Financial Statements considering following aspects:
	
	– Different pricing structure for different types of customers and frequency of price change
	– Voluminous number of customers
	– Capturing Gas Consumption data in billing
	– Estimating unbilled revenue at the year-end
	– Extensive use of SAP and other IT systems for managing the billing operation
	
	Refer Note 21 to the Consolidated Financial Statements.
		Principal audit procedures performed:
		Our approach was a combination of test of internal controls, analytical and substantive procedures which included the following:
		• Evaluated the design of internal control
		• For evaluation of operative effectiveness of internal control:
		  – Verified samples of gas sales invoices with agreements executed with the customers, accuracy of pricing, consumption quantity, tax amount of invoices of various categories of customers.
		  – Visited site to understand actual operation
		• Performed analytical procedures to verify number of bills generated during the year for each major type of customers as per their respective billing cycle
		• On sample basis, verified:
		  – Updation of Daily Contracted Quantity of gas of Industrial customers in the billing system.
		  – Updation of prices of gas for all major types of customers in the billing system.
		  – Sales invoices
		• Verified subsequent realization of amounts due as per invoices generated for the month of March 2026.
		• Evaluated the appropriateness of accounting policies, related disclosure made and overall presentation in the Consolidated Financial Statements in terms of Ind AS 115.

7	**Valuation of Investments in Jointly Controlled entities** The Company has investments in jointly controlled entities aggregating to Rs. 452.66 crore as at March 31, 2026. Due to the materiality of the investment in the context of the parent Company's financial statements and the market risk related with recoverability of investments, this was considered to be the area of focus during the course of	**Principal audit procedures performed** We obtained understanding of the Company's policy on assessment of impairment of investment jointly controlled entities and assumptions used by the management including design and implementation of controls. We have assessed the methodology used by the management of the Company to estimate recoverable value of each investment and consistency with Ind AS 36 Impairment of Assets and, where applicable, Ind AS 113 Fair Value Measurement.

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	Company's audit. Hence, it was considered as a key Audit matter in our Report. Refer Note 5 to the Consolidated Financial Statements.	We compared the carrying value of the Company's investment in jointly controlled entities with their respective net asset values as per the audited financial statements. With respect to the cases where indicators of impairment were identified by the management. We evaluated management's methodology, assumptions, estimates used in the calculation, and which is free from impairment in the opinion of management. (Refer Note No.56) We evaluated the appropriateness of its accounting and the disclosures, if any, for the impairment of investment in jointly controlled entities.

Information Other than the Financial Statements and Auditors Report thereon

The Company's Board of Directors is responsible for the other information. The other information includes the Director's Report, Corporate Governance Report, Business Responsibility Report and Management Discussion and Analysis of Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Director's Report, Corporate Governance Report, Business Responsibility Report and Management Discussion and Analysis of Annual Report are expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained 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 to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance 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 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. This 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 Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and jointly controlled entities are responsible for overseeing the Financial reporting process of the Company and jointly controlled entities.

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 has adequate internal financial controls with reference to consolidated financial statements 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company 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.

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Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 profit (including other comprehensive income) of Rs. 6.44 crores (previous year the company's share of profits of Rs. 4.87 crores) for the year ended 31 March 2026, 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 & other five entities has been consolidated 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 auditors 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 auditors 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 by the so far as it appears from our examination of those books.

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(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) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) The Company being a government company, provisions of Section 164(2) of the Act, with respect to disqualification of Directors is 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 with reference to consolidated financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** which is based on the auditors' reports of the company and its jointly controlled entities, which are companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements.

(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 our information and according to the explanations given to us, the Company being a Government Company, provisions regarding remuneration paid by the Company to its directors during the year is 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 Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 33 to the Consolidated Financial Statements;

ii. The Company did not have any derivative contracts. None of the long-term contracts require provision for material foreseeable losses, as required under the applicable law or accounting standards;

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.

i. 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 advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) Company or any of its jointly controlled entities from any person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

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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;

ii. 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 its 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, whether, 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;

iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, 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 Board of Directors of the company have proposed final dividend for the year which is subject to the approval at the ensuing Board Meeting. The amount of dividend proposed in accordance with Circular of Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18.11.2024 and Section 123 of the Act, as applicable.

vi. Based on examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, to be included in the Auditor's report, 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.

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm registration number: 01411N

ATUL AGGARWAL
Digitally signed by ATUL AGGARWAL
Date: 2026.04.29 18:46:27 +05'30'

CA ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 26099374URRIDF9989
Place: New Delhi
Date: 29.04.2026

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of GAIL Gas Ltd. 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:

i. There are certain qualifications or adverse remarks given by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the company included in the Consolidated Financial Statements. Details, as required by the Order, are given below: -

S No.	Name of Company	CIN	Holding/ Subsidiary/Associate/ Joint Venture	Clause No. of CARO report which is qualified or Adverse
1	Gail Gas Limited	U40200DL2008GOI178614	Holding	(i) (c)
2	Goa Natural Gas Private Limited	U40300GA2017PTC013095	Joint Venture	(i) (c), (i) (d)

ii. According to information and explanation given to us, in respect of following companies incorporated in India and included in Consolidated Financial Statements, CARO report with respect of these has not been provided to us as they are unaudited till the date of our audit report: -

S No.	Name of Company	CIN	Holding/ Subsidiary/Associate/ JV
1	Andhra Pradesh Gas Distribution Corporation Limited	U11100AP2011SGC106844	Joint Venture
2	Vadodara Gas Limited	U40106GJ2013PLC076828	Joint Venture
3	Purba Bharati Gas Private Limited	U40200AS2019PTC019678	Joint Venture

M.K. AGGARWAL & CO. FRN 01411N Chartered Accountants

4	Rajasthan State Gas Limited	U11101RJ2013SGC043884	Joint Venture
5	Haridwar Natural Gas Private Limited	U40300UR2016PTC007004	Joint Venture

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm registration number: 01411N

ATUL AGGARWAL Digitally signed by ATUL AGGARWAL Date: 2026.04.29 18:46:45 +05'30'

CA ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 26099374URRIDF9989

Place: New Delhi
Date: 29.04.2026

M.K. AGGARWAL & CO. Chartered Accountants

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of GAIL Gas Ltd. of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements 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, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements 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 respective Boards of Directors of the Holding Company and its jointly controlled entities, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (the "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 the 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company and its jointly controlled entities, which are companies incorporated in India, 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 ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the company and its jointly controlled entities, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 or 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 with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2026, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm registration number: 01411N

ATUL AGGARWAL
Digitally signed by ATUL AGGARWAL
Date: 2026.04.29 18:47:01 +05'30'

CA ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 26099374URRIDF9989

Place: New Delhi
Date: 29.04.2026

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

GAIL GAS LIMITED
Consolidated Balance Sheet as at 31st March 2026

(₹ in Crore)

Particulars	Note	As at 31st March 2026	As at 31st March 2025
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3A	3,267.02	2,913.62
(b) Right of Use Assets	3B	185.97	151.63
(c) Capital Work-In-Progress	3A	1,694.66	1,585.15
(d) Intangible Assets	04	3.93	0.54
(e) Financial Assets			
(i) Investments	05	452.66	436.99
(ii) Loans	6A	3.75	-
(iii) Other Financial Assets	7A	16.15	12.82
(f) Other Non Current Assets	8A	28.99	46.12
(g) Non Current Tax Assets (Net)	09	9.95	20.65
Total Non Current Assets (A)		**5,662.88**	**5,167.52**
Current Assets			
(a) Inventories	10	14.88	13.49
(b) Financial Assets			
(i) Trade Receivable	11	868.39	919.61
(ii) Loans	6B	-	3.75
(iii) Cash and Cash Equivalents	12A	87.69	212.47
(iv) Bank Balances Other than Cash and Cash Equivalents	12B	220.97	451.80
(v) Other Financial Assets	7B	59.32	63.94
(c) Other Current Assets	8B	38.82	42.79
Total Current Assets (B)		**1,290.07**	**1,707.85**
TOTAL ASSETS (A+B)		**6,952.95**	**6,875.37**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	2,000.00	2,000.00
(b) Other Equity	14	1,884.61	1,598.84
Total Equity (C)		**3,884.61**	**3,598.84**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15A	1,067.75	1,286.32
(ii) Lease Liabilities		117.09	87.46
(b) Deferred Tax Liabilities (Net)	16	318.78	252.69
(c) Provisions	17A	0.05	-
Total Non Current Liabilities (D)		**1,503.67**	**1,626.47**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15B	218.57	218.57
(ii) Lease Liabilities		30.44	25.63
(iii) Trade Payables	18		
- Total outstanding dues of Micro and Small Enterprises		64.55	46.04
- Total outstanding dues of creditors other than Micro and Small Enterprises		618.29	791.22
(iv) Other Financial Liabilities	19	592.83	521.45
(b) Other Current Liabilities	20	29.12	31.83
(c) Contract Liabilities		3.65	5.93
(d) Provisions	17B	7.22	9.39
Total Current Liabilities (E)		**1,564.67**	**1,650.06**
TOTAL EQUITY AND LIABILITIES (C+D+E)		**6,952.95**	**6,875.37**

The material accounting policies and accompanying notes form an integral part of the Consolidated Financial Statements.

For and on behalf of the Board of Directors of GAIL GAS LIMITED

As per our report of even date attached

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No: 01411N

ATUL AGGARWAL
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Date: 2026.04.29 17:49:27 +05'30'

Preeti Aggarwal	Amit Jhalani	Goutam Chakraborty	R K Jain	Deepak Gupta	CA Atul Aggarwal
Company Secretary	CFO	CEO	Director	Chairman	Partner
PAN-AANPG3779M	PAN-ABTPJ9584G	PAN-ABKPC5087E	DIN-08788595	DIN-09503339	Membership No: 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा गैल गैस लिमिटेड

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI Chartered Accountants

GAIL GAS LIMITED

Consolidated Statement of Profit and Loss for the Financial Year Ended 31st March 2026

(₹ in Crore)

	Particulars	Note	Year Ended 31st March 2026	Year Ended 31st March 2025
I	**INCOME**			
	Revenue from operations (Gross)	21	12681.15	12228.98
	Other Income	22	45.14	51.07
	Total Income		12726.29	12280.05
II	**EXPENSES**			
	Purchases of stock-in-trade of natural gas	23	10920.47	10669.52
	Changes in inventories of stock-in-trade of natural gas	24	0.46	(2.09)
	Excise Duty		367.17	280.44
	Employee Benefit Expenses	25	0.99	4.47
	Finance Cost	26	48.00	41.37
	Depreciation and Amortization Expenses	27	175.13	150.68
	Other Expenses	28	618.87	521.47
	Total Expenses		12131.09	11665.86
III	Profit before Share of Profit/(Loss) of Joint Ventures and Tax (I - II)		595.20	614.19
IV	Share of Profit/(Loss) of Joint Ventures		6.45	4.87
V	**Profit before Tax (III+IV)**		601.65	619.06
VI	**Tax Expenses**	29	153.14	164.22
	- Current tax		94.82	114.05
	- Deferred tax		66.09	46.31
	- Adjustment of tax relating to previous years		(7.77)	3.86
VII	**Profit after Tax (V-VI)**		448.51	454.84
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		-	-
	- Share of Other Comprehensive income in JV's for the year		(0.01)	-
	Other comprehensive income for the year (net of tax)		(0.01)	-
IX	**Total comprehensive income (Net of Tax) (VII+VIII)**		448.50	454.84
X	**Earning per share in (Rs.) (face value of Rs. 10 each)**			
	Basic (Rs.)		2.24	2.27
	Diluted (Rs.)		2.24	2.27

