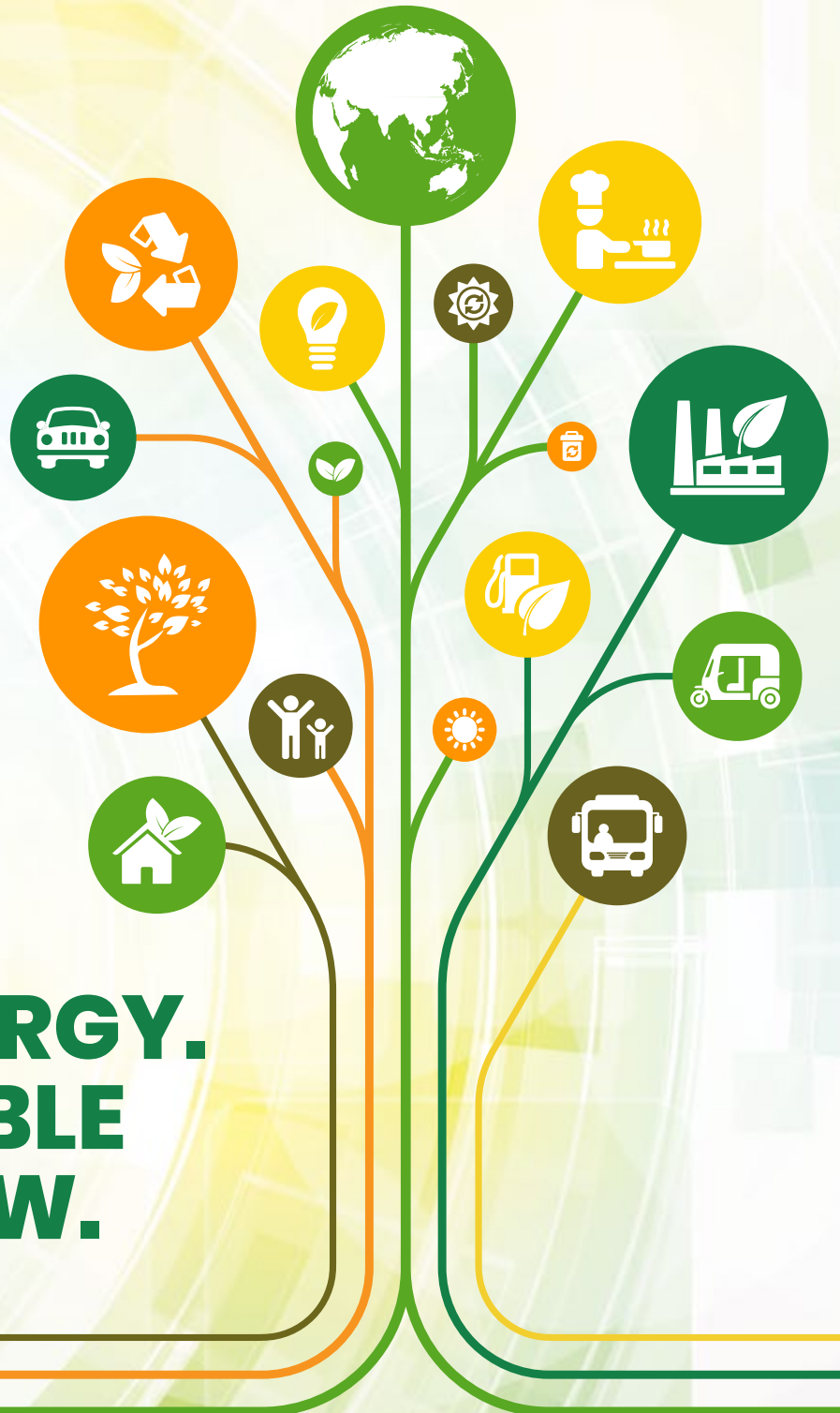


INDRAPRASTHA GAS LIMITED

21st Annual Report 2019- 20



**CLEAN ENERGY.
SUSTAINABLE
TOMORROW.**

Clean Energy. Sustainable Tomorrow.

Growing environmental concerns and imminent threats to our ecosystem have compelled the world to identify opportunities for developing clean energy. Pledges to reduce emissions and meet long-term sustainability goals have also prompted innovative ideas to safeguard our planet.

Indraprastha Gas recognizes the need to capitalize on shifting preferences for cleaner sources of energy and aspires to responsibly deliver natural gas to transport, domestic, commercial and industrial customer base. As a leading city gas distribution company, we aim to be the preferred choice for safe, convenient and reliable energy.

With a vision to enhance the reach of clean fuel further, we are embracing technology to build capacity and inculcating innovative procedures to ensure operational agility and efficiency. Equipped with the resources to fulfil the rising demand for natural gas, we plan to further strengthen our infrastructure and expand our network to promote clean energy and harness a sustainable future.

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Forward looking statement

Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forwardlooking statements and assumed facts or bases and actual results can be material, depending on the circumstances.



To view the report online log on to
www.iglonline.net



CHAIRMAN'S MESSAGE



Dear Shareowners,

Let me first convey my good wishes to all of you for safety and good health during this period of pandemic Covid-19.

I am pleased to share that today your Company is one of the leading City Gas Distribution (CGD) companies of the country catering to more than 1.1 million CNG vehicles, 1.4 million domestic PNG customers and over 5,500 commercial & industrial customers. This has been possible with the collaborative efforts of all stakeholders of the Company.

Your Company has been showing consistently good performance and the financial year 2019-20 showed outstanding performance. During the year, gross turnover showed a growth of 12.5% increasing from Rs. 6,337 Crores to Rs. 7,131 Crores in the previous year.

Profit After Tax (PAT) increased by 44.5 % from Rs. 787 Crores in FY 2018-19 to Rs. 1,137 Crores in FY 2019-20. Both gross turnover and PAT of FY 2019-20 have been the highest in the history of the Company. Your Board of Directors have recommended dividend of 140% i.e. Rs. 2.80 per share, the highest dividend so far in a financial year.

Besides good financial performance, your Company continued its drive to augment its infrastructure by adding 55 new CNG stations and around 1,600 Kms of pipeline network. During the year, the Company provided more than 2.72 lacs new PNG domestic connections which is the highest number of connections in a single financial year in the history of the Company as well as of any other CGD Company of the country. The Company

added around 1,300 new commercial and industrial customers.

The government is giving thrust to natural gas to make India as a gas based economy. CGD sector is emerging as one of the high growth potential sectors in India. After completion of 10th round of bidding by PNGRB, 70% of country's population and 50% of its total area have been covered under CGD network. The government has taken various steps to promote CGD companies inter alia full allocation of gas for PNG domestic and transport requirements, giving public utility status and framing CGD model policy. These measures coupled with the start of Gas Exchange and envisaged revision in transport tariff policy are likely to add growth in the sector.

The changing landscape offers many opportunities for CGD companies. Your Company being a pioneer in CGD sector is geared up to make optimum use of its resources for sustainable future growth.

The Company has been reviewing its corporate strategy to align it with changing scenario. Besides increasing its customer base in existing areas, it has made plans to roll out CGD network in new geographical areas at a fast pace for growth of the Company. Recently, the Company has started sales in new areas of Kanpur and Kaithal. The Company is also looking for inorganic growth by acquiring stakes in other CGD companies.

