



INDEPENDENT AUDITOR'S REPORT

To the Members of GAIL Gas Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GAIL Gas Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sl. No	Key Audit Matter	Auditor's Response
1	Litigations The Company operates in an industry, which is heavily regulated, which increases inherent litigation risk. The Company is engaged in a number of legal cases. Refer note 32(i) to the standalone financial statements.	Principal audit procedures performed: - We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination of provisions to ensure that they operate effectively. - We examined correspondence in respect of these cases. - We read summary on litigation matters provided by the management and its inhouse legal counsels with respect to the matters included in the

2	Uncertain tax positions The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for transactions entered into by the Company are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Company is also a matter of ongoing dispute with the authorities. Refer note 32(ii) to (v) to the standalone financial statements.	Principal audit procedures performed: • We evaluated and tested the design and operating effectiveness of the Company's controls over provisions for uncertain tax positions to ensure that they operate effectively. • In understanding and evaluating management's judgment, we examined correspondence connected with the cases, considered the status of recent and current tax authorities enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. • We held discussion with respective personnel to understand adequacy of provision made by the management. • We reviewed status update provided by the management in respect of estimates of tax exposures and contingencies in order to assess adequacy of the Company's tax provisions.
3	Contingencies: Minimum Work Programme Commitment (MWP) The Company has a commitment to achieve MWP for 11 GAs awarded by the PNGRB in 9th, 10th & 11th CGD bidding round. Keeping in view non-availability of pipeline connectivity from the gas source in these GAs and disruption in work due to COVID-19 pandemic and complete/partial lockdown imposed by the District administration on various occasions, the company had requested PNGRB for deferment of period of meeting the MWP targets under Regulation 11 and 12 of the PNGRB regulations, 2008 which has been accepted by the latter in majority of the GA's. Penalty for not meeting MWP targets as on 31st March, 2025 works out to Rs. 36.09 Crores. Due to the complexity involved in the execution of the MWP, management's judgement regarding completion of MWP as per revised plan and measurement of provisions for this matter is inherently uncertain and might change over time as the work on MWP progresses. Accordingly, it has been considered as a key audit matter. Refer note 32(vii) to the standalone financial statements.	Principal audit procedures performed: • We perused copies of communication exchanged between PNGRB and the Company during the year. We compared the said communication with the appropriateness of disclosure in the standalone financial statements. • We performed inquiries with the personnel on the working of penalty and verified the calculation. • We evaluated the disclosure in the standalone financial statements given by the management.
4	Technical Parameters and voluminous transactions of Natural Gas trading	Principal audit procedures performed: • We have performed test of controls, over the



	and transmission captured to measure Revenue and Inventory through Integrated system and complexities involved therein. Determination of quantity of Natural Gas sold and in stock through gas-pipelines involves use of various technical aspects of the natural gas such as pressure, temperature etc. captured from the measuring devices installed on gas pipelines. We were informed that the methodology is standard and used industry wide. This increases the complexity of validating quantity of Natural gas sold and stock available in pipeline as on March 31, 2025. Refer Note 10 to the standalone financial statements.	accuracy and completeness of the quantity captured via IT system through to the accounting software. - We have obtained management representation that the IT system applies a standard methodology to capture the quantity of Natural Gas for the purpose of Revenue and inventory measurement. - We have verified valuation of Closing inventories by applying various aspects made available to us by the management such as conversion factors, meter reading etc.
5	Provisional liability on estimation basis Provisional liability of Rs. 270.72 Crores as at March 31, 2025 accounted for on estimation basis. Refer note 38 to the standalone financial statements.	Principal Audit Procedures performed: - We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination and accounting of provisional liabilities to ensure that they operate effectively. - We examined contracts/LOI/FOA in respect of respective contracts. - We held discussion with respective personnel to understand execution of work and evaluated estimation of the provisional liabilities made by the management. We checked receipt of invoices against provisional liability and payments made subsequently till the date of our Audit report.
6	Revenue recognition The Company is in the business of distribution of natural gas. The Company has various types of customers such as industrial, commercial, non-commercial, domestic and is respect of CNG - oil marketing companies and others. Revenue from sale of natural gas is considered as key audit matter as there is a risk of accuracy of recognition and measurement of gas sales in the Standalone Financial Statements considering following aspects:	Principal audit procedures performed: Our approach was a combination of test of internal controls, analytical and substantive procedures which included the following: - Evaluated the design of internal control - For evaluation of operative effectiveness of internal control: - Verified samples of gas sales invoices with agreements executed with the customers, accuracy of pricing, consumption quantity, tax amount of invoices of various categories of customers. - Visited site to understand actual operation - Performed analytical procedures to verify number of bills generated during the year for each major



- Different pricing structure for different types of customers and frequency of price change - Voluminous number of customers - Capturing Gas Consumption data in billing - Estimating unbilled revenue at the year-end - Extensive use of SAP and other IT systems for managing the billing operation Refer Note 21 to the standalone financial statements	type of customers as per their respective billing cycle • On sample basis, verified: - Updation of Daily Contracted Quantity of gas of Industrial customers in the billing system. - Updation of prices of gas for all major types of customers in the billing system. - Sales invoices • Verified subsequent realization of amounts due as per invoices generated for the month of March 2025. • Evaluated the appropriateness of accounting policies, related disclosure made and overall presentation in the Standalone Financial Statements in terms of Ind AS 115.
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Information Other than the Financial Statements and Auditors Report thereon

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

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

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

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

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

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

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

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



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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the



key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) The Company being a government company, provisions of Section 164(2) of the Act, with respect to disqualification of Directors is not applicable, in view of notification no. G.S.R. 463(E) dated 05-06-2015.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a Government Company, provisions regarding remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements;
 - ii. The Company did not have any derivative contracts. None of the long-term contracts require provision for material foreseeable losses, as required under the applicable law or accounting standards;
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company. Therefore, question of delay in transferring of such sums does not arise.
 - iv.



- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Board of Directors of the company have proposed final dividend for the year which is subject to the approval at the ensuing Board Meeting. The amount of dividend proposed in accordance with Circular of Ministry of Finance vide OM No. F.No.5/2016-Policy dated 18.11.2024 and Section 123 of the Act, as applicable.
- vi. Based on examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.
3. As required by Section 143 (5) of the Act, we have considered the directions issued by the Comptroller & Auditor General of India, the action taken thereon and its impact on the standalone financial statements of the Company is given in "**Annexure – C**".

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

ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 25099374BMKVIH6453



Place: New Delhi
Date: 02-05-2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

The company has maintained proper records showing full particulars of intangible assets.

- (b) As explained to us and based on our examination of records, the Company has a regular programme of physical verification of property, plant & equipment (PPE) and ROU assets other than underground pipelines which as per management cannot be physically verified. PP and Inventory for capital projects shown under Capital Work in progress has been physically verified by the Project Management Consultant (PMC) and the management during the year. Capital stores in the nature of free issue material has been verified and certified by the PMC. Discrepancies noticed on verification between physical assets and book records were not material, necessary entries for which has already been accounted for in the standalone financial statements. In our opinion, the frequency of verification of the PPE is reasonable having regard to the size of the Company and the nature of its assets.
- (c) As explained to us and based on our examination of records, title deed of immovable properties of land and buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) which are freehold, are held in the name of the company, *except as stated below*:

Description of property	Gross carrying value (Rs. In Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Freehold Land, Plot No 2241, Phase-II, Sector-38, I.E Rai, Sonipat, Haryana (3004.42 square meters)	2.05	Haryana State Industrial and Infrastructure Development Corporation (HSIIDC)	No	Since 31.03.2014	Mutation is under process

- (d) As explained to us and based on our examination of records, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

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



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

- (b) In our opinion and according to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to firms, Limited Liability Partnerships or any other parties except for Loan to 1 Joint Venture entity, Investment in 6 Joint Ventures and Guarantee given on behalf of one Joint Venture, in respect of which:

(a)

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

(Rs. in Crores)

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

- B. As the Company has not provided any loans or provided advances in the nature of loans, or stood any guarantee, or provided security to parties other than joint ventures, hence, paragraph 3(iii)(a)B of the Order is not applicable to the Company.
- (b) In our opinion, investments made, guarantees provided, terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal and receipt of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company has fallen due during the year or has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, paragraph 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company being a Government Company, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, are not applicable. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from public during the year and does not have any unclaimed deposits, as at March 31, 2025. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.



- vi. We have broadly reviewed book of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for maintenance of cost records under section 148 (1) (d) of the Act and we are of the opinion that prima facie, prescribed cost accounts and records have been maintained. However, we have not carried out detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income-tax, sales tax, excise duty, goods & services tax, customs duty, value added tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, customs duty, value added tax, sales tax, excise duty, cess and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of customs duty, sales tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax, excise duty, value added tax and commercial tax have not been deposited by the Company on account of dispute. But, in case of goods & services tax, company have deposited on account of dispute as per the statutory provisions:

Nature of the Statute	Nature of Dues	Period to which amount relates	Rs. in Crores	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	F.Y. 2017-18	1.32	CIT Appeals (New Delhi)
Income Tax Act, 1961	Income Tax	F.Y. 2019-20	9.45	CIT Appeals (New Delhi)
Central Excise Act, 1944	Excise Duty and Penalty	January 2012 – June 2013	1.74	CESTAT, New Delhi
The Uttar Pradesh Trade Act, 1948	Entry Tax	A.Y. 2004-05 & A.Y. 2005-06	#	Supreme Court of India
Haryana VAT ACT, 2003	Value Added Tax	FY 2019-20	0.12	Appeal filed before Commissioner (Appeals)
Haryana VAT ACT, 2003	Value Added Tax	FY 2020-21	0.31	Appeal filed before Commissioner (Appeals)
CGST Act, 2017	GST	F.Y. 2017-18	0.60	Appeal filed before Commissioner (Appeals)



CGST Act, 2017	GST	F.Y. 2018-19	0.37	Appeal filed before Commissioner (Appeals)
CGST Act, 2017	GST	F.Y. 2019-20	0.01	Appeal filed before Commissioner (Appeals)
CGST Act, 2017	GST	F.Y. 2020-21	0.01	Appeal filed before Commissioner (Appeals)

* Figures in bracket represent amount paid under protest

Entry tax pertains to Taxable amount of Rs. 26.25 Crores, which will be ascertained on reassessment. Refer note no. 32 (v) to the standalone financial statements.

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

ix.

- (a) In our opinion and according to the information and explanation given to us by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us by the management, the company has not been declared wilful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us by the management, the company has applied the term loans for which they were obtained. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, funds not raised funds on short-term basis. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as company does not have any subsidiary.
- (f) On an overall examination of the financial statements of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.

- (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

xi.

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



- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year (and up to the date of this report). Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the company.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with provisions of section 177 and 188 of the Companies Act, 2013, wherever applicable, all transactions with related parties and the details of related party have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, internal audit reports up to First Half for the year under audit, issued to the Company, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with Directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. Statutory auditors of the Company have not resigned during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the company.
- xix. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) In our opinion and according to the information and explanations given to us, the company has incurred expenditure under Corporate Social Responsibility as required by the provisions of Section 135 of the



Act and there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act.

- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.
- xxi. The company is a standalone company and therefore the provision of clause 3 (xxi) of the order are not applicable to the company.

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

ATUL AGGARWAL
Partner
Membership number: 099374
UDIN: 25099374BMKVIH6453



Place: New Delhi
Date: 02-05-2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to standalone financial statements of **GAIL Gas Limited** ("the Company") as of 31 March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N

ATUL AGGARWAL

Partner

Membership number: 099374

UDIN: 25099374BMKVIH6453



Place: New Delhi

Date: 02-05-2025

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Sl. No.	Directions/ Sub Directions	Action Taken	Impact on Financial Statement
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has a system in place to process all the accounting transactions on a day-to-day basis through the IT system.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans /interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such case are properly accounted for? (In case, lender is a government company).	Based on the verification of records and as per information and explanations provided to us, the company does not have any instance of restructuring of an existing loan or waiver/write off of debts/loans /interest etc. made by the lender due to Company's inability to repay the loan.	Nil
3	Whether funds (grants/ subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us, the Company has not received any funds (grants/ subsidy etc.) from Central /State Government or its agencies.	Nil

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N



ATUL AGGARWAL

Partner

Membership number: 099374

UDIN: 25099374BMKVIH6453

Place: New Delhi

Date: 02-05-2025

GAIL GAS LIMITED

STANDALONE FINANCIAL STATEMENTS

FY 2024-25

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to financial statement of subsidiaries / associate companies / joint ventures
Part "A": Subsidiaries (Not Applicable)

The financial year of the subsidiary Company ended on		31st March 2025
1		
2	(a) Reporting Currency	
	(b) Exchange rate as on last date of the relevant Financial Year	
3	Share Capital	
4	Reserves & Surplus	
5	Total Assets	
6	Total Liabilities	
7	Investments	
8	Turnover	
9	Profit before Taxation	
10	Provision for Taxation	
11	Profit after Taxation	
12	% of shareholding	

Note:

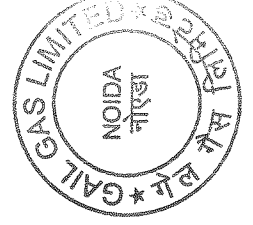
- 1 Name of the subsidiaries which are yet to commence operations: NA
- 2 Name of the subsidiaries which have been liquidated or sold during the year: NA

As per our report of even date attached

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

Atul Aggarwal

CA Atul Aggarwal
Partner
Memberships No: 19374



Goutom Chakraborty

Goutom Chakraborty
CEO
PAN-ABKPC5087E

Pankaj Gupta

Pankaj Gupta
CFO
PAN-ADYPG0044P

Place: New Delhi
Date: 02-05-2025

Form AOC 1

Statement pursuant to Section 129 (3) of Companies Act, 2013 related to Associate Companies and joint ventures
Part 'B': Associates and Joint Ventures

Particulars	Andhra Pradesh Gas Distribution Corporation Ltd	Vadodara Gas Limited	Rajasthan State Gas Limited.	Haridwar Natural Gas Pvt. Ltd	GOA Natural Gas Pvt. Ltd.	Purba Bharati Gas Pvt. Ltd
1 Latest audited Balance Sheet Date	31st March 2023	31st March 2024	31st March 2024	31st March 2025	31st March 2025	31st March 2024
2 No of Shares of Associate/ joint Ventures held by the Company on the year end- Amount of Investment in Associates / Joint Venture	10,93,30,449 (₹ 10 each)	4,10,08,943 (₹ 10 each)	6,50,00,000 (₹ 10 each)	4,35,80,000 (₹ 10 each)	4,00,00,000 (₹ 10 each)	4,37,21,600 (₹ 10 each)
3 Joint Venture	109.33*	41.01	65.00	43.58	40.00	43.72
4 Extent of Holding %	50.00%	17.07%	50.00%	50.00%	50.00%	26.00%
5 Joint Control / Significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
6 Reason for not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7 Networth attributable to Shareholding as per latest audited Balance Sheet*	72.17	52.36	86.72	51.04	41.17	31.82
8 Profit / Loss for the year**	-7.13	6.25	3.28	3.97	1.91	-3.41
(i) Considered in Consolidation						
(ii) Not Considered in Consolidation						

* excluding preference share investment of Rs.100 Crore.

** Total Profit of the Entity Including Other Comprehensive Income

Note:

1 Name of the associates or joint ventures which are yet to commence operations:

Nil

2 Name of associates or joint ventures which have been liquidated or sold during the year:

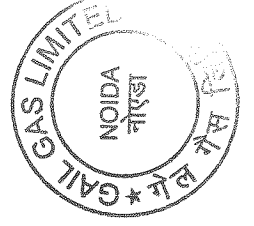
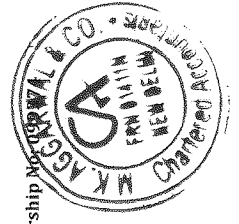
Nil

As per our report of even date attached

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

Atul Aggarwal

CA Atul Aggarwal
Partner
Membership No: 01411N



Goutom Chakraborty

Goutom Chakraborty
CEO
PAN-ABKPC5087E

Pankaj Gupta

Pankaj Gupta
CFO
PAN-ADYPG0044P

Place: New Delhi
Date: 02-05-2025



INDEPENDENT AUDITOR'S REPORT

To the Members of GAIL Gas Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **GAIL Gas Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

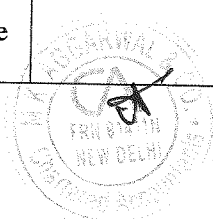
We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements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

Key Audit Matters

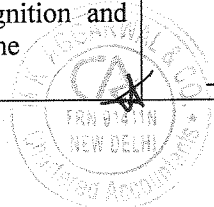
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our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

Sl. No	Key Audit Matter	Auditor's Response
1	Litigations The Company operates in an industry, which is heavily regulated, which increases inherent litigation risk. The Company is engaged in a number of legal cases. Refer note 32(i) to the standalone financial statements.	Principal audit procedures performed: • We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination of provisions to ensure that they operate effectively. • We examined correspondence in respect of these cases. • We read summary on litigation matters provided by the management and its inhouse legal counsels with respect to the matters included in the

		summary.
2	Uncertain tax positions The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for transactions entered into by the Company are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Company is also a matter of ongoing dispute with the authorities. Refer note 32(ii) to (v) to the standalone financial statements.	Principal audit procedures performed: • We evaluated and tested the design and operating effectiveness of the Company's controls over provisions for uncertain tax positions to ensure that they operate effectively. • In understanding and evaluating management's judgment, we examined correspondence connected with the cases, considered the status of recent and current tax authorities enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. • We held discussion with respective personnel to understand adequacy of provision made by the management. • We reviewed status update provided by the management in respect of estimates of tax exposures and contingencies in order to assess adequacy of the Company's tax provisions.
3	Contingencies: Minimum Work Programme Commitment (MWP) The Company has a commitment to achieve MWP for 11 GAs awarded by the PNGRB in 9th, 10th & 11th CGD bidding round. Keeping in view non-availability of pipeline connectivity from the gas source in these GAs and disruption in work due to COVID-19 pandemic and complete/partial lockdown imposed by the District administration on various occasions, the company had requested PNGRB for deferment of period of meeting the MWP targets under Regulation 11 and 12 of the PNGRB regulations, 2008 which has been accepted by the latter in majority of the GA's. Penalty for not meeting MWP targets as on 31st March, 2025 works out to Rs. 36.09 Crores. Due to the complexity involved in the execution of the MWP, management's judgement regarding completion of MWP as per revised plan and measurement of provisions for this matter is inherently uncertain and might change over time as the work on MWP progresses. Accordingly, it has been considered as a key audit matter. Refer note 32(vii) to the standalone financial statements.	Principal audit procedures performed: • We perused copies of communication exchanged between PNGRB and the Company during the year. We compared the said communication with the appropriateness of disclosure in the standalone financial statements. • We performed inquiries with the personnel on the working of penalty and verified the calculation. • We evaluated the disclosure in the standalone financial statements given by the management.



4	Technical Parameters and voluminous transactions of Natural Gas trading and transmission captured to measure Revenue and Inventory through Integrated system and complexities involved therein. Determination of quantity of Natural Gas sold and in stock through gas-pipelines involves use of various technical aspects of the natural gas such as pressure, temperature etc. captured from the measuring devices installed on gas pipelines. We were informed that the methodology is standard and used industry wide. This increases the complexity of validating quantity of Natural gas sold and stock available in pipeline as on March 31, 2025. Refer Note 10 to the standalone financial statements.	Principal audit procedures performed: • We have performed test of controls, over the accuracy and completeness of the quantity captured via IT system through to the accounting software. • We have obtained management representation that the IT system applies a standard methodology to capture the quantity of Natural Gas for the purpose of Revenue and inventory measurement. • We have verified valuation of Closing inventories by applying various aspects made available to us by the management such as conversion factors, meter reading etc.
5	Provisional liability on estimation basis Provisional liability of Rs. 270.72 Crores as at March 31, 2025 accounted for on estimation basis. Refer note 38 to the standalone financial statements.	Principal Audit Procedures performed: • We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination and accounting of provisional liabilities to ensure that they operate effectively. • We examined contracts/LOI/FOA in respect of respective contracts. • We held discussion with respective personnel to understand execution of work and evaluated estimation of the provisional liabilities made by the management. We checked receipt of invoices against provisional liability and payments made subsequently till the date of our Audit report.
6	Revenue recognition The Company is in the business of distribution of natural gas. The Company has various types of customers such as industrial, commercial, non-commercial, domestic and is respect of CNG - oil marketing companies and others. Revenue from sale of natural gas is considered as key audit matter as there is a risk of accuracy of recognition and measurement of gas sales in the	Principal audit procedures performed: Our approach was a combination of test of internal controls, analytical and substantive procedures which included the following: • Evaluated the design of internal control • For evaluation of operative effectiveness of internal control: - Verified samples of gas sales invoices with agreements executed with the customers, accuracy of pricing, consumption quantity, tax amount of invoices of various categories of customers. - Visited site to understand actual operation



Standalone Financial Statements considering following aspects: - Different pricing structure for different types of customers and frequency of price change - Voluminous number of customers - Capturing Gas Consumption data in billing - Estimating unbilled revenue at the year-end - Extensive use of SAP and other IT systems for managing the billing operation Refer Note 21 to the standalone financial statements	• Performed analytical procedures to verify number of bills generated during the year for each major type of customers as per their respective billing cycle • On sample basis, verified: - Updation of Daily Contracted Quantity of gas of Industrial customers in the billing system. - Updation of prices of gas for all major types of customers in the billing system. - Sales invoices • Verified subsequent realization of amounts due as per invoices generated for the month of March 2025. • Evaluated the appropriateness of accounting policies, related disclosure made and overall presentation in the Standalone Financial Statements in terms of Ind AS 115.
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Information Other than the Financial Statements and Auditors Report thereon

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

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

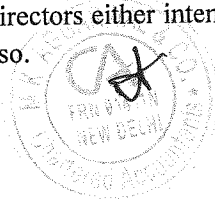
In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge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

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

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

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

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



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

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

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

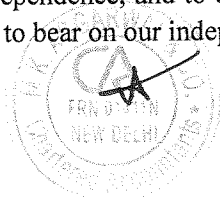
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) The Company being a government company, provisions of Section 164(2) of the Act, with respect to disqualification of Directors is not applicable, in view of notification no. G.S.R. 463(E) dated 05-06-2015.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a Government Company, provisions regarding remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements;
 - ii. The Company did not have any derivative contracts. None of the long-term contracts require provision for material foreseeable losses, as required under the applicable law or accounting standards;
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company. Therefore, question of delay in transferring of such sums does not arise.
 - iv.



- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Board of Directors of the company have proposed final dividend for the year which is subject to the approval at the ensuing Board Meeting. The amount of dividend proposed in accordance with Circular of Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18.11.2024 and Section 123 of the Act, as applicable.
- vi. Based on examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.
3. As required by Section 143 (5) of the Act, we have considered the directions issued by the Comptroller & Auditor General of India, the action taken thereon and its impact on the standalone financial statements of the Company is given in "Annexure – C".

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N

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ATUL AGGARWAL

Partner

Membership number: 099374

UDIN: 25099374BMKVIH6453



Place: New Delhi

Date: 02-05-2025

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

The company has maintained proper records showing full particulars of intangible assets.

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

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

Description of property	Gross carrying value (Rs. In Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Freehold Land, Plot No 2241, Phase-II, Sector-38, I.E Rai, Sonipat, Haryana (3004.42 square meters)	2.05	Haryana State Industrial and Infrastructure Development Corporation (HSIIDC)	No	Since 31.03.2014	Mutation is under process

- (d) As explained to us and based on our examination of records, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

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



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

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

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

(a)

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

(Rs. in Crores)

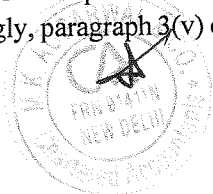
Particulars	Guarantees	Loans
Aggregate of amounts granted/ provided during the year to Joint Ventures	Nil	Nil
Balance outstanding as at the balance sheet date in respect of above	Nil	3.75

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

- (b) In our opinion, investments made, guarantees provided, terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal and receipt of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company has fallen due during the year or has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, paragraph 3(iii)(f) of the Order is not applicable to the Company.

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

- v. According to the information and explanation given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits from public during the year and does not have any unclaimed deposits, as at March 31, 2025. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.



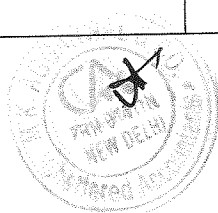
vi. We have broadly reviewed book of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for maintenance of cost records under section 148 (1) (d) of the Act and we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

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

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income-tax, sales tax, excise duty, goods & services tax, customs duty, value added tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, customs duty, value added tax, sales tax, excise duty, cess and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of customs duty, sales tax, cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues of income tax, excise duty, value added tax and commercial tax have not been deposited by the Company on account of dispute. But, in case of goods & services tax, company have deposited on account of dispute as per the statutory provisions:

Nature of the Statute	Nature of Dues	Period to which amount relates	Rs. in Crores	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	F.Y. 2017-18	1.32	CIT Appeals (New Delhi)
Income Tax Act, 1961	Income Tax	F.Y. 2019-20	9.45	CIT Appeals (New Delhi)
Central Excise Act, 1944	Excise Duty and Penalty	January 2012 – June 2013	1.74	CESTAT, New Delhi
The Uttar Pradesh Trade Act, 1948	Entry Tax	A.Y. 2004-05 & A.Y. 2005-06	#	Supreme Court of India
Haryana VAT ACT, 2003	Value Added Tax	FY 2019-20	0.12	Appeal filed before Commissioner (Appeals)
Haryana VAT ACT, 2003	Value Added Tax	FY 2020-21	0.31	Appeal filed before Commissioner (Appeals)
CGST Act, 2017	GST	F.Y. 2017-18	0.60	Appeal filed before Commissioner (Appeals)



CGST Act, 2017	GST	F.Y. 2018-19	0.37	Appeal filed before Commissioner (Appeals)
CGST Act, 2017	GST	F.Y. 2019-20	0.01	Appeal filed before Commissioner (Appeals)
CGST Act, 2017	GST	F.Y. 2020-21	0.01	Appeal filed before Commissioner (Appeals)

** Figures in bracket represent amount paid under protest*

Entry tax pertains to Taxable amount of Rs. 26.25 Crores, which will be ascertained on reassessment. Refer note no. 32 (v) to the standalone financial statements.

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

ix.

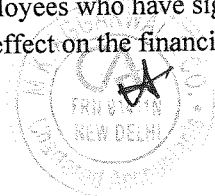
- (a) In our opinion and according to the information and explanation given to us by the management, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, paragraph 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us by the management, the company has not been declared wilful defaulter by any bank or financial institution or other lender. Accordingly, paragraph 3(ix)(b) of the Order is not applicable to the Company.
- (c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us by the management, the company has applied the term loans for which they were obtained. Accordingly, paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, funds not raised funds on short-term basis. Accordingly, paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as company does not have any subsidiary.
- (f) On an overall examination of the financial statements of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x.

- (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

xi.

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



- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year (and up to the date of this report). Accordingly, paragraph 3(xi)(c) of the Order is not applicable to the company.
- xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with provisions of section 177 and 188 of the Companies Act, 2013, wherever applicable, all transactions with related parties and the details of related party have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, internal audit reports up to First Half for the year under audit, issued to the Company, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with Directors or persons connected to its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. Statutory auditors of the Company have not resigned during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the company.
- xix. On the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) In our opinion and according to the information and explanations given to us, the company has incurred expenditure under Corporate Social Responsibility as required by the provisions of Section 135 of the



Act and there are no unspent amounts which are to be transferred pursuant to section 135(5) and 135(6) of the Act.

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

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

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

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ATUL AGGARWAL

Partner

Membership number: 099374

UDIN: 25099374BMKVIH6453

Place: New Delhi

Date: 02-05-2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls with reference to standalone financial statements of **GAIL Gas Limited** ("the Company") as of 31 March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

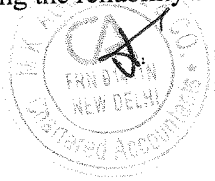
Our responsibility is to express an opinion on the company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March, 2025, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N

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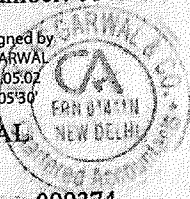
ATUL AGGARWAL

Partner

Membership number: 099374

UDIN: 25099374BMKVIH6453

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Place: New Delhi

Date: 02-05-2025

ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Sl. No.	Directions/ Sub Directions	Action Taken	Impact on Financial Statement
1.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the company has a system in place to process all the accounting transactions on a day-to-day basis through the IT system.	Nil
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans /interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such case are properly accounted for? (In case, lender is a government company).	Based on the verification of records and as per information and explanations provided to us, the company does not have any instance of restructuring of an existing loan or waiver/write off of debts/loans /interest etc. made by the lender due to Company's inability to repay the loan.	Nil
3	Whether funds (grants/ subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us, the Company has not received any funds (grants/ subsidy etc.) from Central /State Government or its agencies.	Nil

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N

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Partner

Membership number: 099374

UDIN: 25099374BMKVIH6453

Place: New Delhi

Date: 02-05-2025

Note 1 A: Corporate Information & Material Accounting Policies

Corporate Information

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

GGL emerged as a leading company in City Gas Distribution (CGD) business with its primary focus to address and accelerate the energy needs of various authorised geographical areas across the nation. The company has been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for implementing City Gas Distribution Projects in Dewas & Raisen, Shajapur and Sehore Districts (Madhya Pradesh), Sonapat (Haryana), Meerut, Firozabad (TTZ) & Mirzapur, Chandauli and Sonbhadra Districts (Uttar Pradesh), Bengaluru Rural and Urban Districts & Dakshina Kannada Districts (Karnataka), Giridih & Dhanbad Districts, West Singhbhum Districts, Seraikela-Kharsawan Districts & Kondagaon, Bastar, Sukma, Narayanpur, Bijapur, Dantewada Districts (Jharkhand), Sundargarh & Jharsuguda Districts & Ganjam, Nayagarh & Puri Districts, Gajapati, Kandhamal, Boudh, Sonapur Districts (Odisha) and Dehradun District (Uttarakhand). In addition, the company is pursuing City Gas Business in the state of Andhra Pradesh, Gujarat, Uttarakhand, Goa, Rajasthan and Assam through its Joint Venture companies

The Standalone Financial Statements of the company for the year ended 31st March 2025 were authorized in accordance with a resolution of the Board of Directors on 02.05.2025.

Basis of preparation

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

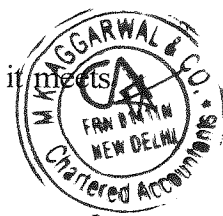
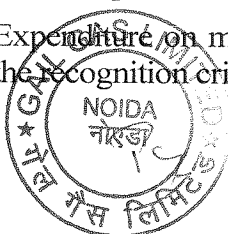
The Financial Statements have been prepared as a going concern on accrual basis of accounting. The Company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

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

1. Material Accounting Policies

1.1. Property, Plant and Equipment (PPE)

- a) In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability subject to necessary adjustment in cost and depreciation in the year of settlement.
- b) Stores & Spares which meet the definition of PPE i.e. when the company intended to use for a period exceeding 12 months.
- c) Expenditure on major inspection and overhauls of PPE is capitalized, when it meets the recognition criteria of PPE.



- d) Technical know-how / license fee relating to plants / facilities and specific software that are integral part of the related hardware are capitalized as part of the underlying asset.
- e) Assets installed at customer premises, including meters and regulators where applicable, are recognized as property plant and equipment if they meet the definition of PPE.
- f) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the PPE.

1.2. Intangible Assets

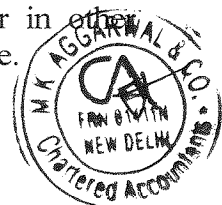
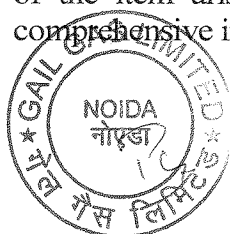
- a) Right of Use (RoU) acquired for laying of pipelines, Software, Licenses etc. which meets the recognition criteria of an intangible asset are capitalized as Intangible Assets.
- b) Expenditure incurred in research phase is charged to Statement of Profit and Loss and that in development phase, unless it is of capital nature, is also charged to Statement of Profit and Loss.
- c) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the intangible assets.

1.3. Capital Work in Progress

- a) Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.
- b) All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized.
- c) Capital Stores are valued at weighted average cost, specific provision is made for likely diminution in value, wherever required.

1.4. Foreign Currency Transactions

- a) Transactions in foreign currency are initially accounted at the spot exchange rate prevailing on the transaction date.
- b) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the reporting date, are translated at spot exchange rates prevailing on that date.
- c) Non-monetary items (such as Equity Investments, Property plant and equipment, Intangible assets etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s) other than those measured at fair value.
- d) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted in the foreign exchange fluctuation/ finance cost in the statement of profit and loss.
- e) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.



1.5. Borrowing Cost

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

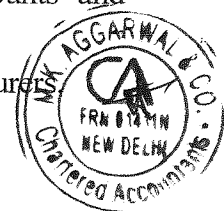
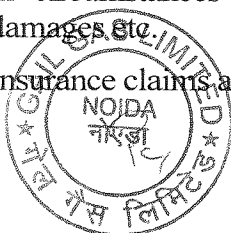
1.6. Inventories

- a) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.
- b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable. Stock lying at CNG cascades are estimated on a volumetric basis.
- c) Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- d) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at or above cost.
- e) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.
- f) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.

1.7. Revenue recognition

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

- a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
- b) Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.
- c) The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the Company to recognize revenue based on performance completion till date e.g. time elapsed. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.
- d) Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, discounts and damages etc.
- e) Insurance claims are accounted for on the basis of claims admitted by the insurer.



- f) Claims (including interest on delayed realization from customers) are accounted for, when there is a significant certainty that the claims are realizable.
- g) Liability in respect of Minimum Guaranteed Offtake (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- h) In terms of the Gas Sales Agreement with the customers, amount received towards Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.
- i) Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

1.8. Depreciation /Amortisation

a) Revenue Property Plant and Equipment (PPE)

- (i) Depreciation on PPE is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets)
- (ii) Depreciation due to price adjustment in the original cost of PPE is charged prospectively.
- (iii) In case of immovable assets constructed on leasehold assets are depreciated over useful life as per schedule II or lease period whichever is lower.
- (iv) The residual values, useful lives and methods of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates.
- (v) Residual value of PPE is determined considering past experience and generally the same is between 0 to 5% of cost of PPE.

b) Right of Use Assets (Leasehold assets)

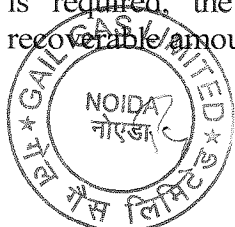
Right of Use Assets are depreciated on Straight Line Method over the lease term. If the ownership of the leasehold assets transfers to the Company at the end of the lease term then it is depreciated over its useful life of the asset. Perpetual Right of Use Assets related to land are not depreciated but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

1.9. Employee Benefits

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

1.10. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value



less cost of disposal and its value in use. Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

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

- a) A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.
- b) The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, considering the risks and uncertainties surrounding the obligation.
- c) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of reimbursement, if any.
- d) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.
- e) Show Cause Notices (SCNs) issued by various Government authorities are generally not considered as obligation. However, when the demand notices are raised against the SCNs and disputed by the Company, they are classified as disputed obligations.
- f) Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.
- g) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities/assets exceeding ₹ 5 Lacs in each case are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.
- h) Estimated amount of contracts (Inclusive of Tax & net of advances) remaining to be executed on capital accounts are disclosed in each case above ₹ 5 lacs.

