



**ANNUAL ACCOUNTS
FOR THE YEAR ENDED
31.03.2016**

GAIL GAS LIMITED
Balance Sheet as at 31st March, 2016

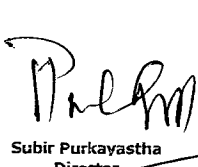
		Note No.	As at		(Rs in crore)
			31st March, 2016	31st March, 2015	As at
I. EQUITY AND LIABILITIES					
(1) Shareholder's Funds					
	a) Share Capital	2	402.00	300.00	
	b) Reserve & Surplus	3	89.90	60.52	360.62
(2) Share Application money pending Allotment					
		2-A	34.00	-	
(3) Non Current Liabilities					
	a) Long Term Borrowings	4	122.88	131.11	
	b) Deferred Tax Liability (Net)		25.60	17.79	
	c) Other Long-term Liabilities	5	35.22	35.75	
	d) Long-term Provisions	6	-	-	184.65
(4) Current Liabilities					
	a) Short Term Borrowings	8	111.95	33.67	
	b) Trade Payables	7	66.29	53.96	
	c) Other Current Liabilities	8A	98.84	95.87	
	d) Short-term Provisions	9	22.09	9.77	193.27
TOTAL			1,008.77	738.54	
II. ASSETS					
(1) Non-current assets					
	a) Fixed Assets				
	(i) Tangible Assets	10	361.55	321.45	
	(ii) Intangible Assets	10	1.66	1.78	
	(iii) Capital Work in Progress	11	265.68	152.18	
	(iv) Intangible Assets under Development		-	-	475.41
	b) Non-current Investments	12	92.46	31.98	
	c) Long-term loans and advances	13	2.69	2.82	
	d) Other non-current assets	14	-	-	34.80
(2) Current Assets					
	a) Current Investments	15	-	-	
	b) Inventories	16	8.30	6.66	
	c) Trade receivables	17	61.97	58.03	
	d) Cash and cash equivalents	18	1.35	0.62	
	e) Short-term loans and advances	19	212.56	162.70	
	f) Other current assets	20	0.55	0.32	228.33
TOTAL			1,008.77	738.54	
Significant Accounting Policies & Notes on Accounts		1			

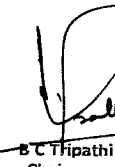
See accompanying notes to Financial Statements
Cash Flow Statement, Notes on Accounts and
Accounting Policies form an integral part of the Accounts.
Contingent Liabilities not provided for (Refer Note-29)


Anshu Asija
Company Secretary
(PAN-ADRPA0983E)

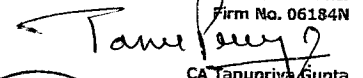

Jyoti Dua
CFO
(PAN-ACJPD6268J)


Pankaj Kumar Pal
CEO
(PAN-AATPP6657M)

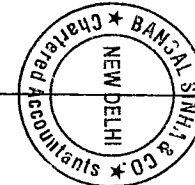

Subir Purkayastha
Director
(DIN-06850526)


B C Thipathi
Chairman
(DIN-01657366)

As per our separate Report of even date
For M/S Bansal Sinha & Co.
Chartered Accountants
Firm No. 06184N


CA Tanupriya Gupta
(Partner)
M No. 511757

Place: New Delhi
Dated : 17.05.2016




Statement of Profit & Loss for the Year ended 31st March, 2016

	Note NO.	Year Ended 31st March, 2016	(Rs. in crore) Year Ended 31st March, 2015
I. Revenue from Operations	21	1,551.88	1,024.59
II. Other Income	22	2.05	1.85
III Total Revenue (I+II)		1,553.93	1,026.44
IV Expenses			
Gas consumed	23	1,398.50	930.26
Employee benefits expenses	24	-	-
Finance Cost	25	18.87	14.07
Depreciation and Amortization Expenses	26	13.73	12.23
Other Expenses	27	62.88	51.73
		1,493.98	1,008.29
V. Profit before exceptional and extraordinary items and tax (III-IV)		59.95	18.15
VI. Exceptional Items		0.00	-
VII. Profit(Loss) before extra ordinary items and tax (V-VI)		59.95	18.15
VIII. Extraordinary Items (Profit on Sale of Assets)		(0.04)	(6.49)
IX. Profit(Loss) before prior period items and Tax (VII-VIII)		59.99	24.64
X. Prior Period Adjustments (Net)	28	1.62	(0.24)
XI. Profit(Loss) before Tax (IX-X)		58.37	24.88
XII. Tax Expenses			
Current Tax		12.41	5.48
Less: MAT credit		0.14	3.89
Less: Pr Year Tax written back		0.68	-
Deferred Tax			
Current Year		7.88	6.45
Less: Excess Deferred Tax Pr Year written back		0.07	-
		7.81	6.45
XIII. Profit(Loss) after Tax for the period (XI-XII)		38.96	16.84
XIV. Appropriation of Profit			
Proposed Dividend		8.04	0.00
Corporate Dividend tax		1.64	0.00
Balance Carried to Balance Sheet		29.29	16.84
Details of Earning Per Share			
A. Profit after tax		38.96	16.84
B. Weighted Average No. of Equity Shares		33.20	27.76
C. Nominal Value per Equity Share (Rs.)		10/-	10/-
D. Basic and Diluted Earning Per Share (Rs.)		1.17	0.61

See accompanying notes to accounts



Deepak Asija
Company Secretary
(PAN-ADRP0983E)


Avoti Dua
CFO
(PAN-ACJPD6268J)


Pankaj Kumar Pal
CEO
(PAN-AATPP6657M)


Subir Purkayastha
Director
(DIN-06850526)


B C Tripathi
Chairman
(DIN-01657366)

As per our separate Report of even date
For M/S Bansal Sinha & Co
Chartered Accountants
Firm No.-061944

CA Tanupriya Gupta
(Partner)
M No. 511757

Place: New Delhi
Dated: 17.05.2016



ACCOUNTING POLICIES

1) Accounting Conventions

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and relevant provisions of the Companies Act, 2013 including accounting standards notified there under from time to time.

2) Use of Estimates

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

3) Inventories

- i. Raw materials and finished products are valued at cost or net realizable value, whichever is lower.
- ii. Stock in process is valued at cost or net realizable value, whichever is lower. It is valued at cost where the finished products in which these are to be incorporated are expected to be sold at or above cost.
- iii. Stock of gas in pipeline is valued at cost (FIFO) or net realisable value which ever is lower.
- iv. Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished products in which they will be incorporated are expected to be sold at/or above cost.
- v. Surplus/obsolete stores and spares are valued at cost or net realizable value, whichever is lower.
- vi. Surplus/obsolete capital stores, other than held for use in construction of a capital assets, are valued at lower of cost or net realizable value.

4) Depreciation / Amortisation

- I. Depreciation on Fixed Assets other than those mentioned below is provided in accordance with the rates as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

- (a) Cost of the leasehold land not exceeding 99 years is amortised over the lease period.

(b) Software / Licences are amortised in 5 years on straight line method.

(c) Cost of the Right of Use (ROU) is amortized considering life of RoU as 99 years.

II. Capital assets facilities installed at the consumers premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the rates as specified in Schedule II of the Companies Act, 2013.

5) Revenue Recognition

- i. Sales are recognised on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the deliver of goods to customers. Sales include excise duty but exclude value added tax. Any retrospective in prices is accounted for in the years of such revision.
- ii. Income in respect of MGO of Natural Gas and Interest on delayed realization from customers is not provided . Receipts during the year on account of MGO and Interest on delayed realization are adjusted on receipt basis.
- iii. Prepaid expenses and prior period expenses/income upto Rs. 5,00,000 in each case are charged to relevant heads of account of the current year.

6) Fixed Assets

- i. Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes and levies wherever applicable. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the contractor is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- ii. Machinery spares, which can be used only in connection with an item of fixed assets and their use is expected to be irregular, are capitalized with the cost of that fixed assets and are depreciated fully over the remaining useful life of that asset.

7) Intangible Assets

Intangible assets like software licenses and right of use of land, which are expected to provide future enduring economic benefits, are capitalized as Intangible Assets.

8) Capital Work-in-Progress

- i. The Capital Work-in-Progress includes advance for capital goods/material in Transit/ value of stores lying in the hands of contractor for use in the projects/value of material/equipment/services etc. received at site for use in the projects.
- ii. Pre-Project expenditure relating to Projects which are considered unviable/closed will be charged off to Revenue in the year of declaration /closure.

9) Expenses Incurred During Construction Period

All revenue expenditures incurred during the construction period which are directly or indirectly attributable to acquisition/construction of fixed assets, will be capitalized at the time of commissioning of such assets.

10) Foreign Currency Translation

- i. Transaction in foreign currency is accounted at the exchange rate prevailing on the transaction date.
- ii. Monetary items (such as cash, receivables, loans, payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling rate for Payables and TT Buying rate for Receivables) prevailing at year end.
- iii. Non-monetary items (such as Investments, Fixed Assets, etc.) denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction (s).
- iv. Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for in the Profit & Loss account.

11) Investments

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

12) 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 assets are ready for use after netting off any income earned on temporary investment of such funds. Further, the funds generally borrowed and used for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalization, in terms of AS 16, is determined on the basis of judgement of the Company.

13) Taxes on Income

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

14) Impairment

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


15) Provision Contingent Liabilities and Capital Commitments

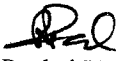
- i. Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it's probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent liabilities exceeding Rs. 5 Lacs in each case are disclosed by way of notes to accounts.
- ii. Estimated amount of contracts remaining to be executed on capital account are disclosed in each case above Rs. 5 lakhs.

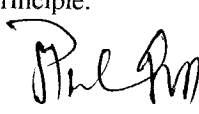
16) OTHERS


- i. Liquidated damages, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages, if settled, after capitalization of assets are charged to revenue, if below Rs. 50 lakhs in each case, otherwise adjusted in the cost of relevant assets.
- ii. Insurance claims are accounted for on the basis of claims admitted by the insurers.
- iii. Custom duty and other claims (Including interest on delayed payments) are accounted for on acceptance in principle.


Deepak Asija
Company Secretary
PAN-ADRPA0983E

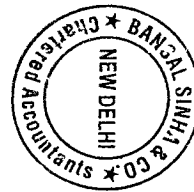

Jyoti Dua
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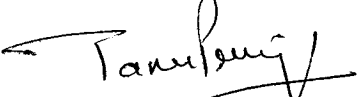

Subir Purkayastha
Director
DIN-06850526


B.C. Tripathi
Chairman
DIN-01657366

As per our separate report of even date
For Bansal Sinha & Co.
Chartered Accountants



FRN 06184N


(CA Tanupriya Gupta)
Membership No. 511757

Place: New Delhi
Date: May17, 2016

NOTES ON ACCOUNTS

1. The employees working in the various disciplines have been identified as working for (a) project activities and (b) operation activities. Therefore, the employee cost & travelling expenses have been directly identified to the project activities and operation activities respectively on actual basis and accounted for accordingly. Expenses related to Rent , vehicle hire charges, security charges and other expenses have been allocated to Incidental Expenditure during the construction and charged to Profit and Loss Account in the ratio of manpower identified for project activities and operation activities respectively during the year.
2. The Incidental Expenditure during Construction amounting Rs 22.13 Crores (Previous Year Rs. 12.48 Crores) have been allocated to completed Project & Capital work in progress in the ratio of direct and indirect allocated cost of assets.
3. (a) CWIP include asset under construction which are under different stage of completion, capitalization will be made after scrutiny of all cases. An amount of Rs.1.67 crore held under CWIP related to Expenditure incurred for bidding conducted by PNGRB.

(b) During the year company has written off Rs.5.97 crore for expenditure lying in CWIP as preoperative expenses against bidding expenditure for Geographical Areas (GA) where the company has not emerged as successful bidder. Since, these CGD GAs had been awarded to different entities other than GAIL Gas, hence the operations in those GA s wouldn't be done by GAIL Gas. Approval of writing off has been accorded by board in its meeting held on 27.04.2016.

(c) The capital expenditure incurred to the tune of Rs.4.04 crore for one CNG Station at Mathura has been shown under Capital Work in Progress (CWIP). The permission from NHAI for laying of pipelines along the National Highway -2 has already been received and the construction is under-going and will be capitalized in due course.

(d) All the lands appearing in the books are procured from various government agencies. However, till balance sheet date mutation has not been done in favour of GAIL Gas Limited to the tune of Rs.23.88 crore.
4. The details of disclosure regarding share application money pending allotment Rs. 34.00 crore are as under:
 - a) Shares have been allotted to GAIL (India) Ltd at par with face value of Rs.10 on 27.04.2016.
 - b) The total authorized capital of the Company is Rs. 700 Cr. against which Rs. 402Cr. has been issued as on balance sheet date.

- c) The Company is a 100% subsidiary of GAIL (India) Ltd and the shares are issued as per the approval of Board.

5. Capital Commitment Disclosure:-

- a) The estimated amount of contracts over Rs. 5 Lac amounting to Rs. 313.54 Crores (Previous Year Rs. 160.75 Crores) are remaining to be executed on Capital Accounts and not provided for.
- b) The Company has no uncalled liability on shares and other investments partly paid.
- c) Provisional liability of Rs.24.64 crore has been made in the books of accounts as on 31.3.2016 which will be settled as per actual bills.
- d) The reconciliation of accounts with parties is carried out as an ongoing process. Request for confirmation of balance have also been sent.

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

Particulars	(Rs.)	
	2015-16	2014-15
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	0.07 Cr.
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	70,928
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	70,928
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	70,928

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. This has been relied upon by the auditors.

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

(Rs in Cr.)