The accompanying Notes form an integral part of the Consolidated Financial Statements. 1 to 66

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

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No: 01411N

ATUL AGGARWAL Digitally signed by ATUL AGGARWAL Date: 2026.04.29 17:50:06 +05'30'

Preeti Aggarwal	**Amit Jhalani**	**Goutom Chakraborty**	**R K Jain**	**Deepak Gupta**	**CA Atul Aggarwal**
Company Secretary	CFO	CEO	Director	Chairman	Partner
PAN-AANPG3779M	PAN-ABTPJ9584G	PAN-ABKPC5087E	DIN-087885	DIN-09503339	Membership No: 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा गैल गैस लिमिटेड

GAIL GAS LIMITED

Consolidated Statement of Changes in Equity for the Financial Year Ended 31st March 2026

I. Equity Share Capital (Note 13)

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

(₹ in Crore)

Particulars	Amount
As at 1st April 2025	2,000.00
Changes in equity share capital during the year	-
As at 31st March 2026	**2,000.00**

Particulars	Amount
As at 1st April 2024	2,000.00
Changes in equity share capital during the year	-
As at 31st March 2025	**2,000.00**

II. Other Equity (Note 14)

(₹ in Crore)

Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st April 2025	61.35	-	1537.49	-	1598.84
Profit for the year	-	-	448.51	-	448.51
Adjustment in Retained Earnings	-	-	(12.73)	-	(12.73)
Adjustment in OCI	-	-	-	(0.01)	(0.01)
Dividend	-	-	(150.00)	-	(150.00)
Share application money received	-	-	-	-	-
Balance as at 31st March 2026	61.35	-	1823.27	-	1884.61

Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st April 2024	50.32	-	1082.31	-	1132.63
Profit for the year	-	-	454.84	-	454.84
Adjustment in Retained Earnings	-	-	0.34	-	0.34
Changes during the year	11.03	-	-	-	11.03
Dividend	-	-	-	-	-
Share application money received	-	-	-	-	-
Balance as at 31st March 2025	61.35	-	1537.49	-	1598.84

For and on behalf of the Board of Directors of GAIL GAS LIMITED

As per our report of even date attached

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No: 01411N

ATUL AGGARWAL
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Date: 2026.04.29 17:50:32 +05'30'

Preeti Aggarwal	**Amit Jhalani**	**Goutom Chakraborty**	**R K Jain**	**Deepak Gupta**	**CA Atul Aggarwal**
Company Secretary	CFO	CEO	Director	Chairman	Partner
PAN-AANPG3779M	PAN-ABTPJ9584G	PAN-ABKPC5087E	DIN-08788595	DIN-09503339	Membership No: 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा

M.K. AGGARWAL & CO. FRN 01411N NEW DELHI

GAIL GAS LIMITED

Consolidated Cash Flow Statement for the Financial Year Ended 31st March 2026

(₹ in Crore)

Particulars	Year Ended 31st March 2026		Year Ended 31st March 2025	
A CASH FLOW FROM OPERATING ACTIVITIES				
1 Profit before Tax		601.68		619.06
2 Adjustment for :				
Share of Profit/Loss of joint ventures	(6.45)		(4.87)	
Depreciation & Amortization Expenses	175.13		150.68	
Finance Cost	48.00		41.37	
Interest Income	(38.61)		(35.93)	
Provision for Employee Benefits	0.30		-	
Provision for Doubtful Debts	4.16		3.83	
Provision for probable obligation	(2.42)		0.43	
Loss / (Profit) on sale of fixed assets	0.39		0.30	
Provision for CWIP	(0.03)	180.47	(11.85)	143.96
3 Operating Profit Before Working Capital Changes (1 + 2)		782.12		763.02
4 Changes in Working Capital (Excluding Cash & Bank Balances)				
Trade and Other Receivables	53.26		(150.56)	
Inventories	(1.39)		(0.79)	
Trade and Other Payables	(101.88)	(50.01)	(16.98)	(168.33)
5 Cash Generated from Operations (3 + 4)		732.11		594.69
6 Direct Taxes Paid (Net off Refund)		(76.35)		(129.88)
NET CASH FROM OPERATING ACTIVITIES (5 + 6)		655.76		464.81
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets (Net)	(519.52)		(388.00)	
Investment in JV's Companies (Net)	(21.96)		(18.21)	
Investment in bank deposits with maturity more than three months	230.00		(450.00)	
Movement in restricted bank balance	0.83		0.02	
Interest Received	44.16		28.59	
NET CASH FROM INVESTING ACTIVITIES		(266.49)		(827.60)
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long Term Borrowings	-		447.46	
Repayment of Long Term Borrowings	(218.57)		(132.04)	
Repayment of Lease Liability	(41.42)		(40.84)	
Interest Paid	(104.06)		(107.17)	
Dividend Paid	(150.00)		-	
NET CASH FROM FINANCING ACTIVITIES		(514.05)		167.41
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(124.78)		(195.38)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD		212.47		407.85
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD		87.69		212.47

Note :

1. Reconciliation between the Opening and Closing balances in the balance sheet for liabilities arising from financing activities:

For the Year Ended 31st March 2026

Particulars	Borrowings	Lease Liabilities
Opening Balance as at 1st April 2025	1504.89	113.09
Cash Flows during the year	(218.57)	(41.42)
Non-cash changes due to:		
Acquisitions under Right of Use Assets	-	66.70
Other adjustments	-	9.16
Closing Balance as on 31st March 2026	1286.32	147.53

For the Year Ended 31st March 2025

Particulars	Borrowings	Lease Liabilities
Opening Balance as at 1st April 2024	1189.47	79.32
Cash Flows during the year	315.42	(40.84)
Non-cash changes due to:		
Acquisitions under Right of Use Assets	-	70.92
Other adjustments	-	3.69
Closing Balance as on 31st March 2025	1504.89	113.09

2. Statement of Cash Flows has been prepared using Indirect Method as per Ind AS 7 Statement of Cash Flows
3. Previous Year figures have been regrouped/reclassified, wherever necessary to correspond with the current year's presentation/ disclosure
4. Refer Note 12A for Cash and Cash Equivalents

For and on behalf of the Board of Directors of GAIL GAS LIMITED

As per our report of even date attached

For M.K. AGGARWAL & CO.
Chartered Accountants
Firm Reg. No: 01411N

ATUL AGGARWAL — Digitally signed by ATUL AGGARWAL Date: 2026.04.29 17:30:52 +05'30'

Preeti Aggarwal Company Secretary PAN-AANPG3779H	**Amit Jhalani** CFO PAN-ABTPJ9584G	**Goutam Chakraborty** CEO PAN-ABKPC5087E	**R K Jain** Director DIN-08788595	**Deepak Gupta** Chairman DIN-09503339	**CA Atul Aggarwal** Partner Membership No: 099374

Place: New Delhi
Date: 29-04-2026

GAIL GAS LIMITED NOIDA नोएडा

AGGARWAL & CO. FRN 01411N NEW DELHI

Note 1: Corporate Information & Material Accounting Policies

Corporate Information

GAIL Gas Limited ("GGL" or "the Company") is an Unlisted Public Limited Company domiciled in India (CIN: U40200DL2008GOI178614) was incorporated on May 27, 2008. The Company is a wholly owned subsidiary of GAIL (India) Limited. The registered office of the Company is located at 16, Bhikaji Cama Place, R K Puram, New Delhi- 110066.

GGL has emerged as a leading company in the City Gas Distribution (CGD) business, with a primary focus on addressing and accelerating the energy needs of various authorised geographical areas across the nation. The Company has been authorised by the Petroleum and Natural Gas Regulatory Board (PNGRB) to implement City Gas Distribution Projects in the districts of Bharatpur (Rajasthan): Dewas & Raisen, Shajapur, and Sehore (Madhya Pradesh); Sonepat (Haryana); Meerut, Firozabad, Agra (TTZ), Mirzapur, Chandauli, and Sonbhadra (Uttar Pradesh); Bengaluru Rural and Urban, and Dakshina Kannada (Karnataka); Giridih, Dhanbad, West Singhbhum, Seraikela-Kharsawan, and Kondagaon, Bastar, Sukma, Narayanpur, Bijapur, and Dantewada (Jharkhand); Sundargarh, Jharsuguda, Ganjam, Nayagarh, Puri, Gajapati, Kandhamal, Boudh, and Sonepur (Odisha); and Dehradun (Uttarakhand).

In addition, the Company is pursuing City Gas Distribution business in the states of Andhra Pradesh, Gujarat, Uttarakhand, Goa, Rajasthan, and Assam through its joint venture companies.

The Consolidated Financial Statements of the company for the year ended 31st March 2026 were authorized in accordance with a resolution of the Board of Directors on 29.04.2026

Basis of preparation

The Consolidated Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by the Ministry of Corporate Affairs ("MCA") under section 133 of the Companies Act, 2013 ("Act"), read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Financial Statements have been prepared as a going concern on accrual basis of accounting. The Company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

The Consolidated Financial Statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and the values are rounded to the nearest crore (up to two decimals) except when otherwise indicated.

Basis of Consolidation

The Company's investments in its joint ventures are accounted for using equity method. Under the equity method, 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 are based on audited financial statements of the company. Further, consolidated financial statements include consolidated financial statements of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL).

1. Material Accounting Policies

1.1. Property, Plant and Equipment (PPE)

a) In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability subject to necessary adjustment in cost and depreciation in the year of settlement.

b) Stores & Spares which meet the definition of PPE i.e. when the company intended to use for a period exceeding 12 months.

c) Expenditure on major inspection and overhauls of PPE is capitalized, when it meets the recognition criteria of PPE.

d) Technical know-how / license fee relating to plants / facilities and specific software that are integral part of the related hardware are capitalized as part of the underlying asset.

e) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the PPE.

1.2. Intangible Assets

a) Right of Use (RoU) acquired for laying of pipelines, Software, Licenses etc. which meets the recognition criteria of an intangible asset are capitalized as Intangible Assets.

b) Expenditure incurred in research phase is charged to Statement of Profit and Loss and that in development phase, unless it is of capital nature, is also charged to Statement of Profit and Loss.

c) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the intangible assets.

1.3. Capital Work in Progress

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

b) All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized.

c) Capital Stores are valued at weighted average cost, specific provision is made for likely diminution in value, wherever required.

1.4. Foreign Currency Transactions

a) Transactions in foreign currency are initially accounted at the spot exchange rate prevailing on the transaction date.

b) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the reporting date, are translated at spot exchange rates prevailing on that date.

c) Non-monetary items (such as Equity Investments, Property plant and equipment, Intangible assets etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s) other than those measured at fair value.

d) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted in the foreign exchange fluctuation/ finance cost in the statement of profit and loss.

e) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

1.5. Borrowing Cost

Borrowing cost of the funds specifically borrowed for the purpose of obtaining qualifying assets and eligible for capitalization along with the cost of the assets, is capitalized up to the date when the asset is ready for its intended use after netting off any income earned on temporary investment of such funds. Other borrowing costs are recognized as expense in the year of incurrence.

1.6. Inventories

a) Stock of Liquified Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable. Stock lying at CNG cascades are estimated on a volumetric basis.

c) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at or above cost.

d) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.

e) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.

1.7. Revenue recognition

The Company has applied the modified retrospective approach on transition to Ind AS 115.

a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

b) Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.

c) The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the Company to recognize revenue based on performance completion till date e.g. time elapsed. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.

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d) Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, discounts and damages etc.