The Company has taken various new initiatives for its future growth. It is setting up, in association with Indian Oil Corporation, a H-CNG station as a pilot project, first of its kind in India. The Company has plans to promote the usage of gas in home appliances in households, to start mobile CNG dispensing facilities and to provide charging facilities for e-vehicles. As a backward integration, the Company has a plan to set up a gas meter manufacturing unit in India. The Company is also looking to leverage its expertise and execution capabilities by providing consultancy services for setting up CGD projects. Optimisation of resources and organisational transformation are also being carried out. All these initiatives will add to the growth and business expansion of the Company. The Company has earmarked total Capex of Rs. 1,370 Crores for FY 2020-21.

Your Company is also focused to customer needs and is continuously making efforts to improve its services. In this endeavour, your Company has leveraged information technology to upgrade its customer app – IGL connect by adding new features and to

strengthen its Customer Relationship Management (CRM) module in SAP. It is promoting digital payment by providing various platforms to its customers and taking other measures for providing better services to them.

Your Company has always accorded top most priority to Safety. It has made concerted efforts to maintain a good safety culture and highest safety standards. Regular trainings are imparted to drivers, PNG customers, employees, contractual staff and other stakeholders on regular basis. It is a matter of pride that your Company had crossed 184 Million Man Hours accident free till 31st March, 2020. The Company has won various prestigious safety awards from different authorities in recognition of its high safety standards.

The Company has always given utmost importance to its human capital and try to make optimum use of their potential for the growth of the Company. The Company keeps reviewing employee related welfare schemes from time to time to motivate the employees. The Company gives due importance to training and development of employees to upgrade their skills and expertise in various areas. During the year, a number of team building, skill developments and sports events were conducted by your Company. The Company recognizes and appreciates the contribution of all its employees in its growth journey.

Your Company, as a responsible corporate citizen, has been taking various CSR activities with focus on health, education, empowerment of women & underprivileged and skill development. During FY2019-20, CSR programmes such as IGL Swasth Saarthi, Building Bonds through Gender Sensitisation, coaching for engineering

entrance examination to underprivileged students, Self Defence training for school girls, education programmes at municipal schools, Skill Development for rural women and underprivileged/unemployed youth, construction of toilets etc. were undertaken by your company. The Company has won a number of awards for its various CSR projects/programmes at different forums.

On behalf of the Board of Directors, I take this opportunity to thank the Government of India, Petroleum and Natural Gas Regulatory Board and all departments of the Central and State governments, our valued Customers, all the authorities and agencies for their unstinted support to your Company.

I, along with my colleagues on the Board, would also like to thank each and every employee of IGL for all the hard work put in by them.

Finally, I would like to thank each one of you from IGL's family of Shareowners, for the confidence and trust reposed in us. With your support and blessings, I am confident that we shall continue to strive to achieve new heights in the coming years.

Stay safe and healthy.

Warm Regards,

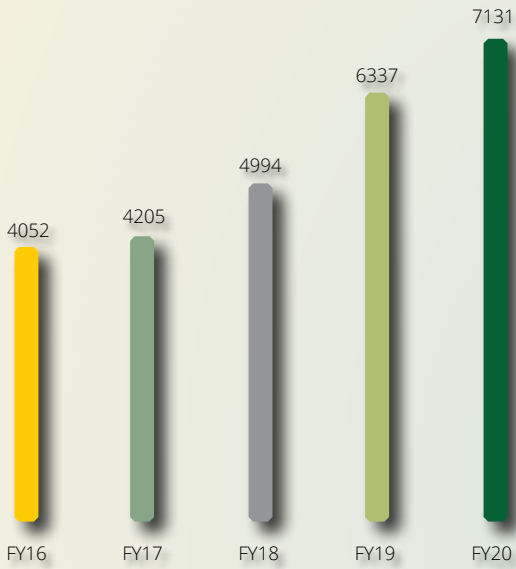


P. K. Gupta
Chairman

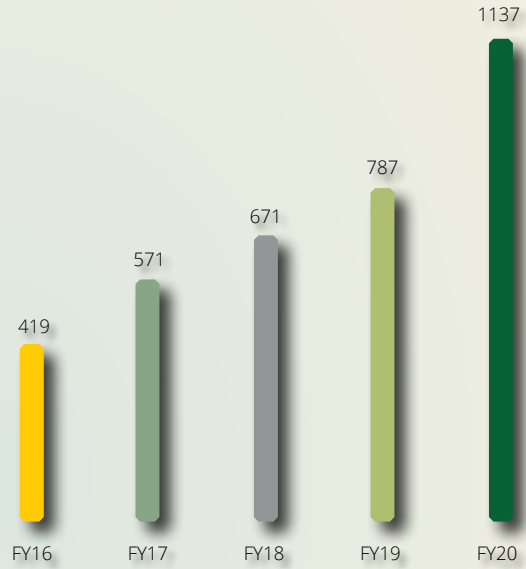


FINANCIAL HIGHLIGHTS

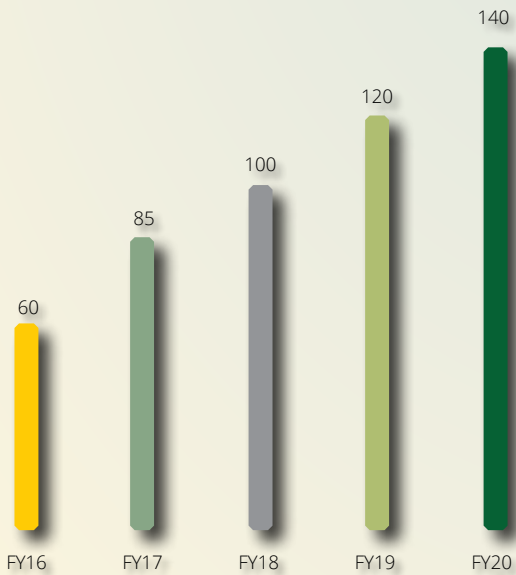
Gross Turnover (in Rs. Crores)



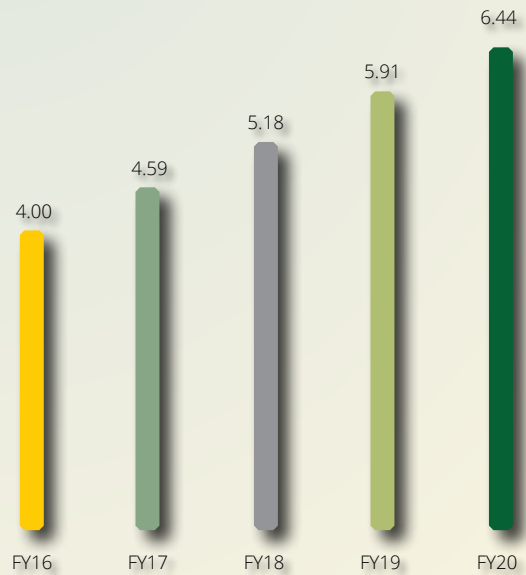
Profit after Tax (in Rs. Crores)



Dividend (%)



Average sales per day (mmscmd)



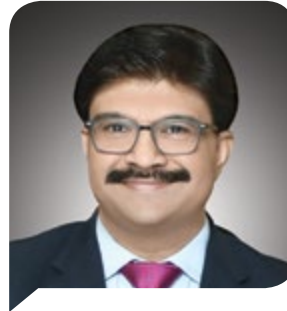
BOARD OF DIRECTORS



Shri P.K. Gupta
Chairman



Shri A.K. Jana
Managing Director



Shri Amit Garg
Director (Commercial)