I. CIF Value of Import

	2015-16	2014-15
Raw Material	0.00	0.00
Components & Spare	0.00	0.19
Capital Goods	0.00	0.00

II. Expenditure in Foreign Currency

	2015-16	2014-15
Others-Travelling	0.12	0.0

III.

	2015-16	2014-15
Total Value of imported Raw Material, spare parts and components consumed % of total	65.39%	59.47%
Total Value of Indigenous raw materials, spare parts and Components consumed % of total	34.61%	40.53%
TOTAL % AGE	100%	100%

8. Details of purchases of traded goods are as under:

Details of Purchases	Rs in Cr.
Goods Purchased	
a. Compressed Natural Gas	0.00
	(6.80)
b. Natural Gas	1405.33
	(931.11)

The figures in the brackets pertain to previous year.

9. (a) During the year, the company has been granted authorization for laying, building, operating or expanding CGD network in the Geographical Area of Bengaluru Rural and Urban Districts (Karnataka) under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulation, 2008. Company has submitted a Performance Bank Guarantee of Rs. 5199.99 Crores issued by State Bank of India to PNGRB for which the Corporate Guarantee has been provided by

the parent company i.e. GAIL (India) Ltd. The Bank Guarantee Commission of Rs 5.38 crores for the year has been paid and booked as Incidental Expenditure During Construction. Since this Bank Guarantee covers the construction obligation for creation of infrastructure in the first 5 years , after completion of 5 years from the date of authorization the bank charges will be charged off to revenue .

(b) During the year 2015-16, authorization for City Gas Distribution Network in the geographical area of Haridwar district has been granted o the consortium of Gail Gas Limited and Bharat Petroleum Corporation Limited(BPCL) by Petroleum and Natural Gas Regulatory Board. The consortium company namely Haridwar Natural Gas Limited has been registered with ROC on dated 20th April 2016.As per MOU entered into with BPCL all costs related to submission of joint bids such as Cost of developing PFR and/or DFR, Application money, Bid Bond, Bid Document , Maps etc, shall be shared equally by parties. The Performance Bank Guarantee to the tune of Rs. 20.00 Crores has been submitted by BPCL against which a Bank Guarantee of Rs. 10.00 Crores has been submitted by Gail Gas Limited to BPCL as security towards 50% holding in the JV. The Bank charges on performance Bank Guarantee including the share of other charges have been booked in CWIP-Haridwar Project for transfer to the JV Company.

10. Claim recoverable to be the tune of Rs. 169.83 crores represent excess of VAT paid on purchase of gas over the amount of VAT recovered on sale of gas in the state of Haryana and Gujarat against which Rs.47.00 crore received on 06th May 2016 The recovery of balance refund is being pursued and considered good.

11. Corporate Social Responsibility

- a) Gross amount required to be spent by the company during the year was Rs.46.86 Lacs.
- b) Amount spent during the year on:

	In Cash	Yet to be paid in cash	Total
i). Construction/acquisition of asset	-Nil-	-Nil-	-Nil-
ii). On purposes other than (i) above	-Nil-	-Nil-	-Nil-

- c) In accordance with generally accepted accounting principles of accounting no provision for the above amount has been made since no CSR activity was identified during the year & no liability has been incurred which needs to be recognized in the financial statements.

12. The details of amount paid to auditor during the year vis-à-vis previous year is as under:

Particulars	(Rs in Cr.)	
	2015-16	2014-15
a. As auditor:	0.04	0.03
b. For Taxation matters	0	0
c. For Company law matters	0	0

d. Management Services	0	0
e. Others Services	0	0
f. For reimbursement of expenses	0.01	0.01
TOTAL	0.05	0.04

* Includes Service Tax @ 14.5%

13. Employees Benefits

All the employees posted at GAIL Gas Limited during the year are on the rolls of GAIL (India) Limited, the holding company. The Employees' benefits including salary are being prepared and disbursed and recovered by GAIL (India) Limited. All statutory compliances in this regard are being made by GAIL (India) Limited. The disclosure requirement in terms of Accounting Standard-15 (Revised) has not been considered as the same have been complied by the GAIL (India) Limited.

14. The Company has taken Term loans from OADB and from HDFC to finance the project activities in the TTZ and cities of Dewas, Kota, Meerut and Sonapat. Wherever the expenditure on the projects was incurred post disbursement of loan, the borrowing cost on the same was appropriately capitalized and in respect of projects completed out of the opening capital work in progress is assumed to be funded by equity. In terms of Accounting standard 16 "Borrowing Costs", the total Interest & Finance Charges amounting to Rs. 17.07 Cr. (Previous Year Rs. 18.51 Cr) was incurred, out of which an amount of Rs. 4.24 Cr. (Previous Year Rs. 4.95 Cr.) was capitalized during the period.

15. The company operates in a single segment of Natural Gas business and therefore the discloser requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

16. Related Party Disclosure

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

B. Related Party disclosure as per Accounting Standard 18.

a. Relation and name of the related parties are:

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

ii. Joint Venture Company

(A)

SI No	Name of JV	Date of Incorporation	Total paid up capital 31.03.16 (Rs in Cr.)	GAIL GAS Ltd.'s Share as per JV Agreement	Amount Contributed By GAIL GAS Ltd as on 31.03.16 (Rs in Cr.)	% holding as on 31.03.16
1	Andhra Pradesh Gas Distribution Corporation Ltd	10.01.2011	20.00	25%	22.50	50
2	Kerala GAIL Gas Limited	22.11.2011	23.86	26%	11.93	50
3	Vadodara Gas Limited	13.09.2013	240.29	25%	41.01	17.07
4	Rajasthan State Gas Limited	20.09.2013	20.05*	26%	17.03*	50

* This includes application money against equity shares pending allotment.

V. Key Management Personnel:

1. Mr. Pankaj Kumar Pal (CEO)
2. Mrs. Jyoti Dua (CFO)
3. Mrs. Preeti Aggarwal (CS)/ Deepak Asija (CS) w.e.f. 13.04.2016

(B) Related Party Transactions

(Rs. In Cr.)

SI No.	Particulars	Holding Company	Joint Venture	Key Management Personnel
1	Purchase of Goods	1405.33 (937.91)	0 (0.)	0 (0)
2.	Interest on Delayed Payment	0.08 (0.03)	0 (0)	0 (0)
3.	Sales of Goods	0 (0)	0 (0)	0 (0)
4.	Management contracts including for deputation of employees	-	-	-
a.	Reimbursement of Remuneration to Key Management personnel	0 (0)	0 (0)	1.06 (1.02)
b.	Reimbursement of remuneration to staff	41.27 (31.33)	5.98* (1.57)	0 (0)

c.	Rent	3.00 (2.70)	0 (0)	0 (0)
5.	Outstanding Balance Payable	62.12 (49.73)	0 (0)	0 (0)
6.	Outstanding Balance Receivable	0 (0)	2.72** (43.50)	0 (0)
7.	Provision for Bad Debt	0 (0)	0 (0)	0 (0)
8.	Bad Debt written off	0 (0)	0 (0)	0 (0)
9.	Guarantee & Collateral	118.00 (118.00)	0 (0)	0 (0)
10.	Corporate Guarantee given to OADB for term loan availed	118.00 (118.00)	0 (0)	0 (0)
11.	Corporate Guarantee given to SBI for BG issued on behalf of the Co.	5199.99 (5199.99)	0 (0)	0 (0)
12.	Investment in JV APGDC	0 (0)	22.50 (10.00)	0 (0)
13.	Investment in JV KGGL	0 (0)	11.93 (11.93)	0 (0)
14.	Investment in JV VGL	0 (0)	41.01 (0.03)	0 (0)
15.	Investment in JV RSPCL	0 (0)	17.03 (0.03)	0 (0)

* The amount relates to Associate/ Joint Venture mentioned at II(A)(1) Rs. 0.22 Cr. , atII(A)(3) Rs. 1.83 Cr and II(A)(4) Rs. 0.67 Cr.

**The amount relates to Associate/ Joint Venture mentioned at II(A)(1) Rs. 2.24 Cr. , at II(A)(3) Rs. 1.89 Cr and II(A)(4) Rs. 1.85 Cr.

Figures shown in brackets pertain to previous year.

GAIL Gas Ltd. has formed four Joint Venture Companies by executing Joint Venture Agreement / share holder agreement with various State Governments. In all these companies it was approved that Equity Shareholding of both the promoters will be in equal ratio till the time strategic investor comes in. However, after the investment of strategic investor, the shareholding of both the promoters will be as per the shareholder Agreement executed between them.

There is no provision towards payment of Management fees to the operator accordingly no management fee has been paid by the JV, therefore, no provision has been made in the books of accounts for same.

As per the information available on the balance sheet date contingent liability of Rs. 6.03 Crore (P.Y. 2.53 crore) has been recognized by the JV as such our share in contingent liability of Joint Venture has been disclosed in “Note No. 29 Contingent Liability.”

17. Accounting Standard – 19 Lease:

- (a) The company has not taken/given any assets on operating lease during the period under audit. However, the company has taken finance lease comprising of lease hold land for which the entire amount has been paid at the beginning and the same has been capitalized in the books of accounts and shown under lease hold land in Fixed Assets. There is no recurring lease rental payable for the said land.
- (b) GAIL GAS Limited has paid Rs.14.86 Lakhs to MPAKVN Ltd , Ujjain on 15.02.2016 as sub-lease amount for running CNG outlet on that land for the period 06.10.2009 to 15.10.2014. A tri-partite agreement is yet to be signed amongst GAIL (India) Limited, GAIL GAS Limited and MPAKVN.
- (c) Lease agreement with GAIL (India) Ltd. for hired office premises of 13th & 14th floor of GAIL Jubilee Tower, B-35 & B-36 Sector-1, Noida for GAIL Gas Limited expired on 29.02.2016 and is under the process of renewal. However, the expenditure for the use of this office space is being accounted for as per mutually agreed terms.

20. Earning per Share :

Particulars	Unit	2015-16	2014-15
Profit after Tax	Rs.	389610715	168365348
Weighted Average No. of Equity Shares	Nos	332,000,000	277580917
Nominal Value per Share	Rs.	10.00	10.00
Earning per Share Basic	Rs.	1.17	0.61
Earning per Share Diluted	Rs.	1.17	0.61


18. In compliance of Accounting Standard 22 on “Accounting for taxes on income” issued by the Institute of Chartered Accountants of India, the Company has created net deferred tax Liability in respect of timing difference as on 31st March, 2016 amounting to Rs.25.60 crore (Previous year Rs. 17.79 crore). The item-wise details of deferred tax liability/asset are as under:

(Rs. In Crore)


Particulars	31.03.2016	31.03.2015
Opening Balance Deferred Tax Assets/ Liabilities	(17.79)	(11.33)
Deferred Tax Assets/Liabilities arising on account of Depreciation	(7.81)	(8.07)
Deferred Tax Assets on Unabsorbed Depreciation for the year	0.00	1.61
Closing Balance C/F	(25.60)	(17.79)

19. During the year the total net gas loss is Rs.4.44 Crore which is within the permissible limit considering the Company as a whole. However, there is abnormal gas loss of Rs. 1.09 crore(P.Y. Rs.2.24 Crore) in Meerut, Rs. 2.75 crore(P.Y. Rs.2.29 Crore) in Sonapat and 0.24 cr (P.Y. NIL) in Kota as per gas loss policy and accounted for accordingly.
20. Previous Year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.


 Deepak Asija
 Company Secretary
 PAN-ADRPA0983E


 Jyoti Dua
 CFO
 PAN-ACJPD6268J

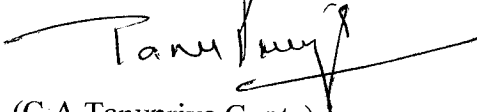

 Pankaj Kumar Pal
 CEO
 PAN-AATPP6657M


 Subir Purkayastha
 Director
 DIN-06850526


 B.C. Tripathi
 Chairman
 DIN-01657366

As per our separate report of even date
 For M/s BANSAL SINHA & CO.
 Chartered Accountants
 Firm No. 06184N

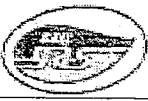



 (C A Tanupriya Gupta)
 Membership No. 511757

Place: New Delhi
 Date: 17.05.2016



	As at 31st March, 2016	As at 31st March, 2015
Note 2: Share Capital		
AUTHORISED		
70,00,00,000 (Previous Year 30,00,00,000) Equity Shares of Rs. 10/- each	700.00	300.00
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
26,93,34,132 Equity Shares of Rs.10/-each (up to PY167334132 Equity Shares of Rs.10/- each) fully paid up in cash	269.33	167.33
132665868 Equity Shares of Rs.10/- each (Up to PY 132665868 equity Shares) of Rs.10/- each fully paid otherwise than in cash	132.67	132.67
TOTAL	402.00	300.00
Par Value Per Share (in Rs)		
Equity Shares	10.00	10.00
Note : 2 A		
Share Application Money pending Allotment		
i) In form of Consideration other than Cash pending Allotment A/C GAIL (India) Ltd	0.00	0.00
ii) In form of Consideration in Cash pending Allotment A/C GAIL (India) Ltd	34.00	0.00
TOTAL	34.00	0.00
Reconciliation Statement of No. of Shares Outstanding		
Opening No. of Shares	300,000,000	254,351,265
Issued during the year	102,000,000	45,648,735
Forfeited during the year	-	-
Closing No. of Shares	402,000,000	300,000,000
The right /Preferences/Restrictions attached during the year for shares		
Proposed /Intereim/Final Dividend		
No. of Shares of the co. held by holding Company		
Share holding Pattern (No. Of Shares)		
Holding Co-Gail (India) Ltd.(100%)	401,999,994	299,999,99
Total	401,999,994	299,999,994
Share Reserved for Issue under Options & Contracts/ Commitments for Sale of Shares/Disinvestment		
Terms		
Amount	-	-
No	-	-
Convertible Securities in Equity/Preference Shares		
Aggregate No. & class of shares allotted as fully paid up pursuant to contract without payment being received in cash during last 5 years (in Nos)		
	-	-
Unpaid Calls		
By Directors and Officers	-	-
By Others	-	-
Forfeited Amount of Shares		
	-	-