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

f) Claims (including interest on delayed realization from customers) are accounted for, when there is a significant certainty that the claims are realizable.

g) Liability in respect of Minimum Guaranteed Offtake (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.

h) In terms of the Gas Sales Agreement with the customers, amount received towards Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.

i) Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.8. Depreciation /Amortisation

a) **Property Plant and Equipment (PPE)**

(i) Depreciation on PPE 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.

(ii) Depreciation due to price adjustment in the original cost of PPE is charged prospectively.

(iii) In case of immovable assets constructed on leasehold assets are depreciated over useful life as per schedule II or lease period whichever is lower.

(iv) The residual values, useful lives and methods of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates.

(v) Residual value of PPE is determined considering past experience and generally the same is between 0 to 5% of cost of PPE.

b) **Intangible Assets**

The cost of Intangible assets comprising software and licences, etc. are amortised on Straight Line Method (SLM) over a period of 5 years/actual useful life whichever is lower from the date of capitalization.

c) **Right of Use Assets (Leasehold assets)**

Right of Use Assets are depreciated on Straight Line Method over the lease term. If the ownership of the leasehold assets transfers to the Company at the end of the lease term then it is depreciated over its useful life of the asset. Perpetual Right of Use Assets related to land are not depreciated but tested for impairment loss, if any.

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1.9. 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.

The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

1.10. Impairment of non-financial assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal / External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

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

a) A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.
b) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation.
c) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.
d) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.
e) Show Cause Notices (SCNs) issued by various Government authorities are generally

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not considered as obligation. However, when the demand notices are raised against the SCNs and disputed by the Company, they are classified as disputed obligations.

f) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

g) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets exceeding ₹ 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.

h) For Capital Commitments, estimated amount of contracts (inclusive of tax & net of advances) remaining to be executed on capital accounts are disclosed in each case above ₹ 5 lacs.

1.12. Taxes on Income

(a) **Current Tax**

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date.

(b) **Deferred Tax**

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legal right exists to set off the same.

1.13. Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.14. Segment reporting

The Management of the company monitors the operating results of its business Segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products / services.

a) Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.

b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.

c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

1.15. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

1.16. Statement of Cash Flow

Statement of cash flow is prepared in accordance with the indirect method prescribed in Ind AS 7, 'Statement of Cash Flows'

1.17. Fair value measurement

The Company measures financial instruments and specific investments (other than joint venture), at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.18. Financial instruments

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

(A) Financial assets

a) Classification

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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.

b) **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.

c) **Subsequent measurement**

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

(i) **Financial assets carried at amortised cost**

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

(ii) **Financial assets at fair value through other comprehensive income**

A financial asset other than derivatives comprising specific investment 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) **Financial assets at fair value through Statement of Profit and Loss**

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

d) **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.

e) **Investment in Joint Ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when

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decisions about the relevant activities require unanimous consent of the parties sharing control.

(i) The investments in joint venture are accounted for using the 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.

(ii) When the company issues financial guarantees on behalf of joint ventures initially it measures the financial guarantee at their fair values and subsequently measures at higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 and
- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'

(iii) The Company recognizes the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as financial guarantee obligation. Such deemed investment is added to the carrying value amount of the investment in subsidiaries, joint venture and associates. Financial guarantee obligation is recognized as other income in Statement of Profit and Loss over the remaining period of financial guarantee.

f) **Impairment of other 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 etc.

(B) Financial liabilities

a) **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, shall be subsequently measured at fair value.

b) **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, and derivative financial instruments.

c) **Subsequent measurement**

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

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(i) **Financial Liabilities at amortized cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and 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.

(ii) **Financial liabilities at fair value through Statement of Profit and Loss**

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

d) **Derecognition**

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(C) Offsetting of financial instruments

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

1.19. Leases

The Company assesses at the inception of contract whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a Lessee

a) **Identifying a lease**

The Company applies a single recognition and measurement approach for all leases except for short term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

b) **Initial recognition of Right of use asset (ROU)**

The Company recognizes a ROU asset at the lease commencement date (i.e., the date the

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underlying asset is available for use). ROU assets are initially measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

c) **Subsequent measurement of Right of use asset (ROU)**

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.

Initial 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:

(i) Fixed payments, including in-substance fixed payments
(ii) Variable lease payments that depend on an index or a rate
(iii) Amounts expected to be payable under a residual value guarantee; and
(iv) 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.

d) **Subsequent measurement of lease liability**

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 remeasured 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.

e) **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption 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 to the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense in Statement of Profit and Loss.

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the lease term.

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 so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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Estimates and assumptions

Determination of discount rate as a lessee

Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. Company estimates its incremental borrowing rate, which is the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment using observable available inputs (such as market interest rates).

1.20. Current Versus Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.

a) **An asset is treated as current when it is:**
   (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
   (ii) Held primarily for the purpose of trading
   (iii) Expected to be realized within twelve months after the reporting period, or
   (iv) Cash or Cash Equivalents 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.

b) **A liability is treated as current when:**
   (i) It is expected to be settled in normal operating cycle
   (ii) It is held primarily for the purpose of trading
   (iii) It is due to be settled within twelve months after the reporting period, or
   (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current

Note 2: Accounting Judgements, Estimates and Assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, contingent liabilities/assets at the date of the consolidated 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 adjustment to the carrying amount of assets or liabilities affected in future periods.

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

1. Judgements

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

1.1. Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Revenue and Profit Before Tax. The materiality limits are reviewed from time to time.

1.2. Contingencies

Contingent liabilities and assets which 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 involve the exercise of significant judgments and the use of estimates regarding the outcome of future events.

2. 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 adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company determines its assumptions and estimates on parameters available when the financial statements are 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

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they occur.

2.1. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

2.2. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.3. 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 judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Impairment of investment in subsidiaries, joint ventures or associates is based on the impairment calculations using discounted cash flow/net asset value method, valuation report of external agencies, Investee Company's past history etc.

2.4. Income Taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

2.5. Estimation of defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in Crore)

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess *
I. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2025	40.98	3176.12	136.25	3.15	55.22	3411.72	1585.15
Additions during the year	-	473.63	11.97	1.46	12.50	499.56	610.87
Transfer to Capitalisation	-	-	-	-	-	-	(499.56)
Sales/Disposals during the year	-	(10.26)	(1.05)	(0.08)	(1.67)	(13.06)	-
Transfer / Provision	-	-	-	-	-	-	(2.00)
Balance as at 31st March 2026	**40.98**	**3639.49**	**147.17**	**4.53**	**66.05**	**3898.22**	**1694.46**
Accumulated Depreciation							
Balance as at 1st Apr 2025	-	449.10	23.40	1.22	24.38	498.10	
Depreciation for the year	-	125.00	5.64	0.49	6.17	137.30	-
Disposals/Adj during the year	-	(2.65)	(0.27)	(0.07)	(1.21)	(4.20)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st March 2026	-	**571.45**	**28.77**	**1.64**	**29.34**	**631.20**	-
Net Book value							
As at 31st March 2026	**40.98**	**3068.04**	**118.40**	**2.89**	**36.71**	**3267.02**	**1694.46**

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progess *
I. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2024	35.09	2791.53	124.77	2.75	47.33	3001.47	1498.95
Additions during the Year	5.89	384.75	11.64	0.42	7.96	410.66	496.89
Transfer to Capitalisation	-	-	-	-	-	-	(410.66)
Sales/Disposals during the year	-	(0.16)	(0.16)	(0.02)	(0.07)	(0.41)	-
Transfer / Provision	-	-	-	-	-	-	(2.03)
Balance as at 31st March 2025	**40.98**	**3176.12**	**136.25**	**3.15**	**55.22**	**3411.72**	**1585.15**
Depreciation and Impairment							
Balance as at 1st Apr 2024	-	344.42	18.91	0.97	20.54	384.84	
Depreciation for the year	-	104.70	4.51	0.26	3.88	113.35	-
Disposals/Adj during the year	-	(0.02)	(0.02)	(0.01)	(0.04)	(0.09)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st March 2025	-	**449.10**	**23.40**	**1.22**	**24.38**	**498.10**	-
Net Book value							
As at 31st March 2025	**40.98**	**2727.02**	**112.85**	**1.93**	**30.84**	**2913.62**	**1585.15**

Capital work-in-progress ageing schedule #

(₹ in Crore)

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	751.51	394.53	197.62	350.80	1694.46
Total Capital work-in-progress	**751.51**	**394.53**	**197.62**	**350.80**	**1694.46**

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	729.81	272.17	279.46	303.71	1585.15
Total Capital work-in-progress	**729.81**	**272.17**	**279.46**	**303.71**	**1585.15**

* Capital Work in Progress includes a sum of Rs.32.20 Crores as Material in Transit on 31.03.2026 (Previous Year of Rs. 10.91 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.

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 3B : Right of Use Assets

(₹ In Crore)

Cost/ Valuation	Leasehold Land	Plant and Machinery	Buildings	Vehicle	Office Eqipment	Total
1. Cost or deemed cost (Gross Carrying Amount)						
Balance as at 1st Apr 2025	79.63	20.39	36.00	105.03	0.01	241.06
Reclassification	-	-	-	-	-	-
Additions during the year	25.53	6.76	9.59	31.57	-	73.45
Sales/Disposal during the year	(4.16)	-	(0.85)	(2.82)	-	(7.83)
Transfer / Adjustment	-	-	-	-	-	-
Balance as at 31st March 2026	101.00	27.15	44.74	133.78	0.01	306.68
Accumulated Depreciation						
Balance as at 1st Apr 2025	13.63	6.75	13.70	55.35	-	89.43
For the year	4.23	3.36	5.53	26.01	-	39.13
Impairment	-	-	-	-	-	-
Sales/Disposal during the year	(4.16)	0.02	(0.76)	(2.95)	-	(7.85)
Transfer / Adjustment	-	-	-	-	-	-
Balance as at 31st March 2026	13.70	10.13	18.47	78.41	-	120.71
Net Book value						
As at 31st March 2026	87.30	17.02	26.27	55.37	0.01	185.97

Cost/ Valuation	Leasehold Land	Plant and Machinery	Buildings	Vehicle	Office Eqipment	Total
1. Cost or deemed cost (Gross Carrying Amount)						
Balance as at 1st Apr 2024	55.21	28.49	40.71	71.19	0.01	195.61
Reclassification	-	-	-	-	-	-
Additions during the year	32.70	2.67	1.18	46.08	-	82.63
Sales/Disposal during the year	(8.45)	(10.77)	(5.89)	(12.24)	-	(37.35)
Transfer / Adjustment	0.17	-	-	-	-	0.17
Balance as at 31st March 2025	79.63	20.39	36.00	105.03	0.01	241.06
Accumulated Depreciation						
Balance as at 1st Apr 2024	13.96	3.14	14.11	41.29	-	72.50
For the year	4.08	3.61	5.49	26.30	-	39.48
Impairment	-	-	-	-	-	-
Sales/Disposal during the year	(4.40)	-	(5.89)	(12.24)	-	(22.53)
Transfer / Adjustment	(0.01)	-	(0.01)	-	-	(0.02)
Balance as at 31st March 2025	13.63	6.75	13.70	55.35	-	89.43
Net Book value						
As at 31st March 2025	66.00	13.64	22.30	49.68	0.01	151.63

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 4 : Intangible Assets

(₹ in Crore)