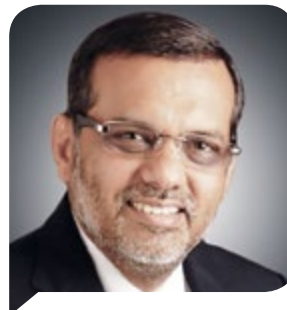
Shri R.P. Natekar
Director



Ms. Manisha Saxena
Director



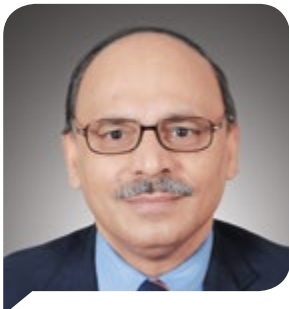
Smt. Saroj Bala
Director



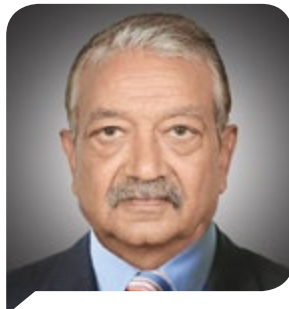
Shri R.S. Sahoo
Director



Dr. A.K. Ambasht
Director



Shri R.N. Misra
Director



Shri Deepak Mishra
Director

Bankers

- ICICI Bank Limited
- IDBI Bank Limited
- State Bank of India
- Axis Bank Limited
- Andhra Bank
- HDFC Bank Limited
- IndusInd Bank Limited
- IDFC Bank Limited
- HSBC Bank

Statutory Auditors

M/s Walker Chandio & Co.
LLP

Cost Auditors

M/s Ramanath Iyer & Co.

Secretarial Auditors

M/s V.K. Sharma & Co.

Company Secretary

Shri S. K. Jain

Registered Office

IGL Bhawan, Plot No. 4,
Community Centre, Sector 9,
R K Puram, New Delhi -
110022

CIN:

L23201DL1998PLC097614



Directors' Report

To
The Members
Your Directors have pleasure in presenting the Twenty-first Annual Report and the Company's audited financial statements for the Financial Year ended March 31, 2020.

Physical Performance

During the year, the Company recorded sales as under:

| Product | Figures in Million Standard Cubic Meters (mmscm) | | |
|----------------------------------|--|-------------------------------|----------------|
| | For the Year 31 March 2020 | For the Year 31 March 2019 | % Growth (YoY) |
| Compressed Natural Gas (CNG) | 1737.80 | 1602.81 | 8.42 |
| Piped Natural Gas (PNG) | 619.05 | 552.52 | 12.04 |
| Total | 2356.85 | 2155.33 | 9.35 |
| Average Sales / per day (mmscmd) | 6.44 | 5.91 | |



Shri Dharmendra Pradhan, Hon'ble Minister of Petroleum & Natural Gas and Steel, Government of India at the unveiling of India's first long range CNG bus fitted with composite cylinders along with Dr. M.M. Kutty, then Secretary, Ministry of Petroleum & Natural Gas; Shri Ashish Chatterjee, Jt. Secretary, Ministry of Petroleum & Natural Gas; Dr. D.K. Sarraf, Chairman, PNGRB; Shri Gajendra Singh, then Chairman, IGL & Director (Marketing), GAIL (India) Ltd.; Shri E.S. Ranganathan, then Managing Director, Indraprastha Gas Limited; Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited and senior officials from Ministry of Petroleum & Natural Gas; PNGRB, GAIL & IGL.

Financial Results

The Company's financial performance for the year ended March 31, 2020 is summarised below:

(Rs. in Crores)

| Items | For the Year 31 March 2020 | For the Year 31 March 2019 |
|---|-------------------------------|-------------------------------|
| Net Sales & Other Income | 6641.65 | 5910.99 |
| Profit before Depreciation & Tax | 1667.90 | 1401.08 |
| Depreciation | 252.25 | 201.07 |
| Profit before tax | 1415.65 | 1200.01 |
| Provision for tax | 279.11 | 413.34 |
| Profit after tax | 1136.54 | 786.67 |
| Other comprehensive income | (1.50) | (0.94) |
| Total comprehensive income | 1135.04 | 785.73 |
| Retained Earnings – opening balance | 3686.35 | 3069.40 |
| Add : Profit for the period | 1136.54 | 786.67 |
| Profit available for appropriations | 4822.89 | 3856.07 |
| Appropriations: | | |
| Dividends | 168.00 | 140.00 |
| Corporate dividend tax | 34.53 | 28.78 |
| Transferred to general reserve | - | - |
| Other comprehensive income recognised directly in retained earnings | (1.50) | (0.94) |
| Retained Earnings – closing balance | 4618.86 | 3686.35 |

Financial Reviews

During the year, the gross turnover of the Company increased from Rs. 6336.66 Crores in FY2018-19 to Rs. 7131.29 Crores in FY2019-20 showing an increase of 12.54%.



Shri Dharmendra Pradhan, Hon'ble Minister of Petroleum & Natural Gas and Steel, Government of India at IGL's pavilion during Natural Gas Conclave organized at New Delhi along with Dr. M.M. Kutty, then Secretary, Ministry of Petroleum & Natural Gas; Shri E.S. Ranganathan, then Managing Director, Indraprastha Gas Limited; Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited and senior officials from Ministry & IGL.



The Profit After Tax (PAT) increased by 44.47 % from Rs. 786.67 Crores in FY2018-19 to Rs. 1136.54 Crores in FY2019-20.

The Company has prepared the Consolidated Financial Statements also which includes the Company's share of profit in its Associates combined on an equity method in accordance with IndAS 28 - "Investment in Associates and Joint Ventures". The consolidated PAT during FY 2019-20 is Rs. 1248.99 Crores against Rs. 842.10 Crores in the previous year.

Dividend

Your Directors are pleased to recommend a dividend of 140% (Rs. 2.80 per share). The proposed dividend would absorb Rs. 196 Crores.

The Company has Dividend Distribution Policy in terms of the requirement of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015. The Policy is available on the website of the Company under the web-link: https://www.iglonline.net/5000_media/Dividend-Distribution-Policy.pdf

Performance Highlights

Compressed Natural Gas Business

During the year, your Company showed growth of 8.4% in CNG business besides augmenting its CNG infrastructure in Delhi and NCR. The Company achieved a new milestone by setting up 550th CNG station in FY 2019-20. The Company was catering to 11.45 Lakhs vehicles in Delhi & NCR.

The Company had introduced prepaid card for its CNG customers in order to promote digital payments. Till now



Shri AKJana, Managing Director and Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited inaugurating IGL's 7th CNG station in Gurugram, Haryana.

more than 90,000 cards are under circulation catering to 110,000 vehicles. Company has taken more initiatives in Digital Payments at CNG stations for the benefit of customers, wherein UPI payment was introduced at CNG stations through wallet payments mode. Also, the company has tied up with Bhim UPI for enabling UPI payments collection from all modes of payment. The combined effort towards digital payment collection has helped in a growth of 33% in digital payment collection this year vis-à-vis last year.

Company has conducted joint promotion activities with Maruti, Bajaj, Mahindra, Ford and Hyundai at the CNG stations. Due to constant follow up with the car manufacturers, they have launched Company fitted CNG variants, which are becoming very popular among the customers and thus boosting the sales of CNG.

Piped Natural Gas Business

PNG - Domestic Connections

PNG continued to be focus area of the Company during FY 2019-20. Total more than 2.72 Lakhs new connections were provided which is the highest number of connections in a single financial year in the history of the Company. In order to create the PNG awareness further amongst target customers, a successful integrated campaign was run during the year.