GAIL GAS LIMITED

	As at 31st March, 2016	(Rs. in Crore) As at 31st March, 2015
Note 3 : Reserves and Surplus		
Opening Balance	60.62	43.92
Less: Depreciation Adjustment		(0.13)
Add: Current Year Profit	38.96	16.84
Less: Transfer to General Reserve	-	-
Less: Appropriation		
Proposed Dividend	8.04	
Dividend Distribution tax	1.64	
Closing Balance	<u>89.90</u>	<u>60.62</u>



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 4 : Long Term Borrowings		
SECURED		
TERM LOANS		
From Banks :		
Union Bank of India	0.00	78.62
(Secured against all assets of four authorised cities of Dewas, Kota, Meerut & Sonapat. Against total sanctioned amount of Rs.142 Crore, loan drawn up to 31.03.2016 is Rs.142 Crore as against Rs.127 Crore drawn up to 31.03.2015. The said loan swapped with HDFC Bank on 27.01.2016)		
Rate of Interest on term Loan as on 31.03.2015 : 10.75 % p.a		
Terms of Repayment		
Repayable in 16 half yearly installments after moratorium period of 2 years from the date of 1st drawl i.e 12.08.2010 on 30th June & 31st Dec each year. The first repayment started from 31.12.2012 as per the agreement. The said loan has been swapped with HDFC Bank on 27.01.2016		
HDFC Bank Ltd	71.56	0.00
Loan from UBI swapped with HDFC BANK w.e.f 27.01.2016 Rate of interest 9.30% as on 31.03.2016		
From Other Parties :		
Oil Industry Development Board		
(Secured against all assets of TTZ Project , Rs.58.00 Crore sanctioned against which Rs.58 Cr drawn up to 31.03.2016, PY Rs.58 Cr Sanctioned & drawn up to 31.03.2015. The repayment of loan started from 24.02.2015. During the year the Company availed Rs.24.23 Cr from OIDB for Dewas, Sonapat & Meerut and the same were secured against the assets of the cities)		
	51.32	41.59
Rate of Interest (ROI) on term Loan as on 31.03.2016 :		
Outstanding Loan as on 31.03.2016 (Rs in Cr)	ROI (%)	
5.00	8.28	
4.88	9.27	
7.95	9.06	
9.26	8.81	
<u>24.23</u>	7.97	
51.32		
UNSECURED		
From Other Parties :		
Oil Industry Development Board		
	0.00	10.90
(Against Corporate Guarantee given by GAIL(India) Ltd) for Loan of Rs.118 cr pertaining to Cities of Dewas, Kota, Meerut & Sonapat)		
Rate of Interest (ROI) on term Loan as on 31.03.2015 :		
Outstanding Loan as on 31.03.2015 (Rs in Cr)	ROI (%)	
5.00	8.60	
2.50	8.77	
3.40	9.18	
Terms of Repayment		
Repayable in 4 annual installments after moratorium period of 1 financial year excluding the year of drawl for each loan. The first repayment started from 09.06.2012.		
	<u>122.88</u>	<u>131.11</u>
Period and Amount of Continuing default as on Balance Sheet Date in repayment of Loan and Interest		
	-	-

GAIL GAS LIMITED



(Rs in Crore)

As at
31st March, 2016

As at
31st March, 2015

Note 5 : Other Long Term Liabilities

Others :

Deposits from Customers

35.22

35.75

TOTAL

35.22

35.75

GAIL GAS LIMITED



(Rs in Crore)

As at
31st March, 2016

As at
31st March, 2015

Note 7 : Trade Payables

GAIL (India) Ltd- Gas Purchase	58.16	44.16
Other Payables Against O&M	8.13	9.80
TOTAL	66.29	53.96



GAIL GAS LIMITED

	(Rs in Crores)	
	As at	As at
	31st March 2016	31st March 2015
Note 8 : Short Term Borrowings		
SECURED		
(I) Short Term Debt		
(a) Cash Credit Facility with HDFC Bank	71.95	33.67
(Secured against Debtors & Inventories , ROI 9.30 % as on 31.03.2016, PY ROI @ 11%)		
UNSECURED		
(I) STL FROM HDFC BANK	25.00	0.00
(Unsecured Short Term Loan, ROI 9.30% as on 31.03.2016, PY Nil)		
(II) STL FROM ICICI BANK	15.00	0.00
(Unsecured Short Term Loan, ROI 9.35% as on 31.03.2016, PY Nil)		
TOTAL	111.95	33.67



(Rs in Crores)

	As at 31st March, 2016	As at 31st March, 2015
Note 8A : Other Current Liabilities		
SECURED		
(I) Current Maturity of Long Term Debt		
(a) Loan from Union Bank of India		
Secured against all assets of four authorised cities of Dewas, Kota, Meerut & Sonapat. Against total sanctioned amount of Rs.142.00 Crore , Drawn Rs.142 Cr up to 31.03.2016 PY (Rs.127 Cr). Loan has been swapped with HDFC .	-	17.47
(b) Oil Industry Development Board	14.50	11.41
Secured against all assets of TTZ Project , Rs.58.00 Crore sanctioned against which Rs.58 Cr drawn up to 31.03.2016, PY Rs.58 Cr Sanctioned & drawn up to 31.03.2015. The repayment of loan started from 24.02.2015. During the year the Company availed Rs.24.23 Cr from OIDB for Dewas, Sonapat & Meerut and the same were secured against the assets of the cities)		
(c) HDFC BANK Ltd	20.44	-
(Secured against all assets of four authorised cities of Dewas, Kota, Meerut & Sonapat. Loan has been swapped from UBI on 27.01.2016.Current maturity loan from HDFC ROI 9.30% as on 31.03.2016		
UNSECURED		
(I) Current Maturity of Long Term Debt		
Oil Industry Development Board		
(Against Corporate Guarantee given by GAIL(India) Ltd) for Loan of Rs.118 cr pertaining to Cities of Dewas Kota Meerut & Sonapat)	10.90	29.50
(II) Others		
Interest Accrued but not paid	0.00	0.2
Audit Fees Payable	0.02	0.0
Service Tax Payable	0.05	0.0
TDS , VAT , Excise and WCT Payable	4.63	5.7
Deposits,retention money from contractors and others	14.68	12.0
Other Payables Against Plant & Machinery (Including Provisional Liability of Rs.24.64 Crore PY Rs.13.39 Crore)	30.55	18.6
Other Liabilities	3.07	0.7
TOTAL	98.84	95.87

GAIL GAS LIMITED



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 9 : Short-term Provisions		
Others :		
Provision for taxation	12.41	9.77
Corporate Dividend tax payable	1.64	-
Dividend payable	8.04	-
TOTAL	22.09	9.77



Note :10 - Fixed Assets (Tangible / Intangible Assets)												
DESCRIPTION	GROSS BLOCK		(AT COST)		DEPRECIATION		Impairment of Assets		(Rs in Crore)			
	As at 01.04.2015	As at Additions during the year	As at 31.03.2016	Sales / Adjustments during the year	Upto 31.3.2015	For the Year	Adjustments during the year	As at 31.03.2016	Upto 31.3.2015	For the Year	As at 31.3.2015	As at 31.03.2016
Tangible Assets (A)												
Land : Freehold	12.79	-	12.79		-						12.79	12.79
Leasehold	3.93	7.15	11.09		0.13	0.11	0.24				3.80	10.85
Plant and Machinery	321.61	33.59	357.24	(2.04)	36.62	10.59	0.80	46.41			284.99	310.83
Buildings	22.90	7.52	30.42		4.67	0.74	0.01	5.40			18.23	25.02
Furniture, Fixtures and other Equipments	0.95	0.03	0.98		0.35	0.08	0.43				0.60	0.56
Office Equipments Including Electrical Equipments	2.08	1.01	3.09		1.05	0.53	1.58				1.03	1.51
TOTAL (A)	364.26	49.31	416.61	(2.04)	42.82	12.04	0.81	54.06	-	-	321.44	361.55
Intangible Assets (B)												
Right of Use *	0.36	-	0.36		0.01	0.00	-	0.02			0.35	0.34
Softwares / Licences	5.68	3.18	8.86		4.25	1.69	1.62	7.55			1.43	1.32
Total (B)	6.04	3.18	9.22	-	4.26	1.69	1.62	7.57			1.78	1.66
TOTAL (A+B)	370.30	52.49	424.84	(2.04)	47.08	13.73	2.43	61.62	-	-	323.22	363.21
Previous Year	357.84	45.46	370.30	(33.00)	37.12	12.23	(2.28)	47.08			320.72	323.22

* All the assets have been owned by the Company except the leasehold land and ROU.



(Rs in Crore)

	As at		As at	
	31st March, 2016		31st March, 2015	
Note 11 : Capital Work-in-Progress				
A. Plant & Machinery				
Linepipe Construction and related facilities excluding IEDC trf to CWIP in the Current year	174.92		80.15	
- IEDC -Interest	4.24		4.95	
IEDC-Management Services	15.75		8.93	
- IEDC-Other Exp	6.38		3.55	
Total	<u>201.29</u>		<u>97.58</u>	
Less : Provision for Linepipe and Related Facilities	-	201.29	(0.58)	97.00
B. Linepipes, Capital Items in Stock	64.39		52.75	
C. Capital Items in Transit	-		2.43	
Less : Provision for losses/obsolescence	-	64.39	-	55.18
TOTAL		<u><u>265.68</u></u>		<u><u>152.18</u></u>



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 12 : Non-current Investments		
1. Investments in Joint Venture		
Un-Quoted at Cost		
(a) Investments in Equity Instruments :-		
(i) In Joint Venture Companies:		
150,00,000 (Previous Year : 100,00,000) Equity Shares of Rs. 10/- each fully paid-up in APGDC Ltd	15.00	10.00
(ii) In Joint Venture Company		
119,28,000 (Previous Year : 119,28,000) Equity Shares of Rs.10/- each fully paid up in Kerala GAIL GAS Ltd	11.93	11.93
(iii) In Joint Venture Company		
1,00,25,000 (Previous Year : 25,000 deemed allotment) Equity Shares of Rs.10/- each fully paid up in RSGL	10.03	0.03
(iv) In Joint Venture Company		
4,10,08,940 (Previous Year : 25,000 deemed allotment) Equity Shares of R each fully paid up in Vadodara Gas Limited	41.01	0.03
TOTAL -1	<u>77.96</u>	<u>21.98</u>
2.- Advances for Investments (Pending Allotment)		
(i) In Joint Venture Company		
700,00,000 (Previous Year : 10000000) Equity Shares of Rs.10/- each fully paid up in RSGL yet to be allotted	7.00	10.00
(ii) In Joint Venture Company		
750,00,000 (Previous Year : NIL) Equity Shares of Rs.10/- each fully paid up in APGDC yet to be allotted	7.50	0.00
Total-2		
Grand Total (1+2)	<u>92.46</u>	<u>31.98</u>



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 14 : Other Non Current Assets		
Long Term Trade Receivables	-	-
Others		
Interest Accrued on Employees Loans Secured & considered good (including dues from Directors Rs. Nil (Previous Year :Nil))	-	-
TOTAL	<u>-</u>	<u>-</u>

GAIL GAS LIMITED



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 15 : Current Investments		
-Current Investments	-	-
-Associate Companies	-	-
TOTAL	<u>-</u>	<u>-</u>



	(Rs in Crore)	
	As at 31st March, 2016	As at 31st March, 2015
Note 16 : Inventories		
(a) Finished Goods		
Compressed Natural Gas (Valued at Cost or Net Realisable Value whichever is lower)	0.05	0.05
(b) Stock-in-trade		
Stock of Gas* *after adjustment of calorific value (Valued at Cost or Net Realisable Value whichever is lower)	0.32	0.43
(c) Stores and Spares (As taken, valued and certified by the Management)		
Stores and Spares	7.93	6.18
Less : Provision for Losses/Obsolescence	<u>-</u>	<u>-</u>
	7.93	6.18
Construction Surplus - Capital / Stores	-	-
Less : Provision for Losses/Obsolescence	<u>-</u>	<u>-</u>
(Valued at Cost or Net Realisable Value whichever is lower)	-	-
TOTAL	<u><u>8.30</u></u>	<u><u>6.66</u></u>



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 17 : Trade Receivables		
(i) Debts outstanding for a period exceeding six months		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	3.91	3.20
- Unsecured, Considered Doubtful	-	-
	<u>3.91</u>	<u>3.20</u>
(ii) Other Debts		
- Secured, Considered Good	-	-
- Unsecured, Considered Good	59.14	55.91
- Unsecured, Considered Doubtful	-	-
	<u>59.14</u>	<u>55.91</u>
Total	63.05	59.11
- Less : Provision for Doubtful debts	(1.08)	(1.08)
	<u><u>61.97</u></u>	<u><u>58.03</u></u>
TOTAL	61.97	58.03



GAIL GAS LIMITED

(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 18 : Cash and cash equivalents		
(i) Cash and cash equivalents		
(a) Balances With Banks		
On Current Account (includes Corporate Liquid Term Deposit Rs. NIL)	0.50	0.29
(b) Cheques/Drafts/Stamps in hand	-	-
(c) Cash in hand	0.85	0.33
(d) Others	<u>1.35</u>	<u>-</u>
TOTAL	<u><u>1.35</u></u>	<u><u>0.62</u></u>

(Rs in Crore)