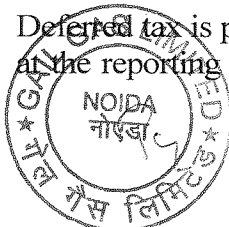
1.12. Taxes on Income

(a) Current Tax

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

(b) Deferred Tax

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



amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date.

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

1.13. Cash and cash equivalents

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

1.14. Segment reporting

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

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

- a) Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

1.15. Earnings per share

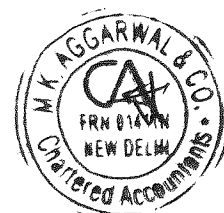
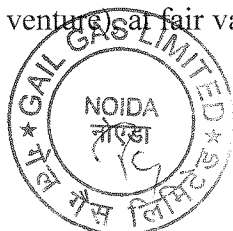
Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate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

1.16. Statement of Cash Flow

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

1.17. Fair value measurement

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



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

- (i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

1.18. Financial instruments

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

(A) Financial assets

a) Classification

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

b) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

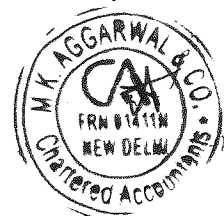
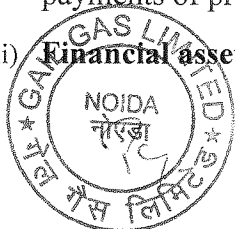
c) Subsequent measurement

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

(i) Financial assets carried at amortised cost

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

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



A financial asset other than derivatives comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

d) **Derecognition**

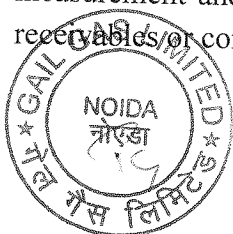
A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

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

- (i) The company has accounted for its investment in subsidiaries, joint ventures and associates at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.
- (ii) When the company issues financial guarantees on behalf of subsidiaries, joint ventures and associates initially it measures the financial guarantee at their fair values and subsequently measures at higher of:
 - The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 and
 - The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'
- (iii) The Company recognize the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as financial guarantee obligation. Such deemed investment is added to the carrying value amount of the investment in subsidiaries, joint venture and associates. Financial guarantee obligation is recognized as other income in Statement of Profit and Loss over the remaining period of financial guarantee.

f) **Impairment of other financial assets**

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



(B) Financial liabilities

a) Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

b) Initial recognition and measurement

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

c) Subsequent measurement

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

(i) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

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

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

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

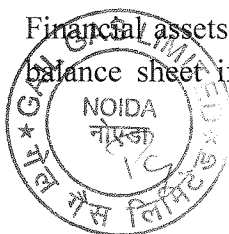
Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

d) Derecognition

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

(C) Offsetting of financial instruments

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



amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

1.19. Leases

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

As a Lessee

a) Identifying a lease

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

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

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

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

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

Initial recognition of lease liability

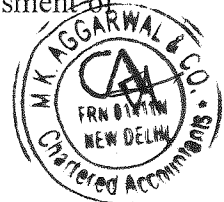
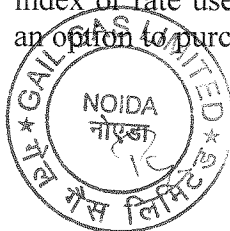
Lease liabilities are initially measured at the present value of the lease payments to be paid over the lease term. Lease payments included in the measurement of the lease liabilities comprise of the following:

Fixed payments, including in-substance fixed payments

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

d) Subsequent measurement of lease liability

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



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

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense in Statement of Profit and Loss.

As a Lessor

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

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

Estimates and assumptions

Determination of discount rate as a lessee

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

1.20. Current Versus Non-Current Classification

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

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

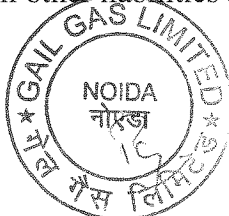
- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or Cash Equivalents unless restricted from being exchanged or used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

All other assets are classified as non-current.

b) A liability is treated as current when:

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

All other liabilities are classified as non-current



Note 1 B: Accounting Judgements, Estimates and Assumptions

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

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

1. Judgments

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

1.1. Materiality

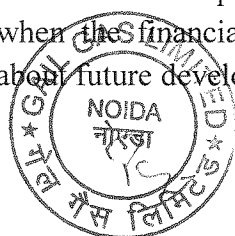
Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also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

1.2. Contingencies

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

2. Estimates and assumptions

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



arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1. Impairment of non-financial assets

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

2.2. Fair value measurement of financial instruments

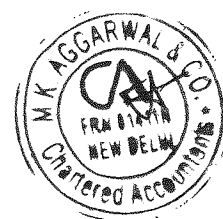
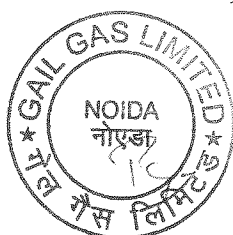
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where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

2.3. Impairment of financial assets

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

2.4. Income Taxes

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



GAIL GAS LIMITED
Standalone Balance Sheet as at 31st March 2025

(Rs in Crore)

Particulars	Note	As at 31st Mar 2025	As at 31st Mar 2024
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3A	2,913.62	2,616.63
(b) Right of Use Assets	3B	151.63	123.11
(c) Capital Work-In-Progress	3A	1,585.15	1,498.95
(d) Intangible Assets	04	0.54	0.90
(e) Financial Assets			
(i) Investments	05	442.64	423.76
(ii) Trade receivable	6A	5.73	3.33
(iii) Loans	7A	-	3.75
(iv) Other Financial Assets	8A	12.82	10.21
(f) Other Non Current Assets	9A	45.42	40.34
Total Non Current Assets (A)		5,157.55	4,720.98
Current Assets			
(a) Inventories	10	13.49	12.70
(b) Financial Assets			
(i) Trade Receivable	6B	913.88	755.49
(ii) Loans	7B	3.75	3.75
(iii) Cash and Cash Equivalents	11A	212.47	407.85
(iv) Bank Balances Other than Cash and Cash Equivalents	11B	451.80	1.82
(v) Other Financial Assets	8B	63.94	51.81
(c) Other Current Assets	9B	57.23	60.68
(d) Current Tax Assets (Net)	12	13.21	1.70
Total Current Assets (B)		1,729.77	1,295.80
TOTAL ASSETS (A+B)		6,887.32	6,016.78
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	2,000.00	2,000.00
(b) Other Equity	14	1,604.49	1,142.82
Total Equity (C)		3,604.49	3,142.82
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15A	1,286.32	1,085.40
(ii) Lease Liabilities		87.46	53.17
(b) Deferred Tax Liabilities (Net)	16	252.69	204.97
Total Non Current Liabilities (D)		1,626.47	1,343.54
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15B	218.57	104.07
(ii) Lease Liabilities		25.63	26.15
(iii) Trade Payables	17		
- Total outstanding dues of Micro and Small Enterprises		46.04	34.77
- Total outstanding dues of creditors other than Micro and Small Enterprises		797.52	845.59
(iv) Other Financial Liabilities	18	527.24	464.70
(b) Other Current Liabilities	19	31.97	46.18
(c) Provisions	20	9.39	8.96
Total Current Liabilities (E)		1,656.36	1,530.42
TOTAL EQUITY AND LIABILITIES (C+D+E)		6,887.32	6,016.78

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

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

As per our report of even date attached

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

Preeti

Preeti Aggarwal
Company Secretary
PAN-AANPG3779M

Pankaj Gupta

Pankaj Gupta
CFO
PAN-ADYPG0044P

Goutom Chakraborty

Goutom Chakraborty
CEO
PAN-ABKPC5087E

R K Jain

R K Jain
Director
DIN-08788595

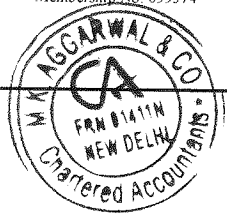
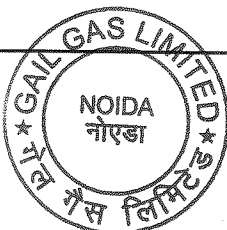
Sandeep Kumar Gupta

Sandeep Kumar Gupta
Chairman
DIN-07570165

Atul Aggarwal

CA Atul Aggarwal
Partner
Membership No: 099374

Place: New Delhi
Date: 02-05-2025



GAIL GAS LIMITED
Standalone Statement of Profit and Loss for the Financial Year Ended 31st March 2025

(Rs in Crore)

	Particulars	Note	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
I	INCOME			
	Revenue from operations	21	12,230.78	10,944.12
	Other Income	22	49.94	18.20
	Total Income		12,280.72	10,962.32
II	EXPENSES			
	Purchases of stock-in-trade of natural gas	23	10,669.52	9,701.94
	Changes in inventories of stock-in-trade of natural gas	24	(2.09)	(0.62)
	Excise Duty		280.44	182.59
	Employee Benefit Expenses	25	4.47	2.19
	Finance Cost	26	48.95	33.07
	Depreciation and Amortization Expenses	27	150.68	126.32
	Other Expenses	28	513.89	482.92
	Total Expenses		11,665.86	10,528.41
III	Profit before Tax (I-II)		614.86	433.91
IV	Tax Expenses	29	164.22	110.74
	- Current tax		114.05	70.98
	- Deferred tax		46.31	44.15
	- Adjustment of tax relating to previous years		3.86	(4.39)
V	Profit after Tax (III-IV)		450.64	323.17
VI	Other comprehensive income			
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	- Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
	- Re-measurement gains/ (losses) on defined benefit plans		-	-
	- Revaluation of land and buildings		-	-
	- Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
	Other comprehensive income for the year (net of tax)		-	-
VII	Total comprehensive income (Net of Tax) (V+VI)		450.64	323.17
VIII	Earning per share in (Rs.) (face value of Rs. 10 each)			
	Basic (Rs.)		2.25	1.62
	Diluted (Rs.)		2.25	1.62

The significant accounting policies and accompanying notes form an integral part of the Standalone Financial Statements.
There is no discontinuing operation in the above period.

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

As per our report of even date attached

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

Preeti Aggarwal
Company Secretary
PAN-AANPG3779M

Pankaj Gupta
CFO
PAN-ADYPG0044P

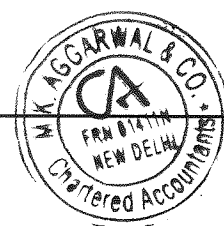
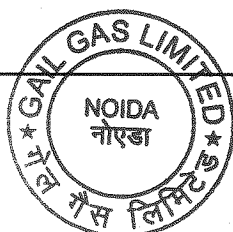
Goutom Chakraborty
CEO
PAN-ABKPC5087E

R K Jain
Director
DIN-08788595

Sandeep Kumar Gupta
Chairman
DIN-07570165

CA Atul Aggarwal
Partner
Membership No: 099374

Place: New Delhi
Date: 02-05-2025



GAIL GAS LIMITED

Standalone Statement of Changes in Equity for the Financial Year Ended 31st March 2025

I. Equity Share Capital (Note 13)

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

(Rs in Crore)

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

Particulars	Amount
As at 1st April 2023	2,000.00
Changes in equity share capital during the year	-
As at 31st Mar 2024	2,000.00

II. Other Equity (Note 14)

(Rs In Crore)

Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st Apr 2024	50.32	-	1,092.50	-	1,142.82
Profit for the year	-	-	450.64	-	450.64
Changes during the year	11.03	-	-	-	11.03
Dividend	-	-	-	-	-
Share application money received	-	-	-	-	-
Balance as at 31st Mar 2025	61.35	-	1,543.14	-	1,604.49

Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st Apr 2023	34.08	-	919.33	-	953.41
Profit for the year	-	-	323.17	-	323.17
Changes during the year	16.24	-	-	-	16.24
Dividend	-	-	(150.00)	-	(150.00)
Share application money received	-	-	-	-	-
Balance as at 31st Mar 2024	50.32	-	1,092.50	-	1,142.82

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

As per our report of even date attached

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

Preeti Aggarwal
Company Secretary
PAN-AANPG3779M

Pankaj Gupta
CFO
PAN-ADYPG0044P

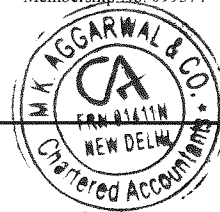
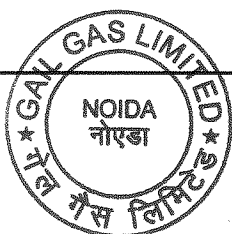
Goutom Chakraborty
CEO
PAN-ABKPC5087E

R K Jain
Director
DIN-08788595

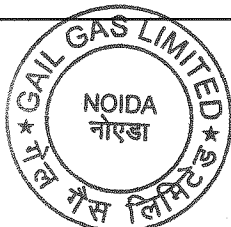
Sandeep Kumar Gupta
Chairman
DIN-07570165

CA Atul Aggarwal
Partner
Membership No: 099374

Place: New Delhi
Date: 02-05-2025



GAIL GAS LIMITED			
Standalone Cash Flow Statement for the Financial Year Ended 31st March 2025			
(Rs in Crore)			
Particulars	Year Ended 31st Mar 2025		Year Ended 31st Mar 2024
A CASH FLOW FROM OPERATING ACTIVITIES			
1 Profit before Tax	614.86		433.91
2 Adjustment for :			
Depreciation & Amortization Expenses	150.68		126.32
Exchange Rate Variation on foreign currency	0.03		(0.01)
Provision for Doubtful Debts	3.84		1.72
Provision for probable obligation	0.43		2.47
Provision/Loss on Capital Items due to Fire	-		0.09
Loss / (Profit) on sale of fixed assets	0.30		0.01
Provision for Losses/Obsolescence Material	-		0.04
Excess provision written off	(11.98)		(0.56)
Other Misc. Income	(0.06)		(0.28)
Dividend Income on Investments	(0.67)		(0.33)
Finance Cost	48.95		33.07
Interest Income	(34.13)		(13.93)
3 Operating Profit Before Working Capital Changes (1 + 2)	772.25		582.52
4 Changes in Working Capital (Excluding Cash & Bank Balances)			
Trade and Other Receivables	(164.92)		161.95
Inventories	(0.78)		2.11
Trade and Other Payables	9.51		157.60
5 Cash Generated from Operations (3 + 4)	616.06		904.18
6 Direct Taxes Paid (Net off Refund)	(113.00)		(61.00)
NET CASH FROM OPERATING ACTIVITIES (5 + 6)	503.06		843.18
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets (Net)	(496.45)		(551.68)
Investment in Other Companies (Net)	(18.88)		(3.90)
Investment in bank deposits with maturity more than three months	(450.00)		50.00
Movement in restricted bank balance	0.02		(1.04)
Loans & Advances - Related Parties	3.75		3.75
Dividend received on Investments	0.67		0.33
Interest Received	26.79		14.60
NET CASH FROM INVESTING ACTIVITIES	(934.10)		(487.94)
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long Term Borrowings	447.46		302.86
Repayment of Long Term Borrowings	(132.04)		(45.50)
Proceeds from Short Term Borrowings	-		2.70
Repayment of Short Term Borrowings	-		(2.70)
Repayment of Lease Liability	(40.84)		(35.59)
Interest Paid	(38.92)		(26.48)
Dividend Paid	-		(150.00)
NET CASH FROM FINANCING ACTIVITIES	235.66		45.29
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(195.38)		400.53
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	407.85		7.32
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	212.47		407.85
Note :			
1. Statement of Cash Flows has been prepared using Indirect Method as per Ind AS 7 Statement of Cash Flows.			
2. Refer Note 11A for Cash and Cash equivalents			
3. Previous year figures have been regrouped/reclassified, wherever necessary to correspond with current year's presentation/disclosure.			
For and on behalf of the Board of Directors of GAIL GAS LIMITED		As per our report of even date attached	
Preeti Preeti Aggarwal Company Secretary PAN-AANPG3779M Pankaj Gupta Pankaj Gupta CFO PAN-ADYPG0044P Goutom Chakraborty Goutom Chakraborty CEO PAN-ABKPC5087E R K Jain R K Jain Director DIN-08788595 Sandeep Kumar Gupta Sandeep Kumar Gupta Chairman DIN-07570165 Atul Aggarwal CA Atul Aggarwal Partner Membership No: 099374			
Place: New Delhi			
Date: 02-05-2025			



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

(Rs in Crore)

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progress *
1. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2024	35.09	2,791.53	124.77	2.75	47.33	3,001.47	1,498.95
Additions during the year	5.89	384.75	11.64	0.42	7.96	410.66	498.89
Transfer to Capitalisation	-	-	-	-	-	-	(410.66)
Sales/Disposals during the year	-	(0.16)	(0.16)	(0.02)	(0.07)	(0.41)	-
Transfer / Provision	-	-	-	-	-	-	(2.03)
Balance as at 31st Mar 2025	40.98	3,176.12	136.25	3.15	55.22	3,411.72	1,585.15
Accumulated Depreciation							
Balance as at 1st Apr 2024	-	344.42	18.91	0.97	20.54	384.84	-
Depreciation for the year	-	104.70	4.51	0.26	3.88	113.35	-
Disposals/Adj during the year	-	(0.02)	(0.02)	(0.01)	(0.04)	(0.09)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st Mar 2025	-	449.10	23.40	1.22	24.38	498.10	-
Net Book value							
As at 31st March 2025	40.98	2,727.02	112.85	1.93	30.84	2,913.62	1,585.15

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progress *
1. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2023	34.43	2,313.00	75.88	2.50	32.56	2,458.37	1,490.38
Additions during the Year	0.66	478.53	48.89	0.30	14.78	543.16	565.61
Transfer to Capitalisation	-	-	-	-	-	-	(543.16)
Sales/Disposals during the year	-	-	-	(0.05)	(0.01)	(0.06)	-
Transfer / Provision	-	-	-	-	-	-	(13.88)
Balance as at 31st Mar 2024	35.09	2,791.53	124.77	2.75	47.33	3,001.47	1,498.95
Depreciation and impairment							
Balance as at 1st Apr 2023	-	258.42	11.99	0.77	17.25	288.43	-
Depreciation for the year	-	86.00	6.92	0.24	3.30	96.46	-
Disposals/Adj during the year	-	-	-	(0.04)	(0.01)	(0.05)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st Mar 2024	-	344.42	18.91	0.97	20.54	384.84	-
Net Book value							
As at 31st Mar 2024	35.09	2,447.11	105.86	1.78	26.79	2,616.63	1,498.95

Capital work-in-progress ageing schedule

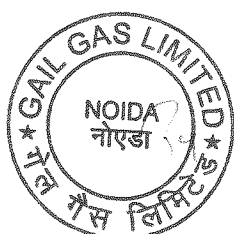
(Rs in Crore)

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	729.81	272.17	279.46	303.71	1,585.15
Total Capital work-in-progress	729.81	272.17	279.46	303.71	1,585.15

Capital work-in-progress	Amount in CWIP for a period of				As at 31st Mar 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	591.57	423.41	265.29	218.68	1,498.95
Total Capital work-in-progress	591.57	423.41	265.29	218.68	1,498.95

* Capital Work in Progress includes a sum of Rs.10.91 Crores as Material in Transit on 31.03.2025 (Previous Year of Rs. 5.31 Crores).

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



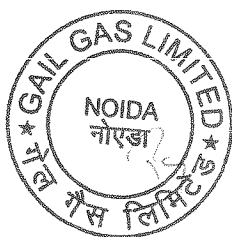
NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 3B : Right of Use Assets

(Rs in Crore)

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

Cost/ Valuation	Leasehold Land	Plant and Machinery	Buildings	Vehicle	Office Equipment	Total
1. Cost or deemed cost (Gross Carrying Amount)						
Balance as at 1st Apr 2023	75.90	-	23.22	61.54	0.01	160.67
Reclassification	-	-	-	-	-	-
Additions during the year	2.14	28.49	2.41	17.48	0.01	50.53
Sales/Disposal during the year	(0.10)	-	(2.64)	(4.67)	(0.01)	(7.42)
Transfer / Adjustment	(22.73)	-	17.72	(3.16)	-	(8.17)
Balance as at 31st Mar 2024	55.21	28.49	40.71	71.19	0.01	195.61
Accumulated Depreciation						
Balance as at 1st Apr 2023	11.56	-	10.51	24.81	-	46.88
For the year	2.47	3.14	6.24	22.08	0.01	33.94
Impairment	-	-	-	-	-	-
Sales/Disposal during the year	(0.07)	-	(2.64)	(4.55)	(0.01)	(7.27)
Transfer / Adjustment	-	-	-	(1.05)	-	(1.05)
Balance as at 31st Mar 2024	13.96	3.14	14.11	41.29	-	72.50
Net Book value						
As at 31st Mar 2024	41.25	25.35	26.60	29.90	0.01	123.11



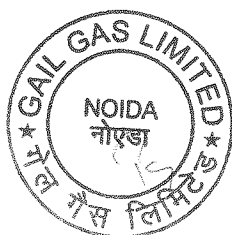
NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 4 : Intangible Assets

(Rs in Crore)

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

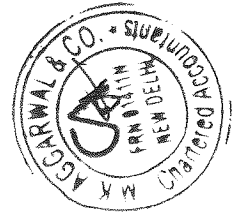
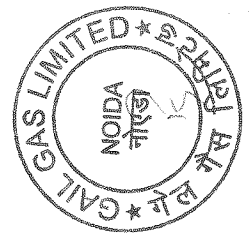
Cost/Valuation	Right of Use	Computer Software/Licenses	Total
I. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st Apr 2023	0.35	20.90	21.25
Additions during the year	-	-	-
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st Mar 2024	0.35	20.90	21.25
Accumulated Depreciation			
Balance as at 1st Apr 2023	-	19.93	19.93
For the year	-	0.42	0.42
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st Mar 2024	-	20.35	20.35
Net Book Value			
As at 31st Mar 2024	0.35	0.55	0.90



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 5 : Investments

				(Rs in Crore)	
	Particulars	Nature of investment	Basis of valuation	As at 31st Mar 2025	As at 31st Mar 2024
	Non-Current Investments (Unquoted)				
	In-Joint Venture Companies:				
1	- Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 10,93,30,449 Equity shares of Rs 10 each fully paid up (Previous year 9,85,70,849 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	109.33	98.57
2	- Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each fully paid up (Previous year 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each fully paid up)	Preference Shares	Cost	100.00	100.00
3	- Rajasthan State Gas Limited (RSGL) 6,50,00,000 Equity shares of Rs 10 each fully paid up (Previous year 6,50,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	65.00	65.00
4	- Vadodara Gas Limited (VGL) 4,10,08,943 Equity shares of Rs 10 each fully paid up (Previous year 4,10,08,943 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	41.01	41.01
5	- Haridwar Natural Gas Private Limited (HNGPL) 4,35,80,000 Equity shares of Rs 10 each fully paid up (Previous year 4,35,80,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	43.58	43.58
6	- Goa Natural Gas Private Ltd (GNGPL) 4,00,00,000 Equity shares of Rs 10 each fully paid up (Previous Year 4,00,00,000 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	40.00	40.00
7	- Purba Bharati Gas Private Limited (PBGPL) 4,37,21,600 Equity shares of Rs 10 each fully paid up (Previous year 3,55,96,660 Equity shares of Rs 10 each fully paid up)	Equity shares	Cost	43.72	35.60
	Total			442.64	423.76



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 6A : Trade Receivables (Non Current)

Particulars	(Rs in Crore)	
	As at 31st Mar 2025	As at 31st Mar 2024
From Others	14.37	11.57
From Related Parties	0.04	0.04
Less: Provision for Doubtful Debts	7.09	6.69
Less: Provision for expected credit loss	1.59	1.59
Total Trade and Other Receivables	5.73	3.33

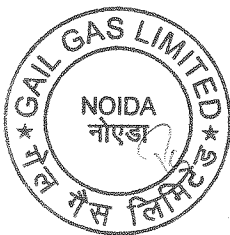
Note 6B : Trade Receivables (Current)

Particulars	(Rs in Crore)	
	As at 31st Mar 2025	As at 31st Mar 2024
From Others	833.56	688.31
From Related Parties	84.26	67.69
Less: Provision for Doubtful Debts	2.85	0.51
Less: Provision for expected credit loss	1.09	-
Total Trade and Other Receivables	913.88	755.49

Trade Receivables Ageing Schedule

Particulars	(Rs in Crore)						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	As at 31st Mar 2025
Non Current							
Considered Good - Secured	-	-	-	-	-	-	-
Considered Good -Unsecured	-	-	-	5.32	0.41	-	5.73
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	-	-	0.40	1.49	6.79	8.68
Less: Provision for Doubtful Debts	-	-	-	0.40	1.49	5.20	7.09
Less: Provision for Expected Credit Loss	-	-	-	-	-	1.59	1.59
	-	-	-	5.32	0.41	0.00	5.73
Current							
Considered Good - Secured	693.33	-	-	-	-	-	693.33
Considered Good -Unsecured	164.95	51.57	4.03	-	-	-	220.55
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	0.06	3.88	-	-	-	3.94
Less: Provision for Doubtful Debts	-	0.06	2.79	-	-	-	2.85
Less: Provision for Expected Credit Loss	-	-	1.09	-	-	-	1.09
	858.28	51.57	4.03	-	-	-	913.88
Total Trade and Other Receivables	858.28	51.57	4.03	5.32	0.41	0.00	919.61

Particulars	(Rs in Crore)						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	As at 31st Mar 2024
Non Current							
Considered Good - Secured	-	-	-	-	-	-	-
Considered Good -Unsecured	-	-	-	3.33	-	-	3.33
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	-	-	1.49	0.64	6.15	8.28
Less: Provision for Doubtful Debts	-	-	-	1.49	0.64	4.56	6.69
Less: Provision for Expected Credit Loss	-	-	-	-	-	1.59	1.59
	-	-	-	3.33	0.00	0.00	3.33
Current							
Considered Good - Secured	582.65	-	-	-	-	-	582.65
Considered Good -Unsecured	131.03	36.78	5.03	-	-	-	172.84
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	0.11	0.40	-	-	-	0.51
Less: Provision for Doubtful Debts	-	0.11	0.40	-	-	-	0.51
Less: Provision for Expected Credit Loss	-	-	-	-	-	-	-
	713.68	36.78	5.03	-	-	-	755.49
Total Trade and Other Receivables	713.68	36.78	5.03	3.33	0.00	0.00	758.82



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 7A : Loans (Non Current)

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Loans:		
To Related Parties:		
Secured, Considered good		
- Loan to Joint Venture Company	-	3.75
(HNGPL Rs. Nil (Previous Year Rs. 3.75 Crore)		
Total	-	3.75

Note 8A : Other Financial Assets (Non Current)

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Security deposits:		
- Unsecured considered good	12.82	10.21
[includes deposit amounting to INR 1.52 Cr. (Previous year Rs. 1.52 Cr.) of Holding Company]		-
Total	12.82	10.21

Note 7B : Loans (Current)

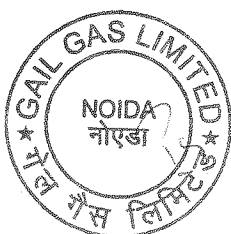
(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Loans:		
To Related Parties:		
Secured, Considered good		
- Loan to Joint Venture Company	3.75	3.75
(HNGPL Rs. 3.75 Crore (Previous Year Rs. 3.75 Crore)		
Total	3.75	3.75

Note 8B : Other Financial Assets (Current)

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
<u>Recoverables from related parties:</u>		
-Receivables from joint ventures (Unsecured considered good)	54.78	50.08
[includes Corporate guarantee receivable amounting to INR Nil (Previous year Rs. 0.06 Cr.) of JV Company]		
Security deposits:		
- Unsecured, Considered Good	1.32	1.23
Interest Accrued but not due	7.84	0.50
Total	63.94	51.81



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 9A : Other Non Current Assets

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Prepaid Expenses [Including Rs.23.89 Cr. (Previous year Rs.21.58 Cr.) in respect of Finanacial Guarantee of Holding Company]	24.52	22.23
Capital Advances [Including Rs.20.90 Cr. (Previous year Rs.18.11 Cr.) in respect of Hookup advance of Holding Company]	20.90	18.11
Total	45.42	40.34

Note 9B : Other Current Assets

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Claims recoverables: (Unsecured considered good)	33.72	33.48
Other advances recoverable in cash or in kind		
- Unsecured considered good	2.70	6.44
- Unsecured considered doubtful	0.31	0.31
Less : Provision for doubtful deposits	0.31	0.31
Prepaid Expenses [Including Rs.6.98 Crore (Previous year Rs.5.78 Cr.) on account of Finanacial Guarantee of Holding Company]	20.81	20.76
Total	57.23	60.68

Note 10 : Inventories

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Stock in Trade:		
- Natural Gas	2.09	2.18
Finished Goods:		
Compressed Natural Gas	3.61	1.43
Stores and Spares:		
Stores and Spares	7.79	9.09
Total	13.49	12.70

Note 11A : Cash and Cash Equivalents

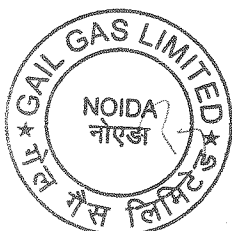
(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Balances with banks:		
- Current accounts	42.68	15.17
- Corporate Liquid Term Deposit - SBI with maturity less than three months.	2.26	2.00
- Corporate Liquid Term Deposit - ICICI with maturity less than three months.	161.00	386.50
Cash on hand	6.10	4.18
Cheques on hand	0.43	-
Total	212.47	407.85

Note 11B : Bank Balances Other than Cash and Cash Equivalents

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Other Bank Balances		
- Term Deposit - maturity more than three months	450.01	0.01
Balances with banks:		
- Unspent CSR Accounts	1.79	1.81
Total	451.80	1.82

Note 12 : Current Tax Assets (Net)

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Advance tax and TDS	127.26	72.68
Less : Provision for Tax	114.05	70.98
Total	13.21	1.70



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 13 : Equity share capital

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Share capital		
Authorised		
5,00,00,00,000 Equity Shares of Rs. 10 each (Previous Year 5,00,00,00,000 Equity shares of Rs. 10 each)	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, subscribed and fully paid up		
1,86,73,34,132 Equity shares of Rs. 10 each (in cash) (Previous Year 1,86,73,34,132 Equity shares of Rs. 10 each)	1,867.33	1,867.33
13,26,65,868 Equity Shares of Rs. 10 each (otherwise than in cash). (Previous Year 13,26,65,868 Equity shares of Rs. 10 each)	132.67	132.67
Total	2,000.00	2,000.00

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

(Rs in Crore)

Description	As at 31st Mar 2025		As at 31st Mar 2024	
	No of Share	Amount	No of Share	Amount
At the beginning of the year	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Change in Equity Share during the Period	-	-	-	-
Outstanding at the end of the period	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00

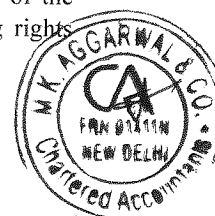
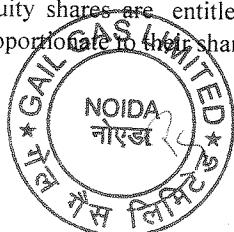
b) Details of Shareholding more than 5% shares in the company

Description	As at 31st Mar 2025		As at 31st Mar 2024	
	No of Share	% Holding	No of Share	% Holding
Equity share of Rs.10 Each fully Paid Up GAIL(India) Ltd	2,00,00,00,000	100%	2,00,00,00,000	100%

c) Shares held by promoters as at Mar 31, 2025

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

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



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

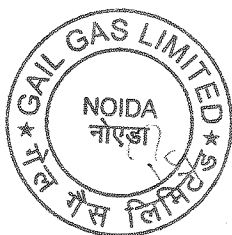
Note 14 : Other equity

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Deemed Equity *	61.35	50.32
Retained Earnings		
Opening balance	1,092.50	919.33
Add: Current Period Profit	450.64	323.17
Less: Interim Dividend	-	150.00
Total	1,604.49	1,142.82

* The amount of Rs.61.35 Crore (Previous year Rs.50.32 Crore) denotes fair value of fees towards financial guarantee received from the Holding Company GAIL (India) Limited without any consideration.