Your Company increased its steel pipeline network from 1006 kms in FY 2018-19 to 1150 kms in FY 2019-20 and its MDPE network from 12,022 kms in FY 2018-19 to 13,455 kms in FY 2019-20.



Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited briefing Shri Dharmendra Pradhan, Hon'ble Minister for Petroleum & Natural Gas and Steel, Government of India during his visit at IGL's Integrated Command & Control Centre located at Kaka Nagar, New Delhi.

The Company has taken many new initiatives such as digital marketing, 360-degree PNG publicity drive including launch of Mobile Promotional Vehicle & increasing customer contact channels through Mobile App, QR Code, IGL Website etc., and successfully running many attractive customer schemes to increase the PNG customer base.

Your Company has futuristic customer centric approach and aims to be the best in the CGD sector. The year has witnessed launch of various digital initiatives which has also attributed to strengthen Customer Relationship Management. Special focus has been made to strengthen the meter reading, billing and bill delivery processes, which has led to the enhanced customer satisfaction. Path breaking self-billing option via IGL CONNECT mobile application has proven to be extremely useful and widely acknowledged in unprecedented pandemic situations like Covid-19.

The Company had total 13.74 Lakh connections in Delhi & other geographical areas as on March 31, 2020.

PNG – Commercial & Industrial

During the financial year, your Company continued its thrust on the Commercial & Industrial segment which is one of the potential growth areas in the coming years. Your Company achieved a growth of around 22% in sales volume in Industrial Segment & around 8% in Commercial Segment during financial year 2019-2020. In terms of number of customers, the industrial customer base increased from 1,770 in March, 2019 to 2,435 in March, 2020 and Commercial customer base increased from 2,506 in March 2019 to 3,143 in March, 2020.

In Delhi, Delhi Pollution Control Committee (DPCC) has banned all other industrial fuels except PNG and has advised all industrial customers (wherever PNG is available) to switchover to PNG. Your Company has efficiently co-ordinated to implement the mandate given by DPCC by facilitating industrial customer for smooth switchover to PNG supply. In this regard, your company has been able to convert ~90% of Industrial Customers located in NCT of Delhi on to PNG Supply. In order to curb down air-pollution levels and to increase natural gas volumes, your Company has targeted diesel Genset segment, wherein PNG would replace use of diesel in Gensets. Similarly, with the ban of Furnace Oil (FO) and Petcoke in NCR by Hon'ble Supreme Court, PNG is emerging as the key energy source for Commercial & Industrial users, offering immense opportunities for growth. IGL's PNG network is widely available among various Industrial clusters of Delhi and NCR towns of Ghaziabad, Gautam Budh Nagar & Rewari, your company is working with a focused approach to further expand/ strengthen pipeline network by providing last mile connectivity to the Industrial establishments.

Your company is also working in a collaborative and participatory approach with state pollution control boards, so as to work out an action plan to convert all industrial units to PNG (wherever IGL's PNG network is available). In a milestone to further expand its footprint, your company has been able to execute Gas Sale Agreements (GSA) with Industrial Customers in Karnal Geographical Area (GA) which would facilitate increase in consumption of Natural Gas (NG) volumes.



Shri E.S. Ranganathan, then Managing Director and Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited launching Mobile Health Van as a part of IGL Swasth Saarthi, a CSR programme of IGL for preventive health care of Auto & Taxi drivers in Delhi & NCR in the presence of senior officials from IGL and St. Stephens Hospital.



Associate Companies

Central U. P. Gas Limited (CUGL)

CUGL is engaged in City Gas Distribution in the cities of Kanpur, Bareilly, Jhansi and Unnao in Uttar Pradesh. Your Company holds 50% of the paid-up equity share capital of CUGL.

CUGL achieved a gross turnover of Rs. 345.33 Crores and Profit After Tax of Rs. 73.64 Crores for the financial year ended March 31, 2020.

Maharashtra Natural Gas Limited (MNGL)

MNGL is in City Gas Distribution business in Pune, Pimpri, Chinchwad, Chakan, Talegaon and Hinjewadi, Nasik GA (Nasik, Dhule & part of Valsad), Sindhudurg GA in the state of Maharashtra and Ramanagara GA in the state of Karnataka. Your Company holds 50% of paid-up equity share capital of MNGL.

MNGL achieved a gross turnover of Rs. 1074.45 Crores and Profit After Tax of Rs. 223.33 Crores for the financial year ended March 31, 2020.

The statement containing the salient features of the financial statements of Company's Associates pursuant to the first proviso to sub-section (3) of Section 129, is appended as Annexure 1 to this Report.

Future Outlook

Your Company has been looking for organic as well as inorganic growth as part of its corporate strategy.



Shri Vinay Pratap Singh, then Deputy Commissioner, Karnal inaugurating the regional office of Indraprastha Gas Limited at Karnal in the presence of Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited and senior IGL officials.



Shri E.S. Ranganathan, then Managing Director, Indraprastha Gas Limited addressing various vendors of IGL, during a Vendor's Meet organized by the company in the presence of Shri Amit Garg, Director (Commercial) and other senior officials from IGL.

During the current financial year 2020-21, overall sales volume of the company has been impacted due to pandemic COVID-19 and countrywide lockdown. The sales volume are now picking with the ease down of lockdown situation and expected to improve further in the coming months. Project execution activities which came to a standstill earlier have now started gaining momentum.

Despite all challenges posed by COVID-19, your company is making concerted efforts to expand its business in existing areas of operations and to start operations in new geographical areas.

The matter of taking over the entire CGD activities in Gurugram district from Haryana City Gas Distribution Pvt. Ltd. is sub-judice in the Hon'ble Supreme court of India.

In its areas of operations, there are growth drivers which shall contribute to the sales volume in all segments of the Company's business.

It is expected that the price differential of CNG and liquid fuel will continue to drive the conversion of petrol-driven private vehicles to CNG mode. DTC and DIMTS have plans to add 1000 and 400 new CNG buses respectively in their fleet which would add to CNG sales of the Company. With the spread of CNG in new geographical areas, car manufacturers are coming out with new CNG variants cars.

Your company is participating substantially under SATAT (Sustainable Alternate towards Affordable Transportation)



Prof. K. Vijay Raghavan, Principal Scientific Adviser to Govt. of India; Dr. R K Tiwari, Principal Commissioner (Hort.), DDA; Shri A K Jana, Managing Director, IGL and Shri Amit Garg, Director (Comm.), IGL during signing of tri-partite MoU between Indraprastha Gas Limited, Delhi Development Authority and Office of Principal Scientific Adviser to Govt. of India for development of a Carbon Sink at Barapullah Drain near Sarai Kale Khan, Delhi.

initiative of MoPNG by issuing Letter of Intent(s) to facilitate waste management and promote use of Bio-Gas. The Company is also collaborating with IOCL to set up a pilot project of HCNG station at Rajghat for DTC buses. To promote inter-city public transport, IGL has recently launched Type IV cylinder long-haul buses.

In PNG domestic segment also, the Company is working aggressively to meet the high target. Also, thrust will be given on bringing all services on a single digital platform for customers. All types of customer request will be entertained via mobile application. Your company is trying to make effective use of Artificial Intelligence to smoothen the process of customer interaction with IGL at various touchpoints.

Company has bagged bulk order from Armed Forces to convert their canteens, jawan langars, officers' mess and other such establishments from LPG to PNG. Ministry of Defence, Government of India (GoI) has facilitated this shift from LPG to PNG by bringing suitable policy changes. This will add to the gas volumes in commercial & exempted category in PNG segment in Delhi - NCR.