	As at		As at
Note 19 : Short Term Loans and Advances	31st March, 2016		31st March, 2015
(a) Loan to Related Parties			
Claim Recoverable from VGL	1.83		42.78
Claim Receivable from RSGL	0.67		0.72
Claim Receivable from APGDC	<u>0.22</u>	2.72	<u>-</u>
(b) Others			43.50
Loan to Employees			
Advances recoverable in cash or in kind or for value to be received			
- Unsecured, Considered Good	0.02		0.31
- Unsecured, Considered Doubtful	-		-
Less : Provision for Doubtful Advances	<u>-</u>	0.02	<u>-</u>
			0.31
Advance Tax & TDS		29.48	25.50
Claims Recoverable-Govt			
- Unsecured, Considered Good	175.56		91.21
- Unsecured, Considered Doubtful	<u>-</u>		<u>91.21</u>
Less : Provision for doubtful claims	<u>175.56</u>	175.56	<u>-</u>
			91.21
Deposits with Others			
- Unsecured, Considered Good	4.78		2.18
- Unsecured, Considered Doubtful	<u>-</u>		<u>-</u>
Less : Provision for doubtful claims	<u>4.78</u>	4.78	<u>2.18</u>
			2.18
TOTAL		<u>212.56</u>	<u>162.70</u>



GAIL GAS LIMITED

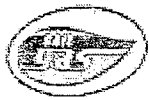
(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 20 : Other Current Assets		
Interest accrued but not due	-	-
Prepaid Insurance & Other Charges	0.55	0.32
TOTAL	0.55	0.32



(Rs in Crore)

	As at 31st March, 2016		As at 31st March, 2015	
Note 21 : Revenue from Operations				
a) Sale of Products/ Gas	1,493.31		995.96	
Less : Excise Duty	<u>14.41</u>	1,478.90	<u>11.67</u>	984.29
b) Gas transmission charges		68.32		34.31
c) Other Operating Revenues				
Application Fees - Domestic Connection	0.07		0.01	
Interest Income Customers & Others	1.20		1.60	
Misc Income - Extra Pipe line	0.25		0.09	
Misc Income After Sales Service	0.06		0.92	
MGO Receipt	<u>3.08</u>	4.66	<u>3.37</u>	5.99
TOTAL		<u>1,551.88</u>		<u>1,024.59</u>



(Rs in Crore)

	As at		As at	
	31st March, 2016		31st March, 2015	
Note 22 : Other Income				
Interest Income on Bank Deposits	0.01		0.87	
Interest Income -Others	<u>0.21</u>	0.22	<u>0.14</u>	1.01
Tender Fees		0.02		0.01
Liquidated Damages		0.79		0.11
Miscellaneous Receipts		1.02		0.72
TOTAL		<u>2.05</u>		<u>1.85</u>

GAIL GAS LIMITED



	(Rs in Crore)	
	As at	As at
	31st March, 2016	31st March, 2015
Note 23 : Gas Consumed		
Opening Stock	0.48	0.47
Add:Purchases	1,405.33	937.91
Less :Gas Consumption	1,398.50	930.26
Less: Gas Consumed as Fuel including Abnormal Gas Loss	6.94	7.64
Closing Stock	0.37	0.48

GAIL GAS LIMITED



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 24 : Employees Benefits		
Salary Wages & Allowances	-	-
Contribution to Provident Fund	-	-
Welfare Expenses	-	-
Total	-	-
-		
Less: Employees Benefits Transferred to IEDC	-	-
Total	-	-



GAIL GAS LIMITED

(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 25 : Finance Cost		
Interest on Term Loans- OIBB	7.18	9.42
Interest on Term Loans- Union Bank of India & HDFC	9.89	9.09
Interest on Cash Credit -HDFC Bank Ltd	6.04	0.51
Total	23.11	19.02
Less : Interest and Finance Charges transferred to Capital Work-in-Progress	4.24	4.95
TOTAL	18.87	14.07



GAIL GAS LIMITED

	As at 31st March, 2016	(Rs in Crore) As at 31st March, 2015
Note 26 : Depreciation and Amortization Expenses		
Depreciation and Amortization Expenses	13.73	12.23
TOTAL	<u><u>13.73</u></u>	<u><u>12.23</u></u>



(Rs in Crore)

	As at		As at	
	31st March, 2016		31st March, 2015	
Note-27 : Other Expenses				
Power & Fuel Charges				
Electricity Charges	0.64		0.58	
Fuel Charges	<u>2.85</u>	3.49	<u>2.70</u>	3.28
Rent-Office & Others		5.84		5.25
Repairs and Maintenance-P&M		10.50		5.66
Repairs and Maintenance-Buildings		0.45		0.55
Insurance Charges		0.31		0.28
Rates & Taxes		0.76		0.02
Payment to Auditors				
Audit Fees (incl other Certification)	0.04		0.03	
Tax Audit Fee	0.00		0.00	
Out of Pocket Expenses	<u>0.01</u>	0.05	<u>0.01</u>	0.04
Management Service Cost (Since all the employees posted at GAIL GAS are on the roll of GAIL(India) Ltd, the expenditure reimbursed to GAIL are shwon under other expenses in stead of Employee Cost)				
Salaries, Wages and Allowances	33.31		27.88	
Contribution to Provident and Other Funds	2.02		1.58	
Welfare Expenses	<u>3.23</u>		<u>2.39</u>	
	38.56		31.85	
Less : Management Service Cost transferred to Capital Work-in-Progress	15.75		8.93	
TOTAL	<u>22.81</u>	22.81	<u>22.92</u>	22.92
Other Misc Expenses				
27 A	25.05		17.28	
Less Expenditure transferred to CWIP	<u>27B</u> 6.38	18.67	<u>3.55</u>	13.73
Net Other Expenses		<u>62.88</u>		<u>51.73</u>



GAIL GAS LIMITED

(Rs in Crore)

	As at	As at
	31st March, 2016	31st March, 2015
Note-27_A : Other Misc Expenses		
Stores & Spares Consumed	1.26	1.96
Loss/Gain (+/-) of Foreign Currency Transaction	0.06	-0.05
Water Charges	0.01	0.01
Communication Exp	0.15	0.12
Printing & Stationery	0.26	0.21
Travelling Exp	2.68	1.69
Books & Periodicals	0.00	0.01
Advt & Publicity	0.72	0.4
Training Exp	0.17	0.04
Vehicle Hire & Running Exp	1.49	2.05
Consultancy & Legal Charges	1.87	1.14
Data Processing Exp	0.92	0.37
Selling & Distribution Exp	0.14	0.04
Dealer Commission	2.64	1.64
Security Exp	1.58	1.41
CSR Exp	0.00	0.03
Other Misc Exp	1.02	0.52
Provision Against Doubtful Claims	0.00	0.00
Other Exp-Abnormal Loss	4.09	4.95
Expenses on Cities Written off	5.98	0.58
Other Exp - Interest/Penalty Charges-Statutory	0.03	0.17
Total	<u>25.05</u>	<u>17.28</u>

GAIL GAS LIMITED



Note 27 B : Expenditure during Construction Period transferred to CWIP

(Rs in Crore)

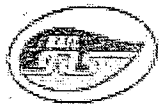
	As at 31st March, 2016	As at 31st March, 2015
IEDC - Power, Water, Fuel Charges	-	-
IEDC- Security Expenses	0.55	0.34
IEDC- Rent & Warehouse Exp.	3.47	2.12
IEDC - TRAVELLING & CONV. EXP	1.68	0.70
IEDC - Vehicle Hire Charges	0.54	0.38
IEDC- Others	0.14	0.01
Total	<u>6.38</u>	<u>3.55</u>

GAIL GAS LIMITED



(Rs in Crore)

	As at 31st March, 2016	As at 31st March, 2015
Note 28 : Prior period Adjustment		
Advt & Publicity	0.00	0.00
Interst Paid to Suppiier	0.00	0.00
Depreciation-P/M	1.62	0.00
Depreciation-Leasehold Land	0.00	0.00
Prior Period Adj - Sales	0.00	(0.24)
Total	1.62	(0.24)

**Note 29 Contingent Liabilities****(Rs in Crore)**

Sl No	Particulars	As at 31st March, 2016	As at 31st March, 2015
A	BG ISSUED	5225.42	5211.70
B	COURT CASES-AGRA & Firozabadwith Allhabad High Court	23.06	21.65
D	ARBITRATION CASES-Agra & Firozabad	18.66	12.50
E	STATUTORY		
	Demand received from Commissioner, Central Excise, Dewas in connection with wrong filling of ER-1 for the month of Sept 2010.	1.74	1.74
F	Share in Contingent Liability of Joint Venture	6.03	2.53
	GRAND TOTAL (A+B+C+D+E)	5,274.91	5,250.12

GAIL GAS LIMITED

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

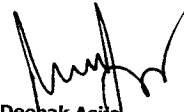
(Rs in Crore)


	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
1 Net Profit After Tax and Extraordinary Items	38.96	16.84
2 ADD:		
Depreciation & Amortization Expenses	15.35	12.23
Capital Reserve for Depreciation	0.00	(0.13)
Profit on sale of Assets	(0.04)	(6.49)
Interest Expenditure	18.87	14.07
Interest Income	(0.22)	(1.01)
Other Provisions	0.00	0.00
Provision / Writte off of Assets / CWIP		(0.58)
3 Operating Profit Before Working Capital Changes (1 + 2)	33.96	18.09
4 Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(90.83)	(64.67)
Inventories	(1.64)	(3.10)
Trade and Other Payables	31.01	26.80
	(61.45)	(40.97)
5 Cash Generated from Operations (3+4)	11.46	(6.04)
6 Direct Taxes Paid	16.15	4.03
NET CASH FROM OPERATING ACTIVITIES (5+6)	27.61	(2.02)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(170.33)	(45.16)
Investment in Other Companies	(60.48)	(19.40)
Loans & Advances	0.13	(2.44)
Interest Received	0.22	1.01
Profit Dn sales of Fixed Assets	0.04	6.49
NET CASH FROM INVESTING ACTIVITIES	(230.43)	(59.49)
BALANCE CARRIED FORWARD	(202.82)	(61.51)
C. BALANCE BROUGHT FORWARD		
CASH FLOW FROM FINANCING ACTIVITIES	(202.82)	(61.51)
Share Application Money Received	34.00	
Proceeds from Equity	102.00	33.65
Proceeds from Long Term Borrowings	38.70	34.35
Repayment of Long Term Borrowings	(60.00)	(47.98)
Cash Credit Facilities from HDFC Bank	111.95	33.67
Interest Paid	(23.11)	(19.02)
NET CASH FROM FINANCING ACTIVITIES	203.54	34.68
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	0.73	(26.84)
CASH AND CASH EQUIVALENTS AS AT 01.04.2015 (OPENING BALANCE)	0.62	27.46
CASH AND CASH EQUIVALENTS AS AT 31.03.2016 (CLOSING BALANCE)	1.35	0.62

NOTES :


- 1 Cash & Cash Equivalents include :
- Cash & Bank Balances As per Balance Sheet
 - Unrealised (Gain)/ loss on foreign Exchange
 - Total Cash & Cash Equivalents**

1.35	0.62
0.00	0.00
<u>1.35</u>	<u>0.62</u>


Deepak Asija
 Company Secretary
 (PAN-ADRP0983E)

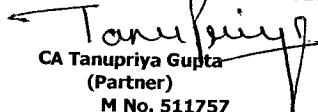

Jyoti Dua
 CFO
 (PAN-ACJPD62683)

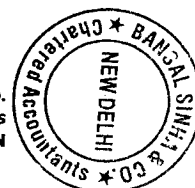

Pankaj Kumar Pal
 CEO
 (PAN-AATPP6657M)


Subir Purkayastha
 Director
 (DIN-06850526)


B C Tripathi
 Chairman
 (DIN-01657366)

As per our separate Report of even date
 For M/S Bansal Sinha & Co.
 Chartered Accountants
 Firm No. 06184N


CA Tanupriya Gupta
 (Partner)
 M No. 511757



Place : New Delhi
 Date : May 17, 2016

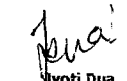
GAIL GAS LIMITED
Consolidated Balance Sheet as at 31st March, 2016

(Rs. In Crores)

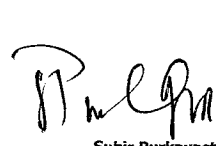
	Note No.	AS AT 31st MARCH 2016	AS AT 31st MARCH 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a) Share Capital	1	402.00	300.00
b) Reserve & Surplus	2	85.35	61.36
		487.35	361.36
(2) Share Application money pending Allotment			
	1A	34.00	0.00
(3) Non Current Liabilities			
a) Long Term Borrowings	3	126.43	131.10
b) Deferred Tax Liability (Net)		28.14	17.75
c) Other Long-term Liabilities	4	35.22	35.75
d) Long-term Provisions	5	0.00	0.00
		189.79	184.60
(4) Current Liabilities			
a) Short Term Borrowings	6	114.03	35.21
b) Trade Payables	7	68.09	56.51
c) Other Current Liabilities	8	104.54	150.13
d) Short-term Provisions	9	22.20	9.81
		308.86	251.66
	TOTAL	1,020.00	797.62
II. ASSETS			
(1) Non-current assets			
a) Fixed Assets			
(i) Tangible Assets	10A	391.28	341.06
(ii) Intangible Assets	10A	22.28	36.47
(iii) Capital Work in Progress	10	281.31	162.13
		694.87	539.66
b) Non-current Investments	11	0.00	0.00
c) Long-term loans and advances	12	12.95	18.40
d) Other non-current assets	13	0.00	0.31
		12.95	18.71
(2) Current Assets			
a) Current Investments		0.00	0.00
b) Inventories	14	9.80	7.69
c) Trade receivables	15	67.45	61.73
d) Cash and cash equivalents	16	18.74	17.15
e) Short-term loans and advances	17	213.35	152.10
f) Other current assets	18	2.84	0.58
		312.17	239.25
		1,020.00	797.62