Note 15A : Borrowings

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Non current borrowings		
Secured Term loans:		
- Oil Industry Development Board		
Secured against all the assets of Bengaluru Projects. The loan is repayable after 3 years of moratorium period. The total loan outstanding for Bengaluru Project was Rs. 206.83 cr. till 31.03.2025. The current portion of long term borrowing of Rs.45.50 cr., which will be due within next 12 months is disclosed under current financial liabilities. Loans drawn in different tranches and some of the tranches carrying floating rate of interest and some tranches carrying fixed rate of interest. The effective rate of interest is varying between 6.44% to 7.20% (as on 31.03.2025).	161.33	206.83
- HDFC Bank		
Loan is availed based on the Corporate Guarantee of the Holding company and Secured against First charge over the fixed assets (both movable and immovable) of the Borrower, both present and future, in relation to the all geographical areas of CGD bidding. The drawdown period was up to 15th December 2024 including amount drawn under accelerated drawdown mode.	1,124.99	878.57
Loan has a Door to Door tenor of 11 years from September 28th 2021 till September 30th, 2032 and shall be repaid in 32 consecutive equal quarterly instalments commenced from December 31, 2024 & ending on September 30, 2032. Loan carries rate of interest of 0.95 bps above RBI Repo rate, present effective 7.20% (as on 31.03.2025) per annum per month and shall be fully floating and will change with change of RBI repo rate.		
Total	1,286.32	1,085.40



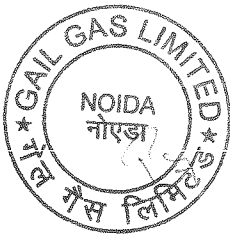
NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 15B : Borrowings

Particulars	(Rs in Crore)	
	As at 31st Mar 2025	As at 31st Mar 2024
Current maturity of Borrowings		
Secured Long Term loans:		
- Oil Industry Development Board		
Secured against all the assets of Bengaluru Projects. The loan is repayable after 3 years of moratorium period. The total loan outstanding for Bengaluru Project was Rs. 206.83 cr. till 31.03.2025. The current portion of long term borrowing of Rs.45.50 cr., which will be due within next 12 months is disclosed under financial liabilities.	45.50	45.50
- HDFC Bank		
Loan is availed based on the Corporate Guarantee of the Holding company and Secured against First charge over the fixed assets (both movable and immovable) of the Borrower, both present and future, in relation to the all geographical areas. The current portion of long term borrowing of Rs.173.07 cr., which will be payable quarterly instalments within next 12 months is disclosed under current financial liabilities.	173.07	58.57
Total	218.57	104.07

Note 16 : Deferred Tax Liabilities (Net)

Particulars	(Rs in Crore)			
	As at 31st Mar 2025		As at 31st Mar 2024	
Deferred Tax Liabilities		252.69		204.97
Less: Corporate MAT Receivable	8.97		8.97	
Less : Provision for MAT Credit	8.97	-	8.97	-
Total		252.69		204.97



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

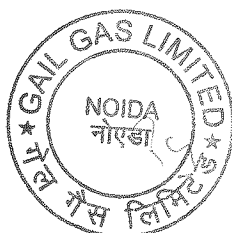
Note 17 : Trade Payables

Particulars	(Rs in Crore)	
	As at 31st Mar 2025	As at 31st Mar 2024
Trade payables to related parties	654.48	744.54
Trade payable to Micro and Small Enterprises	46.04	34.77
Trade payable other than Micro and Small Enterprises	143.04	101.05
Total	843.56	880.36

Trade Payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					(Rs in Crore)
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	As at 31st Mar 2025
						Total
Trade payable to Micro and Small Enterprises	42.96	3.08	-	-	-	46.04
Trade payable other than Micro and Small Enterprises	59.11	738.29	0.12	-	-	797.52
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Total	102.07	741.37	0.12	-	-	843.56

Particulars	Outstanding for following periods from due date of payment					(Rs in Crore)
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	As at 31st Mar 2024
						Total
Trade payable to Micro and Small Enterprises	27.91	6.86	-	-	-	34.77
Trade payable other than Micro and Small Enterprises	23.84	818.98	2.77	-	-	845.59
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Total	51.75	825.84	2.77	-	-	880.36



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note 18 : Other Financial Liabilities (Current)

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Deposits/Retention Money from Customers/contractors/others	319.08	276.62
Payable for Capital expenditure	184.10	160.97
Other Liabilities	24.06	27.11
Total	527.24	464.70

Note 19 : Other Current Liabilities

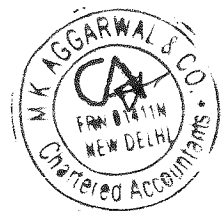
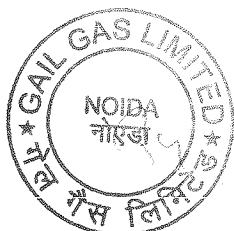
(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Statutory payables		
TDS, VAT, Excise, GST and WCT payable	31.85	45.68
Guarantee Obligation	-	0.06
Other Payables	0.12	0.44
Total	31.97	46.18

Note 20 : Provisions

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Provision for Probable Obligations	9.39	8.96
Total	9.39	8.96



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note : 21 Revenue from Operations

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Sale of Products		
City Gas Distribution	4,947.52	4,138.96
Natural Gas Trading	7,263.92	6,786.48
Other Operating Income:		
Service charges	15.70	14.84
Interest Income from Customers & Others	1.80	1.78
Income from Extra Pipe Line	1.27	1.55
Income from after Sales Service	0.57	0.51
Total	12,230.78	10,944.12

Note : 22 Other Income

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Interest Income	34.13	13.93
Miscellaneous Receipts	15.14	3.94
Dividend Income from Investments	0.67	0.33
Total	49.94	18.20

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

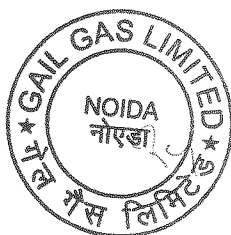
(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Natural Gas	10,669.52	9,701.94
Total	10,669.52	9,701.94

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

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Changes in Stock of Natural Gas and CNG:		
Closing Stock	5.70	3.61
Opening Stock	3.61	2.99
(Increase) / Decrease in Stock	(2.09)	(0.62)



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note : 25 Employee Benefit Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Salary Wages & Allowances	4.33	2.12
Contribution to Provident Fund	0.14	0.07
Total	4.47	2.19

Note : 26 Finance Cost

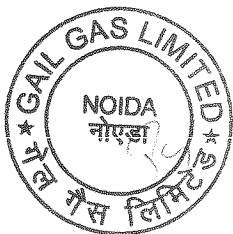
(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Interest on Term Loan From HDFC	85.34	56.52
Interest on Term Loan From OADB	16.65	20.08
Interest on Working Capital /Cash Credit Facilities	-	0.02
Interest on Lease Liability	7.61	5.51
Interest on Others	7.58	4.94
Less: Interest & Finance Charges transferred to IEDC	68.23	54.00
Total	48.95	33.07

Note : 27 Depreciation & Amortisation Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Depreciation & Amortisation Expenses	153.20	129.77
Less: Depreciation and Amortization transferred to IEDC	2.52	3.45
Total	150.68	126.32

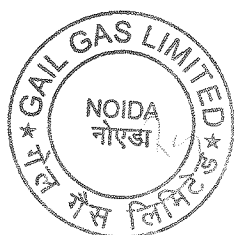


NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note : 28 Other Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025		Year Ended 31st Mar 2024	
Power & Fuel Charges				
-Electricity Charges		16.61		14.39
-Fuel Charges		47.94		30.30
Rent-Office & Others		10.69		10.68
Manpower cost	129.18		254.36	
Less: Manpower cost transferred to CWIP	52.06		88.26	
Less: Reimbursement of employees on deputation	8.86	68.26	12.62	153.48
Repairs and Maintenance				
-Plant & Machinery		133.14		101.37
-Buildings		0.07		0.18
-Others		28.96		25.21
Insurance Charges		14.03		11.69
Rates & Taxes		0.61		0.49
Payment to Auditors				
-Audit Fees		0.17		0.14
-Tax audit Fees		0.05		0.01
-Other Services (for issuing certificates, etc.)		0.02		-
-Travelling & Out of Pocket Expenses		0.08		0.04
Stores & Spares Consumed		5.79		3.59
Loss/(Gain) of Foreign Currency Transaction		0.03		(0.01)
Water Charges		0.02		0.01
Communication Expenses		0.30		0.27
Printing & Stationery		0.76		0.64
Travelling Expenses		4.15		4.15
Books & Periodicals		0.01		0.01
Provision for Probable Obligation		0.43		2.47
Advertisement & Publicity		1.58		1.06
Training Expenses		0.40		0.76
Vehicle Hire & Running Expenses		4.34		3.25
Vehicle Hire Charges LCV/ERV		22.72		18.60
Consultancy & Legal Charges		2.67		1.22
Data Processing Expenses		17.67		4.68
Selling & Distribution Expenses		4.44		4.69
Dealer Commission		91.34		52.35
Security Expenses		7.55		7.40
CSR Expenses		8.49		10.24
Loss on sale of Fixed asset		0.30		0.01
Provision for Losses/Obsolescence Material		-		0.04
Provision/Loss on Capital Items due to Fire		-		0.09
Provision for Doubtful debts / claims		3.84		1.72
Business Development Expenses		0.00		0.00
Other Miscellaneous Expenses		17.92		19.31
Less: Expenditure transferred to CWIP				
IEDC - Travelling Expenses		1.49		1.61
Total		513.89		482.92

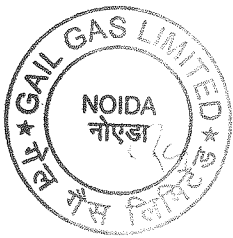


NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Note : 29 Tax Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Current tax	114.05	70.98
Deferred Tax	46.31	44.15
Provision / Adjustment of Tax relating to earlier periods	3.86	(4.39)
Total	164.22	110.74



30. The Company is a wholly owned subsidiary of GAIL (India) Ltd. The Authorized Capital of the Company as on 31st March, 2025 is Rs. 5000 Crores (Previous Year: Rs. 5000 Crores) and issued, subscribed and paid-up capital as on 31st March, 2025 is Rs. 2000 Crores (Previous Year: Rs. 2000.00 Crores).

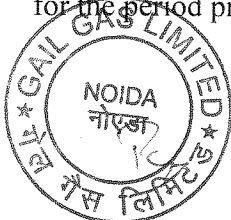
31. Capital Commitments:

- (i) The estimated amount of contracts over Rs. 5 lacs amounting to Rs. 1180.44 Crores (Previous Year Rs. 921.92 Crores) remain to be executed on capital account.
- (ii) The Company has no uncalled liability on shares and other partly paid-up investments.

32. Contingent Liabilities:

Claims against the company not acknowledged as debts:

- (i) Legal cases of Rs. 5.47 Crores (Previous Year: Rs. 3.66 Crores) by vendors/customers/suppliers/contractors etc. Further, the Company has certain ongoing litigations involving customers and vendors and based on the legal advice of inhouse legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.
- (ii) Disputed Direct Tax Demand of Rs. 1.32 Crore for Assessment Year 2018-19 (Previous Year: Rs. 1.28 Crores for Assessment Years 2018-19) on account of disallowance of certain expenses as per assessment order dated 09.03.2021 against which the company has filed an appeal with CIT (Appeals) on 08.04.2021.
- (iii) Disputed Direct Tax Demand of Rs. 9.45 Crores for Assessment Year 2020-21 (Previous Year: 9.02 Crores) on account of disallowance of certain expenses as per assessment order dated 25.09.2022. Further, against which the company has filed an application for re-computation of Income u/s 155(18) of the Income Tax Act, 1961 on 12.10.2022 by accepting the demand of Rs 0.32 Crores and subsequently filed an appeal with CIT (Appeals) on 25.10.2022 which is not yet finalized.
- (iv) Disputed Indirect Tax demand for Assessment Year 2010-11 under the Excise and VAT Acts of Rs. 3.04 Crores (Previous Year: Rs. 2.82 Crores).
- (v) Re-assessment notice dated 14.3.2011 were issued on the holding company GAIL (India) Ltd by the commercial tax department under the U.P. Trade Tax Act, 1948 in respect of Entry tax on taxable amount of Rs.26.25 Crore arising out of for the assessment years 2004-05 and 2005-06, to be ascertained on re-assessment. Against these re-assessment notices, a writ petition was filed by the holding company with the Hon'ble Allahabad High Court which was dismissed on 18.4.2011 and against which Special Leave Petition was filed by the holding company in May, 2011 with the Hon'ble Supreme Court of India which is yet to be decided. Business Transfer Agreement dated 31.10.2011 transfers Agra Firozabad City Gas Distribution business to the company from the holding company with effect from 16.11.2011, under which the company has exclusive obligations to deal with any and all court cases that are brought against the company or holding company whether for the period prior to the date of transfer or thereafter.



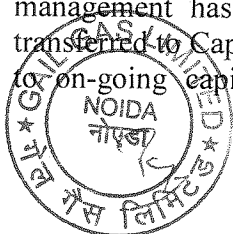
Demand, if any will be ascertained on reassessment. Hon'ble Supreme Court of India has issued an interim order directing Commercial Tax authorities that final assessment order shall not be passed without leave of Hon'ble Supreme Court of India.

- (vi) Bank Guarantee of Rs. Nil (Previous Year: Rs.601.60 Crores) in favor of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization of geographical areas (GAs) awarded to M/s. Goa Natural Gas Pvt. Ltd in respect of North Goa Districts. Further, w.e.f. 07.06.2024, M/s. Goa Natural Gas Pvt. Ltd has submitted the Bank Guarantee to PNGRB directly which was earlier provided by the Company on behalf of M/s. Goa Natural Gas Pvt. Ltd and accordingly the same has been closed.

The above Bank Guarantee has been given to PNGRB based on the Corporate Guarantee provided by the holding company GAIL (India) Ltd and M/s Bharat Petroleum Corporation Limited (BPCL), the other joint venture partner of Goa Natural Gas Pvt. Ltd. Further, this Corporate Guarantee as provided to IndusInd Bank on behalf of the Company has been closed due to closure of the Bank Guarantee as mentioned above.

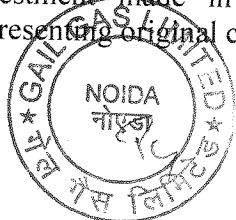
- (vii) The company is carrying on construction activities for capital projects in 11 GAs awarded by the PNGRB in 9th, 10th and 11th CGD bidding round to meet the Minimum Work Program (MWP) targets as per grant of authorization. Keeping in view delay in availability of pipeline connectivity from the gas source to the respective GAs and non-availability of permissions from different authorities, there is a shortfall in achievement of MWP targets as per grant of authorization. In this regard the Company has not received any notices from PNGRB till date. Therefore, penalty for not meeting of MWP targets aggregating to Rs. 36.09 Crores as on 31st March, 2025, (Previous year: Rs. 15.97 Crore) has been disclosed as Contingent Liability. Management is hopeful that the Company will achieve the cumulative MWP targets in its subsequent periods as per grant of authorization.
33. The Company has submitted a Bank Guarantee of Rs. 2079.99 Crores (Previous Year: Rs. 2079.99 Crores) in favour of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization for Bengaluru Rural and Urban Districts GA.
34. All the employees of GAIL Gas Limited (other than Fixed Term Employees) are deputed from the parent Company i.e. GAIL (India) Limited.
- (i) The Parent Company has raised invoices on the monthly basis by charging GST on the secondment of employees at GAIL Gas Limited. The Company has disclosed the cost of employees deputed from the parent Company under Other expenses - Manpower deputation cost (Note 29).
- (ii) The Company has appointed Fixed Term Employees (FTE's) and as on 31st March 2025, 55 number of FTE's is on payroll (Previous year: 69 number). They are engaged for a fixed period of 3 years and further their engagement may be extendable for a maximum period of 2 years on a yearly manner. Salaries and allowances of FTE's paid by the Company which have been accounted under Employee benefit expense.

Employees work in various disciplines including project activities and operation activities. Salary and other expenses of employees identified under project activities by the management has been accounted as incidental expenditure during construction and transferred to Capital work in progress. Rent, Depreciation and other expenses pertaining to on-going capital projects have been accounted as incidental expenditure during



construction and transferred to Capital work in progress. During the year, a sum of Rs.56.07 Crores (Previous Year: Rs. 93.32 Crores) has been accounted as Incidental Expenditure during Construction.

35. Capital Work in Progress includes assets under construction which are at different stages of completion. Capitalization is done as and when the asset is ready to be put to use, based on certification by the PMC. The Company is engaged in the business of City Gas Distribution (CGD) in India which involves distribution of gas from sources of supply to the end user customers. The CGD project is designed considering demand, supply and future requirements based on the facilities envisaged for CGD network in authorized areas for 25 years on the basis of authorization from Petroleum and Natural Gas Regulatory Board (PNGRB) to lay, build, operate or expand city or local natural gas distribution network. On the basis of demand projections, the CGD network is planned. Project execution plans are modulated on the basis of continuous ongoing expansion and all the projects are executed and expanded on ongoing basis as per rolling annual plan. Hence, it is considered that there is no project whose completion is overdue or has exceeded its cost compared to its original plan.
36. The company has lodged insurance claims of Rs 13.49 Crores for the fire occurred in last financial year at CWC Warehouse, Dehradun GA. During the current financial year 2024-25, Rs. 11.51 Crore were received from the Insurance Company.
37. Free Issue Material amounting to Rs. 43.96 Crores (Previous Year: Rs 33.64 Crores) is lying with the contractors as at year end, which has been confirmed by the contractors & PMC.
38. Provisional liabilities of Rs. 270.72 Crores (Previous Year Rs. 195.41 Crores) have been created in the books of accounts as on 31.03.2025 on the basis of work done till that date for which invoices are yet to be received from the parties and will be settled on submission of actual invoices.
39. Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a 50:50 Joint Venture Company (JVC) of GAIL Gas Limited (GAIL Gas) and Andhra Pradesh Gas Infrastructure Corporation Pvt. Ltd. APGDC has surrendered its authorization of KSPL project during the preceding financial year due to various challenges to complete the project. Further, it was requested by APGDC to PNGRB to factor in the investment done by APGDC while conducting the re-bidding of this line to recover the investment made in the project considering the same is public money. PNGRB has directed to submit a detailed location of pipeline laid along with fit for purpose report of pipeline, duly authenticated by a reputed Project Management Consultancy firm. The impact assessment (fit for purpose report of pipeline) has been completed and determined to be healthy. The report has been submitted to PNGRB. Further, PNGRB has invited bids for Mallavaram to Srikakulam pipeline (MSPL) which includes the KSPL stretch. The original bid submission last date was 14.04.2025 & the technical bid opening date was 16.04.2025 and now it has been extended up to 30.05.2025 and 03.06.2025 respectively. The bid provision includes option for bidders to take over the assets of APGDC at its own discretion and mutual agreement. Accordingly, the Company will be evaluating its investment for purpose of impairment (to derive a reliable estimate of future cash flows from the net investments made in APGDC for KSPL Project) as per the requirement of Ind AS based on the outcomes of future events. Further, the Company disclosed its investment made in APGDC of Rs.209.33 Crore (Previous year: Rs.198.57 Crore) representing original cost of investment.

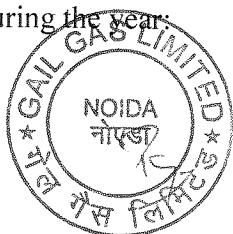


40. As per provisions of Ind AS 109, the company has made following fair valuation recognition:

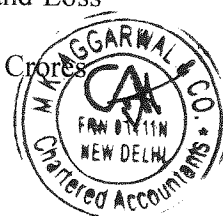
- a. In previous years, the Holding Company GAIL (India) Ltd has provided Corporate Guarantee's to the Company, for obtaining Bank Guarantees in favour of PNGRB for different GA's. The Company has been shown it as deemed equity as capital contribution from Holding Company (Note-14) based on the fair valuation as per Ind AS 109. The Corporate Guarantee (CG) wise details are given below;

<i>Amount in Rupees Crore</i>				
Sl no.	Descriptions	Deemed Equity (Note-14)	Pre-paid expenses (Note-9)	Guarantee commission expenses (Note-26).
1	CG Bengaluru Rural and Urban Districts GA of Rs. 2079.99 Crore (Valid up to 18.11.2024)	11.74 (11.74)	Nil (1.44)	1.44 (0.71)
2	CG 10 th Bidding round GAs of Rs. 133 Crore (Valid up to 24 th March 2022)	0.72 (0.72)	- -	- -

- b. In case of Corporate Guarantee of Rs. 752 Crores (reduced to Rs.300.80 Crore) valid up to 07.06.2024 provided by the Holding Company GAIL (India) Ltd. for the Bank Guarantee in favor of PNGRB for GA awarded to the joint venture company i.e. GNGPL, a sum of Rs. 4.41 Crores (Previous Year: Rs. 4.41 Crores) has been shown as deemed equity as capital contribution from Holding Company (Note-14) with corresponding account receivables from Joint Venture Company Goa Natural Gas Pvt. Limited. (Note-8B), based on the fair valuation.
- c. In case of Corporate Guarantee provided by the Holding Company GAIL (India) Ltd. for sanction of long-term loan of up to Rs. 1500 Crores (Previous Year: Rs. 1500 Crores) from HDFC, a sum of Rs. 11.03 Crores (Previous Year: Rs. 33.45 Crores) has been shown as deemed equity as capital contribution from the Holding Company (Note-14). Accordingly, a sum of Rs. 30.87 Crores (Previous Year: Rs. 25.92 Crores) has been shown as pre-paid expenses (Note-9) and Rs.6.14 Crores (Previous Year: Rs. 3.94 Crores) as guarantee commission expenses (Note-26).
41. Department of Investment & Public Asset Management (DIPAM) Government of India, Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18.11.2024 has issued revised guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend. In FY 2024-25, the Board of Directors of the company has proposed a final dividend of Rs.150 Crore (Previous Year: Interim Dividend of Rs.150 Crore) more than the minimum required as per the above guidelines.
42. In compliance with Ind AS 12 on "Income Taxes" issued by the Institute of Chartered Accountants of India, the Company has created tax liability as per details given below:
- (i) Income Tax related to items charged or credited directly to Statement of Profit and Loss during the year:



Rs. in Crores



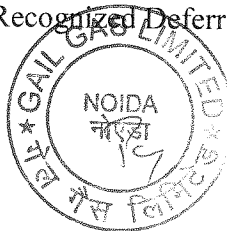
Statement of Profit and Loss	31st March, 2025	31st March, 2024
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	114.05	70.98
Provision/Adjustment of Tax relating to earlier periods	-	-
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	-
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	-
	114.05	70.98
Deferred Income Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations).	46.31	44.15
Adjustment on account of opting concessional rate u/s 115BAA w.e.f FY 2019-20 (Continuing operations)	-	-
Relating to origination and reversal of temporary differences (Discontinued Operations)	-	-
	46.31	44.15
Provision for MAT Credit	-	-
Income Tax Expense reported in the Statement of Profit and Loss	160.36	115.13

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

Rs. in Crores

	31st March, 2025	31st March, 2024
Profit Before Income Tax	614.86	433.91
Current Tax Rate	18.55%	16.36%
Computed Effective Tax Expense	114.05	70.98
Movement in Deferred Tax Liability	46.31	44.15
Provision for MAT Credit	-	-
Income Tax charged to Statement of Profit and Loss	160.36	115.13
Effective Tax Rate	26.08%	26.53%

(iii) Recognized Deferred Tax Assets and Liabilities:



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

Rs. in Crores

Particulars	Balance Sheet		Statement of Profit & Loss	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Property, Plant and Equipment	(258.69)	(214.32)	(44.37)	(42.17)
Provisions	6.00	7.94	(1.94)	(1.98)
Deferred Tax Assets/ (Liabilities)	(252.69)	(206.38)	(46.31)	(44.15)
Offsetting of Deferred Tax Assets/ (Liabilities)	-	-	-	-
Net Deferred Tax Assets /(Liabilities)	(252.69)	(206.38)	(46.31)	(44.15)

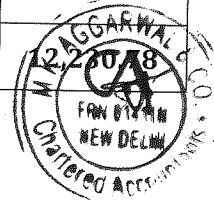
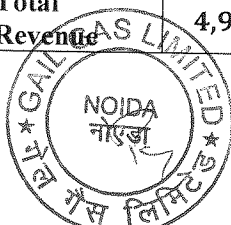
43. In terms of disclosure requirement as per Ind-AS 23 on "Borrowing Costs", total finance cost of Rs.117.18 Crores (Previous Year: Rs.87.07 Crores) was incurred by the company during the year, out of which an amount of Rs. 68.23 Crores (Previous Year: Rs. 54.00 Crores) has been allocated towards Capital Work in Progress during the year in respect of pipelines and CNG Stations under construction. The company has used the borrowings from banks and OADB for the specific purpose for which it was taken.
44. In compliance of Ind AS 36 on "Impairment of Assets", company has carried out an assessment and confirm that there are no impairment assets which required provision.
45. In compliance of Ind AS 108 on "Operating ", the Company has adopted following Business segments as its reportable segments:
- City Gas Distribution
 - Natural Gas Trading

Geographical Information:

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

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

Sl No	Segment	City Gas Distribution	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	Segment Revenue #						
	External Sales / Other Income	4,966.86	7,263.92	-	12,230.78	-	12,230.78
	Intersegment Sales	-	-	-	-	-	
	Total Revenue	4,966.86	7,263.92	-	12,230.78	-	



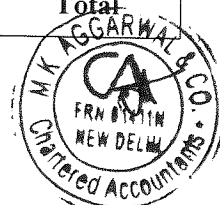
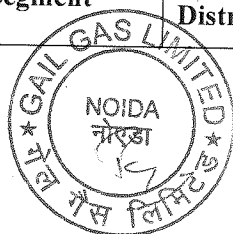
NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

2	Segment Results						
	Segment Result (Profit before Interest & Tax)	633.28	82.84	-	716.12	-	716.12
	Unallocated expenses (Net)	-	-	87.11	87.11	-	87.11
	Operating Profit	633.28	82.84	(87.11)	629.01	-	629.01
	Interest Expenses	-	-	48.95	48.95	-	48.95
	Interest/ Dividend Income	-	-	34.80	34.80	-	34.80
	Provision for Taxation	-	-	164.22	164.22	-	164.22
	Profit/(Loss) from Ordinary Activities	633.28	82.84	(265.47)	450.64	-	450.64
	Net Profit/(Loss)	633.28	82.84	(265.47)	450.64	-	450.64
3	Other Information						
	Segment Assets	5,056.41	634.03	1,196.88	6,887.32	-	6,887.32
	Segment Liabilities	985.97	539.28	1,757.58	3,282.83	-	3,282.83
	Cost to acquire fixed assets	581.52	-	-	581.52	-	581.52
	Depreciation and Amortization Expenses	149.92	-	0.76	150.68	-	150.68
	Non-Cash expenses other than Depreciation and Amortization Expenses	12.08	-	7.70	19.79	-	19.79

Segment Revenue includes Other Operating revenue

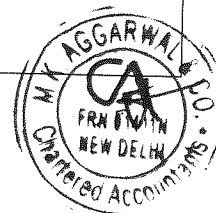
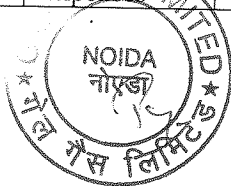
Information about Business Segments for the financial year ended 31st March 2024

Sl No	Segment	City Gas Distribution	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
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NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

1	Segment Revenue #						
	External Sales / Other Income	4,157.64	6,786.48	-	10,944.12	-	10,944.12
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	4,157.64	6,786.48	-	10,944.12	-	10,944.12
2	Segment Results						
	Segment Result (Profit before Interest & Tax)	503.66	68.94	-	572.60	-	572.60
	Unallocated expenses (Net)	-	-	119.88	119.88	-	119.88
	Operating Profit	503.66	68.94	(119.88)	452.72	-	452.72
	Interest Expenses	-	-	33.07	33.07	-	33.07
	Interest/ Dividend Income	-	-	14.26	14.26	-	14.26
	Provision for Taxation	-	-	110.74	110.74	-	110.74
	Profit/(Loss) from Ordinary Activities	503.66	68.94	(249.43)	323.17	-	323.17
	Net Profit/(Loss)	503.66	68.94	(249.43)	323.17	-	323.17
3	Other Information						
	Segment Assets	4,572.40	543.63	900.75	6,016.78	-	6,016.78
	Segment Liabilities	804.72	674.80	1,394.44	2,873.96	-	2,873.96
	Cost to acquire fixed assets	616.14	-	-	616.14	-	616.14
	Depreciation and Amortization Expenses	125.77	-	0.56	126.32	-	126.32
	Non-Cash expenses other than Depreciation and Amortization Expenses	9.96	-	4.80	14.75	-	14.75



Segment Revenue includes Other Operating revenue

Information about major customers:

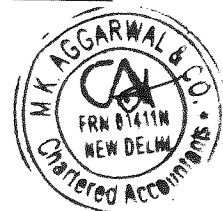
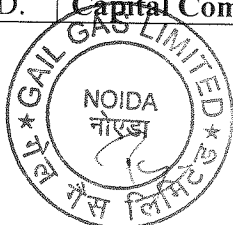
During the year ended 31st March, 2025 One customer (Previous Year: one) contributed more than 10% of revenue. Revenue from this customer was Rs. 5625.64 Crores during the year ended 31st March, 2024 (Previous Year: Rs. 5481.69 Crores).

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

Sl. No.	Name of Companies (Indian Entities) & Principal Place of business	Relation	Proportion of ownership as on	
			31.03.2025	31.03.2024
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada- Andhra Pradesh*	Joint Venture	50%	50%
2	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Joint Venture	17.07%	17.07%
3	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Joint Venture	50%	50%
4	Haridwar Natural Gas Pvt. Ltd. (HNGPL), Haridwar, Uttarakhand	Joint Venture	50%	50%
5	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Joint Venture	50%	50%
6	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam	Joint Venture	26%	26%

The company's share in the assets and liabilities and in the income and expenditure for the year in respect of above joint venture companies based on audited financial statements of Haridwar Natural Gas Pvt. Ltd, Goa Natural Gas Pvt. Ltd. and unaudited financial statements of other 4 joint venture companies as furnished by management of these companies is as under:

Rs. in Crores			
Sl. No.	Description	31.03.2025	31.03.2024
A.	Summary of Balance Sheet		
1	Assets		
	Non-Current	827.39	758.82
	Current	80.18	79.05
	Total	907.56	837.87
2.	Liabilities & Provisions		
	Non-Current	332.31	302.78
	Current	207.65	192.94
	Total	539.86	495.72
B.	Summary of Profit and Loss Account		
1.	Income	338.05	262.74
2.	Expenditure	326.98	260.09
C.	Contingent Liability	53.51	54.31
D.	Capital Commitment	143.29	179.55



*The audited financial statements and audit report of the Company has not been received for last two financial years.

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

Disaggregated Revenue Information

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

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

Sale of natural gas includes excise duty but excludes value added tax (VAT) collected from customers on behalf of the government. All revenues are earned on transfer of goods or services to the customers.

Contract Asset and Liabilities

	Rs. in Crores	
Description	As on 31 st March, 2025	As on 31 st March, 2024
Contract Asset (Unbilled revenue)	14.23	12.73
Contract Liabilities	0.21	0.21

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

Performance Obligation

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

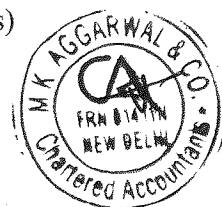
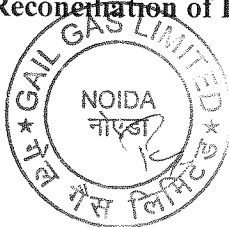
48. In compliance of Ind AS 116 on 'Leases', the disclosures in respect of Leases are as under:

I. Company as Lessee:

a) Lease Liabilities

Reconciliation of Lease Liabilities:

(Rs. In Crores)



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Opening Balance	79.32	96.34
Adjustments for:		
Additions during the year	70.92	22.04
Deletions during the year		
Accretion of interest	7.61	5.51
Foreign exchange loss on restatement of lease liabilities	0	0
Lease liabilities paid during the year	40.84	35.59
Excess Lease liabilities written Back	3.92	8.98
Closing Balance	113.09	79.32
Current	25.63	26.15
Non-current	87.46	53.17

Maturity analysis of Lease Liabilities:

As at 31st March 2025

(Rs. In Crores)

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	7.16	18.47	-	-	25.63
Lease Liabilities (Non-Current)	4.96	14.01	29.35	39.14	87.46

As at 31st March 2024

(Rs. In Crores)

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	6.96	19.20	-	-	26.15
Lease Liabilities (Non-Current)	4.39	9.36	20.91	18.52	53.17

Amounts recognized in Statement of Profit and Loss:

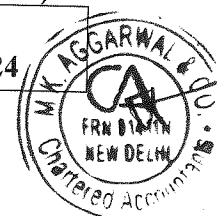
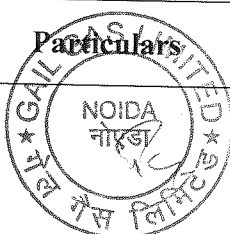
(Rs. In Crores)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Depreciation on right-of-use assets	36.96	29.44
Interest expense on lease liabilities	5.71	3.66
Expense relating to short-term leases	5.49	5.95
Expense relating to low value assets leases	0.01	0.01
Variable lease payments		
Total	48.17	39.06

(b) Right of Use Assets:

(Rs. In Crores)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
-------------	-------------------------------	-------------------------------



Opening Balance	123.11	113.79
Add: Additions during the year	82.63	50.53
Less: Deletions during the year	14.63	7.27
Less: Depreciation for the year	39.48	33.94
Closing Balance	151.63	123.11

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

As per Section 135 of the Companies Act, 2013, the company was required to spend an amount of Rs. 8.12 Crores during the FY 2024-25 (Previous Year: Rs. 6.65 Crores). The amount of CSR expenses incurred by the Company during the year 2024-25 was Rs. 8.49 Crores (Previous Year: Rs. 0.66 Crores). During FY 2024-25, the mandated spend i.e. 2% of the average of the net profits [Profit Before Tax (PBT)] amounting to Rs. 8.12 Crores have been achieved by the company.

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

Particulars	Rs. in Crores	
	2024-25	2023-24
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; Principal*	46.04	34.77
Interest	Nil	Nil
ii) The amount of interest paid by the buyer in terms of Section 16 of MSMED Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	Nil	Nil

*Includes Liabilities and Provisions etc.

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

51. Related Party Disclosures:

- The entire Equity Capital of the Company is held by GAIL (India) Ltd. (Holding Company) either singly or jointly.
- Related Party Disclosures as per Ind AS 24.



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

A. Holding Company:

(i) GAIL (India) Limited.

B. Subsidiaries of Holding Company:

- (i) Bengal Gas Company Limited
- (ii) Konkan LNG Limited
- (iii) Tripura Natural Gas Company Limited
- (iv) GAIL Global (Singapore) Pte. Limited
- (v) GAIL Global (USA) Inc.
- (vi) GAIL Global (USA) LNG LLC (wholly owned subsidiary of GAIL Global (USA) Inc.)
- (vii) GAIL Mangalore Petrochemicals Limited

C. Joint Venture Companies:

- (i) Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)
- (ii) Vadodara Gas Limited. (VGL)
- (iii) Rajasthan State Gas Limited. (RSGL)
- (iv) Haridwar Natural Gas Pvt. Ltd. (HNGPL)
- (v) GOA Natural Gas Pvt. Ltd. (GNGPL)
- (vi) Purba Bharati Gas Pvt. Ltd. (PBGPL)

D. Subsidiaries of Joint Venture Companies:

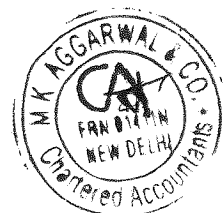
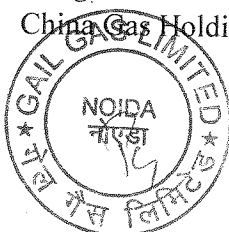
Godavari Gas Private Limited. (GGPL) – JV of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)

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

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

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

- (i) China Gas Holdings Limited



- (ii) Fayum Gas Company
- (iii) LNG Japonica Shipping Corporation Limited
- (iv) South-East Asia Gas Pipeline Company Limited (SEAGP)

G. a. Chairman & Non-Executive Director:

Shri Sandeep Kumar Gupta

b. Non-Executive Directors:

- (i) Shri Rakesh Kumar Jain
- (ii) Shri Ayush Gupta
- (iii) Smt. Nalini Malhotra
- (iv) Shri Sanjay Kumar
- (v) Shri Amit Bansal (up to 25.10.2024)
- (vi) Shri Noas Kindo (w.e.f. 14.11.2024)

c. Chief Executive Officer:

Shri Goutom Chakraborty

d. Chief Financial Officer:

Shri Pankaj Gupta

e. Chief Operating Officer:

Shri Ajay Kumar Jindal

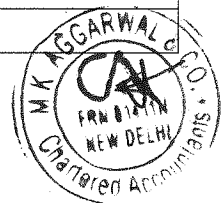
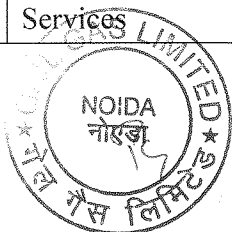
f. Company Secretary:

- (i) Sh. Deepak Asija (up to 02.04.2025)
- (ii) Smt. Preeti Agarwal (w.e.f. 03.04.2025)

No Loans & Advances in the nature of loans are granted to Promoters, Directors, Key Managerial Persons (KMP) and Related Parties except stated below, for the period ending as on 31.03.2025 by the company.