In the coming years, it is expected that other State Pollution Control Boards mainly in NCR would also mandate use of PNG by Industrial Customers in line with DPCC direction, thereby giving further boost to Natural Gas volumes.

The Company is also looking for expanding its operation through merger or acquisition of stakes in other CGD Companies in the country.

The Company has earmarked Rs. 1370 Crores for FY 2020-21 for capital expenditure.

Information Technology

Your company has always appreciated the need to strengthen the core infrastructure of IGL IT landscape, which remains the foundation of all the business and customer centric applications supporting various growth and expansion initiatives. Aligned with business strategy, IGL's technological initiatives are implemented in such a manner that they keep pace with the business growth and changing requirement. With geographical expansion through acquiring new GAs, your company has also extended the network connectivity to these locations for facilitating the seamless running of IT operations.

Besides the network connectivity, the hardware infrastructure hosting the critical customer centric application viz. Customer Relationship Management (CRM) was augmented to provide more resources for ensuring best performance and optimal running of applications. This, in turn, helps in extending seamless services to customers. Your company is aware of the significance of strengthening security infrastructure to safeguard the sensitive data and information from any loss or breach amid rapid deployment of portal based applications for interaction with customers, vendors and employees. Your company has implemented Cisco Umbrella as cloud based DNS solution, Cisco Web content filtering and, Symantec End-point Detection and Remediation (EDR) solution for securing



IGL cyber systems against any cyber-attacks. Implementation of enterprise class Firewall at corporate office and remote sites was also carried out to further strengthen the security infrastructure.

Your company has been continuously striving to achieve enhanced service levels to customers by extending best in class applications through leveraging latest technology and best industry practices. These applications include various Apps and Portals interfacing with employees as well as customers. Various enhancements to IGL community App for employees, i.e. IGLOO, were performed with respect to user interface and new functionalities. IGL's customer App – IGL Connect also witnessed revamp of the user interface as well as enhancement/improvisation including self-billing and spot billing features. A new chat-bot feature was also introduced in customer app and website for providing a virtual assistant, as additional mode for interacting with customers. Your Company has also extended the SAP and CRM functionalities to integrate with third party prepaid meter vendors for efficient billing of prepaid customers in new GAs.

Your company has taken all possible measures to fight Covid-19 pandemic and has leveraged latest technology to ensure business continuity and unhindered customer services in these difficult times. Your company rolled out MS Teams collaboration platform at the very onset of Covid-19 lockdown, along with various other measures including contact less attendance punching through mobile app.

Your company is well placed to leverage the latest developments in the technological field towards objectives such as business process optimisation, more efficient operations and enhanced experience for all the stakeholders.

Human Resources

IGL values its human resources and is always committed in providing them an environment of learning and growth. Various welfare measures, employee oriented policies drive the human resources to deliver their best in achieving the organizational performance. So, the Company is taking care of its employees through different interventions viz. Development Centre for Manager & above level, Psychometric Assessment tool for below Manager level. The Company reviews from time to time HR Policies / benefits of its employees to make them more competitive and aligned with best industry practices.

Learning and Development of employees forms an integral part of the Company's Policy towards accomplishing organizational goal. The continual imparting of training, both technical and non-technical, is necessary for the growth of employees. During the year, employees were provided with the best of trainings viz. young achievers program, effective communication for Senior Management and outdoor team building exercises.



Sadhvi Niranjana Jyoti, Hon'ble Minister of State for Rural Development, Government of India inaugurating City Gas Distribution project of Indraprastha Gas Limited in district Fatehpur, Uttar Pradesh.

During the year, employees were encouraged to participate in various events like Cyclothon, Delhi Half Marathon, IGL Fit Movement, Preventive Health Check-ups and Yoga / Stress Management Sessions to take care of employee's health & fitness.

During the year, the Company inducted various young talented professionals at entry level to infuse knowledge and talent in the professional sphere. The comprehensive Induction Trainings has also been imparted to these new entry level professionals. Your Company has maintained harmonious, cordial and healthy relations among its employees.

Your Company recognizes the contribution of its employees in its growth.

Health Safety and Environment (HSE)

Being in the sector of city gas distribution, Safety is accorded the top priority by your company at every stage of its business and good safety culture is maintained throughout its operations.

It is matter of great pride that your Company has crossed 184 Million Man Hours accident free till March 31, 2020. This has been possible through consistent hard work by every individual working directly or indirectly for the company.

To ensure safety at our operations, safety trainings are regularly imparted to all employees and contract staff working for the company. Safety awareness programs are regularly conducted for CNG and PNG consumers through fully equipped mobile training van. Safety clinics are organized to check conditions of vehicle's CNG kits routinely. Also, safety information is broadcasted regularly through FM Radio for awareness of CNG/PNG customers and general public.

During this Covid-19 pandemic, your company has ensured 24X7 uninterrupted gas supply to its customers ensuring all safety precautions & sensitization of man, machine & customers. Social distancing and Covid-19 prevention awareness programs were conducted for the employees, staff and customers. Digital platforms are being used to conduct online meetings and interactions to ensure all safety precautions.

All activities and operations are carried out through Standard Operating Procedures and Permit to Work system to ensure safety at sites.

In line with your company's HSE policy, safety audits and other statutory compliances are done to ensure safety at all facets of IGL's operations.

Emergency Control Centres (ECC) are functional at strategic locations across Delhi & other geographical areas and are manned round the clock to respond fast to any gas leak or emergency situation. Mock drills are carried out regularly to check preparedness to control emergencies and during FY 2019-20, IGL participated in Level 3 Emergency Mock drill conducted by National Disaster Management Authority.



Fire & Safety training at a residential colony in New Delhi.

Your Company has been conferred Safety Innovation Award by Institute of Engineers and Certificate of Appreciation from National Safety Council to recognize the excellence in the field of Fire & Safety management during FY 2019-20.

Corporate Social Responsibility

Your Company is fully conscious of its Corporate Social Responsibility (CSR). In addition to carrying forward various CSR projects started in the earlier year, many new ones were also initiated in FY 2019-20.

Your Company has strategically aligned many of its CSR activities to create value for the society. Your Company has identified health, education, empowerment of women & underprivileged and skill development as its major focus areas, on which most of the CSR programmes are targeted.

The Company realizes that good health of public transport drivers is paramount to ensure safety on the roads. Therefore, your Company carried forward "IGL Swasth Saarthi" – a comprehensive health management programme for auto and taxi drivers in Delhi and NCR, wherein a series of comprehensive Health camps are being organized at various CNG stations, through a well-known hospital. Further, a group accident insurance cover is being provided to all drivers of CNG run commercial/ public transport vehicles in Delhi, Noida, Greater Noida & Ghaziabad under "IGL Suraksha Yojna". Your company has also conducted preventive healthcare camps for commercial drivers in its new Geographical Area of Karnal.

"Building Bonds through Gender Sensitization", a key CSR project of your company is a training programme for taxi, bus and auto drivers in Delhi, Noida & Gurugram aimed at making commute in public transport safe for the women. Under its CSR programme "Move Without Fear", your company has provided self-defence training to the adolescent girl students of government schools through an NGO. Special training as advanced sewing machine operators has been provided to rural women & men from villages in Noida & Greater Noida to empower them to earn on their own. Further, as part of project "Vidya Vahini" your company provided transport facilities in form of buses for college going girls in its new Geographical area of Kaithal.



Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited presenting course completion certificates to the rural women trained as Advanced Sewing Machine Operators under a CSR programme of IGL in the presence of Shri E.S. Ranganathan, then Managing Director, Indraprastha Gas Limited and senior officials from IGL and Amity Humanity Foundation.



Your Company has been supporting meritorious students from under-privileged strata of society for specialized coaching for engineering entrance examination, through a scheme run by an NGO for the last ten years. Your company has also been supporting several Municipal schools in Delhi through its remedial education and library based education programmes through NGOs.

Considering the ever growing demand for skilled manpower across sectors as a result of 'Make in India' programme, your Company is contributing towards Skill Development programmes for unemployed youth, in the fields of gas plumbing and welding, by providing technical oriented quality training. A Gas Plumbing Training Centre set up by your Company in a government run ITI has been running a special module for providing specialised skills to ITI students related to gas plumbing. Your company has also been providing skill development training to several underprivileged youths to enhance employability in multiple fields such as gas plumbing, mobile phone hardware repair technician, CCTV installation technician, assistant beauty therapist, home appliances technicians, and automotive service technician & tailoring at Delhi, Ghaziabad and Rewari.

Your company has also been contributing towards Nation's fight against the pandemic Covid-19 in form of relief material such as food, dry ration and hand sanitizers to the needy people across Delhi & NCR. Your company continues to be one of the stakeholders of Road Safety Cell of Delhi Traffic Police and actively supports all Road Safety Campaigns of Delhi Traffic Police.

The annual report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is appended as Annexure 2 to this report.

Your company received following awards for its CSR activities during FY 2019-20, some of which are mentioned below:

1. Project Roshni, the preventive health care programme for Government school children was awarded at CSR Community Initiative Awards, 2019 during CSR Leadership Summit.
2. 'Move Without Fear, the self-defence training programme for school girls was recognized at National CSR Summit & Awards, 2019 organized at New Delhi.
3. 'Project Roshni', was awarded at 4th Social Imprints North East CSR Awards & Summit.
4. 'Project Roshni' was also awarded under the category 'Swasthya Kalyan' at 'Social and Business Enterprise Responsible Awards, 2019'.
5. Two of IGL's key CSR programmes "Move Without Fear" and "IGL Swasth Saarthi" were recognized at 3rd Social Imprints CSR Awards and Summit 2019.

Directors Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

- i. In the preparation of Annual Accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed;
- ii. they have selected such accounting policies and applied them consistently except where otherwise stated in the Notes to Accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the Annual Accounts for the Financial Year ended March 31, 2020 on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors

Smt. Renu Sharma, nominee of Govt. of NCT of Delhi, was appointed as an Additional Director of the Company in place of Shri Rajeev Verma w.e.f. December 1, 2019.

Shri A. K. Jana, nominee of Gail (India) Limited (GAIL), was appointed as the Managing Director of the Company in place of Shri E.S. Ranganathan w.e.f. June 16, 2020.

Shri P. K. Gupta, nominee of Gail (India) Limited (GAIL), was appointed as a Chairman w.e.f. July 01, 2020 and Shri Gajendra Singh ceased to be Director of the Company.

Smt. Manisha Saxena, nominee of Govt. of NCT of Delhi, was appointed as an Additional Director of the Company in place of Smt. Renu Sharma w.e.f. July 21, 2020.

In terms of Section 152 of the Companies Act, 2013, Shri R. P. Natekar, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.



Shri E.S. Ranganathan, then Managing Director and Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited presenting dividend cheque for FY 2018-19 to Shri Anil Bajjal, Hon'ble Lieutenant Governor of NCT of Delhi, in presence of senior IGL officials.

The Board takes this opportunity to place on record its appreciation for valuable contribution made by Shri Gajendra Singh, Shri E. S. Ranganathan, Shri Rajeev Verma and Smt. Renu Sharma during their tenure as the Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as the "Listing Regulations").

The details of programmes for familiarization of Independent Directors with the Company are put up on the website of the Company, i.e., http://www.iglonline.net/english/5000_media/Investor_Relations/Familiarization-Programmes-for-Independent-Directors.pdf.

The Nomination & Remuneration Committee considers various criteria such as age, qualification, expertise, diversity in composition of Board and likely contribution to the Company while recommending the name of the Independent Directors.

The Board of Directors carried out the evaluation of every Director, Committees of Board and the Board as a whole, based on the laid down criteria of performance evaluation.

In the opinion of the Board of Directors, independent directors appointed during the year have required integrity, expertise and experience.

Corporate Governance

As per the requirement of the Listing Regulations, a detailed Report on Corporate Governance and certificates regarding compliance of conditions of Corporate Governance are annexed as part of the Annual Report.

Remarks referred to in the Auditors' Certificate on Corporate Governance for FY 2019-20 of M/s V. K. Sharma & Co., Practicing Company Secretaries are self-explanatory and do not call for any further comments.

Business Responsibility Report

As per the requirement of the Listing Regulations, a detailed Report on Business Responsibility is annexed as part of the Annual Report.



Deposits

During the financial year 2019-20, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014..

Particulars of Loans, Guarantees or Investments

During the financial year 2019-20, your Company has not granted loans nor given guarantee nor made any investments.

Amount which the Company proposes to carry to any Reserves, if any

For the financial year 2019-20, your Company has not transferred any amount to the general reserve of the Company.

Number of Meetings of the Board and Audit Committee

The details of the number of meetings of the Board and Audit Committee held during the financial year ended March 31, 2020 and composition of Audit Committee are given in Corporate Governance Report.

Related Party Transactions

Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions has been disclosed on the website of the Company at - https://www.iglonline.net/english/5000_media/About_us/Related-Party-Policy.pdf

Details of transactions with related parties are being disclosed separately in the Annual Report. One contract with GAIL qualify as material transactions under Listing Regulations, the same is being placed for shareholders' approval in the ensuing Annual General Meeting (AGM).

Prevention of Sexual Harassment at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted Internal Complaints Committee (ICC). During the financial year 2019-20, no complaint with allegation of sexual harassment was received by the Company.



Shri E.S. Ranganathan, then Managing Director, Indraprastha Gas Limited presenting dividend cheque for FY 2018-19 to Dr. Ashutosh Karnatak, then Chairman & Managing Director, GAIL (India) Ltd. in the presence of Shri Amit Garg, Director (Commercial), Indraprastha Gas Limited and senior officials from IGL & GAIL.

Risk Management and Internal Financial Control Adequacy

Your Company has Risk Management System in place including the Risk Policy & identification of the Risks which are reviewed periodically. The Company has also Risk Management Committee as per the requirement of the Listing Regulations.

Your Company has laid down a set of standards, processes and structure for internal financial control across the organization and ensures that the same are adequate and operating effectively.

Vigil Mechanism

The Company has a well-defined Vigilance framework which provides a platform to the employees, directors, vendors, suppliers and other stakeholders of the Company to come forward and raise their genuine concerns without any fear of retaliation and victimization. The Company has engaged an independent third party service provider for complaint management under the whistle-blower platform. The details of the Whistle Blower Policy are available on the website of the Company: www.iglonline.net. Besides Whistle Blower Policy, the Company has also framed Vigil Mechanism policy under which the stakeholders can lodge their complaint(s) to Chief Ethics Officer of the Company.

Cost Auditors

Your Company had appointed M/s Ramanath Iyer & Co., New Delhi as Cost Auditors for the FY 2019-20.