See accompanying notes to Financial Statements
 Notes to Accounts, Balance Sheet abstract and Company's General Business Profile, Cash Flow Statement, Notes on
 Accounts and Accounting Policies form an integral part of the Accounts.
 Contingent Liabilities not provided for (Refer Note-26)


Deepak Asija
 Company Secretary
 (PAN-ADRPA0983E)

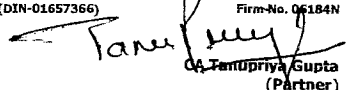

Jyoti Dua
 CFO
 (PAN-ACJPD6268J)


Pankaj Kumar Pal
 CEO
 (PAN-AATPP6657M)


Subir Purkayastha
 Director
 (DIN-06850526)


B C Tripathi
 Chairman
 (DIN-01657366)

As per our separate Report of even date
For M/S Bansal Sinha & Co.
 Chartered Accountants
 Firm No. 06184N


Tanupriya Gupta
 (Partner)
 M No. 511757

Place: New Delhi
 Dated : 17.05.2016



	Note NO.	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015	(Rs. In Crores)
Revenue from Operations (Net)	19	1583.19		1040.97
II. Other Income	20	3.33		2.78
III Total Revenue (I+II)		1586.52		1043.75
IV Expenses				
Gas Consumed	20A	1419.60		941.84
Depreciation	21	20.38		12.56
Finance Cost	22	19.38		14.12
Other Expenses	23	68.63		55.00
Total Expenses		1527.99		1023.52
V. Profit before exceptional and extraordinary items and tax (III-IV)		58.53		20.24
VI. Exceptional Items		0.00		0.00
VII. Profit before extraordinary items and tax (V-VI)		58.53		20.24
VIII. Extraordinary Items (Profit on Sales of Assets)		0.00		(6.49)
IX. Profit(Loss) before Prior Period Adjustments(Net)(VII-VIII)		58.53		26.73
X. Prior Period Adjustments (Net)	25	1.55		(0.24)
XI. Profit before Tax(IX-X)		56.98		26.97
XII. Tax Expenses				
1. Current Tax				
- Current Year		12.55		6.39
Less: Mat Credit		-0.14		3.89
Less: Pr Year Tax written back		-0.68		
2. Deferred Tax		8.93		6.42
Less: Excess Deferred Tax Pr Year written back		(0.07)		0.00
Total tax expenses		20.60		8.92
XIII. Profit(Loss) after Tax for the period (XI-XII)		36.38		18.05
XIV. Appropriation of Profit				
Proposed Dividend		8.04		0
Corporate Dividend Tax		1.64		0
Balance Carried to Balance Sheet		26.70		18.05

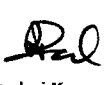
Details of Earning Per Share

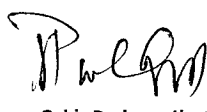
A. Profit after tax (Rs. In Crores)	36.38	18.05
B. Weighted Average No. of Equity Shares (In Crores)	33.20	27.76
C. Nominal Value per Equity Share (Rs.)	10/-	10/-
D. Basic and Diluted Earning Per Share (Rs.)	1.10	0.65


See accompanying notes to accounts


Deepak Asija
Company Secretary
(PAN-ADRPA0983E)



Jyoti Dua
CFO
(PAN-ACJPD6268J)


Pankaj Kumar Pal
CEO
(PAN-AATPP6657M)

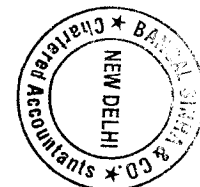

Subir Purkayastha
Director
(DIN-06850526)


B C Tripathi
Chairman
(DIN-01657366)

As per our separate Report of even date
For M/S Bansal Sinha & Co.
Chartered Accountants
Firm No. 06184N


CA Tanupriya Gupta
(Partner)
M No. 511757

Place: New Delhi
Dated : 17.05.2016



ACCOUNTING POLICIES

1) **Accounting Conventions**

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with generally accepted accounting principles in India and relevant provisions of the Companies Act, 2013 including accounting standards notified there under from time to time.

2) **Use of Estimates**

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

3) **Inventories**

- i. Raw materials and finished products are valued at cost or net realizable value, whichever is lower.
- ii. Stock in process is valued at cost or net realizable value, whichever is lower. It is valued at cost where the finished products in which these are to be incorporated are expected to be sold at or above cost.
- iii. Stock of gas in pipeline is valued at cost (FIFO) or net realisable value which ever is lower.
- iv. Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realizable value, whichever is lower. It is valued at weighted average cost where the finished products in which they will be incorporated are expected to be sold at/or above cost.
- v. Surplus/obsolete stores and spares are valued at cost or net realizable value, whichever is lower.
- vi. Surplus/obsolete capital stores, other than held for use in construction of a capital assets, are valued at lower of cost or net realizable value.

4) **Depreciation / Amortisation**

- I. Depreciation on Fixed Assets other than those mentioned below is provided in accordance with the rates as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

(a) Cost of the leasehold land not exceeding 99 years is amortised over the lease period.

(b) Software / Licences are amortised in 5 years on straight line method.

(c) Cost of the Right of Use (ROU) is amortized considering life of RoU as 99 years.

II. Capital assets facilities installed at the consumers premises on the land whose ownership is not with the company, has been depreciated on SLM basis in accordance with the rates as specified in Schedule II of the Companies Act, 2013.

5) Revenue Recognition

- i. Sales are recognised on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the deliver of goods to customers. Sales include excise duty but exclude value added tax. Any retrospective in prices is accounted for in the years of such revision.
- ii. Income in respect of MGO of Natural Gas and Interest on delayed realization from customers is not provided . Receipts during the year on account of MGO and Interest on delayed realization are adjusted on receipt basis.
- iii. Prepaid expenses and prior period expenses/income upto Rs. 5,00,000 in each case are charged to relevant heads of account of the current year.

6) Fixed Assets

- i. Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes and levies wherever applicable. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the contractor is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- ii. Machinery spares, which can be used only in connection with an item of fixed assets and their use is expected to be irregular, are capitalized with the cost of that fixed assets and are depreciated fully over the remaining useful life of that asset.

7) Intangible Assets

Intangible assets like software licenses and right of use of land, which are expected to provide future enduring economic benefits, are capitalized as Intangible Assets.

8) Capital Work-in-Progress

- i. The Capital Work-in-Progress includes advance for capital goods/material in Transit/ value of stores lying in the hands of contractor for use in the projects/value of material/equipment/services etc. received at site for use in the projects.
- ii. Pre-Project expenditure relating to Projects which are considered unviable/closed will be charged off to Revenue in the year of declaration /closure.

9) Expenses Incurred During Construction Period

All revenue expenditures incurred during the construction period which are directly or indirectly attributable to acquisition/construction of fixed assets, will be capitalized at the time of commissioning of such assets.

10) Foreign Currency Translation

- i. Transaction in foreign currency is accounted at the exchange rate prevailing on the transaction date.
- ii. Monetary items (such as cash, receivables, loans, payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling rate for Payables and TT Buying rate for Receivables) prevailing at year end.
- iii. Non-monetary items (such as Investments, Fixed Assets, etc.) denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction (s).
- iv. Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted for in the Profit & Loss account.

11) Investments

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

12) 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 assets are ready for use after netting off any income earned on temporary investment of such funds. Further, the funds generally borrowed and used for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalization, in terms of AS 16, is determined on the basis of judgement of the Company.

13) Taxes on Income

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

14) Impairment

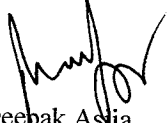
The Carrying amount of assets is reviewed at each Balance Sheet date. In case there is any indication of impairment based on Internal /External factors, an Impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount.

15) Provision Contingent Liabilities and Capital Commitments

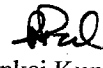
- i. Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it's probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent liabilities exceeding Rs. 5 Lacs in each case are disclosed by way of notes to accounts.
- ii. Estimated amount of contracts remaining to be executed on capital account are disclosed in each case above Rs. 5 lakhs.


16) OTHERS


- i. Liquidated damages, if any, are accounted for as and when recovery is effected and the matter is considered settled by the Management. Liquidated damages, if settled, after capitalization of assets are charged to revenue, if below Rs. 50 lakhs in each case, otherwise adjusted in the cost of relevant assets.
- ii. Insurance claims are accounted for on the basis of claims admitted by the insurers.
- iii. Custom duty and other claims (Including interest on delayed payments) are accounted for on acceptance in principle.
- iv. Expenditure incurred by the promoter ANDHRA PRADESH GAS INFRASTRUCTURE CORPORATION PVT LTD., in relation to project development of the company has been reimbursed to them and debited to relevant expenses / CWIP accounts.


Deepak Astija
Company Secretary
PAN-ADRPA0983E


Jyoti Dua
CFO
PAN-ACJPD6268J


Pankaj Kumar Pal
CEO
PAN-AATPP6657M

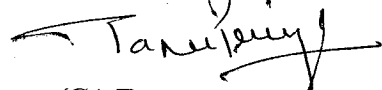

Subir Purkayastha
Director
DIN-06850526


B.C. Tripathi
Chairman
DIN-01657366

As per our separate report of even date
For Bansal Sinha & Co.
Chartered Accountants

FRN 06184N




(CA Tanupriya Gupta)
Membership No. 511757

Place: New Delhi
Date: May17, 2016

NOTES ON ACCOUNTS

Basis of Preparation

1. The Consolidated Financial Statements (CFS) relate to GAIL Gas Limited (herein after referred as the "Company") and its Joint Ventures. The accounts are prepared on historical cost convention in accordance with applicable accounting standards and other applicable relevant statutes.

Principles of Consolidation

2. The consolidated Financial Statements have been prepared in accordance with the applicable Accounting Standards on the following basis:
The Financial Statements of the joint venture Company have been combined by applying proportionate consolidation method on line by line basis on items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 on "Financial Reporting of interest in Joint Ventures" as notified under Companies Accounting Standard Rules, 2006.
The consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate Financial Statements except as otherwise disclosed in the other Notes to Accounts.

3. The Consolidated Financial Statements represent consolidation of accounts of the Company (GAIL GAS LIMITED), its Joint Venture Companies as detailed below:

Sl No	Name of JV	Country of Incorporation	Relation	Proportion of Ownership Interest as on 31.03.2015
1	Andhra Pradesh Gas Distribution Corporation Ltd	India	Joint Venture	25%
2	Kerala Gail Gas Limited	India	Joint Venture	26%
3	Vadodara Gas Limited	India	Joint Venture	25%
4	RAJASTHAN STATE GAS LTD.	India	Joint Venture	26%

4. Audited/Unaudited financial statements of the joint venture- Andhra Pradesh Gas Distribution Corporation Ltd, Kerala Gail Gas Limited, Vadodara Gas Limited & Rajasthan State Gas Ltd. have been included in consolidation. The figures included in the consolidated financial statements relating to these audited/unaudited joint venture companies are as under:
Total Assets of Rs.11.23 Crs and Total Liabilities of Rs.15.78Crs and Total Income of Rs.32.59 Crs and Total Expenditure of Rs.34.05 Crs.

5. The employees working in the various disciplines have been identified as working for (a) project activities and (b) operation activities. Therefore, the employee cost & travelling expenses have been directly identified to the project activities and operation activities respectively on actual basis and accounted for accordingly. Expenses related to Rent, vehicle hire charges, security charges and other expenses have been allocated to Incidental Expenditure during the construction and charged to Profit and Loss Account in the ratio of manpower identified for project activities and operation activities respectively during the year.
6. The Incidental Expenditure during Construction amounting Rs 22.13 Crores (Previous Year Rs. 12.48 Crores) have been allocated to completed Project & Capital work in progress in the ratio of direct and indirect allocated cost of assets.
7. (a) CWIP include asset under construction which are under different stage of completion, capitalization will be made after scrutiny of all cases. An amount of Rs.1.67 crore held under CWIP related to Expenditure incurred for bidding conducted by PNGRB.

(b) During the year company has written off Rs.5.97 crore for expenditure lying in CWIP as preoperative expenses against bidding expenditure for Geographical Areas (GA) where the company has not emerged as successful bidder. Since, these CGD GAs had been awarded to different entities other than GAIL Gas, hence the operations in those GA s wouldn't be done by GAIL Gas. Approval of writing off has been accorded by board in its meeting held on 27.04.2016

(c) The capital expenditure incurred to the tune of Rs.4.04 crore for one CNG Station at Mathura has been shown under Capital Work in Progress (CWIP). The permission from NHAI for laying of pipelines along the National Highway -2 has already been received and the construction is under-going and will be capitalized in due course.

(d) All the lands appearing in the books are procured from various government agencies. However, till balance sheet date mutation has not been done in favour of GAIL Gas Limited to the tune of Rs.23.88 crore

(e) The expenses of Rs.4.48 crores (Previous year Rs.3.27 crores) incurred by the Company in relation to project development towards consultancy charges, feasibility studies, administration expenses etc, which are directly attributable to the project CGD Network, FSRU & RGD Pipe Line has been treated as "Capital Work in Progress" as the company hopes to derive long term economic benefits out of incurring such expenses. However, in the case of abandonment of the project such cost will have to be expensed to Profit & Loss Account.

The FSRU Project is proposed to be implemented through an SPV to be formed along with GDF SUEZ LNG UK as strategic partner. The Government of A.P. has approved for the inclusion of SHELL in the Project. In that situation the capital expenditure incurred would be transferred to the proposed SPV.