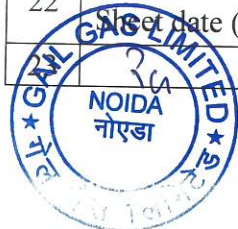
(b) Related Party Transactions

Rs. in Crores					
Sl No	Particulars	FY	Holding Co.	Joint Venture & Others*	Key Management Personnel
1	Purchase of Goods and Material / Services	24-25	9,605.68	0.69	-
		23-24	8,987.34	7.01	-
2	Guarantee Commission received / receivable	24-25	-	10.41	-
		23-24	-	0.28	-
3	Sales of Goods (Material and Gas) / Services	24-25	1,396.55	301.50	-
		23-24	1,117.11	255.56	-



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

4	Remuneration to Key Management personnel- Salary & Allowances	24-25	-	-	4.98
		23-24	-	-	2.78
5	Reimbursement for employees on deputation to JVs	24-25	-	10.45	-
		23-24	-	14.89	-
6	Reimbursement for employees on deputation - paid	24-25	136.43	-	-
		23-24	201.83	-	-
7	Reimbursement of Retirement Benefits for the year	24-25	-	-	-
		23-24	8.69	-	-
8	Reimbursement of BG Charges received / receivable	24-25	-	0.30	-
		23-24	-	2.56	-
9	Rent, Electricity, UCS Expenses, TTA, etc. paid / payable	24-25	12.98		
		23-24	7.54		
10	Advances for Hook Up charges	24-25	6.69	-	-
		23-24	8.96	-	-
11	Outstanding balance payable excluding fair valuation done as per Ind AS-109	24-25	628.11	-	-
		23-24	761.69	0.07	-
12	Outstanding Balance Receivable excluding fair valuation done as per Ind AS-109	24-25	72.37	66.04	-
		23-24	58.82	58.93	-
13	Guarantee Commission Expense	24-25	7.58	-	-
		23-24	4.94	-	-
14	Corporate Guarantee given to Banks for BG/Loan issued on behalf of the Company as at Balance Sheet date	24-25	1500.00	-	-
		23-24	3880.79	-	-
15	Dividend Paid	24-25	-	-	-
		23-24	150	-	-
16	Dividend received	24-25	-	0.67	-
		23-24	-	0.33	-
17	Interest received	24-25	-	0.57	-
		23-24	-	0.89	-
18	Investment in APGDCL as at Balance Sheet date (JV) including Pref. Shares	24-25	-	209.33	-
		23-24	-	198.57	-
19	Investment in VGL as at Balance Sheet date (JV)	24-25	-	41.01	-
		23-24	-	41.01	-
20	Investment in RSGL as at Balance Sheet date (JV)	24-25	-	65.00	-
		23-24	-	65.00	-
21	Investment in HNGPL as at Balance Sheet date (JV)	24-25	-	43.58	-
		23-24	-	43.58	-
22	Investment in GNGPL as at Balance Sheet date (JV)	24-25	-	40.00	-
		23-24	-	40.00	-
		24-25	-	43.72	



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

	Investment in PBGPL as at Balance Sheet date (JV)	23-24	-	35.60	-
24	Advances/loans given as at Balance Sheet date	24-25	-	3.75	-
		23-24	-	7.50	-

*Others include joint venture companies of Holding Company.
(Figure shown in brackets pertains to Previous Year).

The company has formed six Joint Venture Companies by executing Joint Venture Agreement/Shareholder Agreement with various agencies of State Governments and Corporates. In all these companies, it was agreed that Equity Shareholding of both the promoters will be in equal ratio till the time strategic investor comes in. However, after the investment of strategic investor, the shareholding of both the promoters will be as per the Shareholder Agreement executed amongst them. Equity Shareholding in Purba Bharati Gas Pvt. Ltd. wherein there are three promoters i.e. Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd whose shareholdings will be in the ratio of 48%, 26% and 26% and they can transfer the shares after lock in period of 10 years subject to the conditions as per joint venture agreement. Further, Equity Shareholding in Vadodara Gas Limited. wherein there are three promoters i.e. Vadodara Mahanagar Seva Sadan, GAIL India Ltd. and GAIL Gas Ltd whose shareholdings will be in the ratio of 50%, 32.93% and 17.07% respectively.

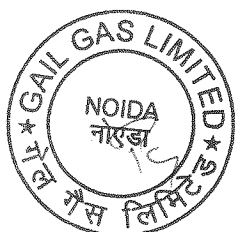
52. Movement of Provision

In compliance of Ind AS 37 on Provisions, Contingent liabilities and Contingent Assets, the required information on Provision for Probable Obligations is as under:

Rs. in Crores		
Particulars	Provision for Probable Obligation	Provision for Doubtful Claims
As at 1st April, 2024	8.96	0.31
Additional provision recognized during the year	0.57	-
Amount used during the year	-	-
Unused amount reversed during the year	0.14	-
As at 31st March 2025	9.39	0.31

53. Earnings per Share:

Particulars	2024-25	2023-24
Profit after Tax (Rs. in Crores)	450.64	323.17
Weighted Average No. of Equity Shares (Basic)	200,00,00,000	200,00,00,000
Weighted Average No. of Equity Shares (Diluted)	200,00,00,000	200,00,00,000
Nominal Value per Share (in Rs.)	10	10
Basic Earning per Share (in Rs.)	2.25	1.62
Diluted Earning per Share (in Rs.)	2.25	1.62



54. Notes on Financial Risk Management

Financial Risk Management

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

(i) Market risk

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

a) Interest Rate Risk:

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

Sensitivity analysis:

Term Loans received from the Oil Industry Development Board have variable component for some tranches. Term loan obtained from HDFC has a variable element of interest rate and outstanding balance of which as at the year-end is Rs. 1298.06 Crores (Previous Year: Rs. 937.14 Crores). However, as the loan has been obtained for capital projects which are under construction, interest is capitalized as a part of Capital work in progress. Therefore, there is no impact on the Company's profit before tax during the year ended 31.03.2025 and 31.03.2024.

Foreign Currency Risk:

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

b) Commodity Price Risk

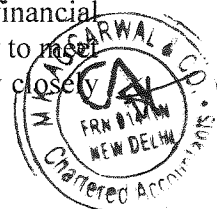
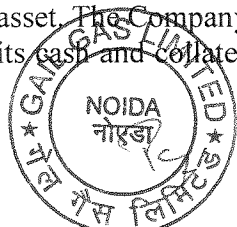
Risk arising on account of fluctuations in price of natural gas is mitigated by ability to pass on the fluctuations in prices to customers over period of time. The company monitors movements in the prices closely on regular basis.

c) Equity Price Risk

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

(ii) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements to meet the payment obligations. The Company closely



monitors its liquidity position and deploys a robust cash management system. It also maintains adequate sources of finance in the form of short term and long term borrowings. The contractual maturities of the Company's financial liabilities are presented below:

Rs.in Crores						
As at 31.03.2025	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	-	218.58	1026.70	259.61	1504.89
Trade and other payables	-	843.56	-	-	-	843.56
Other financial liabilities	227.36	233.74	66.14	-	-	527.24
Lease Liabilities*	-	12.12	32.48	29.35	39.14	113.09

Rs.in Crores						
As at 31.03.2024	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	-	104.07	624.29	461.11	1189.47
Trade and other payables	-	880.36	-	-	-	880.36
Other financial liabilities	200.69	169.00	95.01	-	-	464.70
Lease Liabilities*	-	11.35	28.56	20.91	18.50	79.32

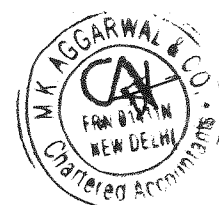
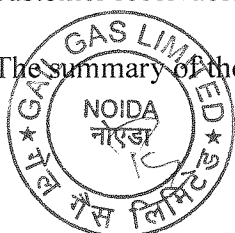
*As per provisions of Ind AS 107, the contractual amounts disclosed in the maturity analyses as required by paragraph 39(a) and (b) are the contractual undiscounted cash flows i.e. gross finance lease obligations (before deducting finance charges). Such undiscounted cash flows differ from the amount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

(iii) Credit Risk

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

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

The summary of the Company's product wise credit policy is tabulated below:



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

Product	Credit period
Piped Natural Gas (Domestic)	21 days
Piped Natural Gas (Industrial)	3-7 days
Piped Natural Gas (Commercial)	7 days
Compressed Natural Gas (CNG) & Compressed Bio Gas (CBG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 - 45 days

The company does not expect any significant credit risk out of its exposure to trade receivable as the major part of revenue is contributed either by cash sales or within credit period of 3- 45 days. The aging analysis of trade receivables as of the reporting date is as follows:

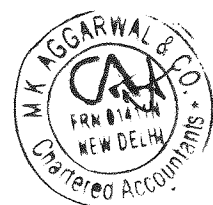
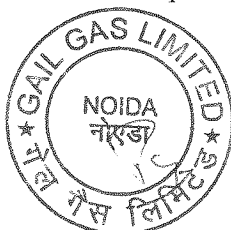
Particulars	Rs.in Crores	
	Carrying Amount	
	31 st March 2025	31 st March 2024
Neither due nor impaired	858.28	713.68
Less than 6 months	51.63	36.89
6 months to 1 year	7.91	5.43
1 year to 2 years	5.72	4.82
2 years to 3 years	1.90	0.64
More than 3 years	6.79	6.15
Total	932.23	767.61
Less: Expected credit loss including allowances for bad and doubtful	12.62	8.79
Carrying amount of Trade Receivable (Net of Impairment)	919.61	758.82

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

Provisions	Rs.in Crores	
	31 st March 2025	31 st March 2024
Start of the year	8.79	7.07
Provision created during the year	3.83	1.72
Receivables written off during the year as uncollectible	-----	-----
Unused amounts reversed	-----	-----
End of year	12.62	8.79

Cash deposits:

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



Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the holding company. As on 31.03.25 the issued and paid-up capital was Rs. 2000 Crores (Previous Year: Rs. 2000.00 Crores) (Note 13) and other equity was Rs. 1604.49 Crores (Previous Year: Rs. 1142.82 Crores) (Note 14). The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

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

The adjusted net debt to equity ratio is as follows

Provisions	Rs.in Crores	
	31 st March 2025	31 st March 2024
Net Debt	1504.89	1189.47
Total Equity	3604.49	3142.82
Net Debt to Equity Ratio	0.42	0.38
Interest bearing borrowing	1504.89	1189.47
Less: Cash & Bank Balance	664.27	407.85
Adjusted Net Debt	840.62	781.62
Adjusted net debt to adjusted equity ratio	0.23	0.25

Fair value measurements

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

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

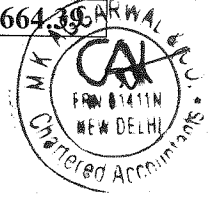
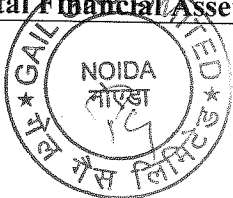
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

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

As at 31.03.2025:

Rs.in Crores

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	3.75	-	-	3.75
Trade Receivables	919.61	-	-	919.61
Cash and Cash Equivalents	212.47	-	-	212.47
Bank Balances Other than Cash and Cash Equivalents	451.80	-	-	451.80
Other Financial Assets	76.76	-	-	76.76
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	1664.39	-	-	1664.39



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

Financial Liabilities at amortized cost				
Borrowings	1504.89	-	-	1504.89
Trade Payables	843.56	-	-	843.56
Other Financial Liabilities	527.24	-	-	527.24
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	2875.69	-	-	2875.69

As at 31.03.2024:

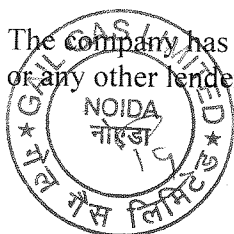
Rs.in Crores

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	7.50	-	-	7.50
Trade Receivables	758.82	-	-	758.82
Cash and Cash Equivalents	407.85	-	-	407.85
Bank Balances Other than Cash and Cash Equivalents	1.82			1.82
Other Financial Assets	62.02	-	-	62.02
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	1238.01	-	-	1238.01
Financial Liabilities at amortized cost				
Borrowings	1189.47	-	-	1189.47
Trade Payables	880.36	-	-	880.36
Other Financial Liabilities	464.70	-	-	464.70
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	2534.53	-	-	2534.53

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

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

55. Details of Loans given, Investment made and guarantee given or security provided covered u/s 186 of the companies Act, 2013 are given under respective heads (refer note 5, 7 and 32(vi)).
56. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as on 31.03.2025.
57. The Company has taken fund based & non fund based facility from banks on the basis of security of current assets and statement of current assets filed by the company with banks, if any, are in agreement with the books of accounts.
58. The company has not been declared as a willful defaulter by any bank or financial Institution or any other lender as on 31.03.2025.



59. Details of Relationship with Struck-off Companies

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

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

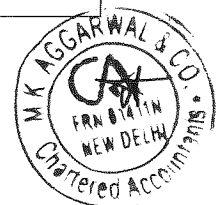
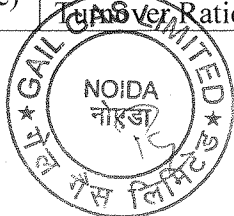
Details of Relationship with Struck-off Companies as on 31st March, 2024:

Sl. No.	Name of struck off Company	Nature of Transactions with struck-off Company					Relationship with Struck off Company if any to be disclosed
		Investment in Securities	Receivables	Payables	Shares held by Struck-off Company	Other Outstanding Balance (To be specified)	
		(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	
1	Bhaskar Industries Pvt. Ltd.	-	0.06	-	-	-	Customer
2	Dewas Techno Products Pvt. Ltd	-	0.05	-	-	-	Customer
3	Bhatter Metals Pvt. Ltd.	-	0.02	-	-	-	Customer
4	Prasandi Skills Tech Pvt. Ltd.	-	-	0.05	-	-	Vendor

60. Title Deeds in respect of Freehold Land of Rs.2.05 Crores (Previous Year: Rs. 2.05 Crores) measuring 3004.42 square meters at Sonapat, Haryana is pending for execution including Rs. 0.15 Crores (Previous Year: Rs. 0.15 Crores) towards registration charges provided on provisional basis. Mutation of Freehold Land is in process.

61. Ratios

Sl No.	Particulars	Numerator	Denominator	24-25	23-24	Variance
(a)	Current Ratio	Current assets	Current liabilities	1.04	0.85	22%
(b)	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.42	0.38	11%
(c)	Debt Service Coverage Ratio	Profit after tax plus Finance Cost plus Depreciation	Debt Service ⁽¹⁾	2.78	3.95	-30% ^(a)
(d)	Return Equity Ratio	Profits after taxes	Average Shareholder's Equity ⁽²⁾	13%	11%	18%
(e)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	866	748	16%



NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

(f)	Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	14	13	13%
(g)	Trade Payable Turnover Ratio	Purchases of stock-in-trade of natural gas and other expenses	Average Trade Payables	13	13	-
(h)	Net Capital Turnover Ratio	Net Sales	Working Capital	166	-46	466% ^(b)
(i)	Net Profit Ratio	Profits after taxes	Total Income (Net of Excise Duty)	4%	3%	33% ^(c)
(j)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed ⁽³⁾	12%	10%	20%
(k)	Return on Investment	Share of Profit / (Loss) of Joint Ventures	Average Investments	-	-	-

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

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

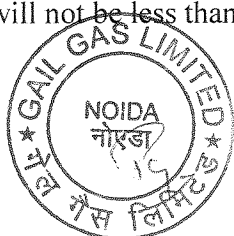
- (a) The reduction in debt service coverage ratio is mainly due to increase in the repayment of current installment of HDFC term loan.
- (b) Increase in Net Capital Turnover Ratio is due to increase in Working Capital.
- (c) Increase in Net Profit ratio is due to increase in Net Profit.

62. Events occurring after the balance sheet date

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

63. Confirmation of Assets & Liabilities

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



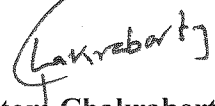
NOTES ACCOMPANYING TO THE STANDALONE FINANCIAL STATEMENTS(Contd.)

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

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


Preeti Aggarwal
Company Secretary
PAN-AANPG3779M


Pankaj Gupta
CFO
PAN- ADYPG0044P


Goutom Chakraborty
CEO
PAN- ABKPC5087E


R K Jain
Director
DIN 08788595


Sandeep Kumar Gupta
Chairman
DIN 07570165

As per our report of even date attached

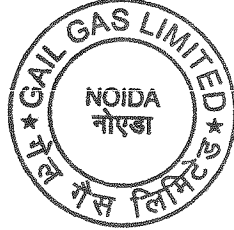
For M/s M.K.Aggarwal & Co
Chartered Accountants
Firm Reg. No.01411N



CA Atul Aggarwal
Partner

Membership No. 099374

Place: New Delhi
Date: 02-05-2025



GAIL GAS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FY 2024-25



INDEPENDENT AUDITOR'S REPORT

To the Members of GAIL Gas Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **GAIL Gas Limited** (the "Company") and its Joint Controlled Entities, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Company and its Joint Controlled Entities as at 31 March 2025, and their Consolidated net profit (Financial performance including other comprehensive income), their Consolidated changes in equity, and the Consolidated Statement of Cash Flows for the year then ended.

Basis for Opinion

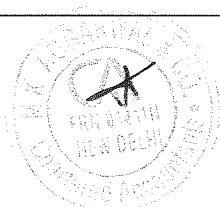
We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial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

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

Key Audit Matters

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

Sl. No	Key Audit Matter	Auditor's Response
1	Litigations	Principal audit procedures performed:



	The Company operates in an industry, which is heavily regulated, which increases inherent litigation risk. The Company is engaged in a number of legal cases. Refer note 33 (i) to the consolidated financial statements.	- We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination of provisions to ensure that they operate effectively. - We examined correspondence in respect of these cases. - We read summary on litigation matters provided by the management and its inhouse legal counsels with respect to the matters included in the summary.
2	Uncertain tax positions The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. The arrangements for transactions entered into by the Company are complex, judgmental and subject to challenge by the Tax Authorities. Further, the allowability of certain expenses and admission of additional supporting documents by the Company is also a matter of ongoing dispute with the authorities. Refer note 33 (ii) to (v) to the consolidated financial statements.	Principal audit procedures performed: - We evaluated and tested the design and operating effectiveness of the Company's controls over provisions for uncertain tax positions to ensure that they operate effectively. - In understanding and evaluating management's judgment, we examined correspondence connected with the cases, considered the status of recent and current tax authorities enquiries, judgmental positions taken in tax returns and current year estimates and developments in the tax environment. - We held discussion with respective personnel to understand adequacy of provision made by the management. - We reviewed status update provided by the management in respect of estimates of tax exposures and contingencies in order to assess adequacy of the Company's tax provisions.
3	Contingencies: Minimum Work Programme Commitment (MWP) The Company has a commitment to achieve MWP for 11 GAs awarded by the PNGRB in 9th, 10th & 11th CGD bidding round. Keeping in view non-availability of pipeline connectivity from the gas source in these GAs and disruption in work due to COVID-19 pandemic and complete/partial lockdown imposed by the District administration on various occasions, the company had requested PNGRB for deferment of period of meeting the MWP targets under Regulation 11 and 12 of the PNGRB regulations, 2008 which has been accepted by the latter in majority of the GA's. Penalty for not meeting MWP targets as on 31st March, 2025 works out to Rs. 36.09 Crores. Due to the complexity involved in the execution of the MWP, management's judgement regarding completion of MWP as per revised plan and	Principal audit procedures performed: - We perused copies of communication exchanged between PNGRB and the Company during the year. We compared the said communication with the appropriateness of disclosure in the consolidated financial statements. - We performed inquiries with the personnel on the working of penalty and verified the calculation. - We evaluated the disclosure in the consolidated financial statements given by the management.



	measurement of provisions for this matter is inherently uncertain and might change over time as the work on MWP progresses. Accordingly, it has been considered as a key audit matter. Refer note 33 (vii) to the Consolidated Financial Statements.	
4	Technical Parameters and voluminous transactions of Natural Gas trading and transmission captured to measure Revenue and Inventory through Integrated system and complexities involved therein. Determination of quantity of Natural Gas sold and in stock through gas-pipelines involves use of various technical aspects of the natural gas such as pressure, temperature etc. captured from the measuring devices installed on gas pipelines. We were informed that the methodology is standard and used industry wide. This increases the complexity of validating quantity of Natural gas sold and stock available in pipeline as on March 31, 2024. Refer Note 10 to the Consolidated Financial Statements	Principal audit procedures performed: • We have performed test of controls, over the accuracy and completeness of the quantity captured via IT system through to the accounting software. • We have obtained management representation that the IT system applies a standard methodology to capture the quantity of Natural Gas for the purpose of Revenue and inventory measurement. • We have verified valuation of Closing inventories by applying various aspects made available to us by the management such as conversion factors, meter reading etc.
5	Provisional liability on estimation basis Provisional liability of Rs. 270.72 Crores as at March 31, 2025 accounted for on estimation basis. Refer note 39 to the consolidated financial statements.	Principal Audit Procedures performed: • We evaluated and tested the design and operating effectiveness of the Company's controls with respect to determination and accounting of provisional liabilities to ensure that they operate effectively. • We examined contracts/LOI/FOA in respect of respective contracts. • We held discussion with respective personnel to understand execution of work and evaluated estimation of the provisional liabilities made by the management. • We checked receipt of invoices against provisional liability and payments made subsequently till the date of our Audit report.
6	Revenue recognition The Company is in the business of distribution of natural gas. The Company has various types of	Principal audit procedures performed: Our approach was a combination of test of internal controls, analytical and substantive procedures which included the following:



customers such as industrial, commercial, non-commercial, domestic and in respect of CNG - oil marketing companies and others. Revenue from sale of natural gas is considered as key audit matter as there is a risk of accuracy of recognition and measurement of gas sales in the consolidated Financial Statements considering following aspects: - Different pricing structure for different types of customers and frequency of price change - Voluminous number of customers - Capturing Gas Consumption data in billing - Estimating unbilled revenue at the year-end - Extensive use of SAP and other IT systems for managing the billing operation Refer Note 21 to the Consolidated Financial Statements	• Evaluated the design of internal control • For evaluation of operative effectiveness of internal control: - Verified samples of gas sales invoices with agreements executed with the customers, accuracy of pricing, consumption quantity, tax amount of invoices of various categories of customers. - Visited site to understand actual operation • Performed analytical procedures to verify number of bills generated during the year for each major type of customers as per their respective billing cycle • On sample basis, verified: - Updation of Daily Contracted Quantity of gas of Industrial customers in the billing system. - Updation of prices of gas for all major types of customers in the billing system. - Sales invoices • Verified subsequent realization of amounts due as per invoices generated for the month of March 2024. • Evaluated the appropriateness of accounting policies, related disclosure made and overall presentation in the Consolidated Financial Statements in terms of Ind AS 115.
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Information Other than the Financial Statements and Auditors Report thereon

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

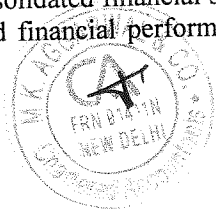
Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

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



changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This respective Boards of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

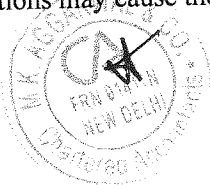
The respective Board of Directors of the Company and jointly controlled entities are responsible for overseeing the Financial reporting process of the Company and jointly controlled entities.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

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

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

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

Other Matter

The consolidated financial statements include the Company's share of profit (including other comprehensive income) of Rs. 4.87 crores (previous year the company's share of loss of Rs. 5.24 crores) for the year ended 31 March 2025, as considered in the consolidated financial statements, in respect of six jointly controlled entities, whose financial statements have not been audited by us. Out of the above, two entities have been audited by other auditor whose audit report has been furnished to us by the management & other four entities has been consolidated on the basis of unaudited financial statements certified by the respective managements. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, are based solely on the report of the other auditors and such unaudited financial statements certified by the respective management.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the so far as it appears from our examination of those books.



- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) The Company being a government company, provisions of Section 164(2) of the Act, with respect to disqualification of Directors is not applicable, in view of notification no. G.S.R. 463(E) dated 05-06-2015.
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" which is based on the auditors' reports of the company and its jointly controlled entities, which are companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements.

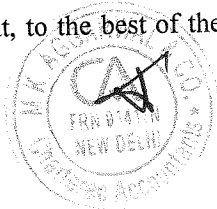
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a Government Company, provisions regarding remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - Refer Note 33 to the Consolidated Financial Statements;
- ii. The Company did not have any derivative contracts. None of the long-term contracts require provision for material foreseeable losses, as required under the applicable law or accounting standards;
- iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company. Therefore, question of delay in transferring of such sums does not arise.
- iv.

- i. The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) Company or any of its jointly controlled entities from any person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- ii. The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are



material either individually or in the aggregate) have been received by the Company or any of its jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such jointly controlled entities shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Board of Directors of the company have proposed final dividend for the year which is subject to the approval at the ensuing Board Meeting. The amount of dividend proposed in accordance with Circular of Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18.11.2024 and Section 123 of the Act, as applicable.
 - vi. Based on examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
2. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, to be included in the Auditor's report, refer to our separate report in "Annexure A" which is based on the auditors' reports of the company and its jointly controlled entities incorporated in India.

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N

ATUL

AGGARW

AL

CA ATUL AGGARWAL

Partner

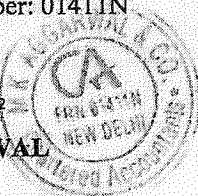
Membership number: 099374

UDIN: 25099374BMKVII6973

Place: New Delhi

Date: 02-05-2025

Digitally signed
by ATUL
AGGARWAL
Date: 2025.05.02
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ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

S No.	Name of Company	CIN	Holding/ Subsidiary/Associate/ JV
1	Andhra Pradesh Gas Distribution Corporation Limited	U11100AP2011SGC106844	Joint Venture
2	Vadodara Gas Limited	U40106GJ2013PLC076828	Joint Venture
3	Purba Bharati Gas Private Limited	U40200AS2019PTC019678	Joint Venture
4	Rajasthan State Gas Limited	U11101RJ2013SGC043884	Joint Venture

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N

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Partner

Membership number: 099374

UDIN: 25099374BMKVII6973

Place: New Delhi

Date: 02-05-2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to Consolidated Financial Statements of GAIL Gas Limited (hereinafter referred to as the "Company") and its jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company and its jointly controlled entities, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls with reference to consolidated financial statements

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March, 2025, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.K. AGGARWAL & CO.

Chartered Accountants

Firm registration number: 01411N

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Partner

Membership number: 099374

UDIN: 25099374BMKVII6973

Place: New Delhi

Date: 02-05-2025

Note 1 A: Corporate Information & Material Accounting Policies

Corporate Information

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

GGL emerged as a leading company in City Gas Distribution (CGD) business with its primary focus to address and accelerate the energy needs of various authorised geographical areas across the nation. The company has been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for implementing City Gas Distribution Projects in Dewas & Raisen, Shajapur and Sehore Districts (Madhya Pradesh), Sonapat (Haryana), Meerut, Firozabad (TTZ) & Mirzapur, Chandauli and Sonbhadra Districts (Uttar Pradesh), Bengaluru Rural and Urban Districts & Dakshina Kannada Districts (Karnataka), Giridih & Dhanbad Districts, West Singhbhum Districts, Seraikela-Kharsawan Districts & Kondagaon, Bastar, Sukma, Narayanpur, Bijapur, Dantewada Districts (Jharkhand), Sundargarh & Jharsuguda Districts & Ganjam, Nayagarh & Puri Districts, Gajapati, Kandhamal, Boudh, Sonepur Districts (Odisha) and Dehradun District (Uttarakhand). In addition, the company is pursuing City Gas Business in the state of Andhra Pradesh, Gujarat, Uttarakhand, Goa, Rajasthan and Assam through its Joint Venture companies

The Consolidated Financial Statements of the company for the year ended 31st March 2025 were authorized in accordance with a resolution of the Board of Directors on 02.05.2025.

Basis of preparation

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

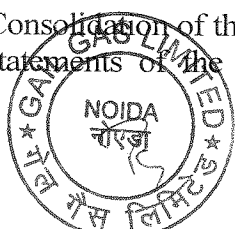
The Financial Statements have been prepared as a going concern on accrual basis of accounting. The Company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

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

Basis of Consolidation

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

Consolidation of the financial statements has been made based on the unaudited financial statements of the joint venture companies except Goa Natural Gas Private Limited.



(GNGPL) & Purba Bharati Gas Pvt. Ltd (PBGPL) which are based on audited financial statements of the company. Further, consolidated financial statements include consolidated financial statements of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL).

1. Material Accounting Policies

1.1. Property, Plant and Equipment (PPE)

- a) In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability subject to necessary adjustment in cost and depreciation in the year of settlement.
- b) Stores & Spares which meet the definition of PPE i.e. when the company intended to use for a period exceeding 12 months.
- c) Expenditure on major inspection and overhauls of PPE is capitalized, when it meets the recognition criteria of PPE.
- d) Technical know-how / license fee relating to plants / facilities and specific software that are integral part of the related hardware are capitalized as part of the underlying asset.
- e) Assets installed at customer premises, including meters and regulators where applicable, are recognized as property plant and equipment if they meet the definition of PPE.
- f) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the PPE.

1.2. Intangible Assets

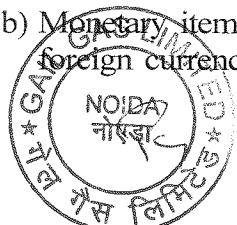
- a) Right of Use (RoU) acquired for laying of pipelines, Software, Licenses etc. which meets the recognition criteria of an intangible asset are capitalized as Intangible Assets.
- b) Expenditure incurred in research phase is charged to Statement of Profit and Loss and that in development phase, unless it is of capital nature, is also charged to Statement of Profit and Loss.
- c) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the intangible assets.

1.3. Capital Work in Progress

- a) Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.
- b) All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized.
- c) Capital Stores are valued at weighted average cost, specific provision is made for likely diminution in value, wherever required.

1.4. Foreign Currency Transactions

- a) Transactions in foreign currency are initially accounted at the spot exchange rate prevailing on the transaction date.
- b) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the reporting date, are translated at spot exchange rate.



rates prevailing on that date.

- c) Non-monetary items (such as Equity Investments, Property plant and equipment, Intangible assets etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s) other than those measured at fair value.
- d) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted in the foreign exchange fluctuation/ finance cost in the statement of profit and loss.
- e) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

1.5. Borrowing Cost

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

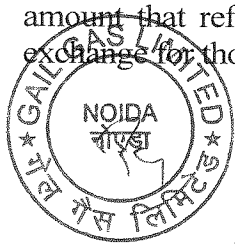
1.6. Inventories

- a) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.
- b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable. Stock lying at CNG cascades are estimated on a volumetric basis.
- c) Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- d) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at or above cost.
- e) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.
- f) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.

1.7. Revenue recognition

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

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



- b) Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.
- c) The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the Company to recognize revenue based on performance completion till date e.g. time elapsed. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.
- d) Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, discounts and damages etc.
- e) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- f) Claims (including interest on delayed realization from customers) are accounted for, when there is a significant certainty that the claims are realizable.
- g) Liability in respect of Minimum Guaranteed Offtake (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- h) In terms of the Gas Sales Agreement with the customers, amount received towards Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.
- i) Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

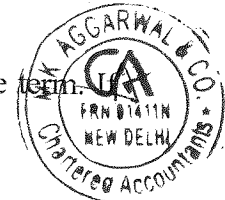
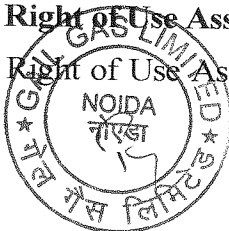
1.8. Depreciation /Amortisation

a) Revenue Property Plant and Equipment (PPE)

- (i) Depreciation on PPE is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets)
- (ii) Depreciation due to price adjustment in the original cost of PPE is charged prospectively.
- (iii) In case of immovable assets constructed on leasehold assets are depreciated over useful life as per schedule II or lease period whichever is lower.
- (iv) The residual values, useful lives and methods of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates.
- (v) Residual value of PPE is determined considering past experience and generally the same is between 0 to 5% of cost of PPE.

b) Right of Use Assets (Leasehold assets)

Right of Use Assets are depreciated on Straight Line Method over the lease term.



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

1.9. Employee Benefits

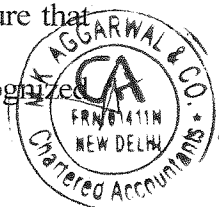
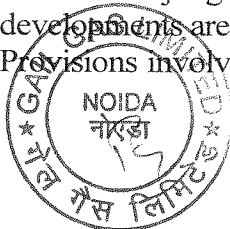
All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee render the related services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are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

1.10. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

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

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



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

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

1.12. Taxes on Income

(a) Current Tax

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

(b) Deferred Tax

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

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

1.13. Cash and cash equivalents

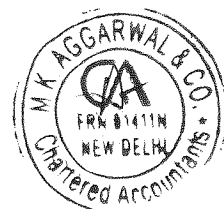
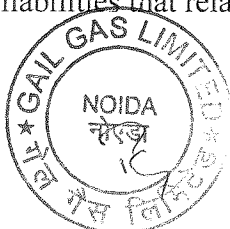
Cash and cash equivalents consist of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.14. Segment reporting

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

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

- Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.