Cost/Valuation	Right of Use	Computer Software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st Apr 2025	0.35	20.90	21.25
Additions during the year	-	4.25	4.25
Sales/Disposal during the year	-	(5.36)	(5.36)
Transfer / Adjustment	-	-	-
Balance as at 31st March 2026	0.35	19.79	20.14
Accumulated Depreciation			
Balance as at 1st Apr 2025	-	20.71	20.71
For the year	-	0.82	0.82
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	(5.32)	(5.32)
Balance as at 31st March 2026	-	16.21	16.21
Net Book Value			
As at 31st March 2026	0.35	3.58	3.93

Cost/Valuation	Right of Use	Computer Software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st Apr 2024	0.35	20.90	21.25
Additions during the year	-	-	-
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st March 2025	0.35	20.90	21.25
Accumulated Depreciation			
Balance as at 1st Apr 2024	-	20.35	20.35
For the year	-	0.36	0.36
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st March 2025	-	20.71	20.71
Net Book Value			
As at 31st March 2025	0.35	0.19	0.54

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 5 : Investments

(₹ in Crore)

	Particulars	Nature of Investment	Basis of Valuation	As at 31st March 2026	Consolidation adjustments for the period				As at 31st March 2025
					Adjustment in Profit & Loss	Adjustment in Retained Earnings	Other Comprehensive Income	Adjustment in Investment	
	Non-Current Investments (Unquoted) In Joint Venture Companies:								
1	- Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 12,35,70,831 Equity shares of Rs 10 each fully paid up (Previous year 10,93,30,449 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	71.20	(3.30)	(0.06)	-	14.24	60.32
2	-Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each (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	- Rajasthan State Gas Limited (RSGL) 6,50,00,000 Equity shares of Rs 10 each fully paid up (Previous year 6,50,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	90.56	1.70	(0.82)	-	-	89.68
4	- Vadodara Gas Limited(VGL) 4,10,08,943 Equity shares of Rs 10 each fully paid up (Previous year 4,10,08,943 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	66.55	8.01	0.28	-	-	58.26
5	-Haridwar Natural Gas Private Limited (HNGPL) 4,35,80,000 Equity shares of Rs 10 each fully paid up (Previous year 4,35,80,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	55.55	4.52	-	-	-	51.03
6	-Goa Natural Gas Private Ltd (GNGPL) 4,00,00,000 Equity shares of Rs 10 each fully paid up (Previous year 4,00,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	31.04	2.32	(12.45)	-	-	41.17
7	-Purba Bharati Gas Private Limited (PBGPL) 5,17,65,350 Equity shares of Rs 10 each fully paid up (Previous year 4,37,21,600 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	37.76	(6.80)	-	(0.01)	8.04	36.53
	Total			**452.66**	**6.45**	**(13.05)**	**(0.01)**	**22.28**	**436.99**

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Note 6A : Loans (Non Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Loans:		
To Related Parties:		
Unsecured, Considered good		
- Loan to Joint Venture Company (HNGPL Rs.3.75 Crore (Previous Year Rs. Nil)	3.75	-
Total	**3.75**	**-**

Note 7A : Other Financial Assets (Non Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Security deposits:		
- Unsecured considered good Includes deposit amounting to INR 1.52 Crore. (Previous year Rs. 1.52 Crore) of Holding Company	16.15	12.82
Total	**16.15**	**12.82**

Note 6B : Loans (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Loans:		
To Related Parties:		
Unsecured, Considered goods		
- Loan to Joint Venture Company (HNGPL Rs. Nil (Previous Year Rs. 3.75 Crore)	-	3.75
Total	**-**	**3.75**

Note 7B : Other Financial Assets (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Recoverables from Related Parties:		
-Receivables from Joint Ventures (Unsecured considered good)	53.04	54.78
Security deposits:		
- Unsecured, Considered Good	3.99	1.32
Interest Accrued but not due	2.29	7.84
Total	**59.32**	**63.94**

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Note 8A : Other Non Current Assets

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Prepaid Expenses [Including Rs.17.66 Crore (Previous year Rs.23.89 Crore) in respect of Finanacial Guarantee of Holding Company]	18.03	24.52
Capital Advances [Including Rs.10.10 Crore (Previous year Rs.20.90 Crore) in respect of Hookup advance of Holding Company]	10.96	21.60
Total	**28.99**	**46.12**

Note 8B : Other Current Assets

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Claims recoverables: (Unsecured considered good)	16.40	19.98
Other advances recoverable in cash or in kind		
- Unsecured considered good	2.51	2.00
- Unsecured considered doubtful	0.31	0.31
Less : Provision for doubtful deposits	0.31	0.31
Prepaid Expenses [including Rs.6.23 Crore (Previous year Rs.6.98 Crore) on account of Finanacial Guarantee of Holding Company]	19.91	20.81
Total	**38.82**	**42.79**

Note 09 : Non Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Advance tax and TDS	104.77	134.70
Less : Provision for Tax	94.82	114.05
Total	**9.95**	**20.65**

Note 10 : Inventories

(₹ in crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Stock in Trade:		
Natural Gas	2.80	2.09
Finished Goods:		
Compressed Natural Gas	2.44	3.61
Stores and Spares:		
Stores and Spares	9.47	7.79
Material in Transit	0.17	-
Total	**14.88**	**13.49**

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 11 : Trade Receivables (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
From Others	823.66	847.93
From Related Parties	61.51	84.30
Less: Provision for Doubtful Debts	14.64	11.53
Less: Provision for expected credit loss	2.14	1.09
Total Trade and Other Receivables	**868.39**	**919.61**

Note 12A : Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Balances with banks:		
- Current accounts	18.59	42.68
- Corporate Liquid Term Deposit - maturity less than three months	52.00	163.26
Cash on hand	17.10	6.10
Cheques on hand	-	0.43
Total	**87.69**	**212.47**

Note 12B : Bank Balances Other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Other Bank Balances		
- Term Deposit - maturity more than three months	220.02	450.01
Balances with banks:		
- Unspent CSR Accounts	0.95	1.79
Total	**220.97**	**451.80**

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Note 13 : Equity share capital

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Share capital		
Authorised		
5,00,00,00,000 Equity Shares of Rs. 10 each	5000.00	5000.00
(Previous Year 5,00,00,00,000 Equity shares of Rs. 10 each)		
	5000.00	**5000.00**
Issued, subscribed and fully paid up		
1,86,73,34,132 Equity shares of Rs. 10 each (in cash)	1867.33	1867.33
(Previous Year 1,86,73,34,132 Equity shares of Rs. 10 each)		
13,26,65,868 Equity Shares of Rs. 10 each (otherwise than in cash)	132.67	132.67
(Previous Year 13,26,65,868 Equity shares of Rs. 10 each)		
Total	**2000.00**	**2000.00**

a) Reconciliation of the Shares Outstanding at the beginning and end of the Period (₹ in Crore)

Description	As at 31st March 2026		As at 31st March 2025	
	No of Share	**Amount**	**No of Share**	**Amount**
At the beginning of the year	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Change in Equity Share during the Period	-	-	-	-
Outstanding at the end of the period	**2,00,00,00,000**	**2,000.00**	**2,00,00,00,000**	**2,000.00**

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

Description	As at 31st March 2026		As at 31st March 2025	
	No of Share	**% Holding**	**No of Share**	**% Holding**
Equity share of Rs.10 Each fully Paid Up				
GAIL(India) Ltd	2,00,00,00,000	100%	2,00,00,00,000	100%

c) Shares held by promoters as at Mar 31, 2026

Promoter Name	No of Share	% Holding	% Change during the period
GAIL(India) Ltd	2,00,00,00,000	100%	0%

d) 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.

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 14 : Other equity

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Deemed Equity *	61.35	61.35
Retained Earnings		
Opening balance	1537.49	1082.31
Adjustment in Retained Earnings Group Companies on consolidation	(12.73)	0.34
Other Comprehensive Income	(0.01)	-
Add:Current Period Profit	448.51	454.84
Less: Final Dividend	150.00	-
Total	**1884.61**	**1598.84**

* The amount of Rs. 61.35 Crore (Previous year Rs. 61.35 Crore) denotes fair value of fees towards financial guarantee received from the Holding Company GAIL (India) Limited without any consideration.

Note 15A : Borrowings (Non Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Non current borrowings		
Secured Term loans:		
- Oil Industry Development Board	115.83	161.33
Secured against all the assets of Bengaluru Projects. The total loan outstanding for Bengaluru Project was Rs. 161.33 Crore as on 31.03.2026. The current portion of long term borrowing of Rs. 45.50 Crore, which will be due within next 12 months is disclosed under current financial liabilities. Loans drawn in different tranches and some of the tranches carrying floating rate of interest and some tranches carrying fixed rate of interest.		
- HDFC Bank	951.92	1124.99
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 all geographical areas. The current portion of long term borrowing of Rs. 173.07 Crore, which will be due within next 12 months is disclosed under current financial liabilities.		
Loan has a Door to Door tenor of 11 years from September 28th 2021 till September 30th, 2032 and repayable in 32 consecutive equal quarterly instalments commenced from December 31, 2024 & ending on September 30, 2032. Loan carries floating rate of interest linked to RBI Repo rate.		
Total	**1067.75**	**1286.32**

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Note 15B : Borrowings (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Current maturity of Borrowings		
Secured Long Term loans:		
- Oil Industry Development Board	45.50	45.50
- HDFC Bank	173.07	173.07
Total	**218.57**	**218.57**

Note 16 : Deferred Tax Liabilities (Net)

(₹ in Crore)

Particulars	As at 31st March 2026		As at 31st March 2025	
Deferred Tax Liabilities		318.78		252.69
Less: Corporate MAT Receivable	(8.50)		(8.97)	
Less : Provision for MAT Credit	8.50	-	8.97	-
Total		**318.78**		**252.69**

Note 17A : Provision (Non Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Gratuity	0.05	-
Total	**0.05**	**-**

Note 17B : Provision (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Gratuity	0.25	-
Provision for Probable Obligations	6.97	9.39
Total	**7.22**	**9.39**

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 18 : Trade Payables

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Trade payables to related parties	510.51	654.48
Trade payable to Micro and Small Enterprises	64.55	46.04
Trade payable other than Micro and Small Enterprises	107.78	136.74
Total	**682.84**	**837.26**

Note 19 : Other Financial Liabilities (Current)

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Deposits/Retention Money from Customers/contractors/others	378.14	313.15
Payable for Capital expenditure	200.00	184.10
Other Liabilities	14.69	24.20
Total	**592.83**	**521.45**

Note 20 : Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Statutory payables		
TDS, VAT, Excise and GST payable	29.12	31.83
Total	**29.12**	**31.83**

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Note : 21 Revenue from Operations

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Sale of Products		
City Gas Distribution	6,006.34	4,947.52
Natural Gas Trading	6,658.26	7,263.92
Other Operating Income:		
Service charges	13.63	15.70
Income from Extra Pipe Line	2.02	1.27
Income from after Sales Service	0.90	0.57
Total	**12,681.15**	**12,228.98**

Note : 22 Other Income

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest Income	38.61	35.93
Miscellaneous Receipts	6.53	15.14
Total	**45.14**	**51.07**

Note : 23 Purchases of stock-in-trade of natural gas

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Natural Gas	10,920.47	10,669.52
Total	**10,920.47**	**10,669.52**

Note : 24 Changes in inventories of stock-in-trade of natural gas and CNG

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Changes in Stock of Natural Gas and CNG:		
Closing Stock	5.24	5.70
Opening Stock	5.70	3.61
(Increase) / Decrease in Stock	**0.46**	**(2.09)**

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note : 25 Employee Benefit Expenses

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Salary Wages & Allowances	4.13	4.33
Contribution to Provident Fund	0.11	0.14
Less: Employees Benefits Transferred to IEDC	3.25	-
Total	**0.99**	**4.47**