8. The details of disclosure regarding share application money pending allotment Rs.34.00 crores are as under:

- a) Shares have been allotted to GAIL (India) Ltd at par with face value of Rs.10 on 27.04.2016.
- b) The total authorized capital of the Company is Rs. 700 Cr. against which Rs. 402 Crs. has been issued as on balance sheet date.
- c) The Company is a 100% subsidiary of GAIL (India) Ltd and the shares are issued as per the approval of Board.

9. Capital Commitment Disclosure:-

- a) The estimated amount of contracts over Rs. 5 Lac amounting to Rs. 313.54 Crores (Previous Year Rs. 160.75 Crores) are remaining to be executed on Capital Accounts and not provided for.
- b) The Company has no uncalled liability on shares and other investments partly paid.
- c) Provisional liability of Rs.24.64 crore has been made in the books of accounts as on 31.3.2016 which will be settled as per actual bills.
- d) The reconciliation of accounts with parties is carried out as an ongoing process. Request for confirmation of balance have also been sent.

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

Particulars	(Rs. in Cr.)	
	2015-16	2014-15
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	0.07 Cr.
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	70,928
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	70,928
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small	Nil	70,928

enterprise, for the purpose of disallowance as a deductible expenditure under section 23.		
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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. This has been relied upon by the auditors.

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

(Rs in Cr.)

I. CIF Value of Import

	2015-16	2014-15
Raw Material	0.00	0.00
Components & Spare	0.00	0.19
Capital Goods	0.00	0.00

II. Expenditure in Foreign Currency

	2015-16	2014-15
Others-Traveling	0.12	0.0

III.

	2015-16	2014-15
Total Value of imported Raw Material, spare parts and components consumed % of total	65.39%	59.47%
Total Value of Indigenous raw materials, spare parts and Components consumed % of total	34.61%	40.53%
TOTAL % AGE	100%	100%

12. Details of purchases of traded goods are as under:

Details of Purchases	Rs in Cr.
Goods Purchased	
a. Compressed Natural Gas	0.00
	(6.80)
b. Natural Gas	1426.43
	(942.69)

The figures in the brackets pertain to previous year.

13. (a) During the year, the company has been granted authorization for laying, building, operating or expanding CGD network in the Geographical Area of Bengaluru Rural and Urban Districts (Karnataka) under the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or

Expand City or Local Natural Gas Distribution Networks) Regulation, 2008. Company has submitted a Performance Bank Guarantee of Rs. 5199.99 Crores issued by State Bank of India to PNGRB for which the Corporate Guarantee has been provided by the parent company i.e. GAIL (India) Ltd. The Bank Guarantee Commission of Rs 5.38 crores for the year has been paid and booked as Incidental Expenditure During Construction. Since this Bank Guarantee covers the construction obligation for creation of infrastructure in the first 5 years, after completion of 5 years from the date of authorization the bank charges will be charged off to revenue.

(b) During the year 2015-16, authorization for City Gas Distribution Network in the geographical area of Haridwar district has been granted to the consortium of Gail Gas Limited and Bharat Petroleum Corporation Limited (BPCL) by Petroleum and Natural Gas Regulatory Board. The consortium company namely Haridwar Natural Gas Limited has been registered with ROC on dated 20th April 2016. As per MOU entered into with BPCL all costs related to submission of joint bids such as Cost of developing PFR and/or DFR, Application money, Bid Bond, Bid Document, Maps etc, shall be shared equally by parties. The Performance Bank Guarantee to the tune of Rs. 20.00 Crores has been submitted by BPCL against which a Bank Guarantee of Rs. 10.00 Crores has been submitted by Gail Gas Limited to BPCL as security towards 50% holding in the JV. The Bank charges on performance Bank Guarantee including the share of other charges have been booked in CWIP-Haridwar Project for transfer to the JV Company.

14. Claim recoverable to be the tune of Rs. 169.83 crores represent excess of VAT paid on purchase of gas over the amount of VAT recovered on sale of gas in the state of Haryana and Gujarat against which Rs.47.00 crore received on 06th May 2016 The recovery of balance refund is being pursued and considered good.

15. Corporate Social Responsibility

a) Gross amount required to be spent by the company during the year was Rs.46.86 Lacs.

b) Amount spent during the year on:

	In Cash	Yet to be paid in cash	Total
i). Construction/acquisition of asset	-Nil-	-Nil-	-Nil-
ii). On purposes other than (i) above	-Nil-	-Nil-	-Nil-

c) In accordance with generally accepted accounting principles of accounting no provision for the above amount has been made since no CSR activity was identified during the year & no liability has been incurred which needs to be recognized in the financial statements.

16. The details of amount paid to auditor during the year vis-à-vis previous year is as under:

Particulars	(Rs in Cr.)	
	2015-16	2014-15
a. As auditor:	0.06	0.05
b. For Taxation matters	0	0
c. For Company law matters	0	0
d. Management Services	0	0
e. Others Services	0	0
f. For reimbursement of expenses	0.01	0.01
TOTAL	0.07	0.06

* Includes Service Tax @ 14.5%

17. Employees Benefits

All the employees posted at GAIL Gas Limited during the year are on the rolls of GAIL (India) Limited, the holding company. The Employees' benefits including salary are being prepared and disbursed and recovered by GAIL (India) Limited. All statutory compliances in this regard are being made by GAIL (India) Limited. The disclosure requirement in terms of Accounting Standard-15 (Revised) has not been considered as the same have been complied by the GAIL (India) Limited.

18. The Company has taken Term loans from OADB and from HDFC to finance the project activities in the TTZ and cities of Dewas, Kota, Meerut and Sonapat. Wherever the expenditure on the projects was incurred post disbursement of loan, the borrowing cost on the same was appropriately capitalized and in respect of projects completed out of the opening capital work in progress is assumed to be funded by equity. In terms of Accounting standard 16 "Borrowing Costs", the total Interest & Finance Charges amounting to Rs. 17.07 Cr. (Previous Year Rs. 18.51 Cr) was incurred, out of which an amount of Rs. 4.24 Cr. (Previous Year Rs. 4.95 Cr.) was capitalized during the period.
19. The company operates in a single segment of Natural Gas business and therefore the discloser requirements as per Accounting Standard 17 "Segment Reporting" are not applicable to the Company.

20. Related Party Disclosure

- A. The entire Equity Share Capital of the Company is held by GAIL (India) Ltd, Holding Company either singly or jointly.
- B. Related Party disclosure as per Accounting Standard 18.
- a. Relation and name of the related parties are:
- i. **Holding Company: GAIL (India) Ltd.**

ii. Joint Venture Company

(A)

Sl No	Name of JV	Date of Incorporation	Total paid up capital 31.03.16 (Rs in Cr.)	GAIL GAS Ltd.'s Share as per JV Agreement	Amount Contributed By GAIL GAS Ltd as on 31.03.16 (Rs in Cr.)	% holding as on 31.03.16
1	Andhra Pradesh Gas Distribution Corporation Ltd	10.01.2011	20.00	25%	22.50	50
2	Kerala GAIL Gas Limited	22.11.2011	23.86	26%	11.93	50
3	Vadodara Gas Limited	13.09.2013	240.29	25%	41.01	17.07
4	Rajasthan State Gas Limited	20.09.2013	20.05*	26%	17.03*	50

* This includes application money against equity shares pending allotment.

V. Key Management Personnel:

1. Mr. Pankaj Kumar Pal (CEO)
2. Mrs. Jyoti Dua (CFO)
3. Mrs. Preeti Aggarwal (CS)/ Deepak Asija (CS) w.e.f. 13.04.2016

b. Related Party Transactions

(Rs. In Cr.)

Sl No.	Particulars	Holding Company	Joint Venture	Key Management Personnel
1	Purchase of Goods	1426.43 (937.91)	0 (0.)	0 (0)
2.	Interest on Delayed Payment	0.08 (0.03)	0 (0)	0 (0)
3	Sales of Goods	0 (0)	0 (0)	0 (0)
3	Management contracts including for deputation of employees	-	-	-
a.	Reimbursement of Remuneration to Key Management personnel	0 (0)	0 (0)	1.06 (1.02)
b.	Reimbursement of remuneration to staff	41.27 (31.33)	5.98* (1.57)	0 (0)

c	Rent	3.00 (2.70)	0 (0)	0 (0)
4	Outstanding Balance Payable	62.12 (49.73)	0 (0)	0 (0)
5	Outstanding Balance Receivable	0 (0)	2.03** (32.62)	0 (0)
6	Provision for Bad Debt	0 (0)	0 (0)	0 (0)
7	Bad Debt written off	0 (0)	0 (0)	0 (0)
8.	Guarantee & Collateral	118.00 (118.00)	0 (0)	0 (0)
9	Corporate Guarantee given to OADB for term loan availed	118.00 (118.00)	0 (0)	0 (0)
10	Corporate Guarantee given to SBI for BG issued on behalf of the Co.	5199.99 (5199.99)	0 (0)	0 (0)

*The amount relates to Associate/ Joint Venture mentioned at II(A)(1) Rs. 2.24 Cr. , at II(A)(3) Rs. 1.89 Cr and II(A)(4) Rs. 1.85 Cr.

**The amount relates to Joint Venture mentioned at II(A)(1) Rs. 0.22 Cr. , at II(A)(3) Rs. 1.83 Cr and II(A)(4) Rs. 0.67 Cr.

Figures shown in brackets pertain to previous year.

GAIL Gas Ltd. has formed four Joint Venture Companies by executing Joint Venture Agreement / share holder agreement with various State Governments. In all these companies it was approved that Equity Shareholding of both the promoters will be in equal ratio till the time strategic investor comes in. However, after the investment of strategic investor, the shareholding of both the promoters will be as per the shareholder Agreement executed between them.

There is no provision towards payment of Management fees to the operator accordingly no management fee has been paid by the JV, therefore, no provision has been made in the books of accounts for same.

As per the information available on the balance sheet date contingent liability of Rs. 6.03 Crore (P.Y. 2.53 crore) has been recognized by the JV as such our share in contingent liability of Joint Venture has been disclosed in "Note No. 29 Contingent Liability."

21. Accounting Standard – 19 Lease:

(a) The company has not taken/given any assets on operating lease during the period under audit. However, the company has taken finance lease comprising of lease hold land for which the entire amount has been paid at the beginning and the same has been capitalized in the books of accounts and shown under lease hold land in Fixed Assets. There is no recurring lease rental payable for the said land.

(b) GAIL GAS Limited has paid Rs.14.86 Lakhs to MPAKVN Ltd , Ujjain on 15.02.2016 as sub-lease amount for running CNG outlet on that land for the period 06.10.2009 to 15.10.2014. A tri-partite agreement is yet to be signed amongst GAIL (India) Limited, GAIL GAS Limited and MPAKVN.

(c) Lease agreement with GAIL (India) Ltd. for hired office premises of 13th & 14th floor of GAIL Jubilee Tower, B-35 & B-36 Sector-1, Noida for GAIL Gas Limited expired on 29.02.2016 and is under the process of renewal. However, the expenditure for the use of this office space is being accounted for as per mutually agreed terms.

22. Earning per Share :

Particulars	Unit	2015-16	2014-15
Profit after Tax	Rs.	363834620	1840496570
Weighted Average No. of Equity Shares	Nos	332,000,000	277580917
Nominal Value per Share	Rs.	10.00	10.00
Earning per Share Basic	Rs.	1.10	0.65
Earning per Share Diluted	Rs.	1.10	0.65

23. In compliance of Accounting Standard 22 on "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India, the Company has created net deferred tax Liability in respect of timing difference as on 31st March, 2016 amounting to Rs.28.14 crore (Previous year Rs. 17.75 crore). The item-wise details of deferred tax liability/asset are as under:

(Rs. In Crore)

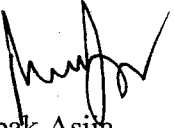
Particulars	31.03.2016	31.03.2015
Opening Balance Deferred Tax Assets/ Liabilities	(19.28)	(11.33)
Deferred Tax Assets/Liabilities arising on account of Depreciation	(8.86)	(8.03)
Deferred Tax Assets on Unabsorbed Depreciation for the year	0.00	1.61
Closing Balance C/F	(28.14)	(17.75)


Note: - Closing balance of financial year 2014-15 includes the unaudited amount of JVs however Opening balance taken based on audited amount of JVs. Impact on account of same is of Rs.1.53 Crs.

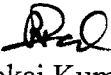
24. During the year the total net gas loss is Rs.4.44 Crore which is within the permissible limit considering the Company as a whole. However, there is

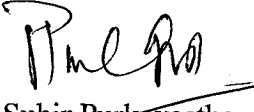
abnormal gas loss of Rs. 1.09 crore(P.Y. Rs.2.24 Crore) in Meerut, Rs. 2.75 crore(P.Y. Rs.2.29 Crore) in Sonapat and 0.24 cr (P.Y. NIL) in Kota as per gas loss policy and accounted for accordingly.

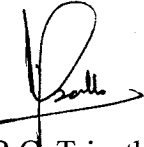
25. Previous Year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.