1.15. Earnings per share

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

1.16. Statement of Cash Flow

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

1.17. Fair value measurement

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

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

- (i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

1.18. Financial instruments

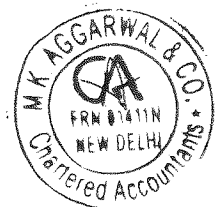
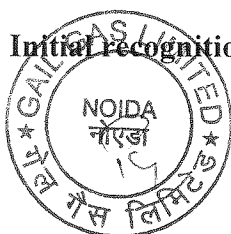
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial assets

a) Classification

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

b) Initial recognition and measurement



All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

c) Subsequent measurement

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

(i) Financial assets carried at amortised cost

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

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

A financial asset other than derivatives comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

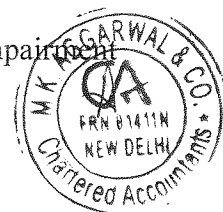
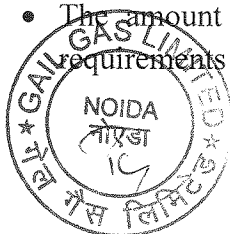
d) De recognition

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

e) Investment in subsidiaries, joint ventures and associates

- (i) The company has accounted for its investment in subsidiaries, joint ventures and associates at cost. The company assesses whether there is any indication that these investments may be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.
- (ii) When the company issues financial guarantees on behalf of subsidiaries, joint ventures and associates initially it measures the financial guarantee at their fair values and subsequently measures at higher of:

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



- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'
- (iii) The Company recognize the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as financial guarantee obligation. Such deemed investment is added to the carrying value amount of the investment in subsidiaries, joint venture and associates. Financial guarantee obligation is recognized as other income in Statement of Profit and Loss over the remaining period of financial guarantee.

f) Impairment of other financial assets

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

(B) Financial liabilities

a) Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

b) Initial recognition and measurement

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

c) Subsequent measurement

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

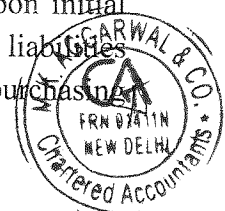
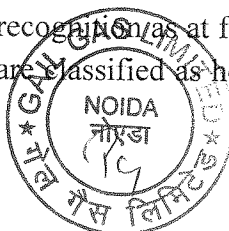
(i) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

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

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

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



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

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

d) Derecognition

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

(C) Offsetting of financial instruments

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

1.19. Leases

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

As a Lessee

a) Identifying a lease

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

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

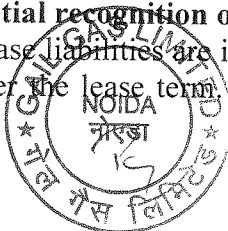
The Company recognizes a ROU asset at the lease commencement date (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

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

Initial recognition of lease liability

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



comprise of the following:

Fixed payments, including in-substance fixed payments

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

d) Subsequent measurement of lease liability

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

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

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense in Statement of Profit and Loss.

As a Lessor

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

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

Estimates and assumptions

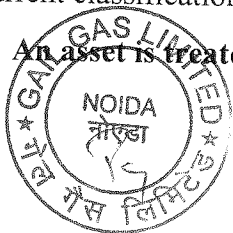
Determination of discount rate as a lessee

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

1.20. Current Versus Non-Current Classification

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

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



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

All other assets are classified as non-current.

b) A liability is treated as current when:

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

All other liabilities are classified as non-current

Note 1 B: Accounting Judgements, Estimates and Assumptions

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

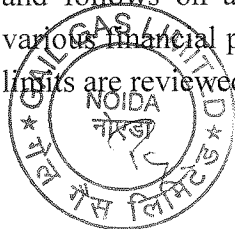
In particular, the Company has identified the areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes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

1. Judgments

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

1.1. Materiality

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



1.2. Contingencies

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

2. Estimates and assumptions

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

2.1. Impairment of non-financial assets

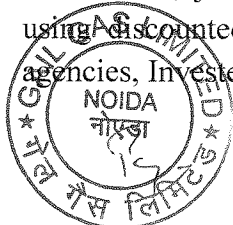
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money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

2.2. Fair value measurement of financial instruments

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

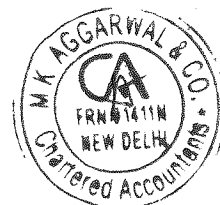
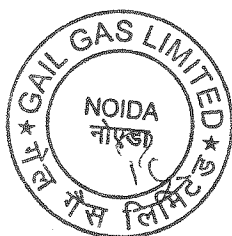
2.3. Impairment of financial assets

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



2.4. Income Taxes

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



GAIL GAS LIMITED
Consolidated Balance Sheet as at 31st March 2025

(Rs in Crore)

Particulars	Note	As at 31st Mar 2025	As at 31st Mar 2024
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	3A	2,913.62	2,616.63
(b) Right of Use Assets	3B	151.63	123.11
(c) Capital Work-In-Progress	3A	1,585.15	1,498.95
(d) Intangible Assets	04	0.54	0.90
(e) Financial Assets			
(i) Investments	05	436.99	413.57
(ii) Trade receivable	6A	5.73	3.33
(iii) Loans	7A	-	3.75
(iv) Other Financial Assets	8A	12.82	10.21
(f) Other Non Current Assets	9A	45.42	40.34
Total Non Current Assets (A)		5,151.90	4,710.79
Current Assets			
(a) Inventories	10	13.49	12.70
(b) Financial Assets			
(i) Trade Receivable	6B	913.88	755.49
(ii) Loans	7B	3.75	3.75
(iii) Cash and Cash Equivalents	11A	212.47	407.85
(iv) Bank Balances Other than Cash and Cash Equivalents	11B	451.80	1.82
(v) Other Financial Assets	8B	63.94	51.81
(c) Other Current Assets	9B	57.23	60.68
(d) Current Tax Assets (Net)	12	13.21	1.70
Total Current Assets (B)		1,729.77	1,295.80
TOTAL ASSETS (A+B)		6,881.67	6,006.59
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	2,000.00	2,000.00
(b) Other Equity	14	1,598.84	1,132.63
Total Equity (C)		3,598.84	3,132.63
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15A	1,286.32	1,085.40
(ii) Lease Liabilities		87.46	53.17
(b) Deferred Tax Liabilities (Net)	16	252.69	204.97
Total Non Current Liabilities (D)		1,626.47	1,343.54
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15B	218.57	104.07
(ii) Lease Liabilities		25.63	26.15
(iii) Trade Payables	17		
- Total outstanding dues of Micro and Small Enterprises		46.04	34.77
- Total outstanding dues of creditors other than Micro and Small Enterprises		797.52	845.59
(iv) Other Financial Liabilities	18	527.24	464.70
(b) Other Current Liabilities	19	31.97	46.18
(c) Provisions	20	9.39	8.96
Total Current Liabilities (E)		1,656.36	1,530.42
TOTAL EQUITY AND LIABILITIES (C+D+E)		6,881.67	6,006.59

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

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

As per our report of even date attached

Preeti Aggarwal
Company Secretary
PAN-AANPG3779M

Pankaj Gupta
CFO
PAN-ADYPG0044P

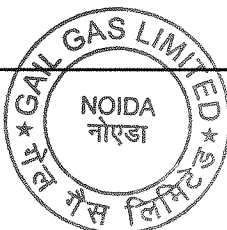
Goutom Chakraborty
CEO
PAN-ABKPC5087E

R K Jain
Director
DIN-08788595

Sandeep Kumar Gupta
Chairman
DIN-07570165

CA Atul Aggarwal
Partner
Membership No- 099374

Place: New Delhi
Date: 02-05-2025



GAIL GAS LIMITED
Consolidated Statement of Profit and Loss for the Financial Year Ended 31st March 2025

(Rs in Crore)

Particulars		Note	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
I	INCOME			
	Revenue from operations	21	12,230.78	10,944.12
	Other Income	22	49.27	17.87
	Total Income		12,280.05	10,961.99
II	EXPENSES			
	Purchases of stock-in-trade of natural gas	23	10,669.52	9,701.94
	Changes in inventories of stock-in-trade of natural gas	24	(2.09)	(0.62)
	Excise Duty		280.44	182.59
	Employee Benefit Expenses	25	4.47	2.19
	Finance Cost	26	48.95	33.07
	Depreciation and Amortization Expenses	27	150.68	126.32
	Other Expenses	28	513.89	482.92
	Total Expenses		11,665.86	10,528.41
III	Profit before Share of Profit/(Loss) of Joint Ventures and Tax (I - II)		614.19	433.58
IV	Share of Profit/(Loss) of Joint Ventures		4.87	(5.24)
V	Profit before Tax (III+IV)		619.06	428.34
VI	Tax Expenses	29	164.22	110.74
	- Current tax		114.05	70.98
	- Deferred tax		46.31	44.15
	- Adjustment of tax relating to previous years		3.86	(4.39)
VII	Profit after Tax (V-VI)		454.84	317.60
VIII	Other comprehensive income			
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	- Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
	- Re-measurement gains/ (losses) on defined benefit plans		-	-
	- Revaluation of land and buildings		-	-
	- Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
	Other comprehensive income for the year (net of tax)		-	-
IX	Total comprehensive income (Net of Tax) (VII+VIII)		454.84	317.60
X	Earning per share in (Rs.) (face value of Rs. 10 each)			
	Basic (Rs.)		2.27	1.59
	Diluted (Rs.)		2.27	1.59

The significant accounting policies and accompanying notes form an integral part of the Consolidated Financial Statements.
There is no discontinuing operation in the above period.

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

As per our report of even date attached

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

Preeti Aggarwal
Company Secretary
PAN-AANPG3779M

Pankaj Gupta
CFO
PAN-ADYPG0044P

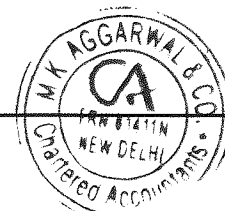
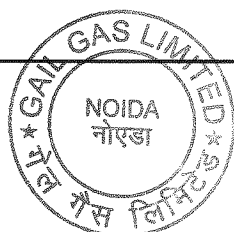
Goutom Chakraborty
CEO
PAN-ABKPC5087E

R K Jain
Director
DIN-08788595

Sandeep Kumar Gupta
Chairman
DIN-07570165

CA Atul Aggarwal
Partner
Membership No: 099374

Place: New Delhi
Date: 02-05-2025



GAIL GAS LIMITED
Consolidated Cash Flow Statement for the Financial Year Ended 31st March 2025

(Rs in Crore)

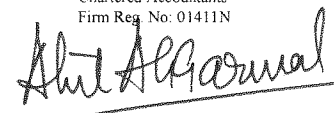
Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
A CASH FLOW FROM OPERATING ACTIVITIES		
1 Profit before Tax	619.06	428.34
2 Adjustment for :		
Depreciation & Amortization Expenses	150.68	126.32
Exchange Rate Variation on foreign currency	0.03	(0.01)
Provision for Doubtful Debts	3.84	1.72
Provision for probable obligation	0.43	2.47
Provision/Loss on Capital Items due to Fire	-	0.09
Loss / (Profit) on sale of fixed assets	0.30	0.01
Provision for Losses/Obsolescence Material	-	0.04
Excess provision written off	(11.98)	(0.56)
Other Misc. Income	(0.06)	(0.28)
Finance Cost	48.95	33.07
Share of (Profit)/Loss of Joint Venture	(4.87)	5.24
Interest Income	(34.13)	(13.93)
	153.19	154.18
3 Operating Profit Before Working Capital Changes (1 + 2)	772.25	582.52
4 Changes in Working Capital (Excluding Cash & Bank Balances)		
Trade and Other Receivables	(164.92)	161.95
Inventories	(0.78)	2.11
Trade and Other Payables	9.51	157.60
	(156.19)	321.66
5 Cash Generated from Operations (3 + 4)	616.06	904.18
6 Direct Taxes Paid (Net off Refund)	(113.00)	(61.00)
NET CASH FROM OPERATING ACTIVITIES (5 + 6)	503.06	843.18
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(496.45)	(551.68)
Investment in Other Companies (Net)	(18.88)	(3.90)
Investment in bank deposits with maturity more than three months	(450.00)	50.00
Movement in restricted bank balance	0.02	(1.04)
Loans & Advances - Related Parties	3.75	3.75
Dividend received on Investments	0.67	0.33
Interest Received	26.79	14.60
NET CASH FROM INVESTING ACTIVITIES	(934.10)	(487.94)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	447.46	302.86
Repayment of Long Term Borrowings	(132.04)	(45.50)
Proceeds from Short Term Borrowings	-	2.70
Repayment of Short Term Borrowings	-	(2.70)
Repayment of Lease Liability	(40.84)	(35.59)
Interest Paid	(38.92)	(26.48)
Dividend Paid	-	(150.00)
NET CASH FROM FINANCING ACTIVITIES	235.66	45.29
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(195.38)	400.53
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD	407.85	7.32
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD	212.47	407.85

Note :

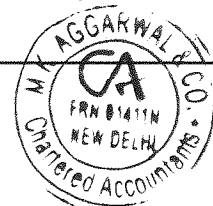
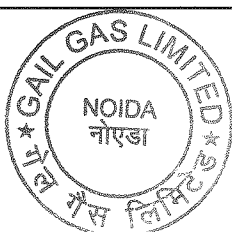
- Statement of Cash Flows has been prepared using Indirect Method as per Ind AS 7 Statement of Cash Flows.
- Refer Note 11A for Cash and Cash equivalents.
- Previous year figures have been regrouped/reclassified, wherever necessary to correspond with current year's presentation/disclosure.

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

As per our report of even date attached

 Preeti Aggarwal Company Secretary PAN-AANPG3779M	 Pankaj Gupta CFO PAN-ADYPG0044P	 Goutom Chakraborty CEO PAN-ABKPC5087E	 R K Jain Director DIN-08788595	 Sandeep Kumar Gupta Chairman DIN-07570165	 For M.K. AGGARWAL & CO. Chartered Accountants Firm Reg. No: 01411N CA Atul Aggarwal Partner Membership No: 099374
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Place: New Delhi
Date: 02-05-2025



GAIL GAS LIMITED

Consolidated Statement of Changes in Equity for the Financial Year Ended 31st March 2025

I. Equity Share Capital (Note 13)

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

(Rs in Crore)

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

Particulars	Amount
As at 1st April 2023	2,000.00
Changes in equity share capital during the year	-
As at 31st Mar 2024	2,000.00

II. Other Equity (Note 14)

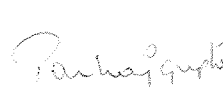
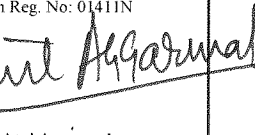
(Rs In Crore)

Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st Apr 2024	50.32	-	1,082.31	-	1,132.63
Profit for the year	-	-	454.84	-	454.84
Adjustment in Retained Earnings	-	-	0.34	-	0.34
Changes during the year	11.03	-	-	-	11.03
Dividend	-	-	-	-	-
Share application money received	-	-	-	-	-
Balance as at 31st Mar 2025	61.35	-	1,537.49	-	1,598.84

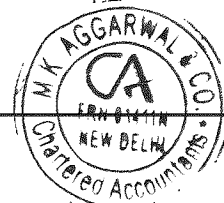
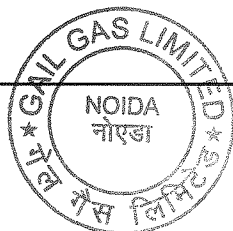
Particulars	Deemed Equity	Share Application Money Pending Allotment	Reserves and Surplus	Other Comprehensive Income	Total
			Retained Earnings		
Balance as at 1st Apr 2023	34.08	-	906.85	-	940.93
Profit for the year	-	-	317.60	-	317.60
Adjustment in Retained Earnings	-	-	7.86	-	7.86
Changes during the year	16.24	-	-	-	16.24
Dividend	-	-	(150.00)	-	(150.00)
Share application money received	-	-	-	-	-
Balance as at 31st Mar 2024	50.32	-	1,082.31	-	1,132.63

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

As per our report of even date attached

 Preeti Aggarwal Company Secretary PAN-AANPG3779M			 Pankaj Gupta CFO PAN-ADYPG0044P			 Goutom Chakraborty CEO PAN-ABKPC5087E			 R K Jain Director DIN-08788595			 Sandeep Kumar Gupta Chairman DIN-07570165			 CA Atul Aggarwal Partner Membership No: 099374		
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Place: New Delhi
Date: 02-05-2025



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

(Rs in Crore)

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progress *
1. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2024	35.09	2,791.53	124.77	2.75	47.33	3,001.47	1,498.95
Additions during the year	5.89	384.75	11.64	0.42	7.96	410.66	498.89
Transfer to Capitalisation	-	-	-	-	-	-	(410.66)
Sales/Disposals during the year	-	(0.16)	(0.16)	(0.02)	(0.07)	(0.41)	-
Transfer / Provision	-	-	-	-	-	-	(2.03)
Balance as at 31st Mar 2025	40.98	3,176.12	136.25	3.15	55.22	3,411.72	1,585.15
Accumulated Depreciation							
Balance as at 1st Apr 2024	-	344.42	18.91	0.97	20.54	384.84	-
Depreciation for the year	-	104.70	4.51	0.26	3.88	113.35	-
Disposals/Adj during the year	-	(0.02)	(0.02)	(0.01)	(0.04)	(0.09)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st Mar 2025	-	449.10	23.40	1.22	24.38	498.10	-
Net Book value							
As at 31st March 2025	40.98	2,727.02	112.85	1.93	30.84	2,913.62	1,585.15

Cost/ Valuation	Freehold Land	Plant and Machinery	Buildings	Furniture and Fixtures	Office Equipment Including Electrical Equipments	Total	Capital Work-in-Progress *
1. Cost or deemed cost (Gross Carrying Amount)							
Balance as at 1st Apr 2023	34.43	2,313.00	75.88	2.50	32.56	2,458.37	1,490.38
Additions during the Year	0.66	478.53	48.89	0.30	14.78	543.16	565.61
Transfer to Capitalisation	-	-	-	-	-	-	(543.16)
Sales/Disposals during the year	-	-	-	(0.05)	(0.01)	(0.06)	-
Transfer / Provision	-	-	-	-	-	-	(13.88)
Balance as at 31st Mar 2024	35.09	2,791.53	124.77	2.75	47.33	3,001.47	1,498.95
Depreciation and impairment							
Balance as at 1st Apr 2023	-	258.42	11.99	0.77	17.25	288.43	-
Depreciation for the year	-	86.00	6.92	0.24	3.30	96.46	-
Disposals/Adj during the year	-	-	-	(0.04)	(0.01)	(0.05)	-
Transfer / Provision	-	-	-	-	-	-	-
Balance as at 31st Mar 2024	-	344.42	18.91	0.97	20.54	384.84	-
Net Book value							
As at 31st Mar 2024	35.09	2,447.11	105.86	1.78	26.79	2,616.63	1,498.95

Capital work-in-progress ageing schedule

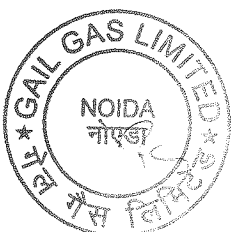
(Rs in Crore)

Capital work-in-progress	Amount in CWIP for a period of				As at 31st March 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	729.81	272.17	279.46	303.71	1,585.15
Total Capital work-in-progress	729.81	272.17	279.46	303.71	1,585.15

Capital work-in-progress	Amount in CWIP for a period of				As at 31st Mar 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	591.57	423.41	265.29	218.68	1,498.95
Total Capital work-in-progress	591.57	423.41	265.29	218.68	1,498.95

* Capital Work in Progress includes a sum of Rs.10.91 Crores as Material in Transit on 31.03.2025 (Previous Year of Rs. 5.31 Crores).

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



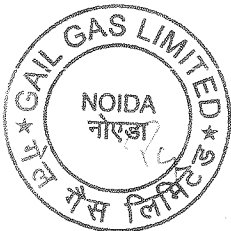
NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 3B : Right of Use Assets

(Rs in Crore)

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

Cost/ Valuation	Leasehold Land	Plant and Machinery	Buildings	Vehicle	Office Equipment	Total
1. Cost or deemed cost (Gross Carrying Amount)						
Balance as at 1st Apr 2023	75.90	-	23.22	61.54	0.01	160.67
Reclassification	-	-	-	-	-	-
Additions during the year	2.14	28.49	2.41	17.48	0.01	50.53
Sales/Disposal during the year	(0.10)	-	(2.64)	(4.67)	(0.01)	(7.42)
Transfer / Adjustment	(22.73)	-	17.72	(3.16)	-	(8.17)
Balance as at 31st Mar 2024	55.21	28.49	40.71	71.19	0.01	195.61
Accumulated Depreciation						
Balance as at 1st Apr 2023	11.56	-	10.51	24.81	-	46.88
For the year	2.47	3.14	6.24	22.08	0.01	33.94
Impairment	-	-	-	-	-	-
Sales/Disposal during the year	(0.07)	-	(2.64)	(4.55)	(0.01)	(7.27)
Transfer / Adjustment	-	-	-	(1.05)	-	(1.05)
Balance as at 31st Mar 2024	13.96	3.14	14.11	41.29	-	72.50
Net Book value						
As at 31st Mar 2024	41.25	25.35	26.60	29.90	0.01	123.11



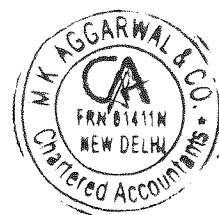
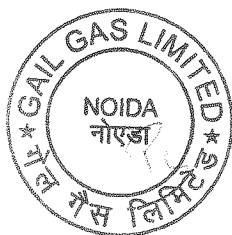
NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 4 : Intangible Assets

(Rs in Crore)

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

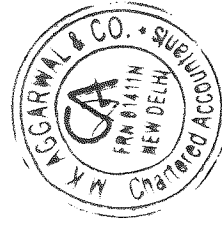
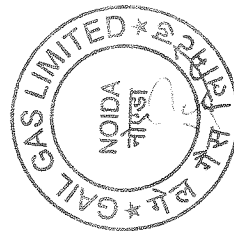
Cost/Valuation	Right of Use	Computer Software/Licenses	Total
1. Cost or Deemed Cost (Gross Carrying Amount)			
Balance as at 1st Apr 2023	0.35	20.90	21.25
Additions during the year	-	-	-
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st Mar 2024	0.35	20.90	21.25
Accumulated Depreciation			
Balance as at 1st Apr 2023	-	19.93	19.93
For the year	-	0.42	0.42
Sales/Disposal during the year	-	-	-
Transfer / Adjustment	-	-	-
Balance as at 31st Mar 2024	-	20.35	20.35
Net Book Value			
As at 31st Mar 2024	0.35	0.55	0.90



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 5 : Investments

Particulars			Nature of investment	Basis of valuation	As at 31st Mar 2025	Consolidation adjustments for the period			As at 31st Mar 2024	
Non-Current Investments (Unquoted)		Adjustment in Profit & Loss				Adjustment in Retained Earnings	Adjustment in Investment			
1	In Joint Venture Companies: - Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 10,93,30,449 Equity shares of Rs 10 each fully paid up (Previous year 9,85,70,849 Equity shares of Rs 10 each fully paid up)			Equity shares	Cost	60.32	(7.13)	0.11	10.76	56.58
2	-Andhra Pradesh Gas Distribution Corporation Limited (APGDCL) 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each fully paid up (Previous year 10,00,00,000 9% Cumulative compulsory Convertible Preference share of Rs 10 each fully paid up)			Preference Shares	Cost	100.00	-	-	-	100.00
3	- Rajasthan State Gas Limited (RSGL) 6,50,00,000 Equity shares of Rs 10 each fully paid up (Previous year 6,50,00,000 Equity shares of Rs 10 each fully paid up)			Equity shares	Cost	89.68	3.28	0.13	-	86.27
4	- Vadodara Gas Limited(VGL) 4,10,08,943 Equity shares of Rs 10 each fully paid up (Previous year 4,10,08,943 Equity shares of Rs 10 each fully paid up)			Equity shares	Cost	58.26	6.25	(0.57)	-	52.58
5	-Haridwar Natural Gas Private Limited (HNGPL) 4,35,80,000 Equity shares of Rs 10 each fully paid up (Previous year 4,35,80,000 Equity shares of Rs 10 each fully paid up)			Equity shares	Cost	51.03	3.97	-	-	47.06
6	-Goa Natural Gas Private Ltd (GNGPL) 4,00,00,000 Equity shares of Rs 10 each fully paid up (Previous Year 4,00,00,000 Equity shares of Rs 10 each fully paid up)			Equity shares	Cost	41.17	1.91	-	-	39.26
7	-Purba Bharati Gas Private Limited (PBGPL) 4,37,21,600 Equity shares of Rs 10 each fully paid up (Previous year 3,55,96,660 Equity shares of Rs 10 each fully paid up)			Equity shares	Cost	36.53	(3.41)	-	8.12	31.82
Total						436.99	4.87	(0.33)	18.88	413.57



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 6A : Trade Receivables (Non Current)

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Trade Receivables	14.37	11.57
Receivables from Related Parties	0.04	0.04
Less: Provision for Doubtful Debts	7.09	6.69
Less: Provision for Expected Credit Loss	1.59	1.59
Total Trade and Other Receivables	5.73	3.33

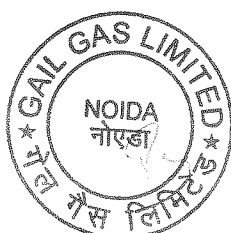
Note 6B : Trade Receivables (Current)

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Trade Receivables	833.56	688.31
Receivables from Related Parties	84.26	67.69
Less: Provision for Doubtful Debts	2.85	0.51
Less: Provision for Expected Credit Loss	1.09	-
Total Trade and Other Receivables	913.88	755.49

Trade Receivables Ageing Schedule

(Rs in Crore)							
Particulars	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	As at 31st Mar 2025
Non Current							
Considered Good - Secured	-	-	-	-	-	-	-
Considered Good -Unsecured	-	-	-	5.32	0.41	-	5.73
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	-	-	0.40	1.49	6.79	8.68
Less: Provision for Doubtful Debts	-	-	-	0.40	1.49	5.20	7.09
Less: Provision for Expected Credit Loss	-	-	-	-	-	1.59	1.59
	-	-	-	5.32	0.41	0.00	5.73
Current							
Considered Good - Secured	693.33	-	-	-	-	-	693.33
Considered Good -Unsecured	164.95	51.57	4.03	-	-	-	220.55
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	0.06	3.88	-	-	-	3.94
Less: Provision for Doubtful Debts	-	0.06	2.79	-	-	-	2.85
Less: Provision for Expected Credit Loss	-	-	1.09	-	-	-	1.09
	858.28	51.57	4.03	-	-	-	913.88
Total Trade and Other Receivables	858.28	51.57	4.03	5.32	0.41	0.00	919.61

Particulars	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	As at 31st Mar 2024
Non Current							
Considered Good - Secured	-	-	-	-	-	-	-
Considered Good -Unsecured	-	-	-	3.33	-	-	3.33
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	-	-	1.49	0.64	6.15	8.28
Less: Provision for Doubtful Debts	-	-	-	1.49	0.64	4.56	6.69
Less: Provision for Expected Credit Loss	-	-	-	-	-	1.59	1.59
	-	-	-	3.33	0.00	0.00	3.33
Current							
Considered Good - Secured	582.65	-	-	-	-	-	582.65
Considered Good -Unsecured	131.03	36.78	5.03	-	-	-	172.84
Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Trade Receivables - credit impaired	-	0.11	0.40	-	-	-	0.51
Less: Provision for Doubtful Debts	-	0.11	0.40	-	-	-	0.51
Less: Provision for Expected Credit Loss	-	-	-	-	-	-	-
	713.68	36.78	5.03	-	-	-	755.49
Total Trade and Other Receivables	713.68	36.78	5.03	3.33	0.00	0.00	758.82



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 7A : Loans (Non Current)

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Loans:		
To Related Parties:		
Secured, Considered good		
- Loan to Joint Venture Company (HNGPL Rs. Nil (Previous Year Rs. 3.75 Crore)	-	3.75
Total	-	3.75

Note 8A : Other Financial Assets (Non Current)

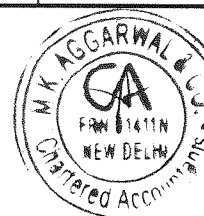
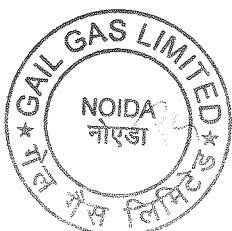
(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Security deposits:		
- Unsecured considered good	12.82	10.21
[includes deposit amounting to INR 1.52 Cr. (Previous year Rs. 1.52 Cr.) of Holding Company]		-
Total	12.82	10.21

Note 7B : Loans (Current)

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Loans:		
To Related Parties:		
Secured, Considered good		
- Loan to Joint Venture Company (HNGPL Rs. 3.75 Crore (Previous Year Rs. 3.75 Crore)	3.75	3.75
Total	3.75	3.75

Note 8B : Other Financial Assets (Current)

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
<u>Recoverables from related parties:</u>		
-Receivables from joint ventures (Unsecured considered good)	54.78	50.08
[includes Corporate guarantee receivable amounting to INR Nil (Previous year Rs. 0.06 Cr.) of JV Company]		
Security deposits:		
- Unsecured, Considered Good	1.32	1.23
Interest Accrued but not due	7.84	0.50
Total	63.94	51.81



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 9A : Other Non Current Assets

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Prepaid Expenses [Including Rs.23.89 Cr. (Previous year Rs.21.58 Cr.) in respect of Financial Guarantee of Holding Company]	24.52	22.23
Capital Advances [Including Rs.20.90 Cr. (Previous year Rs.18.11 Cr.) in respect of Hookup advance of Holding Company]	20.90	18.11
Total	45.42	40.34

Note 9B : Other Current Assets

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Claims recoverables: (Unsecured considered good)	33.72	33.48
Other advances recoverable in cash or in kind		
- Unsecured considered good	2.70	6.44
- Unsecured considered doubtful	0.31	0.31
Less : Provision for doubtful deposits	0.31	0.31
Prepaid Expenses [including Rs.6.98 Crore (Previous year Rs.5.78 Cr.) on account of Financial Guarantee of Holding Company]	20.81	20.76
Total	57.23	60.68

Note 10 : Inventories

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Stock in Trade:		
Natural Gas	2.09	2.18
Finished Goods:		
Compressed Natural Gas	3.61	1.43
Stores and Spares:		
Stores and Spares	7.79	9.09
Total	13.49	12.70

Note 11A : Cash and Cash Equivalents

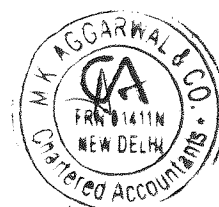
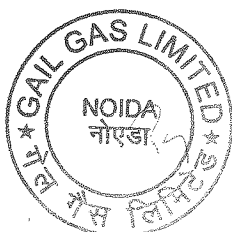
(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Balances with banks:		
- Current accounts	42.68	15.17
- Corporate Liquid Term Deposit - SBI with maturity less than three months.	2.26	2.00
- Corporate Liquid Term Deposit - ICICI with maturity less than three months.	161.00	386.50
Cash on hand	6.10	4.18
Cheques on hand	0.43	-
Total	212.47	407.85

Note 11B : Bank Balances Other than Cash and Cash Equivalents

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Other Bank Balances		
- Term Deposit - maturity more than three months	450.01	0.01
Balances with banks:		
- Unspent CSR Accounts	1.79	1.81
Total	451.80	1.82

Note 12 : Current Tax Assets (Net)

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Advance tax and TDS	127.26	72.68
Less : Provision for Tax	114.05	70.98
Total	13.21	1.70



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 13 : Equity share capital

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Share capital		
Authorised		
5,00,00,00,000 Equity Shares of Rs. 10 each (Previous Year 5,00,00,00,000 Equity shares of Rs. 10 each)	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, subscribed and fully paid up		
1,86,73,34,132 Equity shares of Rs. 10 each (in cash) (Previous Year 1,86,73,34,132 Equity shares of Rs. 10 each)	1,867.33	1,867.33
13,26,65,868 Equity Shares of Rs. 10 each (otherwise than in cash). (Previous Year 13,26,65,868 Equity shares of Rs. 10 each)	132.67	132.67
Total	2,000.00	2,000.00

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

(Rs in Crore)

Description	As at 31st Mar 2025		As at 31st Mar 2024	
	No of Share	Amount	No of Share	Amount
At the beginning of the year	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00
Change in Equity Share during the Period	-	-	-	-
Outstanding at the end of the period	2,00,00,00,000	2,000.00	2,00,00,00,000	2,000.00

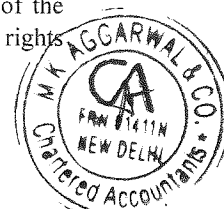
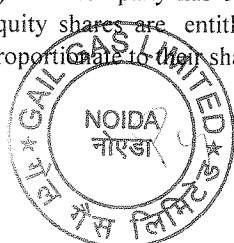
b) Details of Shareholding more than 5% shares in the company

Description	As at 31st Mar 2025		As at 31st Mar 2024	
	No of Share	% Holding	No of Share	% Holding
Equity share of Rs.10 Each fully Paid Up GAIL(India) Ltd	2,00,00,00,000	100%	2,00,00,00,000	100%

c) Shares held by promoters as at Mar 31, 2025

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

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



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

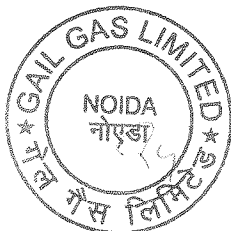
Note 14 : Other equity

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Deemed Equity *	61.35	50.32
Retained Earnings		
Opening balance	1,082.31	906.85
Adjustment in Retained Earnings Group Companies on consolidation	0.34	7.86
Add: Current Period Profit	454.84	317.60
Less: Interim Dividend	-	150.00
Total	1,598.84	1,132.63

* The amount of Rs.61.35 Crore (Previous year Rs.50.32 Crore) denotes fair value of fees towards financial guarantee received from the Holding Company GAIL (India) Limited without any consideration.