Note : 26 Finance Cost

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest on Term Loan From HDFC	79.63	85.34
Interest on Term Loan From OIDB	13.22	16.65
Interest on Lease Liability	9.16	7.61
Less: Interest & Finance Charges transferred to IEDC	54.01	68.23
Total	**48.00**	**41.37**

Note : 27 Depreciation & Amortisation Expenses

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Depreciation & Amortisation Expenses	176.99	153.20
Less: Depreciation and Amortization transferred to IEDC	1.86	2.52
Total	**175.13**	**150.68**

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Note : 28 Other Expenses

(₹ in Crore)

Particulars	Year Ended 31st March 2026		Year Ended 31st March 2025	
Power & Fuel Charges				
-Electricity Charges		18.10		16.61
-Fuel Charges		63.81		47.94
Rent-Office & Others		11.96		10.69
Manpower cost	133.42		129.18	
Less: Manpower cost transferred to CWIP	44.81		52.06	
Less: Reiumbursement of employees on deputation	7.95	80.66	8.86	68.26
Repairs and Maintenance				
-CNG		97.28		85.12
-Pipelines		49.19		40.80
-Others		9.20		8.81
Forecourt Management Services-CNG		16.27		13.68
Insurance Charges		12.94		14.03
Rates & Taxes		0.83		0.61
Payment to Auditors				
-Audit Fees		0.16		0.17
-Tax audit Fees		0.02		0.02
-Travelling & Out of Pocket Expenses		0.16		0.08
-Other Services (for issuing certificates, etc.)		0.02		-
Other Audit Fees		0.11		0.11
Stores & Spares Consumed		5.53		5.79
Loss/(Gain) of Foreign Currency Transaction		0.21		0.03
Water Charges		0.03		0.02
Communication Expenses		0.26		0.30
Printing & Stationery		0.81		0.76
Travelling Expenses	4.54		4.15	
Less : Travelling cost transferred to CWIP	1.28	3.26	1.49	2.66
Books & Periodicals		0.01		0.01
Provision for Probable Obligation		0.30		0.43
Advertisement & Publicity		2.06		1.58
Training Expenses		0.82		0.40
Vehicle Hire Charges		4.53		4.33
Consultancy & Legal Charges		1.76		2.62
Data Processing Expenses		7.92		17.67
ERV/QRV Hire Charges		8.43		6.89
Selling & Distribution Expenses:				
-Dealer Commission		124.15		91.34
-HCV/LCV Hire Charges		27.41		15.84
-Facility Charges		19.11		13.76
-Other S&D Expenses		5.15		4.44
Security Expenses		6.20		7.55
CSR Expenses		9.28		8.49
Loss on sale of Fixed asset		0.39		0.30
Provision for Doubtful debts / claims		3.84		3.84
Other Miscellaneous Expenses		26.70		25.49
Total		**618.87**		**521.47**

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NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note : 29 Tax Expenses

(₹ in Crore)

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Current tax	94.82	114.05
Deferred Tax	66.09	46.31
Provision / Adjustment of Tax relating to earlier periods	(7.77)	3.86
Total	**153.14**	**164.22**

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30. **Basis of Preparation**

The Consolidated Financial Statements of the Company along with its Joint Ventures have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. The consolidated financial statements comprise the financial statements of the company and its joint ventures as at 31st March, 2026.

A joint venture 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 are based on audited financial statements of the company. Further, consolidated financial statements include consolidated financial statements of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL).

31. The Company is a wholly owned subsidiary of GAIL (India) Ltd. The authorized capital of the Company as on 31st March, 2026 is ₹5,000.00 Crore (Previous Year: ₹5,000.00 Crore) and issued, subscribed and paid-up capital as on 31st March, 2026 is ₹2,000.00 Crore (Previous Year: ₹2,000.00 Crore).

32. **Contingent Liabilities and Capital Commitments:**

I. **Contingent Liabilities:**

Claims against the company not acknowledged as debts:

a. Legal cases for claim of ₹4.18 crore (Previous Year: ₹4.54 crore) by Vendors/Suppliers / Contractors/Customers etc.

b. Income Tax Demands & Appeals of ₹9.89 crore (Previous Year ₹10.77 crore) is pending and disclosed as Contingent Liability as on 31st March, 2026.

c. Disputed Indirect Tax Demands are as under:

(₹ in crore)

Sl. No	Particulars	As at 31st March, 2026	As at 31st March, 2025
i.	Excise Duty	1.74	1.74
ii.	VAT	0.35	0.31
iii.	GST	1.04	0.99
iv.	Entry Tax*	26.25	26.25
Total		**29.38**	**29.29**

*Re-assessment notice dated 14-03-2011 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 ₹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 18-04-2011 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.

d. The company is carrying on construction activities for capital projects in 11 GAs awarded by the PNGRB in 9th, 10th and 11th CGD bidding round to meet the Minimum Work Program (MWP) targets as per grant of authorization. Keeping in view delay in availability of pipeline connectivity from the gas source to the respective GAs and non-availability of permissions from different authorities, there is a shortfall in achievement of MWP targets as per grant of authorization. In this regard the Company has not received any notices from PNGRB till date. Therefore, penalty for not meeting of MWP targets aggregating to ₹53.53 crore as on 31st March, 2026, (Previous year: ₹36.09 Crore) has been disclosed as Contingent Liability. Management is hopeful that the Company will achieve the cumulative MWP targets in its subsequent periods as per grant of authorization.

II. Capital Commitments:

Estimated amount of contracts over ₹5.00 lakhs *(inclusive of taxes & net of advances)* remaining to be executed on capital account as on 31st March, 2026 is ₹1,271.96 crore (Previous Year: ₹ 1,180.44 crore).

33. The Company has submitted a Bank Guarantee of ₹2,079.99 crore (Previous Year: ₹2,079.99 crore) in favour of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization for Bengaluru Rural and Urban Districts GA.

34. Provisional liabilities of Rs. 298.04 Crores (Previous Year Rs. 297.50 Crores) have been created in the books of accounts as on 31.03.2026 based on 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.

35. As per provisions of Ind AS 109, the company has made following fair valuation recognition:

a. In previous years, the holding company GAIL (India) Ltd has provided Corporate Guarantee's to the Company, for obtaining bank guarantees in favour of PNGRB for different GA's. The Company has shown it as Deemed Equity as capital contribution from Holding Company *(Note-14)* based on the fair valuation as per Ind AS 109. The Corporate Guarantee (CG) wise details are given below:

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(₹ in crore)

Sl. No.	Descriptions	Deemed Equity (Note-14)	Guarantee commission expenses (Note-26)
1	CG Bengaluru Rural and Urban Districts GA of ₹2,079.99 Crore	11.74 (11.74)	- (1.44)
2	CG 10th Bidding round GAs of ₹133.00 Crore	0.72 (0.72)	- -

(Figure shown in brackets pertains to Previous Year).

b. In case of Corporate Guarantee (valid up to 07-06-2024) 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 ₹4.41 crore (Previous Year: ₹4.41 crore) has been shown as deemed equity as capital contribution from Holding Company *(Note-14)* with corresponding account receivables from Joint Venture Company Goa Natural Gas Pvt. Limited *(Note-7B)*, based on the fair valuation.

c. In case of Corporate Guarantee provided by the holding company GAIL (India) Ltd. for long-term loan of ₹1,500.00 Crore (Previous Year: ₹1,500.00 crore) from HDFC, a sum of ₹44.48 crore (Previous Year: ₹44.48 crore) has been shown as deemed equity as capital contribution from the holding company *(Note-14)*. Accordingly, a sum of ₹23.89 crore (Previous Year: ₹30.87 crore) has been shown as pre-paid expenses *(Note-8A & 8B)* and ₹6.98 crore (Previous Year: ₹6.14 crore) as guarantee-commission expenses *(Note-28)*.

36. Department of Investment & Public Asset Management (DIPAM), Government of India, Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18-11-2024 has issued revised guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend. In FY 2025-26, the Board of Directors of the company has proposed a final dividend of ₹160.00 crore (Previous Year: ₹150.00 crore) more than the minimum required as per the above guidelines.

37. **Disclosure relating to Corporate Social Responsibility (CSR):**

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, Government of India, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses are as under:

I. The disclosure in respect of CSR expenditure is as under:

(₹ in crore)

	Particulars	FY 2025-26	FY 2024-25
i.	**Amount required to be spent by the company during the year**		
	Annual CSR Allocation	12.00	10.00
	Carry forward from previous year	-	-
	Gross amount required to be spent @ 2% *(as per provision of Section 135 of the Companies Act 2013)*	9.65	8.12
	Set-off available from previous years	0.37	-
	Total CSR obligation for the year	9.28	8.12
ii.	Amount of expenditure incurred	10.42	8.49

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	Particulars	FY 2025-26	FY 2024-25
	Set-off available for succeeding years	1.14	0.37
iii.	Shortfall at the end of the year	-	-
iv.	Total of previous years' shortfall	-	-
v.	Reasons for shortfall	NA	NA
vi.	Nature of CSR activities	*as per 35 (II) below*	
vii.	Details of related party transactions	NIL	NIL

II. Break-up of the CSR expenses under major heads is as under:

(₹ in crore)

	Particulars	FY 2025-26			FY 2024-25		
		Paid	Yet to be paid **	Total	Paid	Yet to be paid **	Total
i.	Major Health and Nutrition Related Projects	5.18	0.43	5.61	4.95	1.38	6.33
ii.	Promoting Education	3.09	0.37	3.46	1.21	0.29	1.50
iii.	Empowering Women	0.42	0.05	0.47	0.05	-	0.05
iv.	Sanitation	0.42	-	0.42	0.36	-	0.36
v.	Rural Development	-	-	-	0.25	-	0.25
vi.	Capacity Building / Administrative Overheads	0.46	-	0.46	-	-	-
	Total Expenses	**9.57**	**0.85**	**10.42**	**6.82**	**1.67**	**8.49**
vii.	Refunds / Adjustments for earlier years projects	-	-	-	-	-	-
	Net Amount (i) to (vi) - (vii)	9.57	0.85	10.42	6.82	1.67	8.49

*** Provisions made for liabilities incurred*

38. Land & Building:

Title deeds of Land pending for execution in the name of the Company as on 31st March 2026 are as under:

Sl. No.	Particular line in the Balance Sheet	Description of item of Property	Gross Carrying Value *(₹ in crore)*	Title deeds held in name of	Whether title deed holder is a promoter, director or relative of promoters/director or employee of promoter/director	Property held since which date	Reason for not being held in name of Company (also indicate if in dispute)
1	Property, Plant and Equipment	Plot No. 2241, Phase-II, Sector 38 , HSIIDC Industrial Estate, Rai Sonepat	2.05	HSIIDC	No	08-04-2010	Completion Certificate is pending

39. Ind AS 115 - Revenue from Contracts with Customers:

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and

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the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The disaggregation of the company's revenue from contracts with customers is disclosed at Note -21.

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 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.

Trade Receivables and Contract Balance:

The following table provides the information about receivables and contract liabilities from contracts with customers:

(₹ in crore)

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Receivables	868.39	919.61
Contract Liabilities	3.65	5.93

Trade receivables are interest bearing and are generally on terms of 3 to 45 days credit after billing. Contract liabilities are advances received from customers against supply to be made of gas after the reporting date.

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.