Deepak Asija
Company Secretary
PAN-ADRPA0983E

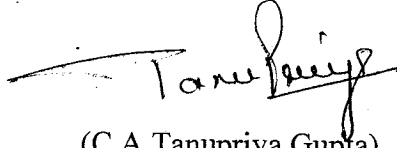

Jyoti Dua
CFO
PAN-ACJPD6268J


Pankaj Kumar Pal
CEO
PAN-AATPP6657M


Subir Purkayastha
Director
DIN-06850526


B.C. Tripathi
Chairman
DIN-01657366

As per our separate report of even date
For M/s BANSAL SINHA & CO.
Chartered Accountants
Firm No. 06184N


(C A Tanupriya Gupta)
Membership No. 511757

Place: New Delhi
Date: 17.05.2016



Note 1 : Share Capital

(Rs. In Crores)

		YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
AUTHORISED 70,00,00,000 (Previous Year 30,00,00,000) Equity Shares of Rs. 10/- each ISSUED, SUBSCRIBED AND FULLY PAID-UP 26,93,34,132 Equity Shares of Rs.10/-each (up to PY167334132 Equity Shares of Rs.10/- each) fully paid up in cash 132665868 Equity Shares of Rs.10/- each (Up to PY 132665868 equity Shares) of Rs.10/- each fully paid otherwise than in cash Par Value Per Share (in Rs) Equity Shares		700.00	300.00
		269.33	167.33
		132.67	132.67
	TOTAL	402.00	300.00
		10.00	10.00

Note 1A : Share Application Money Pending Allotment

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Share Application Money pending Allotment		
(i) In form of Consideration other than Cash pending Allotment A/c GAIL INDIA Ltd	-	-
(ii) In form of Consideration in Cash pending Allotment A/C GAIL (India) Ltd	34.00	-
TOTAL	34.00	0.00
Reconciliation Statement of No. of Shares Outstanding		
Opening No. of Shares	300000000	254351265
Issued during the year	102000000	45648735
Forfeited during the year	-	-
Closing No. of Shares	402000000	300000000
The right /Preferences/Restrictions attached during the year for shares proposed /Interim/Final Dividend		
No. of Shares of the co. held by holding Company		
Share holding Pattern (No. Of Shares)		
Holding Co-Gail (India) Ltd.(100%)	401999994	299999994
Total	401999994	299999994
Share Reserved for Issue under Options & Contracts/ Commitments for Sale of Shares/Disinvestment		
Terms	-	-
Amount	-	-
No.	-	-
Convertible Securities in Equity/Preference Shares		
Aggregate No. & class of shares allotted as fully paid up pursuant to contract without payment being received in cash during last 5 years (in Nos)		
	0.00	0.00
Unpaid Calls		
By Directors and Officers	0.00	0.00
By Others	0.00	0.00
Forfeited Amount of Shares	0.00	0.00

Note 2 : Reserves and Surplus

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Surplus in the Statement of Profit & Loss		
As per Last Financial Statements	61.35	43.44
Add : Transferred from statement of Profit & Loss	36.38	18.05
Add : Adjustment due to Joint Venture Regrouping (Ref. Note 28 of Notes on Accounts)	(2.70)	0.00
Less : Depreciation Adjustment	0.00	(0.13)
Less: -Appropriations		
Proposed Final Dividend	(8.04)	0.00
Corporate Dividend Tax	(1.64)	0.00
Total	85.35	61.36

Note 3 : Long Term Borrowings

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
SECURED		
TERM LOANS		
From Banks :		
Union Bank of India	0.00	78.62
Secured against all assets of four authorised cities of Dewas, Kota, Meerut & Sonapat. Against total sanctioned amount of Rs.142 Crore, loan drawn up to 31.03.2016 is Rs.142 Crore as against Rs.127 Crore drawn up to 31.03.2015. The said loan swapped with HDFC Bank on 27.01.2016)		
Rate of Interest on term Loan as on 31.03.2015 : 10.75 % p.a		
Terms of Repayment		
Repayable in 16 half yearly installments after moratorium period of 2 years from the date of 1st drawl i.e 12.08.2010 on 30th June & 31st Dec each year. The first repayment started from 31.12.2012 as per the agreement. The said loan has been swapped with HDFC Bank on 27.01.2016		
HDFC	71.56	-
Loan from UBI swapped with HDFC BANK w.e.f 27.01.2016 Rate of intrerest 9.30% as on 31.03.2016		
Share of Bank Loan taken by JVs	3.55	-
From Other Parties :		
Oil Industry Development Board	51.32	41.59
Secured against all assets of TTZ Project , Rs.58.00 Crore sanctioned against which Rs.58 Cr drawn up to 31.03.2016, PY Rs.58 Cr Sanctioned & drawn up to 31.03.2015. The repayment of loan started from 24.02.2015. During the year the Company availed Rs.24.23 Cr from OIDB for Dewas, Sonapat & Meerut and the same were secured against the assets of the cities)		
Rate of Interest (ROI) on term Loan as on 31.03.2016 :		
Outstanding Loan as on 31.03.2016 (Rs in Cr)	ROI (%)	
5	8.28	
4.88	9.27	
7.95	9.06	
9.26	8.81	
24.23	7.97	
Oil Industry Development Board	0.00	10.90
(Against Corporate Guarantee given by GAIL(India) Ltd) for Loan of Rs.118 cr pertaining to City of Dewas, Kota, Meerut & Sonapat)		
Rate of Interest (ROI) on term Loan as on 31.03.2015 :		
Outstanding Loan as on 31.03.2015 (Rs in Cr)	ROI (%)	
5	8.6	
2.5	8.77	
3.4	9.18	
Terms of Repayment		
Repayable in 4 annual installments after moratorium period of 1 financial year excluding the year of drawl for each loan. The first repayment started from 09.06.2012.		
TOTAL	126.43	131.10
Period and Amount of Continuing default as on Balance Sheet Date in repayment of Loan and Interest	0.00	0.00

— Note 4 : Other Long Term Liabilities

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Deposits from Customers	35.22	35.75
TOTAL	35.22	35.75

Note 5 : Long Term Provisions

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Provision for Employee Benefits (incl. Gratuity)	0.00	0.00
Other Provisions	0.00	0.00
TOTAL	0.00	0.00

Note 6 : Short Term Borrowings

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
SECURED		
(I) Short Term Debt	71.95	33.67
(a) Cash Credit Facility with HDFC Bank (Secured against Debtors & Inventories , ROI 9.30 % as on 31.03.2016, PY ROI @ 11%)		
(b) Share of Loan taken by JVs	2.08	1.54
UNSECURED		
(I) STL FROM HDFC BANK (Unsecured Short Term Loan, ROI 9.30% as on 31.03.2016, PY Nil)	25.00	0.00
(II) STL FROM ICICI BANK (Unsecured Short Term Loan, ROI 9.35% as on 31.03.2016, PY Nil)	15.00	0.00
TOTAL	114.03	35.21

Note 7 : Trade Payables

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Trade Payables	59.96	46.71
Other Payables Against O&M	8.13	9.80
TOTAL	68.09	56.51

Note 8 : Other Current Liabilities

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
SECURED		
(I) Current Maturity of Long Term Debt		
(a) Loan from Union Bank of India		
Secured against all assets of four authorised cities of Dewas, Kota, Meerut & Sonapat. Against total sanctioned amount of Rs.142.00 Crore . Loan has been swapped with HDFC .	0.00	17.47
(b) Oil Industry Development Board		
Secured against all assets of TTZ Project , Rs.58.00 Crore sanctioned against which Rs.58 Cr drawn up to 31.03.2016, PY Rs.58 Cr Sanctioned & drawn up to 31.03.2015. The repayment of loan started from 24.02.2015. During the year the Company availed Rs.24.23 Cr from IDB for Dewas, Sonapat & Meerut and the same were secured against the assets of the cities)	14.50	11.41
(c) HDFC Bank Ltd		
Secured against all assets of four authorised cities of Dewas, Kota, Meerut & Sonapat. Loan has been swapped from UBI .Current maturity loan from HDFC ROI 9.30% as on 1.03.2016	20.44	0.00
UNSECURED		
(I) Current Maturity of Long Term Debt		
Oil Industry Development Board		
Against Corporate Guarantee given by GAIL(India) Ltd) for Loan of Rs.118 cr pertaining to Cities of Dewas Kota Meerut & Sonapat)	10.90	29.50
(II) Others		
Interest accrued but not Paid	0.01	0.20
Advances / Deposits from Customers	4.26	4.17
Deposits/Retention Money from Contractors and others	14.76	12.13
Audit Fees Payable	0.02	0.03
Statutory Payments(TDS, Excise, WCT ,VAT& Service Tax)	5.07	5.88
Other Payables Against Plant & Machinery (Including Provisional Liability of Rs.24.64 Crore PY Rs.13.39Crore)	30.55	18.66
Purchase consideration Payable - GAIL (India) Ltd	-	19.78
Purchase consideration Payable - VMSS	-	30.04
Other Liabilities	4.03	0.86
TOTAL	104.54	150.13

Note 9 : Short-term Provisions

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Provision for Taxes	12.50	9.80
Provision for Proposed Dividend	8.04	0.00
Corporate Dividend tax payable	1.64	0.00
Other Provisions	0.02	0.01
TOTAL	22.20	9.81

Note 10 : Capital Work-in-Progress

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
A. Plant & Machinery		
Linepipe Construction and related facilities	174.92	80.15
IEDC - Interest(Refer Note-22)	4.24	4.95
IEDC - Management Services(Refer Note - 23)	15.75	8.93
IEDC - Other Exps(Refer Note -24)	6.38	3.55
Less : Provision for Linepipe and Related Facilities	-	-0.58
	201.29	97.00
B. Linepipes, Capital Items in Stock	64.39	52.75
C. Capital Items in Transit	-	2.43
Less : Provision for losses/obsolescence	-	-
D. Others	15.63	9.95
TOTAL	281.31	162.13

DESCRIPTION	GROSS BLOCK		DEPRECIATION		IMPAIRMENT OF ASSETS		(Rs in Crore)	
	As at 01.04.2015	Additions	Sales / Adjustments during the year	For the Year	Upto 31.3.2015	For the Year	As at 31.3.2015	As at 31.03.2016
								NET BLOCK
Note 10A - Fixed Assets (Tangible / Intangible Assets)								
Tangible Assets (A)								
Land : Freehold	21.25	3.45						24.70
Leasehold	4.87	8.03		0.14			0.27	4.74
Plant and Machinery	331.29	40.18	2.04	11.18	(0.75)		47.29	294.43
Buildings	23.52	7.41		0.81	(0.01)		5.53	18.79
Furniture, Fixtures and other Equipments	1.02	0.08		0.09			0.44	0.67
Office Equipments Including Electrical Equipments	2.27	1.06		0.58			1.66	1.19
TOTAL (A)	384.22	60.21	2.04	12.80	(0.76)		55.19	341.06
Intangible Assets (B)								
Right of Use *	0.36							
Goodwill		29.45		5.89			0.01	0.35
Softwares / Licences	40.38	3.18	(34.70)	1.69	2.93		8.82	20.63
Total (B)	40.74	32.63	(34.70)	7.58	4.55		16.39	36.48
TOTAL (A+B)	424.96	92.84	(32.66)	20.38	3.79		71.58	413.56
Previous Year	357.88	100.08	(33.00)	12.58	(2.28)		47.42	320.75

* All the assets have been owned by the Company except the leasehold land and ROU.

Note 11 : Non-current Investments

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Trade Investments (Unquoted - At cost)	-	-
Investments in Equity Instruments :-		
 In Joint Venture Companies:		
150,00,000 (Previous Year : 100,00,000) Equity Shares of Rs. 10/- each fully paid-up in APGDC Ltd	-	-
(ii) In Joint Venture Company 119,28,000 (Previous Year : 119,28,000) Equity Shares of Rs.10/- each fully paid up in Kerala GAIL GAS Ltd	-	-
(iii) In Joint Venture Company 10,08,940 (Previous Year : 25,000 deemed allotment) Equity Shares of Rs.10/- each fully paid up in Vadodara Gas Limited	-	-
(iii) In Joint Venture Company 10,00,25,000 (Previous Year : 25,000 deemed allotment) Equity Shares of Rs.10/- each fully paid up in RSGL	-	-
2.- Advances for Investments (Pending Allotment)		
(i) In Joint Venture Company 70,00,000 (Previous Year : 10000000) Equity Shares of Rs.10/- each fully paid up in RSGL yet to be allotted	-	-
(ii) In Joint Venture Company 750,00,000 (Previous Year : NIL) Equity Shares of Rs.10/- each fully paid up in APGDC yet to be allotted	-	-
	-	-
TOTAL	-	-

Note 12 : Long term Loans and Advances

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
(a) Capital Advances		
(Secured / Unsecured - Considered Good)	0.32	0.00
(Unsecured - Considered Doubtful)	0.00	0.00
Less : Provision for Doubtful Advances	0.00	0.00
(b) Security Deposits (Unsecured)		
- Unsecured, Considered Good-Govt	6.31	6.34
- Unsecured, Considered Good-Non Govt	0.02	0.02
Unsecured, Considered Doubtful	0.00	0.00
Less : Provision for Doubtful Advances	-3.54	-3.54
(c) Other Loans and Advances		
Loans to Employees		
- Secured, Considered Good	0.05	0.01
- Unsecured, Considered Good	0.00	0.02
Advances to Income Tax against pending demand	0.01	0.00
Loans & Advances to related Parties (Unsecured, Considered Good)	9.79	15.55
TOTAL	12.95	18.40

Note 13 : Other Non Current Assets

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Long Term Trade Receivables	0.00	0.00
(Unsecured - Considered Good)	0.00	0.00
(Unsecured - Considered Doubtful)		
Less : Provision for Doubtful Debts	0.00	0.00
Others		
Pre Operative Expenses pending allocations	0.00	0.00
Capital Advances	0.00	0.29
Deposit with various parties	0.00	0.02
TOTAL	0.00	0.31

Note 14 : Inventories

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
(a) Finished Goods (incl Work-in-Progress) Compressed Natural Gas (Valued at Cost or Net Realisable Value whichever is lower)	0.05	0.05
(b) Stock in Trade Raw Material Raw Material in Transit CNG and Natural Gas in Pipeline Stock of Gas* *after adjustment of calorific value (Valued at Cost or Net Realisable Value whichever is lower)	0.00 0.00 0.00 0.39	0.00 0.00 0.00 0.43
(c) Stores and Spares Stores and Spares(Including Construction Surplus-Capital/Stores) (As taken, valued and certified by the Management) (Valued at Cost or Net Realisable Value whichever is lower) Less : Provision for Losses/Obsolescence Construction Surplus - Capital / Stores Less : Provision for Losses/Obsolescence (Valued at Cost or Net Realisable Value whichever is lower)	9.36 0.00 0.00	7.21 0.00 0.00
TOTAL	9.80	7.69