Note 15A : Borrowings

(Rs in Crore)		
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Non current borrowings		
Secured Term loans:		
- Oil Industry Development Board	161.33	206.83
Secured against all the assets of Bengaluru Projects. The loan is repayable after 3 years of moratorium period. The total loan outstanding for Bengaluru Project was Rs. 206.83 cr. till 31.03.2025. The current portion of long term borrowing of Rs.45.50 cr., which will be due within next 12 months is disclosed under current financial liabilities. Loans drawn in different tranches and some of the tranches carrying floating rate of interest and some tranches carrying fixed rate of interest. The effective rate of interest is varying between 6.44% to 7.20% (as on 31.03.2025).		
- HDFC Bank	1,124.99	878.57
Loan is availed based on the Corporate Guarantee of the Holding company and Secured against First charge over the fixed assets (both movable and immovable) of the Borrower, both present and future, in relation to the all geographical areas of CGD bidding. The drawdown period was up to 15th December 2024 including amount drawn under accelerated drawdown mode.		
Loan has a Door to Door tenor of 11 years from September 28th 2021 till September 30th, 2032 and shall be repaid in 32 consecutive equal quarterly instalments commenced from December 31, 2024 & ending on September 30, 2032. Loan carries rate of interest of 0.95 bps above RBI Repo rate, present effective 7.20% (as on 31.03.2025) per annum per month and shall be fully floating and will change with change of RBI repo rate.		
Total	1,286.32	1,085.40



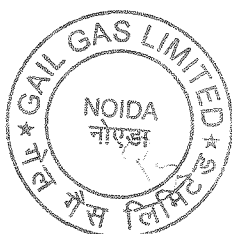
NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 15B : Borrowings

Particulars	(Rs in Crore)	
	As at 31st Mar 2025	As at 31st Mar 2024
Current maturity of Borrowings		
Secured Long Term loans:		
- Oil Industry Development Board	45.50	45.50
Secured against all the assets of Bengaluru Projects. The loan is repayable after 3 years of moratorium period. The total loan outstanding for Bengaluru Project was Rs. 206.83 cr. till 31.03.2025. The current portion of long term borrowing of Rs.45.50 cr., which will be due within next 12 months is disclosed under current financial liabilities.		
- HDFC Bank	173.07	58.57
Loan is availed based on the Corporate Guarantee of the Holding company and Secured against First charge over the fixed assets (both movable and immovable) of the Borrower, both present and future, in relation to the all geographical areas. The current portion of long term borrowing of Rs.173.07 cr., which will be payable quarterly instalments within next 12 months is disclosed under current financial liabilities.		
Total	218.57	104.07

Note 16 : Deferred Tax Liabilities (Net)

Particulars	(Rs in Crore)			
	As at 31st Mar 2025		As at 31st Mar 2024	
Deferred Tax Liabilities		252.69		204.97
Less: Corporate MAT Receivable	8.97		8.97	
Less : Provision for MAT Credit	8.97	-	8.97	-
Total		252.69		204.97



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 17 : Trade Payables

(Rs in Crore)

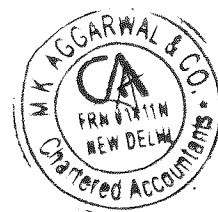
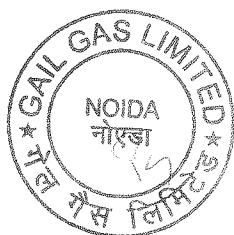
Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Trade payables to related parties	654.48	744.54
Trade payable to Micro and Small Enterprises	46.04	34.77
Trade payable other than Micro and Small Enterprises	143.04	101.05
Total	843.56	880.36

Trade Payables ageing schedule

(Rs in Crore)

Particulars	Outstanding for following periods from due date of payment					As at 31st Mar 2025
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade payable to Micro and Small Enterprises	42.96	3.08	-	-	-	46.04
Trade payable other than Micro and Small Enterprises	59.11	738.29	0.12	-	-	797.52
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Total	102.07	741.37	0.12	-	-	843.56

Particulars	Outstanding for following periods from due date of payment					As at 31st Mar 2024
	Unbilled	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Trade payable to Micro and Small Enterprises	27.91	6.86	-	-	-	34.77
Trade payable other than Micro and Small Enterprises	23.84	818.98	2.77	-	-	845.59
Trade payable to Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Trade payable other than Micro and Small Enterprises - Disputed	-	-	-	-	-	-
Total	51.75	825.84	2.77	-	-	880.36



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 18 : Other Financial Liabilities (Current)

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Deposits/Retention Money from Customers/contractors/others	319.08	276.62
Payable for Capital expenditure	184.10	160.97
Other Liabilities	24.06	27.11
Total	527.24	464.70

Note 19 : Other Current Liabilities

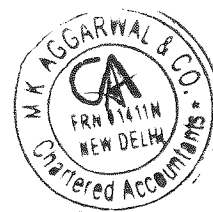
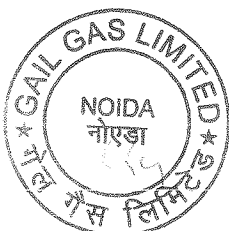
(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Statutory payables		
TDS, VAT, Excise, GST and WCT payable	31.85	45.68
Guarantee Obligation	-	0.06
Other Payables	0.12	0.44
Total	31.97	46.18

Note 20 : Provisions

(Rs in Crore)

Particulars	As at 31st Mar 2025	As at 31st Mar 2024
Provision for Probable Obligations	9.39	8.96
Total	9.39	8.96



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note : 21 Revenue from Operations

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Sale of Products		
City Gas Distribution	4,947.52	4,138.96
Natural Gas Trading	7,263.92	6,786.48
Other Operating Revenues:		
Service charges	15.70	14.84
Interest Income from Customers & Others	1.80	1.78
Income from Extra Pipe Line	1.27	1.55
Income from after Sales Service	0.57	0.51
Total	12,230.78	10,944.12

Note : 22 Other Income

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Interest Income	34.13	13.93
Miscellaneous Receipts	15.14	3.94
Total	49.27	17.87

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

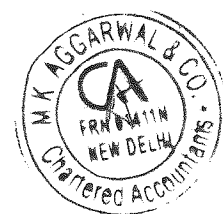
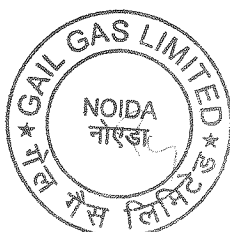
(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Natural Gas	10,669.52	9,701.94
Total	10,669.52	9,701.94

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

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Changes in Stock of Natural Gas and CNG:		
Closing Stock	5.70	3.61
Opening Stock	3.61	2.99
(Increase) / Decrease in Stock	(2.09)	(0.62)



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note : 25 Employee Benefit Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Salary Wages & Allowances	4.33	2.12
Contribution to Provident Fund	0.14	0.07
Total	4.47	2.19

Note : 26 Finance Cost

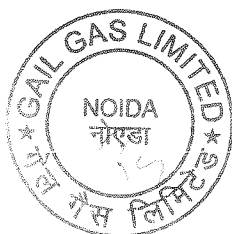
(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Interest on Term Loan From HDFC	85.34	56.52
Interest on Term Loan From OADB	16.65	20.08
Interest on Working Capital /Cash Credit Facilities	-	0.02
Interest on Lease Liability	7.61	5.51
Interest on Others	7.58	4.94
Less: Interest & Finance Charges transferred to IEDC	68.23	54.00
Total	48.95	33.07

Note : 27 Depreciation & Amortisation Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Depreciation & Amortisation Expenses	153.20	129.77
Less: Depreciation and Amortization transferred to IEDC	2.52	3.45
Total	150.68	126.32

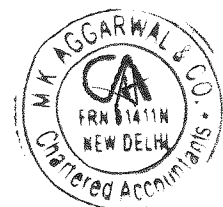
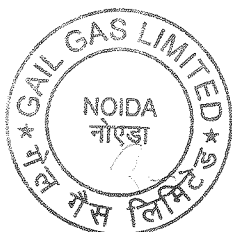


NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note : 28 Other Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025		Year Ended 31st Mar 2024	
Power & Fuel Charges				
-Electricity Charges		16.61		14.39
-Fuel Charges		47.94		30.30
Rent-Office & Others		10.69		10.68
Manpower cost	129.18		254.36	
Less: Manpower cost transferred to CWIP	52.06		88.26	
Less: Reimbursement of employees on deputation	8.86	68.26	12.62	153.48
Repairs and Maintenance				
-Plant & Machinery		133.14		101.37
-Buildings		0.07		0.18
-Others		28.96		25.21
Insurance Charges		14.03		11.69
Rates & Taxes		0.61		0.49
Payment to Auditors				
-Audit Fees		0.17		0.14
-Tax audit Fees		0.05		0.01
-Other Services (for issuing certificates, etc.)		0.02		-
-Travelling & Out of Pocket Expenses		0.08		0.04
Stores & Spares Consumed		5.79		3.59
Loss/(Gain) of Foreign Currency Transaction		0.03		(0.01)
Water Charges		0.02		0.01
Communication Expenses		0.30		0.27
Printing & Stationery		0.76		0.64
Travelling Expenses		4.15		4.15
Books & Periodicals		0.01		0.01
Provision for Probable Obligation		0.43		2.47
Advertisement & Publicity		1.58		1.06
Training Expenses		0.40		0.76
Vehicle Hire & Running Expenses		4.34		3.25
Vehicle Hire Charges LCV/ERV		22.72		18.60
Consultancy & Legal Charges		2.67		1.22
Data Processing Expenses		17.67		4.68
Selling & Distribution Expenses		4.44		4.69
Dealer Commission		91.34		52.35
Security Expenses		7.55		7.40
CSR Expenses		8.49		10.24
Loss on sale of Fixed asset		0.30		0.01
Provision for Losses/Obsolescence Material		-		0.04
Provision/Loss on Capital Items due to Fire		-		0.09
Provision for Doubtful debts / claims		3.84		1.72
Business Development Expenses		0.00		0.00
Other Miscellaneous Expenses		17.92		19.31
Less: Expenditure transferred to CWIP				
IEDC - Travelling Expenses		1.49		1.61
Total		513.89		482.92

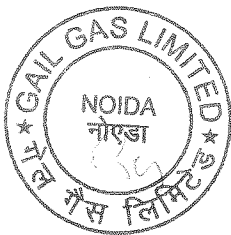


NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note : 29 Tax Expenses

(Rs in Crore)

Particulars	Year Ended 31st Mar 2025	Year Ended 31st Mar 2024
Current tax	114.05	70.98
Deferred Tax	46.31	44.15
Provision / Adjustment of Tax relating to earlier periods	3.86	(4.39)
Total	164.22	110.74



30. Basis of Preparation

The Consolidated Financial Statements of the Company along with its Joint Ventures have been prepared in accordance with Indian Accounting Standards (IND-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. The consolidated financial statements comprise the financial statements of the company and its joint ventures as at 31st March, 2025.

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

Basis of Consolidation

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

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

31. The Company is a wholly owned subsidiary of GAIL (India) Ltd. The Authorized Capital of the Company as on 31st March, 2025 is Rs. 5000 Crores (Previous Year: Rs. 5000 Crores) and issued, subscribed and paid-up capital as on 31st March, 2025 is Rs. 2000 Crores (Previous Year: Rs. 2000.00 Crores).

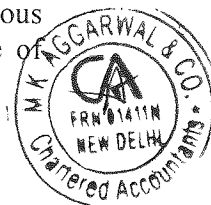
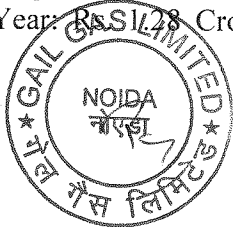
32. Capital Commitments:

- (i) The estimated amount of contracts over Rs. 5 lacs amounting to Rs. 1180.44 Crores (Previous Year Rs. 921.92 Crores) remain to be executed on capital account.
- (ii) The Company has no uncalled liability on shares and other partly paid-up investments.

33. Contingent Liabilities:

Claims against the company not acknowledged as debts:

- (i) Legal cases of Rs. 5.47 Crores (Previous Year: Rs. 3.66 Crores) by vendors/customers/suppliers/contractors etc. Further, the Company has certain ongoing litigations involving customers and vendors and based on the legal advice of inhouse legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.
- (ii) Disputed Direct Tax Demand of Rs. 1.32 Crore for Assessment Year 2018-19 (Previous Year: Rs. 1.28 Crores for Assessment Years 2018-19) on account of disallowance of



certain expenses as per assessment order dated 09.03.2021 against which the company has filed an appeal with CIT (Appeals) on 08.04.2021.

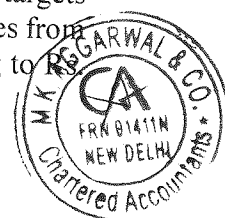
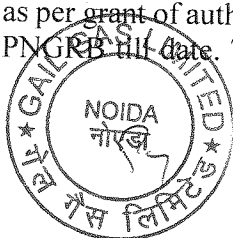
- (iii) Disputed Direct Tax Demand of Rs. 9.45 Crores for Assessment Year 2020-21 (Previous Year: 9.02 Crores) on account of disallowance of certain expenses as per assessment order dated 25.09.2022. Further, against which the company has filed an application for re-computation of Income u/s 155(18) of the Income Tax Act, 1961 on 12.10.2022 by accepting the demand of Rs 0.32 Crores and subsequently filed an appeal with CIT (Appeals) on 25.10.2022 which is not yet finalized.
- (iv) Disputed Indirect Tax demand for Assessment Year 2010-11 under the Excise and VAT Acts of Rs. 3.04 Crores (Previous Year: Rs. 2.82 Crores).
- (v) Re-assessment notice dated 14.3.2011 were issued on the holding company GAIL (India) Ltd by the commercial tax department under the U.P. Trade Tax Act, 1948 in respect of Entry tax on taxable amount of Rs.26.25 Crore arising out of for the assessment years 2004-05 and 2005-06, to be ascertained on re-assessment. Against these re-assessment notices, a writ petition was filed by the holding company with the Hon'ble Allahabad High Court which was dismissed on 18.4.2011 and against which Special Leave Petition was filed by the holding company in May, 2011 with the Hon'ble Supreme Court of India which is yet to be decided. Business Transfer Agreement dated 31.10.2011 transfers Agra Firozabad City Gas Distribution business to the company from the holding company with effect from 16.11.2011, under which the company has exclusive obligations to deal with any and all court cases that are brought against the company or holding company whether for the period prior to the date of transfer or thereafter.

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

- (vi) Bank Guarantee of Rs. Nil (Previous Year: Rs.601.60 Crores) in favor of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization of geographical areas (GAs) awarded to M/s. Goa Natural Gas Pvt. Ltd in respect of North Goa Districts. Further, w.e.f. 07.06.2024, M/s. Goa Natural Gas Pvt. Ltd has submitted the Bank Guarantee to PNGRB directly which was earlier provided by the Company on behalf of M/s. Goa Natural Gas Pvt. Ltd and accordingly the same has been closed.

The above Bank Guarantee has been given to PNGRB based on the Corporate Guarantee provided by the holding company GAIL (India) Ltd and M/s Bharat Petroleum Corporation Limited (BPCL), the other joint venture partner of Goa Natural Gas Pvt. Ltd. Further, this Corporate Guarantee as provided to IndusInd Bank on behalf of the Company has been closed due to closure of the Bank Guarantee as mentioned above.

- (vii) The company is carrying on construction activities for capital projects in 11 GAs awarded by the PNGRB in 9th, 10th and 11th CGD bidding round to meet the Minimum Work Program (MWP) targets as per grant of authorization. Keeping in view delay in availability of pipeline connectivity from the gas source to the respective GAs and non-availability of permissions from different authorities, there is a shortfall in achievement of MWP targets as per grant of authorization. In this regard the Company has not received any notices from PNGRB till date. Therefore, penalty for not meeting of MWP targets aggregating to Rs.



36.09 Crores as on 31st March, 2025, (Previous year: Rs. 15.97 Crore) has been disclosed as Contingent Liability. Management is hopeful that the Company will achieve the cumulative MWP targets in its subsequent periods as per grant of authorization.

34. The Company has submitted a Bank Guarantee of Rs. 2079.99 Crores (Previous Year: Rs. 2079.99 Crores) in favour of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization for Bengaluru Rural and Urban Districts GA.

35. All the employees of GAIL Gas Limited (other than Fixed Term Employees) are deputed from the parent Company i.e. GAIL (India) Limited.

(i) The Parent Company has raised invoices on the monthly basis by charging GST on the secondment of employees at GAIL Gas Limited. The Company has disclosed the cost of employees deputed from the parent Company under Other expenses - Manpower deputation cost (Note 29).

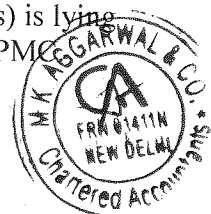
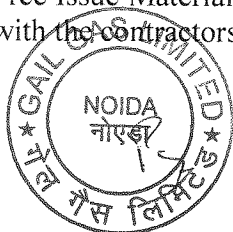
(ii) The Company has appointed Fixed Term Employees (FTE's) and as on 31st March 2025, 55 number of FTE's is on payroll (Previous year: 69 number). They are engaged for a fixed period of 3 years and further their engagement may be extendable for a maximum period of 2 years on a yearly manner. Salaries and allowances of FTE's paid by the Company which have been accounted under Employee benefit expense.

Employees work in various disciplines including project activities and operation activities. Salary and other expenses of employees identified under project activities by the management has been accounted as incidental expenditure during construction and transferred to Capital work in progress. Rent, Depreciation and other expenses pertaining to on-going capital projects have been accounted as incidental expenditure during construction and transferred to Capital work in progress. During the year, a sum of Rs.56.07 Crores (Previous Year: Rs. 93.32 Crores) has been accounted as Incidental Expenditure during Construction.

36. Capital Work in Progress includes assets under construction which are at different stages of completion. Capitalization is done as and when the asset is ready to be put to use, based on certification by the PMC. The Company is engaged in the business of City Gas Distribution (CGD) in India which involves distribution of gas from sources of supply to the end user customers. The CGD project is designed considering demand, supply and future requirements based on the facilities envisaged for CGD network in authorized areas for 25 years on the basis of authorization from Petroleum and Natural Gas Regulatory Board (PNGRB) to lay, build, operate or expand city or local natural gas distribution network. On the basis of demand projections, the CGD network is planned. Project execution plans are modulated on the basis of continuous ongoing expansion and all the projects are executed and expanded on ongoing basis as per rolling annual plan. Hence, it is considered that there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

37. The company has lodged insurance claims of Rs 13.49 Crores for the fire occurred in last financial year at CWC Warehouse, Dehradun GA. During the current financial year 2024-25, Rs. 11.51 Crore were received from the Insurance Company.

38. Free Issue Material amounting to Rs. 43.96 Crores (Previous Year: Rs 33.64 Crores) is lying with the contractors as at year end, which has been confirmed by the contractors & PMC.

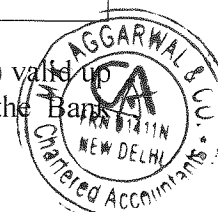
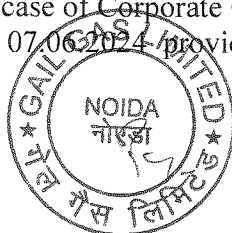


39. Provisional liabilities of Rs. 270.72 Crores (Previous Year Rs. 195.41 Crores) have been created in the books of accounts as on 31.03.2025 on the basis of work done till that date for which invoices are yet to be received from the parties and will be settled on submission of actual invoices.
40. Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a 50:50 Joint Venture Company (JVC) of GAIL Gas Limited (GAIL Gas) and Andhra Pradesh Gas Infrastructure Corporation Pvt. Ltd. APGDC has surrendered its authorization of KSPL project during the preceding financial year due to various challenges to complete the project. Further, it was requested by APGDC to PNGRB to factor in the investment done by APGDC while conducting the re-bidding of this line to recover the investment made in the project considering the same is public money. PNGRB has directed to submit a detailed location of pipeline laid along with fit for purpose report of pipeline, duly authenticated by a reputed Project Management Consultancy firm. The impact assessment (fit for purpose report of pipeline) has been completed and determined to be healthy. The report has been submitted to PNGRB. Further, PNGRB has invited bids for Mallavaram to Srikakulam pipeline (MSPL) which includes the KSPL stretch. The original bid submission last date was 14.04.2025 & the technical bid opening date was 16.04.2025 and now it has been extended up to 30.05.2025 and 03.06.2025 respectively. The bid provision includes option for bidders to take over the assets of APGDC at its own discretion and mutual agreement. Accordingly, the Company will be evaluating its investment for purpose of impairment (to derive a reliable estimate of future cash flows from the net investments made in APGDC for KSPL Project) as per the requirement of Ind AS based on the outcomes of future events. Further, the Company disclosed its investment made in APGDC of Rs 160.32 Crore (Previous year: Rs.156.58 Crore) representing original cost of investment.
41. As per provisions of Ind AS 109, the company has made following fair valuation recognition:
- a. In previous years, the Holding Company GAIL (India) Ltd has provided Corporate Guarantee's to the Company, for obtaining Bank Guarantees in favour of PNGRB for different GA's. The Company has been shown it as deemed equity as capital contribution from Holding Company (Note-14) based on the fair valuation as per Ind AS 109. The Corporate Guarantee (CG) wise details are given below;

Amount in Rupees Crore

Sl no.	Descriptions	Deemed Equity (Note-14)	Pre-paid expenses (Note-9)	Guarantee commission expenses (Note-26).
1	CG Bengaluru Rural and Urban Districts GA of Rs. 2079.99 Crore (Valid up to 18.11.2024)	11.74 (11.74)	Nil (1.44)	1.44 (0.71)
2	CG 10 th Bidding round GAs of Rs. 133 Crore (Valid up to 24 th March 2022)	0.72 (0.72)	- -	- -

- b. In case of Corporate Guarantee of Rs. 752 Crores (reduced to Rs.300.80 Crore) valid up to 07.06.2024 provided by the Holding Company GAIL (India) Ltd. for the Bank

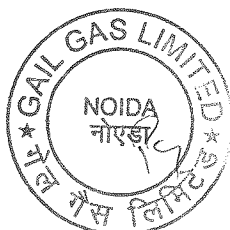


Guarantee in favor of PNGRB for GA awarded to the joint venture company i.e. GNGPL, a sum of Rs. 4.41 Crores (Previous Year: Rs. 4.41 Crores) has been shown as deemed equity as capital contribution from Holding Company (Note-14) with corresponding account receivables from Joint Venture Company Goa Natural Gas Pvt. Limited. (Note-8B), based on the fair valuation.

- c. In case of Corporate Guarantee provided by the Holding Company GAIL (India) Ltd. for sanction of long-term loan of up to Rs. 1500 Crores (Previous Year: Rs. 1500 Crores) from HDFC, a sum of Rs. 11.03 Crores (Previous Year: Rs. 33.45 Crores) has been shown as deemed equity as capital contribution from the Holding Company (Note-14). Accordingly, a sum of Rs. 30.87 Crores (Previous Year: Rs. 25.92 Crores) has been shown as pre-paid expenses (Note-9) and Rs.6.14 Crores (Previous Year: Rs. 3.94 Crores) as guarantee commission expenses (Note-26).
42. Department of Investment & Public Asset Management (DIPAM) Government of India, Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18.11.2024 has issued revised guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend. In FY 2024-25, the Board of Directors of the company has proposed a final dividend of Rs.150 Crore (Previous Year: Interim Dividend of Rs.150 Crore) more than the minimum required as per the above guidelines.
43. In compliance with Ind AS 12 on "Income Taxes" issued by the Institute of Chartered Accountants of India, the Company has created tax liability as per details given below:
- (i) Income Tax related to items charged or credited directly to Statement of Profit and Loss during the year:

Rs. in Crores

Statement of Profit and Loss	31st March, 2025	31st March, 2024
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	114.05	70.98
Provision/Adjustment of Tax relating to earlier periods	-	-
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	-
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	-
	114.05	70.98
Deferred Income Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations)	46.31	44.15
Adjustment on account of opting concessional rate u/s 115BAA w.e.f FY 2019-20 (Continuing operations)	-	-



Relating to origination and reversal of temporary differences (Discontinued Operations)		
	46.31	44.15
Provision for MAT Credit	-	-
Income Tax Expense reported in the Statement of Profit and Loss	160.36	115.13

(ii) Reconciliation of Effective Tax Rate (Continuing Operations): Rs. in Crores

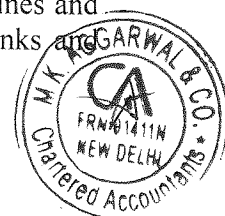
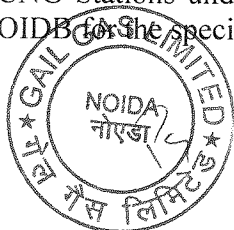
	31st March, 2025	31st March, 2024
Profit Before Income Tax	614.86	433.91
Current Tax Rate	18.55%	16.36%
Computed Effective Tax Expense	114.05	70.98
Movement in Deferred Tax Liability	46.31	44.15
Provision for MAT Credit	-	-
Income Tax charged to Statement of Profit and Loss	160.36	115.13
Effective Tax Rate	26.08%	26.53%

(iii) Recognized Deferred Tax Assets and Liabilities:

Deferred Tax Assets/ (Liabilities) are attributable to the following: Rs. in Crores

Particulars	Balance Sheet		Statement of Profit & Loss	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Property, Plant and Equipment	(258.69)	(214.32)	(44.37)	(42.17)
Provisions	6.00	7.94	(1.94)	(1.98)
Deferred Tax Assets/ (Liabilities)	(252.69)	(206.38)	(46.31)	(44.15)
Offsetting of Deferred Tax Assets/ (Liabilities)	-	-	-	-
Net Deferred Tax Assets /(Liabilities)	(252.69)	(206.38)	(46.31)	(44.15)

44. In terms of disclosure requirement as per Ind-AS 23 on "Borrowing Costs", total finance cost of Rs.117.18 Crores (Previous Year: Rs.87.07 Crores) was incurred by the company during the year, out of which an amount of Rs. 68.23 Crores (Previous Year: Rs. 54.00 Crores) has been allocated towards Capital Work in Progress during the year in respect of pipelines and CNG Stations under construction. The company has used the borrowings from banks and OIDs for the specific purpose for which it was taken.



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

46. In compliance of Ind AS 108 on “Operating Segment”, the Company has adopted following Business segments as its reportable segments:

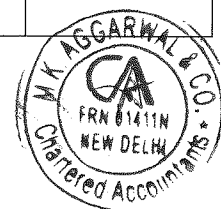
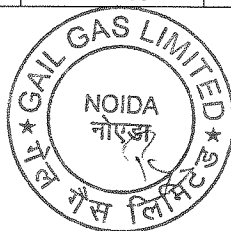
- i. City Gas Distribution
- ii. Natural Gas Trading

Geographical Information:

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

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

Sl No	Segment	City Gas Distribution	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	Segment Revenue #						
	External Sales / Other Income	4,966.86	7,263.92	-	12,230.78	-	12,230.78
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	4,966.86	7,263.92	-	12,230.78	-	12,230.78
2	Segment Results						
	Segment Result (Profit before Interest & Tax)	633.28	82.84	-	716.12	-	716.12
	Unallocated expenses (Net)	-	-	86.44	86.44	-	86.44
	Operating Profit	633.28	82.84	(86.44)	629.68	-	629.68
	Interest Expenses	-	-	48.95	48.95	-	48.95
	Interest/ Dividend Income	-	-	34.80	34.80	-	34.80
	Provision for Taxation	-	-	164.22	164.22	-	164.22
	Profit/(Loss) from Ordinary Activities	633.28	82.84	(264.80)	451.31	-	451.31



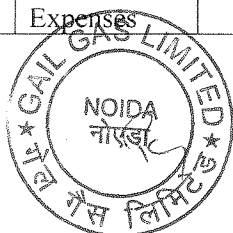
NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

	Net Profit/(Loss)	633.28	82.84	(261.27)	454.84	-	454.84
3	Other Information						
	Segment Assets	5,056.41	634.03	1,191.23	6,881.67	-	6,881.67
	Segment Liabilities	985.97	539.28	1,757.58	3,282.83	-	3,282.83
	Cost to acquire fixed assets	581.52	-	-	581.52	-	581.52
	Depreciation and Amortization Expenses	149.92	-	0.76	150.68	-	150.68
	Non-Cash expenses other than Depreciation and Amortization Expenses	12.08	-	7.70	19.79	-	19.79

Segment Revenue includes Other Operating revenue

Information about Business Segments for the financial year ended 31st March 2024

SI No	Segment	City Gas Distribution	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	Segment Revenue #						
	External Sales / Other Income	4,157.64	6,786.48	-	10,944.12	-	10,944.12
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	4,157.64	6,786.48	-	10,944.12	-	10,944.12
2	Segment Results						
	Segment Result (Profit before Interest & Tax)	503.66	68.94	-	572.60	-	572.60
	Unallocated expenses (Net)	-	-	119.55	119.55	-	119.55
	Operating Profit	503.66	68.94	(119.55)	453.05	-	453.05
	Interest Expenses	-	-	33.07	33.07	-	-



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

	Interest/ Dividend Income	-	-	14.26	14.26	-	14.26
	Provision for Taxation	-	-	110.74	110.74	-	110.74
	Profit/(Loss) from Ordinary Activities	503.66	68.94	(249.10)	323.50	-	323.50
	Net Profit/(Loss)	503.66	68.94	(255.00)	317.60	-	317.60
3	Other Information						
	Segment Assets	4,572.40	543.63	890.56	6,006.59		6,006.59
	Segment Liabilities	804.72	674.80	1,394.44	2,873.96		2,873.96
	Cost to acquire fixed assets	616.14	-	-	616.14		616.14
	Depreciation and Amortization Expenses	125.77	-	0.56	126.32		126.32
	Non-Cash expenses other than Depreciation and Amortization Expenses	9.96	-	4.80	14.75		14.75

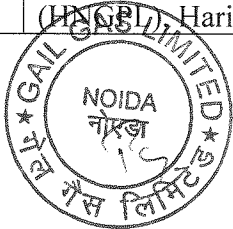
Segment Revenue includes Other Operating revenue

Information about major customers:

During the year ended 31st March, 2025 One customer (Previous Year: one) contributed more than 10% of revenue. Revenue from this customer was Rs. 5625.64 Crores during the year ended 31st March, 2024 (Previous Year: Rs. 5481.69 Crores).

47. Disclosure under Ind AS 112 on “Disclosure of Interests in other Entities”, is as under :

Sl. No.	Name of Companies (Indian Entities) & Principal Place of business	Relation	Proportion of ownership as on	
			31.03.2025	31.03.2024
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada- Andhra Pradesh*	Joint Venture	50%	50%
2	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Joint Venture	17.07%	17.07%
3	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Joint Venture	50%	50%
4	Haridwar Natural Gas Pvt. Ltd. (HNGPL), Haridwar, Uttarakhand	Joint Venture	50%	50%



5	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Joint Venture	50%	50%
6	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam	Joint Venture	26%	26%

The company's share in the assets and liabilities and in the income and expenditure for the year in respect of above joint venture companies based on audited financial statements of Haridwar Natural Gas Pvt. Ltd, Goa Natural Gas Pvt. Ltd. and unaudited financial statements of other 4 joint venture companies as furnished by management of these companies is as under:

Rs. in Crores			
Sl. No.	Description	31.03.2025	31.03.2024
A.	Summary of Balance Sheet		
1	Assets		
	Non-Current	827.39	758.82
	Current	80.18	79.05
	Total	907.56	837.87
2.	Liabilities & Provisions		
	Non-Current	332.31	302.78
	Current	207.65	192.94
	Total	539.86	495.72
B.	Summary of Profit and Loss Account		
1.	Income	338.05	262.74
2.	Expenditure	326.98	260.09
C.	Contingent Liability	53.51	54.31
D.	Capital Commitment	143.29	179.55

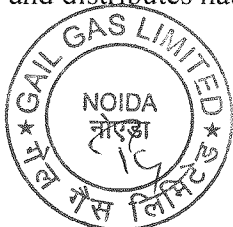
*The audited financial statements and audit report of the Company has not been received for last two financial years.

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

Disaggregated Revenue Information

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

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



Sale of natural gas includes excise duty but excludes value added tax (VAT) collected from customers on behalf of the government. All revenues are earned on transfer of goods or services to the customers.

Contract Asset and Liabilities

	Rs. in Crores	
Description	As on 31 st March, 2025	As on 31 st March, 2024
Contract Asset (Unbilled revenue)	14.23	12.73
Contract Liabilities	0.21	0.21

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

Performance Obligation

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

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

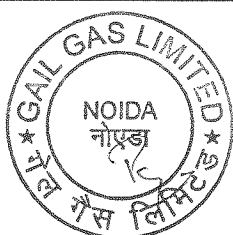
I. Company as Lessee:

a) Lease Liabilities

Reconciliation of Lease Liabilities:

(Rs. In Crores)

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Opening Balance	79.32	96.34
Adjustments for:		
Additions during the year	70.92	22.04
Deletions during the year		
Accretion of interest	7.61	5.51
Foreign exchange loss on restatement of lease liabilities	0	0
Lease liabilities paid during the year	40.84	35.59
Excess Lease liabilities written Back	3.92	8.98
Closing Balance	113.09	79.32
Current	25.63	26.15
Non-current	87.46	53.17



Maturity analysis of Lease Liabilities:**As at 31st March 2025****(Rs. In Crores)**

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	7.16	18.47	-	-	25.63
Lease Liabilities (Non-Current)	4.96	14.01	29.35	39.14	87.46

As at 31st March 2024**(Rs. In Crores)**

Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	6.96	19.20	-	-	26.15
Lease Liabilities (Non-Current)	4.39	9.36	20.91	18.52	53.17

Amounts recognized in Statement of Profit and Loss:**(Rs. In Crores)**

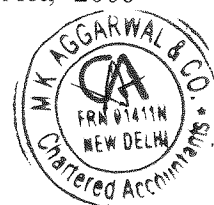
Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Depreciation on right-of-use assets	36.96	29.44
Interest expense on lease liabilities	5.71	3.66
Expense relating to short-term leases	5.49	5.95
Expense relating to low value assets leases	0.01	0.01
Variable lease payments		
Total	48.17	39.06

(b) Right of Use Assets:**(Rs. In Crores)**

Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Opening Balance	123.11	113.79
Add: Additions during the year	82.63	50.53
Less: Deletions during the year	14.63	7.27
Less: Depreciation for the year	39.48	33.94
Closing Balance	151.63	123.11

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

As per Section 135 of the Companies Act, 2013, the company was required to spend an amount of Rs. 8.12 Crores during the FY 2024-25 (Previous Year: Rs. 6.65 Crores). The amount of CSR expenses incurred by the Company during the year 2024-25 was Rs. 8.49 Crores (Previous Year: Rs. 0.66 Crores). During FY 2024-25, the mandated spend i.e. 2% of the average of the net profits [Profit Before Tax (PBT)] amounting to Rs. 8.12 Crores have been achieved by the company.

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

Particulars	Rs. in Crores	
	2024-25	2023-24
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; Principal*	46.04	34.77
Interest	Nil	Nil
ii) The amount of interest paid by the buyer in terms of Section 16 of MSMED Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	Nil	Nil

*Includes Liabilities and Provisions etc.

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

52. Related Party Disclosures:

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

- (ii) Related Party Disclosures as per Ind AS 24.