As per Section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of your Company has re-appointed M/s Ramanath Iyer & Co., New Delhi, Cost Accountants, as the Cost Auditors of the Company for the FY 2020-21. The remuneration proposed to be paid to the Cost Auditors is subject to the ratification by the members at the ensuing Annual General Meeting of the Company.

Your Company is maintaining cost records as specified by the Central Government under Section 148 of the Companies Act, 2013.

Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013, your Company had appointed M/s V. K. Sharma & Co., Practicing Company Secretaries, Noida, as its Secretarial Auditors

to conduct the Secretarial Audit of the Company for the FY 2019-20. The Report of Secretarial Auditor for the FY 2019-20 is appended as Annexure 3 to this report.

Remarks referred to in the Secretarial Auditors' Report for FY 2019-20 of M/s V. K. Sharma & Co., Practicing Company Secretaries are self-explanatory and do not call for any further comments.

Disclosures Regarding Remuneration

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as Annexure 4 to this report.

Extract of Annual Return

Extract of Annual Return of the Company is appended as Annexure 5 to this report.

Statutory Auditors

In exercise of powers conferred by Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India (CAG) vide its letter dated August 7, 2020 has appointed M/s Datta Singla & Co., Chartered Accountants as Statutory Auditors of the Company for the FY 2020-21.

The Notes on financial statements referred to in the Auditors' Report for FY 2019-20 of M/s Walker Chandiook & Co. LLP, Chartered Accountants are self-explanatory and do not call for any further comments.

Review and Comments of CAG, on Standalone and Consolidated financial statements for the FY 2019-20 form part of financial statements of the Company.

Conservation of Energy and Technology Absorption, Foreign Exchange Earnings and Outgo

The information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule (8) of the Companies (Accounts) Rules, 2014 is appended as Annexure 6 to this report.



Acknowledgements

Your Directors express their gratitude to the Ministry of Petroleum & Natural Gas, State Governments of NCT of Delhi, Uttar Pradesh, Haryana & Rajasthan, Petroleum and Natural Gas Regulatory Board, and Promoter Companies (GAIL & BPCL) for their continuous guidance & support throughout the year.

The Directors also acknowledge the support of all Statutory & Local Authorities, Bankers, Media, Station Operators & their employees, contractors, vendors and suppliers.

The Directors place on record their deep appreciation towards IGL's valued customers for their continued patronage support and look forward to the continuance of this relationship in future also.

The Directors wish to express their gratitude to all the shareholders for their continued trust and support.

The Directors also sincerely acknowledge the contributions made by all the employees of IGL for their dedicated services to the Company.

For and on behalf of Board of Directors

Sd/-
A. K. Jana
Managing Director

Sd/-
Amit Garg
Director (Commercial)

Place: New Delhi
Date : August 26, 2020



Shri Dharmendra Pradhan, Hon'ble Minister for Petroleum & Natural Gas and Steel, Government of India presenting 'City Gas Distribution – Established Company of the Year Award' to Indraprastha Gas Limited. Shri E.S. Ranganathan, then Managing Director, IGL receiving the award in presence of Shri Amit Garg, Director (Commercial), IGL and senior IGL officials at Oil & Gas Summit & Awards 2019 organized by Federation of Indian Petroleum Industry (FIPI).

ANNEXURE 1

Form No. AOC-1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No.
2. Name of the subsidiary
3. The date since when subsidiary was acquired
4. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.
6. Share capital
7. Reserves & surplus
8. Total assets **Not Applicable**
9. Total Liabilities
10. Investments
11. Turnover
12. Profit before taxation
13. Provision for taxation
14. Profit after taxation
15. Proposed Dividend
16. Extent of shareholding (in percentage)

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – Not Applicable
- Names of subsidiaries which have been liquidated or sold during the year – Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Sl. No | Name of Associates or Joint Ventures | Central UP Gas Limited (CUGL) | Maharashtra Natural Gas Limited (MNGL) |
|--------|---|-------------------------------|--|
| 1. | Latest Balance Sheet Date | 31.03.2020 (Audited) | 31.03.2020 (Audited) |
| 2. | Date on which Associate or Joint Venture was associated or acquired | 21.06.2013 | 26.03.2015 |
| 3. | Shares of Associate or Joint Ventures held by the Company on the year end | | |
| | No. | 30000000 | 50000000 |
| | Amount of Investment in Associates or Joint Ventures | Rs. 68.12 Crores | Rs. 190.00 Crores |
| | Extend of Holding (in percentage) | 50% | 50% |



| Sl. No | Name of Associates or Joint Ventures | Central UP Gas Limited (CUGL) | Maharashtra Natural Gas Limited (MNGL) |
|--------|--|-------------------------------|--|
| 4. | Description of how there is significant influence | Holding 50% (Equity shares) | Holding 50% (Equity shares) |
| 5. | Reason why the associate/joint venture is not consolidated | Consolidated | Consolidated |
| 6. | Net worth attributable to shareholding as per latest Balance Sheet | Rs. 355.67 Crores | Rs. 712.48 Crores |
| 7. | Profit / Loss for the year | | |
| | Considered in Consolidation | Rs. 36.59 Crores* | Rs. 117.46 Crores** |
| | Not Considered in Consolidation | Rs. 36.59 Crores* | Rs. 117.46 Crores** |

* Rs. 0.23 Crores adjusted in view of difference in accounting policies being followed by IGL and CUGL.

** Includes Rs. 5.79 crores towards difference between audited and unaudited financial results of MNGL for the last financial year 2018-19.

For and on behalf of **Board of Directors**

Sd/-
A. K. Jana
Managing Director

Sd/-
S. K. Jain
Company Secretary

Sd/-
Amit Garg
Director (Commercial)

Sd/-
Manjeet Gulati
General Manager - Finance

Place: New Delhi

Date : August 26, 2020

ANNEXURE 2

Annual Report on CSR Activities for the financial year 2019-20

1. Outline of CSR Policy

Indraprastha Gas Limited (IGL) recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.

A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates. IGL follows the Board approved CSR Policy which is in line with the requirements of The Companies Act, 2013.

The contents of CSR Policy of IGL are displayed on IGL's website at <http://iglonline.net/CSR.aspx>.

2. Composition of the CSR Committee, as on 31st March 2020

| | | |
|------------------------|---|-------------|
| Smt. Saroj Bala | : | Chairperson |
| Shri Deepak Mishra | : | Member |
| Shri E. S. Ranganathan | : | Member |
| Shri Amit Garg | : | Member |

3. Average Net Profit of the company in the last three financial years: Rs. 1007.09 Crores.

4. Prescribed CSR expenditure (2% of the amount mentioned above in 3) – Rs. 20.14 Crores.

5. a) Total Amount to be spent in the financial year : Rs. 20.14 Crores
 b) Amount spent: Rs. 19.88 Crores.*
 c) Amount unspent: Rs. 26 Lakhs.