Note 15 : Trade Receivables

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
(i) Trade receivables outstanding for a period exceeding six months		
- Secured, Considered Good	0.00	3.70
- Unsecured, Considered Good	3.91	3.20
- Unsecured, Considered Doubtful	0.00	0.00
(ii) Others		
- Secured, Considered Good	0.00	0.00
- Unsecured, Considered Good	64.62	55.91
- Unsecured, Considered Doubtful	0.00	0.00
	68.54	62.81
Less : Provision for Doubtful debts	(1.08)	(1.08)
TOTAL	67.45	61.73

Note 16 : Cash and cash equivalents

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
BALANCES WITH BANKS		
On Current Account	1.86	5.62
On Fixed Deposit Account	15.98	11.18
Cash in hand	0.91	0.36
TOTAL	18.74	17.15

Note 17 : Short Term Loans and Advances

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
(a) Loan to Related Parties		
VGL	1.37	32.08
RSGL	0.50	0.53
KGGL	0.00	0.00
APGDC	0.17	
(b) Others		
Loans / Advances to Employees	0.00	0.00
Advances recoverable in cash or in kind or for value to be received		
- Unsecured, Considered Good	0.02	0.32
- Unsecured, Considered Doubtful	0.00	0.00
Less : Provision for Doubtful Advances	0.00	0.00
Advance tax / TDS	30.68	25.67
Claims Recoverable		
- Unsecured, Considered Good	175.56	91.26
- Unsecured, Considered Doubtful	0.00	0.00
Less : Provision for doubtful claims	0.00	0.00
Deposits / Balances with Government Authorities and Others		
- Unsecured, Considered Good	5.05	2.24
- .secured, Considered Doubtful	0.00	0.00
Less : Provision for doubtful deposits	0.00	0.00
Trade and Security Deposits		
- Unsecured, Considered Good	0.00	0.00
TOTAL	213.35	152.10

Note 18 : Other Current Assets

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Interest accrued but not due	0.29	0.18
Prepaid Insurance & Other Charges	0.59	0.34
Others	1.96	0.06
TOTAL	2.84	0.58

Note 19 : Revenue from Operations

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
a) Sale of Products/ Gas	1525.70	1012.35
b) Sale of Services		
Gas Transmission Charges	68.32	34.31
c) Income from Telecom	0.00	0.00
	1594.02	1046.65
Less : Excise Duty	-16.40	-11.67
d) Other Operating Revenues	0.90	
Application Fees - Domestic Connection	0.07	0.01
Interest Income Customers & Others	1.20	1.60
Miscellaneous Income - Extra pipe line	0.25	0.09
Misc Income After Sales Service	0.06	0.92
MGO Receipt	3.08	3.37
	1583.19	1040.97

Note 20 : Other Income

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Interest on :		
- Bonds / Debentures (Long term trade investment)	0.00	0.00
- Deposits with Banks	1.29	1.67
- Others	0.21	0.14
Add : Transferred to Expenditure during construction period (Refer Note 27)	0.00	0.00
Tender Fees	0.02	0.01
Liquidated Damages	0.79	0.11
Miscellaneous Receipts	1.03	0.85
Add : Transferred to Expenditure during construction period (Refer Note 24)	0.00	0.00
	3.33	2.78

Note 20A : Gas Consumed

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Opening Stock	0.48	0.47
Add: Purchases	1426.43	949.49
Less : Gas Consumption	1419.60	941.84
Less: Gas Consumed as Fuel including abnormal gas loss	6.94	7.64
Closing Stock	0.37	0.48

Note 21 : Depreciation and Amortization Expenses

(Rs. In Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Depreciation and Amortization Expenses	20.38	12.56
Impairment Loss	0.00	0.00
	20.38	12.56
Less : Depreciation & Amortization expenses transferred to Capital Work-in-Progress (refer note no. 10)	0.00	0.00
	20.38	12.56

Note 22 : Finance Cost

(Rs. In Crores)

	YEAR ENDED	YEAR ENDED
	31ST MARCH, 2016	31ST MARCH, 2015
Interest on Term Loans- OIBB	7.18	9.42
Interest on Term Loans- Union Bank of India	9.89	9.09
Interest on Cash Credit -HDFC Bank Ltd	6.04	0.51
Others	0.51	0.05
Total	23.62	19.07
Less : Interest and Finance Charges transferred to Capital Work-in-Progress (refer note no. 10)	(4.24)	(4.95)
	19.38	14.12

Note-23 : Other Expenses

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Power, Fuel and Water Charges		
Electricity Charges	0.82	0.63
Fuel & Water Charges	2.85	3.01
Management Service Cost (Since all the employees posted at GAIL GAS are on the roll of GAIL (INDIA) Ltd, the expenditure reimbursed to GAIL are shown under other expenses instead of Employee Cost)		
Salaries, Wages and Allowances	34.82	28.26
Contribution to Provident and Other Funds	2.02	1.58
Welfare Expenses	3.24	2.39
Gas Pool	0.00	0.00
Rent	5.99	5.31
Rates and Taxes (includes entry tax on gas)	0.94	0.15
Licence Fees - Telecom	0.00	0.00
Bandwidth Consumption	0.00	0.00
Repairs and Maintenance		
Plant and Machinery	10.50	5.67
Buildings	0.48	0.55
Others	0.93	0.03
Insurance	0.32	0.28
Payment to Auditors		
Audit Fees	0.06	0.05
Tax Audit fees	0.00	0.00
Management Services	0.00	0.00
Out of Pocket Expenses	0.01	0.01
Entertainment Expenses	0.02	0.01
Recruitment and Training Expenses	0.00	0.00
Equipment Hire charges	0.00	0.00
CNG Transportation	0.00	0.00
CNG Dispensing Charges	0.00	0.00
Operating Expenses at CNG Stations	0.36	0.00
Leasing charges	0.00	0.00
Survey Expenses	0.00	0.00
Dry Well Expenses written off	0.00	0.00
Oil & Gas Producing Expenses (Operators)	0.00	0.00
Royalty on Crude Oil	0.00	0.00
Consultancy Charges	1.95	0.12
Legal and Professional charges	0.53	1.38
Postage & Telephones	0.00	0.01
Donation	0.00	0.00
Research and Development Expenses	0.00	0.00
Directors fees	0.00	0.00
Loss on sale / written off of assets(net)	0.00	0.00
Bad Debts / Claims / Advances / Inventories written off	0.00	0.06
Provision for Doubtful Debts, Advances, Claims, Deposits and obsolescence of Stores and Capital Items	0.00	0.00
Provision for Probable Obligations / Contingencies	0.00	0.00
Excise Duty on Stock (net)	0.00	0.00
Expenses on Enabling Facilities	0.00	0.00
Discount on Sales	0.00	0.00
Commission on Sales	0.00	0.00
Dealers' Commission	0.00	0.00
Net Loss on Foreign currency transaction and translation / Exchange Fluctuation	0.00	0.00
Stores & Spares Consumed	1.68	2.25
Loss/Gain (+/-) of Foreign Currency Transaction	0.06	-0.05
Water Charges	0.01	0.01
Communication Exp	0.16	0.12
Printing & Stationery	0.28	0.22
Traveling Exp	2.85	1.78
Books & Periodicals	0.01	0.01
Advt & Publicity	0.74	0.46
Training Exp	0.17	0.04
Vehicle Hire & Running Exp	1.64	2.05
Data Processing Exp	0.92	0.37
Selling & Distribution Exp	0.71	0.23
Dealer Commission	2.64	1.64
Security Exp	1.67	1.42
CSR Exp	0.00	0.03
Other Misc Exp	1.13	1.73
Provision Against Doubtful Claims	0.00	0.00
Expenses on Cities Written off	5.98	
Other Exp-Abnormal Loss	4.09	4.95
Expenses on Cities Written off	0.00	0.58
Profit (-)/Loss (+) on sale of assets	-0.04	0.00
Other Exp - Interest/Penalty Charges-Statutory	0.04	0.17
Less : Management Services for Employee Cost transferred to Capital Work-in-Progress(Refer Note -10)	-15.75	-8.93
TOTAL	75.01	58.55
Less : Incidental Expenditure during construction transferred to Capital Work-in-Progress (refer note no. 24)	-6.38	-3.55
TOTAL	68.63	55.00

Note 24 : Expenditure during Construction Period

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
IEDC- Insurance	0.00	0.00
IEDC- Other Exps	0.14	0.01
IEDC-Power, Fuel and Water Charges	0.00	0.00
IEDC-Printing & Stationery Expenses	0.00	0.00
IEDC- Security Expenses	0.55	0.34
IEDC- Rent & Warehouse Exp.	3.47	2.12
IEDC- Travelling & Conv. Exp	1.68	0.70
IEDC- Vehicle Hire Charges	0.54	0.38
Total	6.38	3.55

Note 25 : Prior period Adjustment

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Purchase of Gas*	0.00	0.00
Advt & Publicity	0.00	0.00
Interst Paid to Supplier	0.00	0.00
Depreciation-P/M	1.62	0.00
Sales	0.00	0.24
Depreciation-Leasehold Land	0.00	0.00
Other	-0.07	0.00
Total	1.55	0.24

Note 26 Contingent Liabilities

(Rs. In Crores)

	YEAR ENDED	YEAR ENDED
	31ST MARCH, 2016	31ST MARCH, 2015
BG ISSUED	5225.42	5211.70
COURT CASES-AGRA & Firozabadwith Allhabad High Court	23.06	21.65
ARBITRATION CASES-Agra & Firozabad	18.66	12.50
STATUTORY	0.00	0.00
Demand received from Commissioner, Central Excise, Dewas in connection with wrong billing of EK-1 for the month of Sept 2010.	1.74	1.74
SHARE IN CONTINGENT LIABILITY OF JOINT VENTURES	6.03	2.53
Total	5274.91	5250.12

Note 27: Material Forceable Losses

(Rs. in Crores)

	YEAR ENDED 31ST MARCH, 2016	YEAR ENDED 31ST MARCH, 2015
Forceable Losses on Long Term Contracts including Derivative Contracts	0.00	0.00
Total	0.00	0.00

GAIL GAS LIMITED



CONSOLIDATED CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

Particulars	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit After Tax and Extraordinary Items	36.38	18.05
Adjustments:		
Depreciation & Amortization Expenses	22.00	12.56
Capital Reserve for Depreciation	0.00	(0.13)
Profit on sale of Assets	(0.04)	(6.49)
Interest Expenditure	19.29	14.11
Interest Income	(1.50)	(1.94)
Other Provisions	1.20	1.02
Provision / Write off of Assets / CWIP	0.00	(0.58)
	40.95	18.55
3 Operating Profit Before Working Capital Changes	77.33	36.60
4 Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(92.94)	(68.36)
Inventories	(1.99)	(4.13)
Loans & Advances and other Current Assets	(0.21)	(0.33)
Current Liabilities and Provisions	(27.44)	80.53
	(122.58)	7.70
Direct Taxes paid	16.11	3.03
NET CASH FROM OPERATING ACTIVITIES	(29.13)	47.33
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sales/(Purchases) of Fixed Assets	(61.09)	(90.15)
(Increase)/Decrease in Capital WIP and Capital Advances	(120.64)	(7.03)
Investment in Other Companies	(60.48)	(14.35)
Pre-operative Expenses	0.00	0.00
Fixed/Other Deposits	0.00	0.00
(Increase)/Decrease in Loans & Advances	0.07	(1.83)
Profit On sales of Fixed Assets	0.04	6.49
Interest Received	1.50	1.90
NET CASH FROM INVESTING ACTIVITIES	(240.60)	(104.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Equity	169.76	36.15
Proceeds of Long Term Borrowings	42.25	35.89
Share Application Money Recd	30.62	2.60
Repayment of Long Term Borrowings	(60.07)	(47.98)
Cash Credit Facilities from HDFC Bank	111.95	33.67
Interest Paid	(23.53)	(19.06)
NET CASH FROM FINANCING ACTIVITIES	270.99	41.28
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	1.25	(16.38)
CASH AND CASH EQUIVALENTS AS AT 01.04.2015 (OPENING BALANCE)	17.49	33.53
CASH AND CASH EQUIVALENTS AS AT 31.03.2016 (CLOSING BALANCE)	18.74	17.15

NOTES :

1 Cash & Cash Equivalents include :
Cash & Bank Balances As per Balance Sheet
Unrealised (Gain)/ loss on foreign Exchange
Total Cash & Cash Equivalents

18.74	17.15
0.00	0.00
<u>18.74</u>	<u>17.15</u>

2 Cash & Cash Equivalents

3 Closing balance of Cash & Cash Equivalents of financial year 2014-15 was unaudited of JVs, however opening balance of current year taken based on audited figure. Impact due to same is of Rs.0.34 Crs in opening Cash and Cash Equivalent.

Deepak Astija
Company Secretary
(PAN-ADRP0983E)

Jyoti Dua
CFO
(PAN-ACJPD6268J)

Pankaj Kumar Pal
CEO
(PAN-AATPP6657M)

Subir Parkayastha
Director
(DIN-06850526)

B C Tripathi
Chairman
(DIN-01657366)

As per our separate Report of even date
For M/S Bansal Sinha & Co.
Chartered Accountants
Firm No. 06184N

CA Tanupriya Gupta
(Partner)
M No. 511757



Place: New Delhi
Dated : 17.05.2016