- (a) Relation and name of the related parties are as under:

A. Holding Company:

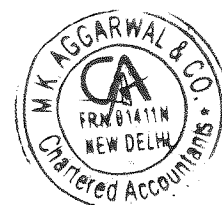
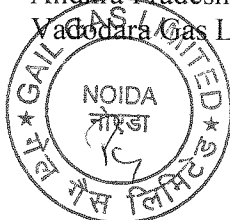
- (i) GAIL (India) Limited.

B. Subsidiaries of Holding Company:

- (i) Bengal Gas Company Limited
(ii) Konkan LNG Limited
(iii) Tripura Natural Gas Company Limited
(iv) GAIL Global (Singapore) Pte. Limited
(v) GAIL Global (USA) Inc.
(vi) GAIL Global (USA) LNG LLC (wholly owned subsidiary of GAIL Global (USA) Inc.)
(vii) GAIL Mangalore Petrochemicals Limited

C. Joint Venture Companies:

- (i) Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)
(ii) Vadodara Gas Limited. (VGL)



- (iii) Rajasthan State Gas Limited. (RSGL)
- (iv) Haridwar Natural Gas Pvt. Ltd. (HNGPL)
- (v) GOA Natural Gas Pvt. Ltd. (GNGPL)
- (vi) Purba Bharati Gas Pvt. Ltd. (PBGPL)

D. Subsidiaries of Joint Venture Companies:

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

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

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

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

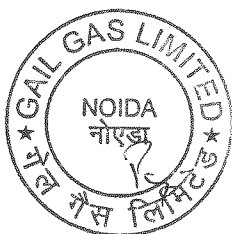
- (i) China Gas Holdings Limited
- (ii) Fayum Gas Company
- (iii) LNG Japonica Shipping Corporation Limited
- (iv) South-East Asia Gas Pipeline Company Limited (SEAGP)

G. a. Chairman & Non-Executive Director:

Shri Sandeep Kumar Gupta

b. Non-Executive Directors:

- (i) Shri Rakesh Kumar Jain
- (ii) Shri Ayush Gupta
- (iii) Smt. Nalini Malhotra
- (iv) Shri Sanjay Kumar
- (v) Shri Amit Bansal (up to 25.10.2024)
- (vi) Shri Noas Kindo (w.e.f. 14.11.2024)



c. Chief Executive Officer:

Shri Goutom Chakraborty

d. Chief Financial Officer:

Shri Pankaj Gupta

e. Chief Operating Officer:

Shri Ajay Kumar Jindal

f. Company Secretary:

(i) Sh. Deepak Asija (up to 02.04.2025)

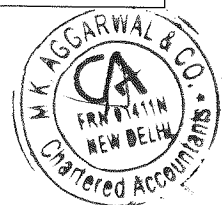
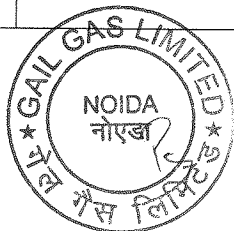
(ii) Smt. Preeti Agarwal (w.e.f. 03.04.2025)

No Loans & Advances in the nature of loans are granted to Promoters, Directors, Key Managerial Persons (KMP) and Related Parties except stated below, for the period ending as on 31.03.2025 by the company.

(b) Related Party Transactions

Rs. in Crores

Sl No	Particulars	FY	Holding Co.	Joint Venture & Others*	Key Management Personnel
1	Purchase of Goods and Material / Services	24-25	9,605.68	0.69	-
		23-24	8,987.34	7.01	-
2	Guarantee Commission received / receivable	24-25	-	10.41	-
		23-24	-	0.28	-
3	Sales of Goods (Material and Gas) / Services	24-25	1,396.55	301.50	-
		23-24	1,117.11	255.56	-
4	Remuneration to Key Management personnel- Salary & Allowances	24-25	-	-	4.98
		23-24	-	-	2.78
5	Reimbursement for employees on deputation to JVs	24-25	-	10.45	-
		23-24	-	14.89	-
6	Reimbursement for employees on deputation - paid	24-25	136.43	-	-
		23-24	201.83	-	-
7	Reimbursement of Retirement Benefits for the year	24-25	-	-	-
		23-24	8.69	-	-
8	Reimbursement of BG Charges received / receivable	24-25	-	0.30	-
		23-24	-	2.56	-
9	Rent, Electricity, UCS Expenses, TTA, etc. paid / payable	24-25	12.98		
		23-24	7.54		
10	Advances for Hook Up charges	24-25	6.69	-	-
		23-24	8.96	-	-

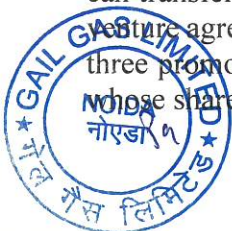


NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

11	Outstanding balance payable excluding fair valuation done as per Ind AS-109	24-25	628.11	-	-
		23-24	761.69	0.07	-
12	Outstanding Balance Receivable excluding fair valuation done as per Ind AS-109	24-25	72.37	66.04	-
		23-24	58.82	58.93	-
13	Guarantee Commission Expense	24-25	7.58	-	-
		23-24	4.94	-	-
14	Corporate Guarantee given to Banks for BG/Loan issued on behalf of the Company as at Balance Sheet date	24-25	1500.00	-	-
		23-24	3880.79	-	-
15	Dividend Paid	24-25	-	-	-
		23-24	150	-	-
16	Interest received	24-25	-	0.57	-
		23-24	-	0.89	-
17	Investment in APGDCL as at Balance Sheet date (JV) including Pref. Shares	24-25	-	160.32	-
		23-24	-	156.58	-
18	Investment in VGL as at Balance Sheet date (JV)	24-25	-	58.56	-
		23-24	-	52.58	-
19	Investment in RSGL as at Balance Sheet date (JV)	24-25	-	89.68	-
		23-24	-	86.27	-
20	Investment in HNGPL as at Balance Sheet date (JV)	24-25	-	51.03	-
		23-24	-	47.06	-
21	Investment in GNGPL as at Balance Sheet date (JV)	24-25	-	41.17	-
		23-24	-	39.26	-
22	Investment in PBGPL as at Balance Sheet date (JV)	24-25	-	36.53	-
		23-24	-	31.82	-
23	Advances/loans given as at Balance Sheet date	24-25	-	3.75	-
		23-24	-	7.50	-

*Others include joint venture companies of Holding Company.
(Figure shown in brackets pertains to Previous Year).

The company has formed six Joint Venture Companies by executing Joint Venture Agreement/Shareholder Agreement with various agencies of State Governments and Corporates. In all these companies, it was agreed that Equity Shareholding of both the promoters will be in equal ratio till the time strategic investor comes in. However, after the investment of strategic investor, the shareholding of both the promoters will be as per the Shareholder Agreement executed amongst them. Equity Shareholding in Purba Bharati Gas Pvt. Ltd. wherein there are three promoters i.e. Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd whose shareholdings will be in the ratio of 48%, 26% and 26% and they can transfer the shares after lock in period of 10 years subject to the conditions as per joint venture agreement. Further, Equity Shareholding in Vadodara Gas Limited. wherein there are three promoters i.e. Vadodara Mahanagar Seva Sadan, GAIL India Ltd. and GAIL Gas Ltd whose shareholdings will be in the ratio of 50%, 32.93% and 17.07% respectively.



53. Movement of Provision

In compliance of Ind AS 37 on Provisions, Contingent liabilities and Contingent Assets, the required information on Provision for Probable Obligations is as under:

Rs. in Crores		
Particulars	Provision for Probable Obligation	Provision for Doubtful Claims
As at 1st April, 2024	8.96	0.31
Additional provision recognized during the year	0.57	-
Amount used during the year	-	-
Unused amount reversed during the year	0.14	-
As at 31st March 2025	9.39	0.31

54. Earnings per Share:

Particulars	2024-25	2023-24
Profit after Tax (Rs. in Crores)	454.84	317.60
Weighted Average No. of Equity Shares (Basic)	200,00,00,000	200,00,00,000
Weighted Average No. of Equity Shares (Diluted)	200,00,00,000	200,00,00,000
Nominal Value per Share (in Rs.)	10.00	10.00
Basic Earning per Share (in Rs.)	2.27	1.59
Diluted Earning per Share (in Rs.)	2.27	1.59

55. Notes on Financial Risk Management**Financial Risk Management**

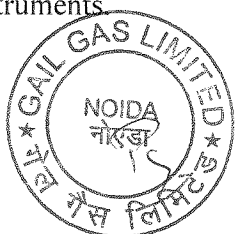
The Company's Financial Risk Management is an integral part of how to plan and execute its business strategies. This note explains the sources of risk which the entity is exposed to and how the company manages the risk. The Company is exposed to market risk, credit risk and liquidity risk. Board of Directors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

(i) Market risk

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

a) Interest Rate Risk:

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



Sensitivity analysis:

Term Loans received from the Oil Industry Development Board have variable component for some tranches. Term loan obtained from HDFC has a variable element of interest rate and outstanding balance of which as at the year-end is Rs. 1298.06 Crores (Previous Year: Rs. 937.14 Crores). However, as the loan has been obtained for capital projects which are under construction, interest is capitalized as a part of Capital work in progress. Therefore, there is no impact on the Company's profit before tax during the year ended 31.03.2025 and 31.03.2024.

Foreign Currency Risk:

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

b) Commodity Price Risk

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

c) Equity Price Risk

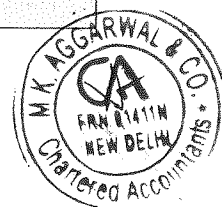
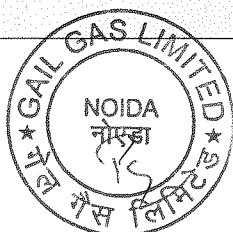
The Company do not have any investment in quoted equity shares hence not exposed to equity price risk.

(ii) Liquidity risk

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

Rs.in Crores						
As at 31.03.2025	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	-	218.58	1026.70	259.61	1504.89
Trade and other payables	-	843.56	-	-	-	843.56
Other financial liabilities	227.36	233.74	66.14	-	-	527.24
Lease Liabilities*	-	12.12	32.48	29.35	39.14	113.09

Rs.in Crores						
As at 31.03.2024	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total



Interest-bearing loans and borrowings	-	-	104.07	624.29	461.11	1189.47
Trade and other payables	-	880.36	-	-	-	880.36
Other financial liabilities	200.69	169.00	95.01	-	-	464.70
Lease Liabilities*		11.35	28.56	20.91	18.50	79.32

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

(iii) Credit Risk

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

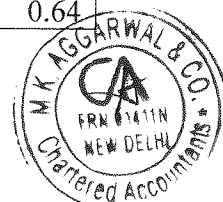
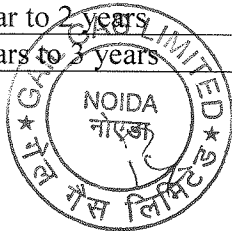
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and reviewed for impairment.

The summary of the Company's product wise credit policy is tabulated below:

Product	Credit period
Piped Natural Gas (Domestic)	21 days
Piped Natural Gas (Industrial)	3-7 days
Piped Natural Gas (Commercial)	7 days
Compressed Natural Gas (CNG) & Compressed Bio Gas (CBG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 - 45 days

The company does not expect any significant credit risk out of its exposure to trade receivable as the major part of revenue is contributed either by cash sales or within credit period of 3- 45 days. The aging analysis of trade receivables as of the reporting date is as follows:

Particulars	Rs.in Crores	
	31 st March 2025	31 st March 2024
Neither due nor impaired	858.28	713.68
Less than 6 months	51.63	36.89
6 months to 1 year	7.91	5.43
1 year to 2 years	5.72	4.82
2 years to 3 years	1.90	0.64



More than 3 years	6.79	6.15
Total	932.23	767.61
Less: Expected credit loss including allowances for bad and doubtful	12.62	8.79
Carrying amount of Trade Receivable (Net of Impairment)	919.61	758.82

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

Rs.in Crores

Provisions	31st March 2025	31st March 2024
Start of the year	8.79	7.07
Provision created during the year	3.83	1.72
Receivables written off during the year as uncollectible	-----	-----
Unused amounts reversed	-----	-----
End of year	12.62	8.79

Cash deposits:

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

Capital Management

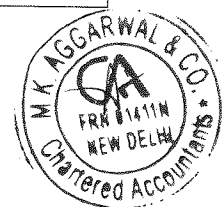
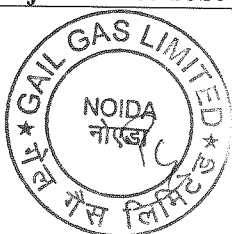
For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the holding company. As on 31.03.25 the issued and paid-up capital was Rs. 2000 Crores (Previous Year: Rs. 2000.00 Crores) (Note 13) and other equity was Rs. 1604.49 Crores (Previous Year: Rs. 1142.82 Crores) (Note 14). The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

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

The adjusted net debt to equity ratio is as follows

Rs.in Crores

Provisions	31st March 2025	31st March 2024
Net Debt	1504.89	1189.47
Total Equity	3598.84	3132.63
Net Debt to Equity Ratio	0.42	0.38
Interest bearing borrowing	1504.89	1189.47
Less: Cash & Bank Balance	664.27	407.85
Adjusted Net Debt	840.62	781.62
Adjusted net debt to adjusted equity ratio	0.23	0.25



Fair value measurements

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

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

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

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

As at 31.03.2025:

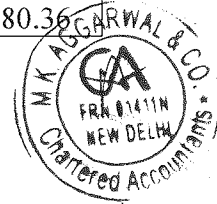
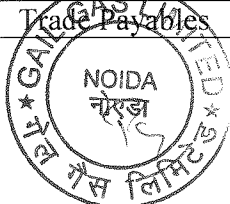
Rs.in Crores

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	3.75	-	-	3.75
Trade Receivables	919.61	-	-	919.61
Cash and Cash Equivalents	212.47	-	-	212.47
Bank Balances Other than Cash and Cash Equivalents	451.80	-	-	451.80
Other Financial Assets	76.76	-	-	76.76
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	1664.39	-	-	1664.39
Financial Liabilities at amortized cost				
Borrowings	1504.89	-	-	1504.89
Trade Payables	843.56	-	-	843.56
Other Financial Liabilities	527.24	-	-	527.24
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	2875.69	-	-	2875.69

As at 31.03.2024:

Rs.in Crores

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	7.50	-	-	7.50
Trade Receivables	758.82	-	-	758.82
Cash and Cash Equivalents	407.85	-	-	407.85
Bank Balances Other than Cash and Cash Equivalents	1.82			1.82
Other Financial Assets	62.02	-	-	62.02
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	1238.01	-	-	1238.01
Financial Liabilities at amortized cost				
Borrowings	1189.47	-	-	1189.47
Trade Payables	880.36	-	-	880.36



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Other Financial Liabilities	464.70	-	-	464.70
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	2534.53	-	-	2534.53

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

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

56. Details of Loans given, Investment made and guarantee given or security provided covered u/s 186 of the companies Act, 2013 are given under respective heads (refer note 5, 7 and 32(vi)).

57. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as on 31.03.2025.

58. The Company has taken fund based & non fund based facility from banks on the basis of security of current assets and statement of current assets filed by the company with banks, if any, are in agreement with the books of accounts.

59. The company has not been declared as a willful defaulter by any bank or financial Institution or any other lender as on 31.03.2025.

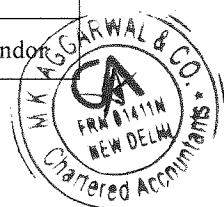
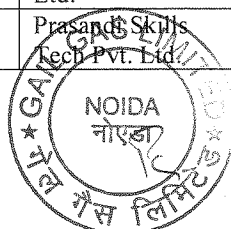
60. Details of Relationship with Struck-off Companies

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

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

Details of Relationship with Struck-off Companies as on 31st March, 2024:

Sl. No.	Name of struck off Company	Nature of Transactions with struck-off Company					Relationship with Struck off Company if any to be disclosed
		Investment in Securities	Receivables	Payables	Shares held by Struck-off Company	Other Outstanding Balance (To be specified)	
		(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	
1	Bhaskar Industries Pvt. Ltd.	-	0.06	-	-	-	Customer
2	Dewas Techno Products Pvt. Ltd	-	0.05	-	-	-	Customer
3	Bhatter Metals Pvt. Ltd.	-	0.02	-	-	-	Customer
4	Prasanna Skills Tech Pvt. Ltd.	-	-	0.05	-	-	Vendor



61. Title Deeds in respect of Freehold Land of Rs.2.05 Crores (Previous Year: Rs. 2.05 Crores) measuring 3004.42 square meters at Sonapat, Haryana is pending for execution including Rs. 0.15 Crores (Previous Year: Rs. 0.15 Crores) towards registration charges provided on provisional basis. Mutation of Freehold Land is in process.

62. Ratios

Sl No.	Particulars	Numerator	Denominator	24-25	23-24	Variance
(a)	Current Ratio	Current assets	Current liabilities	1.04	0.85	22%
(b)	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.42	0.38	11%
(c)	Debt Service Coverage Ratio	Profit after tax plus Finance Cost plus Depreciation	Debt Service ⁽¹⁾	2.80	3.91	-28% ^(a)
(d)	Return Equity Ratio	Profits after taxes	Average Shareholder's Equity ⁽²⁾	14%	11%	27%
(e)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	866	748	16%
(f)	Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	14	13	13%
(g)	Trade Payable Turnover Ratio	Purchases of stock-in-trade of natural gas and other expenses	Average Trade Payables	13	13	-
(h)	Net Capital Turnover Ratio	Net Sales	Working Capital	166	-46	466% ^(b)
(i)	Net Profit Ratio	Profits after taxes	Total Income (Net of Excise Duty)	4%	3%	33% ^(c)
(j)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed ⁽³⁾	12%	10%	20%
(k)	Return on Investment	Share of Profit / (Loss) of Joint Ventures	Average Investments	1%	-1%	200% ^(d)

1) Finance Cost plus Principal Repayments of Debt

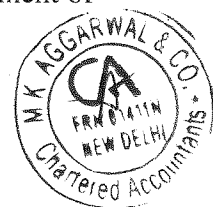
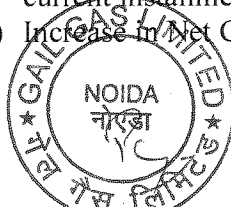
2) Average of Opening Shareholder's Equity and Closing Shareholder's Equity.

3) Shareholder's Equity + Total Debt + Deferred Tax Liabilities + Lease Liabilities

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

(a) The reduction in debt service coverage ratio is mainly due to increase in the repayment of current installment of HDFC term loan.

(b) Increase in Net Capital Turnover Ratio is due to increase in Working Capital.



- (c) Increase in Net Profit ratio is due to increase in Net Profit.
- (d) Increase in Return on Investment is due to increase in profit from the Joint Venture Companies.

63. Events occurring after the balance sheet date

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

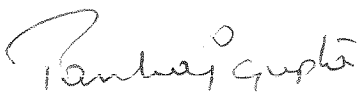
64. Confirmation of Assets & Liabilities

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

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

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


Preeti Aggarwal
Company Secretary
PAN-AANPG3779M


Pankaj Gupta
CFO
PAN- ADYPG0044P

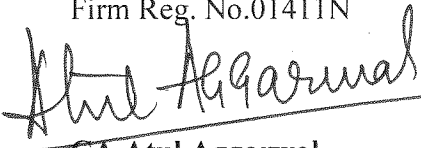

Goutom Chakraborty
CEO
PAN- ABKPC5087E


R K Jain
Director
DIN 08788595

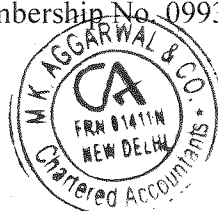
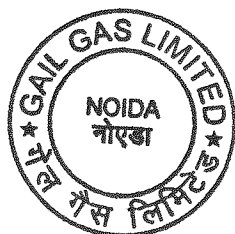

Sandeep Kumar Gupta
Chairman
DIN 07570165

As per our report of even date attached

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


CA Atul Aggarwal
Partner
Membership No. 099374

Place: New Delhi
Date: 02-05-2025



Note 1 A: Corporate Information & Material Accounting Policies

Corporate Information

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

GGL emerged as a leading company in City Gas Distribution (CGD) business with its primary focus to address and accelerate the energy needs of various authorised geographical areas across the nation. The company has been authorized by Petroleum and Natural Gas Regulatory Board (PNGRB) for implementing City Gas Distribution Projects in Dewas & Raisen, Shajapur and Sehore Districts (Madhya Pradesh), Sonapat (Haryana), Meerut, Firozabad (TTZ) & Mirzapur, Chandauli and Sonbhadra Districts (Uttar Pradesh), Bengaluru Rural and Urban Districts & Dakshina Kannada Districts (Karnataka), Giridih & Dhanbad Districts, West Singhbhum Districts, Seraikela-Kharsawan Districts & Kondagaon, Bastar, Sukma, Narayanpur, Bijapur, Dantewada Districts (Jharkhand), Sundargarh & Jharsuguda Districts & Ganjam, Nayagarh & Puri Districts, Gajapati, Kandhamal, Boudh, Sonapur Districts (Odisha) and Dehradun District (Uttarakhand). In addition, the company is pursuing City Gas Business in the state of Andhra Pradesh, Gujarat, Uttarakhand, Goa, Rajasthan and Assam through its Joint Venture companies

The Consolidated Financial Statements of the company for the year ended 31st March 2025 were authorized in accordance with a resolution of the Board of Directors on 02.05.2025.

Basis of preparation

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

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

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

Basis of Consolidation

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

Consolidation of the financial statements has been made based on the unaudited financial statements of the joint venture companies except Goa Natural Gas Private Limited



(GNGPL) & Purba Bharati Gas Pvt. Ltd (PBGPL) which are based on audited financial statements of the company. Further, consolidated financial statements include consolidated financial statements of Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL).

1. Material Accounting Policies

1.1. Property, Plant and Equipment (PPE)

- a) In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability subject to necessary adjustment in cost and depreciation in the year of settlement.
- b) Stores & Spares which meet the definition of PPE i.e. when the company intended to use for a period exceeding 12 months.
- c) Expenditure on major inspection and overhauls of PPE is capitalized, when it meets the recognition criteria of PPE.
- d) Technical know-how / license fee relating to plants / facilities and specific software that are integral part of the related hardware are capitalized as part of the underlying asset.
- e) Assets installed at customer premises, including meters and regulators where applicable, are recognized as property plant and equipment if they meet the definition of PPE.
- f) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the PPE.

1.2. Intangible Assets

- a) Right of Use (RoU) acquired for laying of pipelines, Software, Licenses etc. which meets the recognition criteria of an intangible asset are capitalized as Intangible Assets.
- b) Expenditure incurred in research phase is charged to Statement of Profit and Loss and that in development phase, unless it is of capital nature, is also charged to Statement of Profit and Loss.
- c) On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 01.04.2015 measured as per previous GAAP and use that carrying value as deemed cost of the intangible assets.

1.3. Capital Work in Progress

- a) Capital work in progress includes construction stores including material in transit/ equipment / services, etc. received at site for use in the projects.
- b) All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized.
- c) Capital Stores are valued at weighted average cost, specific provision is made for likely diminution in value, wherever required.

1.4. Foreign Currency Transactions

- a) Transactions in foreign currency are initially accounted at the spot exchange rate prevailing on the transaction date.
- b) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the reporting date, are translated at spot exchange



rates prevailing on that date.

- c) Non-monetary items (such as Equity Investments, Property plant and equipment, Intangible assets etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s) other than those measured at fair value.
- d) Any gains or loss arising on account of exchange difference either on settlement or on translation is accounted in the foreign exchange fluctuation/ finance cost in the statement of profit and loss.
- e) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

1.5. Borrowing Cost

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

1.6. Inventories

- a) Stock of Liquefied Natural Gas (LNG) and Natural Gas in pipelines is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.
- b) Raw materials and finished goods are valued at weighted average cost or net realizable value, whichever is lower. Finished goods include excise duty and royalty wherever applicable. Stock lying at CNG cascades are estimated on a volumetric basis.
- c) Stock in process is valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which these are to be incorporated are expected to be sold at or above the weighted average cost.
- d) Stores and spares and other material for use in production of inventories are valued at weighted average cost or net realisable value, whichever is lower. It is valued at weighted average cost where the finished goods in which they will be incorporated are expected to be sold at or above cost.
- e) Surplus / Obsolete Stores and Spares are valued at cost or net realisable value, whichever is lower.
- f) Surplus / Obsolete Capital Stores, other than held for use in construction of a capital asset, are valued at lower of cost or net realisable value.

1.7. Revenue recognition

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

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



- b) Where performance obligation is satisfied over time, company recognizes revenue using input/ output method based on performance completion till reporting date. Where performance obligation is satisfied at a point in time, company recognizes revenue when customer obtains control of promised goods and services in the contract.
- c) The Company uses output method in accounting for the revenue in respect of sale of services. Use of output method requires the Company to recognize revenue based on performance completion till date e.g. time elapsed. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.
- d) Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period including penalties, discounts and damages etc.
- e) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- f) Claims (including interest on delayed realization from customers) are accounted for, when there is a significant certainty that the claims are realizable.
- g) Liability in respect of Minimum Guaranteed Offtake (MGO) of Natural gas is not provided for where the same is secured by MGO recoverable from customers. Payments/receipts during the year on account of MGO are adjusted on receipt basis.
- h) In terms of the Gas Sales Agreement with the customers, amount received towards Annual Take or Pay Quantity (ATOPQ) of Gas is accounted for on the basis of realization and shown as liability till make up Gas is delivered to customer as per the contract.
- i) Dividend is recognized when right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

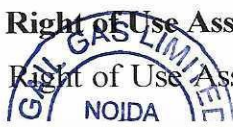
1.8. Depreciation /Amortisation

a) Revenue Property Plant and Equipment (PPE)

- (i) Depreciation on PPE is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets)
- (ii) Depreciation due to price adjustment in the original cost of PPE is charged prospectively.
- (iii) In case of immovable assets constructed on leasehold assets are depreciated over useful life as per schedule II or lease period whichever is lower.
- (iv) The residual values, useful lives and methods of depreciation of PPE are reviewed at each reporting date and adjusted prospectively, if appropriate. The depreciation/amortization for future periods is revised if there are significant changes from previous estimates.
- (v) Residual value of PPE is determined considering past experience and generally the same is between 0 to 5% of cost of PPE.

b) Right of Use Assets (Leasehold assets)

Right of Use Assets are depreciated on Straight Line Method over the lease term.



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

1.9. Employee Benefits

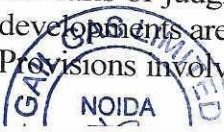
All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee render the related services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. are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

1.10. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Impairment loss is recognized when the carrying amount of an asset exceeds recoverable amount.

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

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



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

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

1.12. Taxes on Income

(a) Current Tax

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

(b) Deferred Tax

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

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

1.13. Cash and cash equivalents

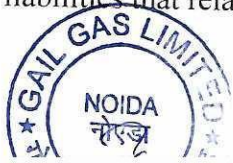
Cash and cash equivalents consist of cash at bank, cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.14. Segment reporting

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

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

- a) Segment revenue includes directly identifiable with/allocable to the segment including inter-segment revenue.
- b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result.
- c) Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- d) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- e) Segment assets including CWIP and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.



1.15. Earnings per share

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

1.16. Statement of Cash Flow

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

1.17. Fair value measurement

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

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

- (i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

1.18. Financial instruments

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

(A) Financial assets

a) Classification

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

b) Initial recognition and measurement



All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

c) Subsequent measurement

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

(i) Financial assets carried at amortised cost

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

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

A financial asset other than derivatives comprising specific investment is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

d) De recognition

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

e) Investment in subsidiaries, joint ventures and associates

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

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

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



- The amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'
 - (iii) The Company recognize the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as financial guarantee obligation. Such deemed investment is added to the carrying value amount of the investment in subsidiaries, joint venture and associates. Financial guarantee obligation is recognized as other income in Statement of Profit and Loss over the remaining period of financial guarantee.
- f) **Impairment of other financial assets**

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

(B) Financial liabilities

a) **Classification**

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss. Such liabilities, including derivatives shall be subsequently measured at fair value.

b) **Initial recognition and measurement**

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

c) **Subsequent measurement**

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

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

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

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

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

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

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

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

d) Derecognition

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

(C) Offsetting of financial instruments

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

1.19. Leases

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

As a Lessee

a) Identifying a lease

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

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

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

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

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

Initial recognition of lease liability

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



comprise of the following:

Fixed payments, including in-substance fixed payments

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

d) Subsequent measurement of lease liability

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

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

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognized as expense in Statement of Profit and Loss.

As a Lessor

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

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

Estimates and assumptions

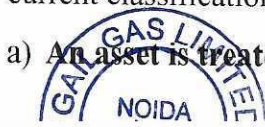
Determination of discount rate as a lessee

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

1.20. Current Versus Non-Current Classification

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

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



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

All other assets are classified as non-current.

b) A liability is treated as current when:

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

All other liabilities are classified as non-current

Note 1 B: Accounting Judgements, Estimates and Assumptions

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

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

1. Judgments

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

1.1. Materiality

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



1.2. Contingencies

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

2. Estimates and assumptions

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

2.1. Impairment of non-financial assets

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

2.2. Fair value measurement of financial instruments

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

2.3. Impairment of financial assets

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



2.4. Income Taxes

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



30. Basis of Preparation

The Consolidated Financial Statements of the Company along with its Joint Ventures have been prepared in accordance with Indian Accounting Standards (IND-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended. The consolidated financial statements comprise the financial statements of the company and its joint ventures as at 31st March, 2025.

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

Basis of Consolidation

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

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

31. The Company is a wholly owned subsidiary of GAIL (India) Ltd. The Authorized Capital of the Company as on 31st March, 2025 is Rs. 5000 Crores (Previous Year: Rs. 5000 Crores) and issued, subscribed and paid-up capital as on 31st March, 2025 is Rs. 2000 Crores (Previous Year: Rs. 2000.00 Crores).

32. Capital Commitments:

- (i) The estimated amount of contracts over Rs. 5 lacs amounting to Rs. 1180.44 Crores (Previous Year Rs. 921.92 Crores) remain to be executed on capital account.
- (ii) The Company has no uncalled liability on shares and other partly paid-up investments.

33. Contingent Liabilities:

Claims against the company not acknowledged as debts:

- (i) Legal cases of Rs. 5.47 Crores (Previous Year: Rs. 3.66 Crores) by vendors/customers/suppliers/contractors etc. Further, the Company has certain ongoing litigations involving customers and vendors and based on the legal advice of inhouse legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.
- (ii) Disputed Direct Tax Demand of Rs. 1.32 Crore for Assessment Year 2018-19 (Previous Year: Rs. 1.28 Crores for Assessment Years 2018-19) on account of disallowance of



certain expenses as per assessment order dated 09.03.2021 against which the company has filed an appeal with CIT (Appeals) on 08.04.2021.

- (iii) Disputed Direct Tax Demand of Rs. 9.45 Crores for Assessment Year 2020-21 (Previous Year: 9.02 Crores) on account of disallowance of certain expenses as per assessment order dated 25.09.2022. Further, against which the company has filed an application for re-computation of Income u/s 155(18) of the Income Tax Act, 1961 on 12.10.2022 by accepting the demand of Rs 0.32 Crores and subsequently filed an appeal with CIT (Appeals) on 25.10.2022 which is not yet finalized.
- (iv) Disputed Indirect Tax demand for Assessment Year 2010-11 under the Excise and VAT Acts of Rs. 3.04 Crores (Previous Year: Rs. 2.82 Crores).
- (v) Re-assessment notice dated 14.3.2011 were issued on the holding company GAIL (India) Ltd by the commercial tax department under the U.P. Trade Tax Act, 1948 in respect of Entry tax on taxable amount of Rs.26.25 Crore arising out of for the assessment years 2004-05 and 2005-06, to be ascertained on re-assessment. Against these re-assessment notices, a writ petition was filed by the holding company with the Hon'ble Allahabad High Court which was dismissed on 18.4.2011 and against which Special Leave Petition was filed by the holding company in May, 2011 with the Hon'ble Supreme Court of India which is yet to be decided. Business Transfer Agreement dated 31.10.2011 transfers Agra Firozabad City Gas Distribution business to the company from the holding company with effect from 16.11.2011, under which the company has exclusive obligations to deal with any and all court cases that are brought against the company or holding company whether for the period prior to the date of transfer or thereafter.

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

- (vi) Bank Guarantee of Rs. Nil (Previous Year: Rs.601.60 Crores) in favor of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization of geographical areas (GAs) awarded to M/s. Goa Natural Gas Pvt. Ltd in respect of North Goa Districts. Further, w.e.f. 07.06.2024, M/s. Goa Natural Gas Pvt. Ltd has submitted the Bank Guarantee to PNGRB directly which was earlier provided by the Company on behalf of M/s. Goa Natural Gas Pvt. Ltd and accordingly the same has been closed.

The above Bank Guarantee has been given to PNGRB based on the Corporate Guarantee provided by the holding company GAIL (India) Ltd and M/s Bharat Petroleum Corporation Limited (BPCL), the other joint venture partner of Goa Natural Gas Pvt. Ltd. Further, this Corporate Guarantee as provided to IndusInd Bank on behalf of the Company has been closed due to closure of the Bank Guarantee as mentioned above.

- (vii) The company is carrying on construction activities for capital projects in 11 GAs awarded by the PNGRB in 9th, 10th and 11th CGD bidding round to meet the Minimum Work Program (MWP) targets as per grant of authorization. Keeping in view delay in availability of pipeline connectivity from the gas source to the respective GAs and non-availability of permissions from different authorities, there is a shortfall in achievement of MWP targets as per grant of authorization. In this regard the Company has not received any notices from PNGRB till date. Therefore, penalty for not meeting of MWP targets aggregating to Rs.



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

36.09 Crores as on 31st March, 2025, (Previous year: Rs. 15.97 Crore) has been disclosed as Contingent Liability. Management is hopeful that the Company will achieve the cumulative MWP targets in its subsequent periods as per grant of authorization.

34. The Company has submitted a Bank Guarantee of Rs. 2079.99 Crores (Previous Year: Rs. 2079.99 Crores) in favour of the Petroleum and Natural Gas Regulatory Board (PNGRB) as per requirement of grant of authorization for Bengaluru Rural and Urban Districts GA.

35. All the employees of GAIL Gas Limited (other than Fixed Term Employees) are deputed from the parent Company i.e. GAIL (India) Limited.

(i) The Parent Company has raised invoices on the monthly basis by charging GST on the secondment of employees at GAIL Gas Limited. The Company has disclosed the cost of employees deputed from the parent Company under Other expenses - Manpower deputation cost (Note 29).