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

Company as Lessee:

a. Reconciliation of Lease Liabilities:

(₹ in crore)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Opening Balance	113.09	79.32
Adjustments for:		

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Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Additions during the year	66.70	70.92
Deletions during the year	-	-
Accretion of interest	9.16	7.61
Foreign exchange loss on restatement of lease liabilities	-	-
Lease liabilities paid during the year	41.42	40.84
Excess Lease liabilities written Back	-	3.92
Closing Balance	**147.53**	**113.09**
Current	30.44	25.63
Non-current	117.09	87.46

b. Maturity analysis of Lease Liabilities:

As at 31st March 2026

(₹ in crore)

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	7.94	22.50	-	-	**30.44**
Lease Liabilities (Non-Current)	-	-	51.10	65.99	**117.09**

As at 31st March 2025

(₹ in crore)

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	7.16	18.47	-	-	**25.63**
Lease Liabilities (Non-Current)	-	-	48.32	39.14	**87.46**

c. Amounts recognized in Statement of Profit and Loss:

(₹ in crore)

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Depreciation on right-of-use assets	37.28	36.96
Interest expense on lease liabilities	7.24	5.71
Expense relating to short-term leases	7.18	5.49
Expense relating to low value assets leases	-	0.01
Variable lease payments	-	-
Total	**51.70**	**48.17**

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41. **Employee Benefits *(Ind AS 19)***

a. **Employees on Secondment from Parent Company**

All employees of **GAIL Gas Limited**, other than Fixed Term Employees (FTEs), are on deputation/secondment from the Parent Company, **GAIL (India) Limited**.

The Parent Company raises monthly invoices on the Company towards the cost of such seconded employees, along with applicable GST. The cost incurred towards seconded employees has been disclosed under **"Other expenses – Manpower cost"** ***(Note 28)*** in the financial statements. These costs primarily comprise salaries, allowances, and other employee-related benefits paid by the Parent Company.

b. **Fixed Term Employees (FTEs)**

The Company has engaged Fixed Term Employees (FTEs) directly. As at 31st March 2026, 41 FTEs were on the Company's payroll (Previous year: 55 FTEs). FTEs are engaged for an initial fixed tenure of three years, which may be extended further for a maximum period of two years, subject to annual renewal.

Salaries, allowances, and other employee benefits payable to FTEs are recognised under "Employee benefit expense" in accordance with Ind AS 19 – Employee Benefits.

c. **Allocation of Employee Costs to Capital Work-in-Progress**

Employees are deployed across various functions, including project activities and operational activities. Employee costs, including those relating to FTEs and seconded employees, which are directly attributable to project activities during the construction phase, are identified by management and capitalized as incidental expenditure during construction and transferred to Capital Work-in-Progress (CWIP), in accordance with applicable accounting standards. FTEs Employee Cost which is attributable to Construction activities is being identified and capitalized from current year. Remaining employee costs are charged to the Statement of Profit and Loss.

d. **Gratuity Benefits**

The Company provides for gratuity benefits in accordance with the applicable provisions of Ind AS 19 and the new Labour Codes. Gratuity is treated as a defined benefit obligation, and the liability is determined based on an actuarial valuation carried out at the reporting date.

As at 31st March 2026, the gratuity liability recognized in the books as per Actuarial Valuation Report amounts to ₹0.30 crore.

42. **Disclosure as per Ind AS 23 'Borrowing Costs':**

Borrowing costs capitalized in assets including amount allocated towards Capital Work in Progress during the year was ₹54.01 crore (Previous Year: ₹68.23 crore).

43. In compliance of Ind AS 108 "Operating Segment", the Company has adopted following Business segments as its reportable segments:

   a. City Gas Distribution
   b. Natural Gas Trading

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a. **Geographical Information:**
All the company operations in the business of City Gas Distribution and Natural Gas Trading are in India. Accordingly, revenue from customers and all assets are located in India only.

Information about Business Segments for the financial year ended 31st March 2026

(₹ in crore)

Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	**Segment Revenue ****						
	External Sales / Other Income	6022.89	6658.26	-	12,681.15	-	12681.15
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	6022.89	6658.26	-	12,681.15	-	12681.15
2	**Segment Results**						
	Segment Result (Profit before Interest &Tax)	612.06	77.83	(46.36)	643.53	-	643.53
	Unallocated expenses (Net)	-	-	(32.49)	(32.49)	-	(32.49)
	Operating Profit	612.06	77.83	(78.85)	611.04	-	611.04
	Interest Expenses			(48.00)	(48.00)		(48.00)
	Interest/ Dividend Income			38.61	38.61	-	38.61
	Provision for Taxation			(153.14)	(153.14)	-	(153.14)
	Profit/(Loss) from Ordinary Activities	612.06	77.83	(241.38)	448.51	-	448.51
	Net Profit/(Loss)	612.06	77.83	(241.38)	448.51	-	448.51
3	**Other Information**						
	Segment Assets	5,287.15	547.56	1,118.24	6,952.95	-	6,952.95
	Segment Liabilities	1,022.05	406.63	1,639.66	3,068.34		3,068.34
	Cost to acquire fixed assets	577.26	-	-	577.26	-	577.26
	Depreciation and Amortization Expenses	174.05	0.02	1.06	175.13	-	175.13

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Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
	Non-Cash expenses other than Depreciation and Amortization Expenses	4.83	-	-	4.83	-	4.83

** includes Compressed Bio Gas*

*** Segment Revenue includes Other Operating revenue*

Information about Business Segments for the financial year ended 31st March 2025

(₹ in crore)

Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	**Segment Revenue ****						
	External Sales / Other Income	4,965.06	7,263.92	-	12,228.98	-	12,228.98
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	**4,965.06**	**7,263.92**	-	**12,228.98**	-	**12,228.98**
2	**Segment Results**						
	Segment Result (Profit before Interest &Tax)	631.84	73.56	(49.17)	656.23	-	656.23
	Unallocated expenses (Net)	-	-	(31.73)	(31.73)	-	(31.73)
	Operating Profit	**631.84**	**73.56**	**(80.90)**	**624.50**	-	**624.50**
	Interest Expenses	-	-	(41.37)	(41.37)	-	(41.37)
	Interest/ Dividend Income	-	-	35.93	35.93	-	35.93
	Provision for Taxation	-	-	(164.22)	(164.22)	-	(164.22)
	Profit/(Loss) from Ordinary Activities	**631.84**	**73.56**	**(250.56)**	**454.84**	-	**454.84**
	Net Profit/(Loss)	**631.84**	**73.56**	**(250.56)**	**454.84**	-	**454.84**
3	**Other Information**						
	Segment Assets	4,905.54	651.04	1,318.79	6,875.37	-	6,875.37
	Segment Liabilities	987.19	539.28	1750.06	3,276.53	-	3,276.53
	Cost to acquire fixed assets	493.29	-	-	493.29	-	493.29
	Depreciation and Amortization	149.92	-	0.76	150.68	-	150.68

Sl No	Segment	City Gas Distribution*	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
	Expenses						
	Non-Cash expenses other than Depreciation and Amortization Expenses	4.57	-	-	4.57	-	4.57

** includes Compressed Bio Gas*

*** Segment Revenue includes Other Operating revenue*

b. Information about major customers:

Revenue from two customers individually accounted for 10% or more of the Company's total revenue during the year.

Revenue of ₹4,934.15 crore (Previous year ₹5,625.64 crore) was derived from one customer and is attributable to the Natural Gas Trading segment.

Revenue of ₹1,535.62 crore (Previous year ₹1,396.55 crore) was derived from another customer and is mainly attributable to the Natural Gas Trading segment.

44. Related Party Disclosures:

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

B. Related Party Disclosures as per Ind AS 24:

a. Relation and name of the related parties are as under:

a. Holding Company: 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 (wholly owned subsidiary of GAIL Global (USA) Inc.)
vii. GAIL Mangalore Petrochemicals Limited
viii. GAIL Global IFSC Limited (GGIL)
ix. Brahmaputra Cracker and Polymer Limited (BCPL)

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)

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vi. Purba Bharati Gas Pvt. Ltd. (PBGPL)

d. Subsidiaries of Joint Venture Companies:
Godavari Gas Private Limited. (GGPL) – JV of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)

e. 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. Indradhanush Gas Grid Limited
vii. LLC Bharat Energy Office
viii. Mahanagar Gas Limited
ix. Maharashtra Natural Gas Limited
x. ONGC Petro additions Limited (OPaL)
xi. ONGC Tripura Power Company Limited
xii. Petronet LNG Limited
xiii. Ramagundam Fertilizers and Chemicals Limited
xiv. Talcher Fertilizers Limited
xv. TAPI Pipeline Company Limited
xvi. Coal Gas India Limited
xvii. Leafiniti Bioenergy Private Limited (LBPL)

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

i. China Gas Holdings Limited
ii. Fayum Gas Company
iii. LNG Japonica Shipping Corporation Limited

b. Key Managerial Personnel

a. Chairman & Managing Director:

i. Shri Sandeep Kumar Gupta *(up to 28.02.2026)*
ii. Shri Deepak Gupta *(w.e.f. 01.03.2026)*

b. Non-Executive Directors:

i. Shri Rakesh Kumar Jain
ii. Shri Ayush Gupta
iii. Smt. Nalini Malhotra
iv. Shri Sanjay Kumar
v. Shri Noas Kindo *(up to 19.06.2025)*
vi. Shri Manoj Kumar Jha *(w.e.f. 25.06.2025)*
vii. Shri Sumit Kishore *(w.e.f. 10.02.2026)*

c. Chief Executive Officer:
Shri Goutom Chakraborty

d. Chief Financial Officer:

i. Shri Pankaj Gupta *(up to 22.05.2025)*
ii. Shri Amit Jhalani *(w.e.f. 28.05.2025)*

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e. **Chief Operating Officer:**
   i. Shri Ajay Kumar Jindal *(up to 31.07.2025)*
   ii. Shri Sudhir Kumar Dixit *(w.e.f. 01.08.2025)*

f. **Company Secretary:**
   i. Sh. Deepak Asija *(up to 02.04.2025)*
   ii. Smt. Preeti Agarwal *(w.e.f. 03.04.2025)*

c. 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 31st March 2026 by the company.

d. Related Party Transactions

(₹ in crore)

Sl No	Particulars	FY	Holding Co.	Joint Venture & Others*	Key Management Personnel
1.	Purchase of Goods and Material / Services	2025-26	9,675.88	0.58	-
		2024-25	9,605.68	0.69	-
2.	Guarantee Commission received / receivable	2025-26	-	10.41	-
		2024-25	-	10.41	-
3.	Sales of Goods (Material and Gas) / Services	2025-26	1,535.62	256.63	
		2024-25	1,396.55	301.50	-
4.	Remuneration to Key Management personnel- Salary & Allowances	2025-26	-	-	4.61
		2024-25	-	-	4.98
5.	Reimbursement for employees on deputation to JVs	2025-26	-	9.38	-
		2024-25	-	10.45	-
6.	Reimbursement for employees on deputation - paid	2025-26	133.74	-	-
		2024-25	136.43	-	-
7.	Reimbursement of BG Charges received / receivable	2025-26	-	-	-
		2024-25	-	0.30	-
8.	Rent, Electricity, UCS Expenses, TTA, etc. paid / payable	2025-26	18.99	-	-
		2024-25	12.98	-	-
9.	Advances for Hook Up charges during the year	2025-26	2.95	-	-
		2024-25	6.69	-	-
10.	Outstanding balance payable excluding fair valuation done as per Ind AS-109	2025-26	497.35	-	-
		2024-25	628.11	-	-
11.	Outstanding Balance Receivable excluding fair valuation done as per Ind AS-109	2025-26	61.21	53.34	-
		2024-25	72.37	66.04	-
12.	Guarantee Commission Expense	2025-26	6.98		
		2024-25	7.58	-	-
13.	Corporate Guarantee given to bank for Loan issued on behalf of the Company as at balance sheet date	2025-26	1,500.00	-	-
		2024-25	1,500.00	-	-
14.	Dividend Paid	2025-26	150.00	-	-
		2024-25	-	-	-
15.	Dividend received	2025-26	-	0.33	
		2024-25	-	0.67	-
16.	Interest received	2025-26	-	0.30	-
		2024-25	-	0.57	-
17.	Investment in APGDCL as at Balance Sheet date *(including Pref. Shares)*	2025-26	-	171.20	-
		2024-25	-	160.32	-
18.	Investment in VGL as at Balance Sheet date	2025-26	-	66.55	-
		2024-25	-	58.26	-