(ii) The Company has appointed Fixed Term Employees (FTE's) and as on 31st March 2025, 55 number of FTE's is on payroll (Previous year: 69 number). They are engaged for a fixed period of 3 years and further their engagement may be extendable for a maximum period of 2 years on a yearly manner. Salaries and allowances of FTE's paid by the Company which have been accounted under Employee benefit expense.

Employees work in various disciplines including project activities and operation activities. Salary and other expenses of employees identified under project activities by the management has been accounted as incidental expenditure during construction and transferred to Capital work in progress. Rent, Depreciation and other expenses pertaining to on-going capital projects have been accounted as incidental expenditure during construction and transferred to Capital work in progress. During the year, a sum of Rs.56.07 Crores (Previous Year: Rs. 93.32 Crores) has been accounted as Incidental Expenditure during Construction.

36. Capital Work in Progress includes assets under construction which are at different stages of completion. Capitalization is done as and when the asset is ready to be put to use, based on certification by the PMC. The Company is engaged in the business of City Gas Distribution (CGD) in India which involves distribution of gas from sources of supply to the end user customers. The CGD project is designed considering demand, supply and future requirements based on the facilities envisaged for CGD network in authorized areas for 25 years on the basis of authorization from Petroleum and Natural Gas Regulatory Board (PNGRB) to lay, build, operate or expand city or local natural gas distribution network. On the basis of demand projections, the CGD network is planned. Project execution plans are modulated on the basis of continuous ongoing expansion and all the projects are executed and expanded on ongoing basis as per rolling annual plan. Hence, it is considered that there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

37. The company has lodged insurance claims of Rs 13.49 Crores for the fire occurred in last financial year at CWC Warehouse, Dehradun GA. During the current financial year 2024-25, Rs. 11.51 Crore were received from the Insurance Company.

38. Free Issue Material amounting to Rs. 43.96 Crores (Previous Year: Rs 33.64 Crores) is lying with the contractors as at year end, which has been confirmed by the contractors & PMC.



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

39. Provisional liabilities of Rs. 270.72 Crores (Previous Year Rs. 195.41 Crores) have been created in the books of accounts as on 31.03.2025 on the basis of work done till that date for which invoices are yet to be received from the parties and will be settled on submission of actual invoices.
40. Andhra Pradesh Gas Distribution Corporation Limited (APGDC) is a 50:50 Joint Venture Company (JVC) of GAIL Gas Limited (GAIL Gas) and Andhra Pradesh Gas Infrastructure Corporation Pvt. Ltd. APGDC has surrendered its authorization of KSPL project during the preceding financial year due to various challenges to complete the project. Further, it was requested by APGDC to PNGRB to factor in the investment done by APGDC while conducting the re-bidding of this line to recover the investment made in the project considering the same is public money. PNGRB has directed to submit a detailed location of pipeline laid along with fit for purpose report of pipeline, duly authenticated by a reputed Project Management Consultancy firm. The impact assessment (fit for purpose report of pipeline) has been completed and determined to be healthy. The report has been submitted to PNGRB. Further, PNGRB has invited bids for Mallavaram to Srikakulam pipeline (MSPL) which includes the KSPL stretch. The original bid submission last date was 14.04.2025 & the technical bid opening date was 16.04.2025 and now it has been extended up to 30.05.2025 and 03.06.2025 respectively. The bid provision includes option for bidders to take over the assets of APGDC at its own discretion and mutual agreement. Accordingly, the Company will be evaluating its investment for purpose of impairment (to derive a reliable estimate of future cash flows from the net investments made in APGDC for KSPL Project) as per the requirement of Ind AS based on the outcomes of future events. Further, the Company disclosed its investment made in APGDC of Rs 160.32 Crore (Previous year: Rs.156.58 Crore) representing original cost of investment.
41. As per provisions of Ind AS 109, the company has made following fair valuation recognition:
- a. In previous years, the Holding Company GAIL (India) Ltd has provided Corporate Guarantee's to the Company, for obtaining Bank Guarantees in favour of PNGRB for different GA's. The Company has been shown it as deemed equity as capital contribution from Holding Company (Note-14) based on the fair valuation as per Ind AS 109. The Corporate Guarantee (CG) wise details are given below;

Amount in Rupees Crore

Sl no.	Descriptions	Deemed Equity (Note-14)	Pre-paid expenses (Note-9)	Guarantee commission expenses (Note-26).
1	CG Bengaluru Rural and Urban Districts GA of Rs. 2079.99 Crore (Valid up to 18.11.2024)	11.74 (11.74)	Nil (1.44)	1.44 (0.71)
2	CG 10 th Bidding round GAs of Rs. 133 Crore (Valid up to 24 th March 2022)	0.72 (0.72)	- -	- -

- b. In case of Corporate Guarantee of Rs. 752 Crores (reduced to Rs.300.80 Crore) valid up to 07.06.2024 provided by the Holding Company GAIL (India) Ltd. for the Bank



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Guarantee in favor of PNGRB for GA awarded to the joint venture company i.e. GNGPL, a sum of Rs. 4.41 Crores (Previous Year: Rs. 4.41 Crores) has been shown as deemed equity as capital contribution from Holding Company (Note-14) with corresponding account receivables from Joint Venture Company Goa Natural Gas Pvt. Limited. (Note-8B), based on the fair valuation.

- c. In case of Corporate Guarantee provided by the Holding Company GAIL (India) Ltd. for sanction of long-term loan of up to Rs. 1500 Crores (Previous Year: Rs. 1500 Crores) from HDFC, a sum of Rs. 11.03 Crores (Previous Year: Rs. 33.45 Crores) has been shown as deemed equity as capital contribution from the Holding Company (Note-14). Accordingly, a sum of Rs. 30.87 Crores (Previous Year: Rs. 25.92 Crores) has been shown as pre-paid expenses (Note-9) and Rs.6.14 Crores (Previous Year: Rs. 3.94 Crores) as guarantee commission expenses (Note-26).

42. Department of Investment & Public Asset Management (DIPAM) Government of India, Ministry of Finance vide OM No. F.No.5/2/2016-Policy dated 18.11.2024 has issued revised guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs) which inter-alia includes Payment of Dividend. In FY 2024-25, the Board of Directors of the company has proposed a final dividend of Rs.150 Crore (Previous Year: Interim Dividend of Rs.150 Crore) more than the minimum required as per the above guidelines.

43. In compliance with Ind AS 12 on "Income Taxes" issued by the Institute of Chartered Accountants of India, the Company has created tax liability as per details given below:
(i) Income Tax related to items charged or credited directly to Statement of Profit and Loss during the year:

Rs. in Crores

Statement of Profit and Loss	31st March, 2025	31st March, 2024
Current Income Tax:		
Current Income Tax Charge from ordinary activities (Continuing Operations)	114.05	70.98
Provision/Adjustment of Tax relating to earlier periods	-	-
Current Income Tax Charge from ordinary activities (Discontinued Operations)	-	-
Current Income Tax Charge on Gain on disposal of Discontinued Operations.	-	-
	114.05	70.98
Deferred Income Tax:		
Relating to origination and reversal of temporary differences (Continuing Operations)	46.31	44.15
Adjustment on account of opting concessional rate u/s 115BAA w.e.f FY 2019-20 (Continuing operations)	-	-
	-	-



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Relating to origination and reversal of temporary differences (Discontinued Operations)		
	46.31	44.15
Provision for MAT Credit	-	-
Income Tax Expense reported in the Statement of Profit and Loss	160.36	115.13

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

Rs. in Crores

	31st March, 2025	31st March, 2024
Profit Before Income Tax	614.86	433.91
Current Tax Rate	18.55%	16.36%
Computed Effective Tax Expense	114.05	70.98
Movement in Deferred Tax Liability	46.31	44.15
Provision for MAT Credit	-	-
Income Tax charged to Statement of Profit and Loss	160.36	115.13
Effective Tax Rate	26.08%	26.53%

(iii) Recognized Deferred Tax Assets and Liabilities:

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

Rs. in Crores

Particulars	Balance Sheet		Statement of Profit & Loss	
	31st March, 2025	31st March, 2024	31st March, 2025	31st March, 2024
Property, Plant and Equipment	(258.69)	(214.32)	(44.37)	(42.17)
Provisions	6.00	7.94	(1.94)	(1.98)
Deferred Tax Assets/ (Liabilities)	(252.69)	(206.38)	(46.31)	(44.15)
Offsetting of Deferred Tax Assets/ (Liabilities)	-	-	-	-
Net Deferred Tax Assets /(Liabilities)	(252.69)	(206.38)	(46.31)	(44.15)

44. In terms of disclosure requirement as per Ind-AS 23 on "Borrowing Costs", total finance cost of Rs.117.18 Crores (Previous Year: Rs.87.07 Crores) was incurred by the company during the year, out of which an amount of Rs. 68.23 Crores (Previous Year: Rs. 54.00 Crores) has been allocated towards Capital Work in Progress during the year in respect of pipelines and CNG Stations under construction. The company has used the borrowings from banks and OIDB for the specific purpose for which it was taken.



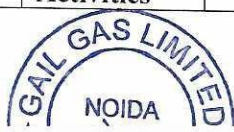
45. In compliance of Ind AS 36 on "Impairment of Assets", company has carried out an assessment and confirm that there are no impairment assets which required provision.
46. In compliance of Ind AS 108 on "Operating Segment", the Company has adopted following Business segments as its reportable segments:
- City Gas Distribution
 - Natural Gas Trading

Geographical Information:

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

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

Sl No	Segment	City Gas Distribution	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	Segment Revenue #						
	External Sales / Other Income	4,966.86	7,263.92	-	12,230.78	-	12,230.78
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	4,966.86	7,263.92	-	12,230.78	-	12,230.78
2	Segment Results						
	Segment Result (Profit before Interest & Tax)	633.28	82.84	-	716.12	-	716.12
	Unallocated expenses (Net)	-	-	86.44	86.44	-	86.44
	Operating Profit	633.28	82.84	(86.44)	629.68	-	629.68
	Interest Expenses	-	-	48.95	48.95	-	48.95
	Interest/ Dividend Income	-	-	34.80	34.80	-	34.80
	Provision for Taxation	-	-	164.22	164.22	-	164.22
	Profit/(Loss) from Ordinary Activities	633.28	82.84	(264.80)	451.31	-	451.31



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

	Net Profit/(Loss)	633.28	82.84	(261.27)	454.84	-	454.84
3	Other Information						
	Segment Assets	5,056.41	634.03	1,191.23	6,881.67	-	6,881.67
	Segment Liabilities	985.97	539.28	1,757.58	3,282.83	-	3,282.83
	Cost to acquire fixed assets	581.52	-	-	581.52	-	581.52
	Depreciation and Amortization Expenses	149.92	-	0.76	150.68	-	150.68
	Non-Cash expenses other than Depreciation and Amortization Expenses	12.08	-	7.70	19.79	-	19.79

Segment Revenue includes Other Operating revenue

Information about Business Segments for the financial year ended 31st March 2024

Sl No	Segment	City Gas Distribution	Natural Gas Trading	Unallocated	Total	Elimination	Consolidated Total
1	Segment Revenue #						
	External Sales / Other Income	4,157.64	6,786.48	-	10,944.12	-	10,944.12
	Intersegment Sales	-	-	-	-	-	-
	Total Revenue	4,157.64	6,786.48	-	10,944.12	-	10,944.12
2	Segment Results						
	Segment Result (Profit before Interest & Tax)	503.66	68.94	-	572.60	-	572.60
	Unallocated expenses (Net)	-	-	119.55	119.55	-	119.55
	Operating Profit	503.66	68.94	(119.55)	453.05	-	453.05
	Interest Expenses	-	-	33.07	33.07	-	



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

	Interest/ Dividend Income	-	-	14.26	14.26	-	14.26
	Provision for Taxation	-	-	110.74	110.74	-	110.74
	Profit/(Loss) from Ordinary Activities	503.66	68.94	(249.10)	323.50	-	323.50
	Net Profit/(Loss)	503.66	68.94	(255.00)	317.60	-	317.60
3	Other Information						
	Segment Assets	4,572.40	543.63	890.56	6,006.59		6,006.59
	Segment Liabilities	804.72	674.80	1,394.44	2,873.96		2,873.96
	Cost to acquire fixed assets	616.14	-	-	616.14		616.14
	Depreciation and Amortization Expenses	125.77	-	0.56	126.32		126.32
	Non-Cash expenses other than Depreciation and Amortization Expenses	9.96	-	4.80	14.75		14.75

Segment Revenue includes Other Operating revenue

Information about major customers:

During the year ended 31st March, 2025 One customer (Previous Year: one) contributed more than 10% of revenue. Revenue from this customer was Rs. 5625.64 Crores during the year ended 31st March, 2024 (Previous Year: Rs. 5481.69 Crores).

47. Disclosure under Ind AS 112 on “Disclosure of Interests in other Entities”, is as under :

Sl. No.	Name of Companies (Indian Entities) & Principal Place of business	Relation	Proportion of ownership as on	
			31.03.2025	31.03.2024
1	Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL), Kakinada- Andhra Pradesh*	Joint Venture	50%	50%
2	Vadodara Gas Limited. (VGL), Vadodara, Gujarat	Joint Venture	17.07%	17.07%
3	Rajasthan State Gas Limited. (RSGL), Jaipur, Rajasthan	Joint Venture	50%	50%
4	Haridwar Natural Gas Pvt. Ltd. (HNGL), Haridwar, Uttarakhand	Joint Venture	50%	50%



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

5	GOA Natural Gas Pvt. Ltd. (GNGPL), Porvorim, Goa	Joint Venture	50%	50%
6	Purba Bharati Gas Pvt. Ltd. (PBGPL), Guwahati, Assam	Joint Venture	26%	26%

The company's share in the assets and liabilities and in the income and expenditure for the year in respect of above joint venture companies based on audited financial statements of Haridwar Natural Gas Pvt. Ltd, Goa Natural Gas Pvt. Ltd. and unaudited financial statements of other 4 joint venture companies as furnished by management of these companies is as under:

		Rs. in Crores	
Sl. No.	Description	31.03.2025	31.03.2024
A.	Summary of Balance Sheet		
1	Assets		
	Non-Current	827.39	758.82
	Current	80.18	79.05
	Total	907.56	837.87
2.	Liabilities & Provisions		
	Non-Current	332.31	302.78
	Current	207.65	192.94
	Total	539.86	495.72
B.	Summary of Profit and Loss Account		
1.	Income	338.05	262.74
2.	Expenditure	326.98	260.09
C.	Contingent Liability	53.51	54.31
D.	Capital Commitment	143.29	179.55

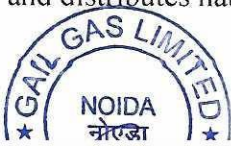
*The audited financial statements and audit report of the Company has not been received for last two financial years.

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

Disaggregated Revenue Information

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

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



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Sale of natural gas includes excise duty but excludes value added tax (VAT) collected from customers on behalf of the government. All revenues are earned on transfer of goods or services to the customers.

Contract Asset and Liabilities

Description	Rs. in Crores	
	As on 31 st March, 2025	As on 31 st March, 2024
Contract Asset (Unbilled revenue)	14.23	12.73
Contract Liabilities	0.21	0.21

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

Performance Obligation

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

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

I. Company as Lessee:

a) Lease Liabilities

Reconciliation of Lease Liabilities:

Particulars	(Rs. In Crores)	
	Year Ended 31st March 2025	Year Ended 31st March 2024
Opening Balance	79.32	96.34
Adjustments for:		
Additions during the year	70.92	22.04
Deletions during the year		
Accretion of interest	7.61	5.51
Foreign exchange loss on restatement of lease liabilities	0	0
Lease liabilities paid during the year	40.84	35.59
Excess Lease liabilities written Back	3.92	8.98
Closing Balance	113.09	79.32
Current	25.63	26.15
Non-current	87.46	53.17



Maturity analysis of Lease Liabilities:

As at 31st March 2025

(Rs. In Crores)					
Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	7.16	18.47	-	-	25.63
Lease Liabilities (Non-Current)	4.96	14.01	29.35	39.14	87.46

As at 31st March 2024

(Rs. In Crores)					
Particulars	Less than 3 months	3 to 12 months	> 1 to 5 years	> 5 years	Total
Lease Liabilities (Current)	6.96	19.20	-	-	26.15
Lease Liabilities (Non-Current)	4.39	9.36	20.91	18.52	53.17

Amounts recognized in Statement of Profit and Loss:

(Rs. In Crores)		
Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Depreciation on right-of-use assets	36.96	29.44
Interest expense on lease liabilities	5.71	3.66
Expense relating to short-term leases	5.49	5.95
Expense relating to low value assets leases	0.01	0.01
Variable lease payments		
Total	48.17	39.06

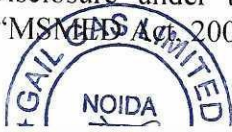
(b) Right of Use Assets:

(Rs. In Crores)		
Particulars	Year Ended 31st March 2025	Year Ended 31st March 2024
Opening Balance	123.11	113.79
Add: Additions during the year	82.63	50.53
Less: Deletions during the year	14.63	7.27
Less: Depreciation for the year	39.48	33.94
Closing Balance	151.63	123.11

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

As per Section 135 of the Companies Act, 2013, the company was required to spend an amount of Rs. 8.12 Crores during the FY 2024-25 (Previous Year: Rs. 6.65 Crores). The amount of CSR expenses incurred by the Company during the year 2024-25 was Rs. 8.49 Crores (Previous Year: Rs. 0.66 Crores). During FY 2024-25, the mandated spend i.e. 2% of the average of the net profits [Profit Before Tax (PBT)] amounting to Rs. 8.12 Crores have been achieved by the company.

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



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Particulars	Rs. in Crores	
	2024-25	2023-24
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; Principal* Interest	46.04 Nil	34.77 Nil
ii) The amount of interest paid by the buyer in terms of Section 16 of MSMED Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	Nil	Nil

*Includes Liabilities and Provisions etc.

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

52. Related Party Disclosures:

- (i) The entire Equity Capital of the Company is held by GAIL (India) Ltd. (Holding Company) either singly or jointly.
- (ii) Related Party Disclosures as per Ind AS 24.

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

A. Holding Company:

- (i) GAIL (India) Limited.

B. Subsidiaries of Holding Company:

- (i) Bengal Gas Company Limited
- (ii) Konkan LNG Limited
- (iii) Tripura Natural Gas Company Limited
- (iv) GAIL Global (Singapore) Pte. Limited
- (v) GAIL Global (USA) Inc.
- (vi) GAIL Global (USA) LNG LLC (wholly owned subsidiary of GAIL Global (USA) Inc.)
- (vii) GAIL Mangalore Petrochemicals Limited

C. Joint Venture Companies:

- (i) Andhra Pradesh Gas Distribution Corporation Ltd. (APGDCL)
- (ii) Vadodra Gas Limited. (VGL)



- (iii) Rajasthan State Gas Limited. (RSGL)
- (iv) Haridwar Natural Gas Pvt. Ltd. (HNGPL)
- (v) GOA Natural Gas Pvt. Ltd. (GNGPL)
- (vi) Purba Bharati Gas Pvt. Ltd. (PBGPL)

D. Subsidiaries of Joint Venture Companies:

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

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

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

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

- (i) China Gas Holdings Limited
- (ii) Fayum Gas Company
- (iii) LNG Japonica Shipping Corporation Limited
- (iv) South-East Asia Gas Pipeline Company Limited (SEAGP)

G. a. Chairman & Non-Executive Director:

Shri Sandeep Kumar Gupta

b. Non-Executive Directors:

- (i) Shri Rakesh Kumar Jain
- (ii) Shri Ayush Gupta
- (iii) Smt. Nalini Malhotra
- (iv) Shri Sanjay Kumar
- (v) Shri Amit Bansal (up to 25.10.2024)
- (vi) Shri Noas Kindo (w.e.f. 14.11.2024)



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

c. Chief Executive Officer:

Shri Goutom Chakraborty

d. Chief Financial Officer:

Shri Pankaj Gupta

e. Chief Operating Officer:

Shri Ajay Kumar Jindal

f. Company Secretary:

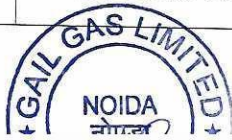
(i) Sh. Deepak Asija (up to 02.04.2025)

(ii) Smt. Preeti Agarwal (w.e.f. 03.04.2025)

No Loans & Advances in the nature of loans are granted to Promoters, Directors, Key Managerial Persons (KMP) and Related Parties except stated below, for the period ending as on 31.03.2025 by the company.

(b) Related Party Transactions

Sl No	Particulars	FY	Holding Co.	Joint Venture & Others*	Rs. in Crores	
					Key Management Personnel	
1	Purchase of Goods and Material / Services	24-25	9,605.68	0.69	-	
		23-24	8,987.34	7.01	-	
2	Guarantee Commission received / receivable	24-25	-	10.41	-	
		23-24	-	0.28	-	
3	Sales of Goods (Material and Gas) / Services	24-25	1,396.55	301.50	-	
		23-24	1,117.11	255.56	-	
4	Remuneration to Key Management personnel- Salary & Allowances	24-25	-	-	4.98	
		23-24	-	-	2.78	
5	Reimbursement for employees on deputation to JVs	24-25	-	10.45	-	
		23-24	-	14.89	-	
6	Reimbursement for employees on deputation - paid	24-25	136.43	-	-	
		23-24	201.83	-	-	
7	Reimbursement of Retirement Benefits for the year	24-25	-	-	-	
		23-24	8.69	-	-	
8	Reimbursement of BG Charges received / receivable	24-25	-	0.30	-	
		23-24	-	2.56	-	
9	Rent, Electricity, UCS Expenses, TTA, etc. paid / payable	24-25	12.98			
		23-24	7.54			
10	Advances for Hook Up charges	24-25	6.69	-	-	
		23-24	8.96	-	-	



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

11	Outstanding balance payable excluding fair valuation done as per Ind AS-109	24-25	624.63	-	-
		23-24	761.69	0.07	-
12	Outstanding Balance Receivable excluding fair valuation done as per Ind AS-109	24-25	72.37	66.04	-
		23-24	58.82	58.93	-
13	Guarantee Commission Expense	24-25	7.58	-	-
		23-24	4.94	-	-
14	Corporate Guarantee given to Banks for BG/Loan issued on behalf of the Company as at Balance Sheet date	24-25	1500.00	-	-
		23-24	3880.79	-	-
15	Dividend Paid	24-25	-	-	-
		23-24	150	-	-
16	Interest received	24-25	-	0.57	-
		23-24	-	0.89	-
17	Investment in APGDCL as at Balance Sheet date (JV) including Pref. Shares	24-25	-	160.32	-
		23-24	-	156.58	-
18	Investment in VGL as at Balance Sheet date (JV)	24-25	-	58.56	-
		23-24	-	52.58	-
19	Investment in RSGL as at Balance Sheet date (JV)	24-25	-	89.68	-
		23-24	-	86.27	-
20	Investment in HNGPL as at Balance Sheet date (JV)	24-25	-	51.03	-
		23-24	-	47.06	-
21	Investment in GNGPL as at Balance Sheet date (JV)	24-25	-	41.17	-
		23-24	-	39.26	-
22	Investment in PBGPL as at Balance Sheet date (JV)	24-25	-	36.53	-
		23-24	-	31.82	-
23	Advances/loans given as at Balance Sheet date	24-25	-	3.75	-
		23-24	-	7.50	-

*Others include joint venture companies of Holding Company.
(Figure shown in brackets pertains to Previous Year).

The company has formed six Joint Venture Companies by executing Joint Venture Agreement/Shareholder Agreement with various agencies of State Governments and Corporates. In all these companies, it was agreed that Equity Shareholding of both the promoters will be in equal ratio till the time strategic investor comes in. However, after the investment of strategic investor, the shareholding of both the promoters will be as per the Shareholder Agreement executed amongst them. Equity Shareholding in Purba Bharati Gas Pvt. Ltd. wherein there are three promoters i.e. Assam Gas Corporation Ltd., Oil India Ltd. and GAIL Gas Ltd whose shareholdings will be in the ratio of 48%, 26% and 26% and they can transfer the shares after lock in period of 10 years subject to the conditions as per joint venture agreement. Further, Equity Shareholding in Vadodara Gas Limited. wherein there are three promoters i.e. Vadodara Mahanagar Seva Sadan, GAIL India Ltd. and GAIL Gas Ltd whose shareholdings will be in the ratio of 50%, 32.93% and 17.07% respectively.



53. Movement of Provision

In compliance of Ind AS 37 on Provisions, Contingent liabilities and Contingent Assets, the required information on Provision for Probable Obligations is as under:

Particulars	Rs. in Crores	
	Provision for Probable Obligation	Provision for Doubtful Claims
As at 1st April, 2024	8.96	0.31
Additional provision recognized during the year	0.57	-
Amount used during the year	-	-
Unused amount reversed during the year	0.14	-
As at 31st March 2025	9.39	0.31

54. Earnings per Share:

Particulars	2024-25	2023-24
Profit after Tax (Rs. in Crores)	454.84	317.60
Weighted Average No. of Equity Shares (Basic)	200,00,00,000	200,00,00,000
Weighted Average No. of Equity Shares (Diluted)	200,00,00,000	200,00,00,000
Nominal Value per Share (in Rs.)	10.00	10.00
Basic Earning per Share (in Rs.)	2.27	1.59
Diluted Earning per Share (in Rs.)	2.27	1.59

55. Notes on Financial Risk Management

Financial Risk Management

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

(i) Market risk

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

a) Interest Rate Risk:

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



Sensitivity analysis:

Term Loans received from the Oil Industry Development Board have variable component for some tranches. Term loan obtained from HDFC has a variable element of interest rate and outstanding balance of which as at the year-end is Rs. 1298.06 Crores (Previous Year: Rs. 937.14 Crores). However, as the loan has been obtained for capital projects which are under construction, interest is capitalized as a part of Capital work in progress. Therefore, there is no impact on the Company's profit before tax during the year ended 31.03.2025 and 31.03.2024.

Foreign Currency Risk:

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

b) Commodity Price Risk

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

c) Equity Price Risk

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

(ii) Liquidity risk

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

Rs.in Crores						
As at 31.03.2025	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
Interest-bearing loans and borrowings	-	-	218.58	1026.70	259.61	1504.89
Trade and other payables	-	843.56	-	-	-	843.56
Other financial liabilities	227.36	233.74	66.14	-	-	527.24
Lease Liabilities*	-	12.12	32.48	29.35	39.14	113.09

Rs.in Crores						
As at 31.03.2024	On demand	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Interest-bearing loans and borrowings	-	-	104.07	624.29	461.11	1189.47
Trade and other payables	-	880.36	-	-	-	880.36
Other financial liabilities	200.69	169.00	95.01	-	-	464.70
Lease Liabilities*		11.35	28.56	20.91	18.50	79.32

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

(iii) Credit Risk

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

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

The summary of the Company's product wise credit policy is tabulated below:

Product	Credit period
Piped Natural Gas (Domestic)	21 days
Piped Natural Gas (Industrial)	3-7 days
Piped Natural Gas (Commercial)	7 days
Compressed Natural Gas (CNG) & Compressed Bio Gas (CBG)	Cash Sales & 4-15 days
Bulk Industrial Sales	4 - 45 days

The company does not expect any significant credit risk out of its exposure to trade receivable as the major part of revenue is contributed either by cash sales or within credit period of 3- 45 days. The aging analysis of trade receivables as of the reporting date is as follows:

Particulars	Rs.in Crores	
	Carrying Amount	
	31 st March 2025	31 st March 2024
Neither due nor impaired	858.28	713.68
Less than 6 months	51.63	36.89
6 months to 1 year	7.91	5.43
1 year to 2 years	5.72	4.82
2 years to 3 years	1.90	0.64

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

More than 3 years	6.79	6.15
Total	932.23	767.61
Less: Expected credit loss including allowances for bad and doubtful	12.62	8.79
Carrying amount of Trade Receivable (Net of Impairment)	919.61	758.82

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

Provisions	31 st March 2025	31 st March 2024
Start of the year	8.79	7.07
Provision created during the year	3.83	1.72
Receivables written off during the year as uncollectible	-----	-----
Unused amounts reversed	-----	-----
End of year	12.62	8.79

Cash deposits:

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

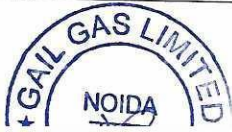
Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the holding company. As on 31.03.25 the issued and paid-up capital was Rs. 2000 Crores (Previous Year: Rs. 2000.00 Crores) (Note 13) and other equity was Rs. 1604.49 Crores (Previous Year: Rs. 1142.82 Crores) (Note 14). The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize the shareholder value.

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

The adjusted net debt to equity ratio is as follows

Provisions	31 st March 2025	31 st March 2024
Net Debt	1504.89	1189.47
Total Equity	3598.84	3132.63
Net Debt to Equity Ratio	0.42	0.38
Interest bearing borrowing	1504.89	1189.47
Less: Cash & Bank Balance	664.27	407.85
Adjusted Net Debt	840.62	781.62
Adjusted net debt to adjusted equity ratio	0.23	0.25



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Fair value measurements

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

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

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

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

As at 31.03.2025:

Rs.in Crores

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	3.75	-	-	3.75
Trade Receivables	919.61	-	-	919.61
Cash and Cash Equivalents	212.47	-	-	212.47
Bank Balances Other than Cash and Cash Equivalents	451.80	-	-	451.80
Other Financial Assets	76.76	-	-	76.76
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	1664.39	-	-	1664.39
Financial Liabilities at amortized cost				
Borrowings	1504.89	-	-	1504.89
Trade Payables	843.56	-	-	843.56
Other Financial Liabilities	527.24	-	-	527.24
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	2875.69	-	-	2875.69

As at 31.03.2024:

Rs.in Crores

Financial assets	Carrying amount	Fair value		
		Level -1	Level-2	Level-3
Financial Assets at amortised cost:				
Loans	7.50	-	-	7.50
Trade Receivables	758.82	-	-	758.82
Cash and Cash Equivalents	407.85	-	-	407.85
Bank Balances Other than Cash and Cash Equivalents	1.82			1.82
Other Financial Assets	62.02	-	-	62.02
At Fair value through profit and loss	-	-	-	-
At Fair value through OCI	-	-	-	-
Total Financial Assets	1238.01	-	-	1238.01
Financial Liabilities at amortized cost				
Borrowings	1189.47	-	-	1189.47
Trade Payables	880.36	-	-	880.36



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

Other Financial Liabilities	464.70	-	-	464.70
At Fair value through profit and loss	-	-	-	-
Total Financial Liabilities	2534.53	-	-	2534.53

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

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

56. Details of Loans given, Investment made and guarantee given or security provided covered u/s 186 of the companies Act, 2013 are given under respective heads (refer note 5, 7 and 32(vi)).
57. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as on 31.03.2025.
58. The Company has taken fund based & non fund based facility from banks on the basis of security of current assets and statement of current assets filed by the company with banks, if any, are in agreement with the books of accounts.
59. The company has not been declared as a willful defaulter by any bank or financial Institution or any other lender as on 31.03.2025.

60. Details of Relationship with Struck-off Companies

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

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

Details of Relationship with Struck-off Companies as on 31st March, 2024:

Sl. No.	Name of struck off Company	Nature of Transactions with struck-off Company					Relationship with Struck off Company if any to be disclosed
		Investment in Securities	Receivables	Payables	Shares held by Struck-off Company	Other Outstanding Balance (To be specified)	
		(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	(Rs. In Cr.)	
1	Bhaskar Industries Pvt. Ltd.	-	0.06	-	-	-	Customer
2	Dewas Techno Products Pvt. Ltd	-	0.05	-	-	-	Customer
3	Bhatter Metals Pvt. Ltd.	-	0.02	-	-	-	Customer
4	Prasanna Skills Tech Pvt. Ltd.	-	-	0.05	-	-	Vendor

NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

61. Title Deeds in respect of Freehold Land of Rs.2.05 Crores (Previous Year: Rs. 2.05 Crores) measuring 3004.42 square meters at Sonapat, Haryana is pending for execution including Rs. 0.15 Crores (Previous Year: Rs. 0.15 Crores) towards registration charges provided on provisional basis. Mutation of Freehold Land is in process.

62. Ratios

Sl No.	Particulars	Numerator	Denominator	24-25	23-24	Variance
(a)	Current Ratio	Current assets	Current liabilities	1.04	0.85	22%
(b)	Debt Equity Ratio	Total Debt	Shareholder's Equity	0.42	0.38	11%
(c)	Debt Service Coverage Ratio	Profit after tax plus Finance Cost plus Depreciation	Debt Service ⁽¹⁾	2.80	3.91	-28% ^(a)
(d)	Return Equity Ratio	Profits after taxes	Average Shareholder's Equity ⁽²⁾	14%	11%	27%
(e)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	866	748	16%
(f)	Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	14	13	13%
(g)	Trade Payable Turnover Ratio	Purchases of stock-in-trade of natural gas and other expenses	Average Trade Payables	13	13	-
(h)	Net Capital Turnover Ratio	Net Sales	Working Capital	166	-46	466% ^(b)
(i)	Net Profit Ratio	Profits after taxes	Total Income (Net of Excise Duty)	4%	3%	33% ^(c)
(j)	Return on Capital Employed	Earnings before interest and taxes	Capital Employed ⁽³⁾	12%	10%	20%
(k)	Return on Investment	Share of Profit / (Loss) of Joint Ventures	Average Investments	1%	-1%	200% ^(d)

1) Finance Cost plus Principal Repayments of Debt

2) Average of Opening Shareholder's Equity and Closing Shareholder's Equity.

3) Shareholder's Equity + Total Debt + Deferred Tax Liabilities + Lease Liabilities

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

(a) The reduction in debt service coverage ratio is mainly due to increase in the repayment of current installment of HDFC term loan.

(b) Increase in Net Capital Turnover Ratio is due to increase in Working Capital.



NOTES ACCOMPANYING TO THE CONSOLIDATED FINANCIAL STATEMENTS(Contd.)

- (c) Increase in Net Profit ratio is due to increase in Net Profit.
- (d) Increase in Return on Investment is due to increase in profit from the Joint Venture Companies.

63. Events occurring after the balance sheet date

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

64. Confirmation of Assets & Liabilities

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

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

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


Preeti Aggarwal
Company Secretary
PAN-AANPG3779M


Pankaj Gupta
CFO
PAN- ADYPG0044P

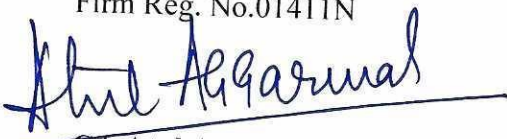

Goutom Chakraborty
CEO
PAN- ABKPC5087E


R K Jain
Director
DIN 08788595


Sandeep Kumar Gupta
Chairman
DIN 07570165

As per our report of even date
attached

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


CA Atul Aggarwal
Partner
Membership No. 099374

Place: New Delhi
Date: 02-05-2025