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Sl No	Particulars	FY	Holding Co.	Joint Venture & Others*	Key Management Personnel
19.	Investment in RSGL as at Balance Sheet date	2025-26	-	90.56	-
		2024-25	-	89.68	-
20.	Investment in HNGPL as at Balance Sheet date	2025-26	-	55.55	-
		2024-25	-	51.03	-
21.	Investment in GNGPL as at Balance Sheet date	2025-26	-	31.04	-
		2024-25	-	41.17	-
22.	Investment in PBGPL as at Balance Sheet date	2025-26	-	37.76	-
		2024-25	-	36.53	-
23.	Advances/loans given as at Balance Sheet date**	2025-26	-	3.75	-
		2024-25	-	3.75	-

**includes joint venture companies of Holding Company.*

*** The repayment of ₹3.75 crore, originally due on 30 June 2025, has been deferred to 30 June 2028 as per the revised terms agreed with HNGPL.*

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

Sl. No.	Name of Companies (Indian Entities) & Principal Place of business	Relation	Proportion of ownership as on	
			31-03-2026	31-03-2025
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada- Andhra Pradesh*	Joint Venture	50%	50%
2	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Joint Venture	17.07%	17.07%
3	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Joint Venture	50%	50%
4	Haridwar Natural Gas Pvt. Ltd. (HNGPL), Haridwar, Uttarakhand	Joint Venture	50%	50%
5	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Joint Venture	50%	50%
6	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam	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 statements of GNGPL and unaudited financial statements of other joint venture companies as furnished by management of these companies is as under:

(₹ in crore)

Sl. No.	Description	31-03-2026	31-03-2025
A.	**Summary of Balance Sheet**		
1	**Assets**		
	Non-Current	874.49	827.39
	Current	100.94	80.18
	Total	975.43	907.56
2.	**Liabilities & Provisions**		
	Non-Current	354.52	332.31
	Current	228.41	207.65
	Total	582.93	539.96
B.	**Summary of Profit and Loss Account**		
1.	Income	414.00	338.05
2.	Expenditure	399.42	326.98
C.	**Contingent Liability****	34.99	53.51

*** To the extent of information available with the Company*

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46. **Impairment of Assets:**

In compliance of Ind AS 36 *"Impairment of Assets"*, company has carried out an assessment and confirm that there are no impairment assets which required provision.

47. **Movement of Provision**

In compliance of Ind AS 37 *"Provisions, Contingent liabilities and Contingent Assets"*, the required information is as under:

(₹in crore)

Particulars	Provision for Probable Obligation	Provision for Doubtful Claims
As at 1st April, 2025	9.39	0.31
Additional provision recognized during the year	0.29	-
Amount used during the year	-	-
Amount reversed during the year	(2.71)	-
As at 31st March, 2026	**6.97**	**0.31**

48. **Details of Loans, Investments, Guarantees and Securities given by the Company covered u/s 186 (4) of the Companies Act 2013:**

a. Investments made and Loans given are disclosed under the respective *Note No. 5 & 6 A & B.*
b. There is no security and guarantee provided by the Company.

49. In some cases, the Company has received intimation from Micro and Small Enterprises regarding their status under *"The Micro, Small and Medium Enterprises Development Act, 2006"*. As per practice, the payment to all suppliers has been made within 15 days of receipt of valid invoice.

(₹ in crore)

Particulars	FY 2025-26	FY 2024-25
Amount due and Payable at the year end		
- Principal*	64.55	46.04
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-

**includes Liabilities and Provisions etc.*

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.

50. **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.

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A. Market Risk

Market risk is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, foreign currency risk, equity price risk and commodity price risk. Financial instruments affected by market risk includes Loans, Borrowings, Deposits and Derivative Instruments.

a. Interest Rate Risk

Interest rate risk is a 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 long-term domestic rupee term loans with floating interest rates.

The Company manages its exposure to interest rate risk by maintaining a balanced mix of fixed and floating rate borrowings. In addition, the Company closely monitors movements in interest rates and periodically reviews the debt portfolio to ensure it remains within acceptable risk parameters.

Interest rate sensitivity

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of borrowings outstanding as on 31.03.2026

Particulars	31st March 2026		31st March 2025	
	Interest Rate		Interest Rate	
Increase/decrease *(by 100 BPS)*	+100	-100	+100	-100
Effect on Profit Before Tax *(₹ in Cr)*	-5.78	5.78	-9.3	9.3

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on Term Deposit as on 31st March 2026:

Particulars	31st March 2026		31st March 2025	
	Interest Rate		Interest Rate	
Increase/decrease *(by 100 BPS)*	+100	-100	+100	-100
Effect on Profit Before Tax *(₹ in Cr)*	2.72	-2.72	6.11	-6.11

b. Foreign Currency Risk

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

c. 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.

d. Equity Price Risk

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

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B. 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:

Liquidity Risk - Maturity Profile as on 31st March 2026

(₹ in crore)

Particulars	On Demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current)	-	-	-	808.13	259.62	1,067.75
Borrowings (Current)	-	43.26	175.31	-	-	218.57
Trade Payables	-	682.84	-	-	-	682.84
Other Financial Liabilities (Current)	271.64	300.85	20.34	-	-	592.83
Lease Liabilities (Non-Current)	-	-	-	51.10	65.99	117.09
Lease Liabilities (Current)	-	7.94	22.50	-	-	30.44
Total	**271.64**	**1,034.89**	**218.15**	**859.23**	**325.61**	**2,709.52**

Liquidity Risk - Maturity Profile as on 31st March 2025

(₹ in crore)

Particulars	On Demand	Less than 3 months	3 to 12 months	>1 to 5 years	> 5 years	Total
Borrowings (Non-current)	-	-	-	1026.70	259.61	1,286.31
Borrowings (Current)	-	43.26	175.31	-	-	218.57
Trade Payables	-	837.26	-	-	-	837.26
Other Financial Liabilities (Current)	227.36	227.95	66.14	-	-	521.45
Lease Liabilities (Non-Current)	-	-	-	48.32	39.14	87.46
Lease Liabilities (Current)	-	7.16	18.47	-	-	25.63
Total	**227.36**	**1,115.63**	**259.92**	**1075.02**	**298.75**	**2976.68**

C. 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.

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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)	3-7 days
Piped Natural Gas (Commercial)	7 days
Compressed Natural Gas (CNG) & Compressed Bio Gas (CBG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 - 45 days

The company does not expect any significant credit risk out of its exposure to trade receivable as a major part of revenue is contributed either by cash sales or within credit period of 3- 45 days.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding receivables from customers are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Trade Receivables Ageing Schedule:

As on 31st March, 2026

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months*	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Receivable - Considered good	859.48	5.82	4.39	0.94	4.47	875.10
(ii) Undisputed Trade Receivable- Considered doubtful	0.01	1.74	3.06	2.16	2.92	9.89
(iii) Disputed Trade Receivable- Considered good	-	-	-	-	0	0
(iv) Disputed Trade Receivable- Considered doubtful	-	-	-	-	0.18	0.18
Sub-total	**859.49**	**7.56**	**7.45**	**3.10**	**7.57**	**885.17**
Less: Provision for Expected Credit Loss	0.04	1.78	5.67	3.22	6.07	16.78
Net Amount	**859.45**	**5.78**	**1.78**	**(0.12)**	**1.50**	**868.39**

**includes unbilled trade receivables amounting to ₹ 19.65 Cr*

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As on 31st March, 2025

(₹ in crore)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months*	6 Months- 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Receivable - Considered good	909.53	6.94	4.02	1.42	1.74	923.66
(ii) Undisputed Trade Receivable- Considered doubtful	0.37	0.97	1.58	1.41	1.52	5.85
(iii) Disputed Trade Receivable- Considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable- Considered doubtful	-	-	-	-	2.72	2.72
Sub-total	**909.90**	**7.91**	**5.60**	**2.83**	**5.98**	**932.23**
Less: Provision for Expected Credit Loss	0.06	3.88	0.28	1.44	6.96	12.62
Net Amount	**909.84**	**4.03**	**5.32**	**1.39**	**(0.98)**	**919.61**

includes unbilled trade receivables amounting to ₹ 14.23 Cr

Expected Credit Loss & Provision for Doubtful Debts

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

(₹ in crore)

Particulars	31st March 2026	31st March 2025
Start of the year	12.62	8.79
Provision for Impairment / (Reversal)	4.16	3.83
Receivables written off during the year as uncollectible	-	-
Unused amounts reversed	-	-
Other Provisions	-	-
End of year	**16.78**	**12.62**

Financial Instruments and Cash Deposits

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

D. Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the reporting year.

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51. Accounting classifications and 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: technique which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31st March 2026, the Company held the following financial instruments carried at fair value on the statement of financial position:

(₹ in crore)

Particulars	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	3.75	-	-	3.75
Trade Receivables	868.39	-	-	868.39
Cash and Cash Equivalents	87.69	-	-	87.69
Bank Balances Other than Cash and Cash Equivalents	220.97	-	-	220.97
Other Financial Assets	75.47	-	-	75.47
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	**1,256.27**	-	-	**1,256.27**
Financial Liabilities at amortized cost				
Borrowings	1,286.32	-	-	1,286.32
Trade Payables	682.84	-	-	682.84
Other Financial Liabilities	592.83	-	-	592.83
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	**2,561.99**	-	-	**2,561.99**

Note:

(i) The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value.

(ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balance, other receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short-term nature.

(iii) The fair values of non-current financial assets (such as security deposits) and non-current financial liabilities are considered to be same as their carrying values as the impact of fair valuation is not material.

(iv) With respect to borrowings, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

(v) The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

As at 31st March 2025, the Company held the following financial instruments carried at fair value on the statement of financial position:

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(₹ in crore)

Particulars	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	3.75	-	-	3.75
Trade Receivables	919.61	-	-	919.61
Cash and Cash Equivalents	212.47	-	-	212.47
Bank Balances Other than Cash and Cash Equivalents	451.80	-	-	451.80
Other Financial Assets	76.76	-	-	76.76
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	**1664.39**	-	-	**1664.39**
Financial Liabilities at amortized cost				
Borrowings	1504.89	-	-	1504.89
Trade Payables	837.26	-	-	837.26
Other Financial Liabilities	521.45	-	-	521.45
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	**2,863.60**	-	-	**2,863.60**

Note:

(i) The carrying cost of Interest-bearing loans & borrowings is approximately equal to their Fair Market Value.

(ii) The carrying amount of trade receivables, cash and cash equivalents, other bank balance, others receivables, trade payables, interest accrued and due, other payables and other financial liabilities are considered to be same as their fair value due to their short-term nature.

(iii) The fair values of non-current financial assets (such as security deposits) and non-current financial liabilities are considered to be same as their carrying values as the impact of fair valuation is not material.

(iv) With respect to borrowings, the fair value was calculated based on cash flows discounted using the current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

(v) The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

52. Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate Companies and joint ventures

Part "B": Associates and Joint Ventures

(₹ in crore)

S. No	Particulars	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada-Andhra Pradesh	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Haridwar Natural Gas Pvt. Ltd. (HNGPL), Haridwar, Uttarakhand	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam
1	**Latest audited Balance Sheet Date**	**31st March 2024**	**31st March 2025**	**31st March 2025**	**31st March 2025**	**31st March 2026**	**31st March 2025**
2	No of Equity shares of Joint Ventures held by the Company on the year end-	12,35,70,831 *(₹ 10 each)*	4,10,08,943 *(₹ 10 each)*	6,50,00,000 *(₹ 10 each)*	4,35,80,000 *(₹ 10 each)*	4,00,00,000 *(₹ 10 each)*	5,17,65,350 *(₹ 10 each)*
3	Amount of Equity	123.57	41.01	65.00	43.58	40.00	51.77

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S. No	Particulars	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada-Andhra Pradesh	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Haridwar Natural Gas Pvt. Ltd. (HNGPL), Haridwar, Uttarakhand	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam
	Investment in Associates / Joint Venture						
4	Extent of Holding %	50.00%	17.07%	50.00%	50.00%	50.00%	26.00%
5	Joint Control / Significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
6	Reason for not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7	Net worth attributable to Shareholding as per latest audited Balance Sheet	56.69	58.54	89.19	51.04	31.04	36.53
8	Profit / Loss for the year*						
	(i) Considered in Consolidation	**(3.30)**	**8.01**	**1.70**	**4.52**	**2.32**	**(6.80)**
	(ii) Not Considered in Consolidation	-	-	-	-	-	-

* *Total profit of the entity including other comprehensive income*

Note:

i. Name of the associates or joint ventures which are yet to commence operations: Nil

ii. Name of associates or joint ventures which have been liquidated or sold during the year: Nil

53. Confirmation of Assets & Liabilities:

a. Some balances of trade and other receivables, trade and other payables are subject to confirmation / reconciliation. Adjustment, if any, will be accounted for on confirmation / reconciliation of the same, which will not have a material impact.

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

54. Trade Payables

Trade Payables ageing schedule as on 31st March 2026

(₹ in crore)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	58.44	6.11	-	-	-	64.55
(ii) Others	37.71	580.58	-	-	-	618.29
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**96.15**	**586.69**	-	-	-	**682.84**

Trade Payables ageing schedule as on 31st March 2025

(₹ in crore)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	42.96	3.08	-	-	-	46.04
(ii) Others	52.81	738.29	0.12	-	-	791.22
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
Total	**95.77**	**741.37**	**0.12**	-	-	**837.26**

55. Details of Relationship with Struck-off Companies

Details of Relationship with Struck-off Companies as on 31st March, 2026:

Sl. No.	Name of struck off Company	Nature of Transactions with struck-off Company					Relationship with Struck off Company if any to be disclosed
		Investment in Securities (₹ in Cr.)	Receivables (₹ in Cr.)	Payables (₹ in Cr.)	Shares held by Struck-off Company (₹ in Cr.)	Other Outstanding Balance (To be specified) (₹ in Cr.)	
-	-.	-	-	-	-	-	-

Details of Relationship with Struck-off Companies as on 31st March, 2025:

Sl. No.	Name of struck off Company	Nature of Transactions with struck-off Company					Relationship with Struck off Company if any to be disclosed
		Investment in Securities (₹ in Cr.)	Receivables (₹ in Cr.)	Payables (₹ in Cr.)	Shares held by Struck-off Company (₹ in Cr.)	Other Outstanding Balance (To be specified) (₹ in Cr.)	
-	-.	-	-	-	-	-	-

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56. Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a 50:50 Joint Venture Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a 50:50 Joint Venture Company (JVC) of GAIL Gas Limited (GAIL Gas) and various PSUs'of Andhra Pradesh Government. APGDC surrendered its authorization of KSPL project during the financial year 2023-24 due to various challenges to complete the project.

The health assessment of pipeline and its related assets has been done by a reputed Project Management Consultancy firm in F.Y. 2024-25 and as per same pipeline and related assets are in satisfactory condition and fit for purpose. Further, revalidation of health assessment of APGDC Assets has been conducted during the current financial year, and assets have again been assessed to be in satisfactory and usable condition. APGDC requested PNGRB to factor in the investment done by APGDC while conducting the re-bidding of this line to recover the investment made in the project. Further, PNGRB has invited bids for Mallavaram to Srikakulam pipeline (MSPL) which includes the KSPL stretch. During the current year, bidding process has been annulled due to techno-legal issues.

Subsequent to the cancellation of the bid, Hon'ble Chief Minister of Andhra Pradesh has written to the Ministry of Petroleum and Natural Gas on 23.03.2026 expressing its intent to revive the project and has requested that the project be directly allocated to a public sector undertaking (PSU - GAIL or IOCL) under section 42 of PNGRB Act, to facilitate its completion.

GAIL vide its letter dated 17.04.2026 has again requested MOPNG to authorize Ennore-Srikakulam NG Pipelines (ESPL) under section 42 of PNGRB Act, which includes KSPL project. GAIL also stated its willingness to leverage the existing infrastructure of APGDC on KSPL.

Considering above including letter of Hon'ble Chief Minister of Andhra Pradesh and of GAIL (India) Limited, a significant recovery of funds deployed for the KSPL project is anticipated, mitigating any potential impairment risks .

Moreover, the Company has carried out impairment testing of its investment in Andhra Pradesh Gas Distribution Corporation Limited (APGDC) as on March 31, 2026 through independent professional consultant. As per report from valuer no impairment provision is required accordingly management is of the view that investment is free from impairment as on reporting date.

57. 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:

(₹ in crore)

Particulars	31st March, 2026	31st March, 2025
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	94.82	114.05
Provision/Adjustment of Tax relating to earlier periods	-7.77	3.86
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	-

Particulars	31st March, 2026	31st March, 2025
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	-
Deferred Income Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations)	66.09	46.31
Relating to origination and reversal of temporary differences (Discontinued Operations)	-	-
Provision for MAT Credit	-	-
Income Tax Expense reported in the Statement of Profit and Loss	**153.14**	**164.22**

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

(₹ in crore)

Particulars	31st March, 2026	31st March, 2025
Profit Before Income Tax	595.53	614.86
Current Tax Rate	14.62%	19.18%
Computed Effective Tax Expense	87.05	117.91
Movement in Deferred Tax Liability	66.09	46.31
Provision for MAT Credit	-	-
Income Tax charged to Statement of Profit and Loss	**153.14**	**164.22**
Effective Tax Rate	**25.71%**	**26.71%**

(iii) Recognized Deferred Tax Assets and Liabilities:

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

(₹ in crore)

Particulars	Balance Sheet		Statement of Profit & Loss	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Property, Plant and Equipment	(325.21)	(258.69)	(66.52)	(44.37)
Provisions	6.43	6.00	0.43	(1.94)

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Particulars	Balance Sheet		Statement of Profit & Loss	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
Deferred Tax Assets/ (Liabilities)	**(318.78)**	**(252.69)**	**(66.09)**	**(46.31)**
Offsetting of Deferred Tax Assets/ (Liabilities)	-	-	-	-
Net Deferred Tax Assets /(Liabilities)	**(318.78)**	**(252.69)**	**(66.09)**	**(46.31)**

58. Wilful Defaulter:

The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender as on 31st March 2026 and 31st March 2025

59. Benami Property:

The Company is not holding any Benami Property as on 31st March 2026 and 31st March 2025. Further, 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.

60. Borrowings Secured against Current Assets:

During the financial year ended 31st March 2026, the Company has not availed any borrowings from banks or financial institutions against security of current assets. Accordingly, there is no requirement for filing quarterly return/statements of current assets by the Company with Banks or Financial Institutions.

61. Registration of Charges or satisfaction with Registrar of Companies (ROC):

During the financial year 2025-26, the Company has registered charges or satisfaction with ROC on or before the statutory date and there is no delay in registration.

62. Earnings per Share:

Particulars	2025-26	2024-25
Profit after Tax *(₹ in crore)*	448.50	454.84
Weighted Average No. of Equity Shares (Basic) Weighted Average No. of Equity Shares (Diluted)	200,00,00,000 200,00,00,000	200,00,00,000 200,00,00,000
Nominal Value per Share (in Rs.)	10	10
Basic Earning per Share (in Rs.) **Diluted Earning per Share (in Rs.)**	2.24 2.24	2.27 2.27

63. Ratios

Ratio	Numerator	Denominator	Year Ended 31st March 2026	Year Ended 31st March 2025	% Variance*
Current Ratio (in times)	Current Assets	Current Liabilities	0.82	1.04	-21%
Debt-Equity Ratio	Total Debt (including Lease Liabilities)	Total Equity (excluding revaluation reserves)	0.37	0.45	-18%
Debt Service Coverage Ratio	Earnings available for debt service	Debt service = Interest payment + Principal payment + lease laibilities paid	1.90	2.32	-18%
Return on Equity Ratio	Net Profit after tax	Average shareholder's equity	11.99%	13.51%	-11%
Inventory Turnover ratio	Cost of Goods Sold	Inventory	851.82	887.70	-4%
Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	13.76	14.22	-3%
Trade Payables Turnover Ratio,	Net Credit Purchases	Average Trade Payables	15.18	13.03	17%
Net Capital Turnover Ratio	Net Sales	Working Capital	(44.79)	220.82	-120%
Net Profit Ratio	Net Profit after tax	Net Sales	3.65%	3.81%	-4%
Return on Capital Employed	Earnings Before Interest and Tax	Capital Employed	11.39%	11.99%	-5%
Return on Investment	Share of Profit/Loss of JV Companies	Closing investments	1.43%	1.11%	28%

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 decrease in Net Capital Turnover Ratio is primarily attributable to a reduction in deposits with Bank.

(b) The increase in Return on Investment is due to increase in Profit of Joint Venture Companies.

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AGARWAL & CO.

64. Due to uncertainties arose from geopolitical developments in the Gulf region, gas sale invoices for the month of March, 2026 raised by GAIL (India) Limited for pooled price RLNG, billed to the Company are provisional in nature. Accordingly, the Company has also issued provisional invoices to its Bulk and Industrial Customers.
    Any adjustments, if any, arising pursuant to the finalisation of invoices by GAIL (India) Limited will be accounted for in the period in which the related debit or credit notes are received. Accordingly, Company shall also issue debit or credit notes to the respective customers subsequently. Till date, no debit or credit note has been received.
    Based on management's assessment, such adjustments, if any, are not expected to have material impact on the financial statements as at the reporting date.

65. **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.

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

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

Preeti Aggarwal	**Amit Jhalani**	**Goutom Chakraborty**
Company Secretary	**CFO**	**CEO**
PAN-AANPG3779M	**PAN- ABTPJ9584G**	**PAN- ABKPC5087E**

		As per our report of even date attached
R K Jain	**Deepak Gupta**	For M/s M.K.Aggarwal & Co
Director	**Chairman**	Chartered Accountants
DIN 08788595	**DIN 09503339**	Firm Reg. No.01411N
		ATUL AGGARWAL Digitally signed by ATUL AGGARWAL Date: 2026.04.29 17:51:56 +05'30'
		CA Atul Aggarwal
Place: New Delhi		**Partner**
Date: 29-04-2026		Membership No. 099374

GAIL GAS LIMITED NOIDA नोएडा गैल गैस लिमिटेड

M.K. AGGARWAL & CO. Chartered Accountants