*Amount utilized on CSR for year 2019-20 was Rs. 19.88 Crores against actually disbursed amount of Rs. 21.30 Crores.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------|---|--|---|--|--|---|--|
| Sr. No. | CSR Project or activity identified | Project description | Projects or programs 1) Local area or other 2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or program wise (Rs. in Lacs) | Amount spent on projects or programs in 2019-20 as on 31st March 2020 (Rs. in lacs) 1) Direct expenditure on projects or programs 2) Overheads | Cumulative expenditure upto 31st March 2020 (Rs. in Lacs) | Project implemented: Direct or through implementing agency |
| 1 | IGL Suraksha Yojana | Eradicating Poverty | Local area i.e, Delhi & NCR | 18.17 | 18.17 | 18.17 | Direct |
| 2 | IGL Swasth Saarathi | Promoting Preventive Healthcare Managing Swasth Saarathi web portal | Local area i.e, Delhi & NCR | 118.83 0.35 | 108.70 0.35 | 108.70 0.35 | Direct Direct |
| 3 | Building Bonds through Gender Sensitization | Promoting Employment Enhancing Vocational Skills | Local area i.e, Delhi & NCR | 246.07 | 237.87 | 237.87 | Manas Foundation |



| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------|--|--|---|--|--|---|--|
| Sr. No. | CSR Project or activity identified | Project description | Projects or programs 1) Local area or other 2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or program wise (Rs. in Lacs) | Amount spent on projects or programs in 2019-20 as on 31st March 2020 (Rs. in lacs) 1) Direct expenditure on projects or programs 2) Overheads | Cumulative expenditure upto 31st March 2020 (Rs. in Lacs) | Project implemented: Direct or through implementing agency |
| 4 | Sewing Machine Operator Training programme for rural women | Promoting Women Empowerment and Employment Enhancing Vocational Skills | Local area i.e, Delhi & NCR | 126.67 | 43.79 | 81.17 | Amity Humanity Foundation |
| 5 | Self Defence training to school girls | Promoting Women Empowerment | Local area i.e, Delhi & NCR | 190.37 | 190.37 | 190.37 | Asheraf Welfare & Charitable Society Aspire |
| 6 | School support programme at SDMC schools | Promoting Education | Local area i.e, Delhi & NCR | 169.44 | 76.17 | 169.44 | SOS Children's Village of India |
| 7 | Upbringing of vulnerable children | Promoting Women Empowerment and Setting up home for orphans | Local area i.e, Delhi & NCR | 71.10 | 50.45 | 71.10 | Khushii |
| 8 | Remedial Education programme at a municipal school | Promoting Education | Local area i.e, Delhi & NCR | 54.68 | 43.75 | 54.68 | Ishwar Charitable Trust |
| 9 | Preventive eye care for the underprivileged communities | Promoting Preventive Healthcare | Local area i.e, Delhi & NCR and district Rewari in Haryana | 95.08 | 75.90 | 95.08 | Centre for Social Responsibility & Leadership |
| 10 | Sponsorship of underprivileged students for Engineering Entrance exams coaching | Promoting Education | Local area i.e, Delhi & NCR | 140 | 70 | 126.25 | 'Goodera' and 'Environmental Technical Services Pvt. Ltd. |
| 11 | Monitoring & Evaluation of CSR programmes through third party | Monitoring & Evaluation of CSR programmes | Local area i.e, Delhi & NCR | 66.84 | 15.01 | 31.53 | National Yuva Cooperative Society |
| 12 | Generating sustainable livelihood opportunities through Skill Development | Promoting Employment Enhancing Vocational Skills | Local area i.e, Delhi & NCR and district Rewari in Haryana | 223.76 | 122.62 | 192.06 | |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------|--|---|---|--|--|---|--|
| Sr. No. | CSR Project or activity identified | Project description | Projects or programs 1) Local area or other 2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or program wise (Rs. in Lacs) | Amount spent on projects or programs in 2019-20 as on 31st March 2020 (Rs. in lacs) 1) Direct expenditure on projects or programs 2) Overheads | Cumulative expenditure upto 31st March 2020 (Rs. in Lacs) | Project implemented: Direct or through implementing agency |
| 13 | Project Roshni – Preventive eye care for school & slum children | Promoting Preventive Health Care | Local area i.e, Delhi & NCR and district Rewari in Haryana | 151.85 | 100.32 | 135.54 | Netram Eye Foundation |
| 14 | Deployment of Traffic Wardens | Ensuring Environmental Sustainability and Road Safety | Local area i.e, Delhi & NCR | 54 | 45.69 | 49.40 | Deputy Controller, Civil Defence, Ghaziabad |
| 15 | Skill development training of Delhi Govt. run ITI students at IGL Gas Plumbing Training Institute at ITI, Arab ki Sarai | Promoting Employment Enhancing Vocational Skills | Local area i.e, Delhi & NCR | 38.90 | 16.73 | 16.73 | Social Economic and Versatile Welfare Association |
| 16 | Medical- Dental health camps for students of MCD/ Government schools | Promoting Preventive Healthcare | Local area i.e, Delhi & NCR | 25.02 | 13.27 | 25.02 | Buddha Education Foundation |
| 17 | Road Safety Awareness Campaigns through Delhi Traffic Police | Promoting Education & Road Safety | Local area i.e, Delhi & NCR | 21.79 | 21.79 | 21.79 | Direct |
| 18 | Drive Safe Daddy Project driver awareness programme | Promoting Road Safety | Local area i.e, Delhi & NCR | 19.81 | 9.91 | 19.81 | Community Against Drunken Driving |
| 19 | Medical Health Care unit in slums in Ghaziabad | Promoting Preventive Health Care | Local area i.e, Delhi & NCR | 98.44 | 84.89 | 98.44 | Indian Social Responsibility Network |
| 20 | Construction of Skill Development Training Centre for BSF war widows at BSF Chhawla Camp | Measures for the Benefits of War Widows | Local area i.e, Delhi & NCR | 45 | 9.99 | 25.02 | Direct |



| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------|--|---|---|--|--|---|--|
| Sr. No. | CSR Project or activity identified | Project description | Projects or programs 1) Local area or other 2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or program wise (Rs. in Lacs) | Amount spent on projects or programs in 2019-20 as on 31st March 2020 (Rs. in lacs) 1) Direct expenditure on projects or programs 2) Overheads | Cumulative expenditure upto 31st March 2020 (Rs. in Lacs) | Project implemented: Direct or through implementing agency |
| 21 | Skill development of underprivileged youth in Panchkarma Ayurvedic Training centre | Promoting Employment Enhancing Vocational Skills | Local area i.e, Delhi & NCR | 18.60 | 5.58 | 18.60 | Santhigiri Ashram |
| 22 | Empowering rural communities through holistic development at Alamgirpur Village, Rewari | Rural Development | District Rewari in Haryana | 133.01 | 40.92 | 72.43 | Khushii |
| 23 | Point of care diagnostic system at villages in Ghaziabad | Promoting Preventive Healthcare | Local area i.e, Delhi & NCR | 170.98 | 14.71 | 17.26 | State Innovations in Family Planning Services Agency |
| 24 | Supporting education for underprivileged girls through scholarships | Promoting Education | District Rewari in Haryana | 13.32 | 6.40 | 13.32 | Shikshadaan |
| 25 | Library based education programme in Municipal schools | Promoting Education | Local area i.e, Delhi & NCR | 90.99 | 86.45 | 90.99 | Pratham Delhi Education Initiative Trust |
| 26 | Skill Development in computer education for underprivileged women and girls | Promoting Women Empowerment | District Rewari in Haryana | 24.28 | 14.57 | 24.28 | Growth Foundation of India |
| 27 | Pilot project on awareness about cervical cancer and its prevention | Preventive Health Care | Local area i.e, Delhi & NCR | 79.73 | 52.96 | 52.96 | Cancer Awareness, Prevention and Early Detection |
| 28 | Counselling and handholding programme for cancer patients | Preventive Health Care | Local area i.e, Delhi & NCR | 7.39 | 2.47 | 2.47 | Sanjeevani Life Beyond Care |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---------|--|--|---|--|--|---|--|
| Sr. No. | CSR Project or activity identified | Project description | Projects or programs 1) Local area or other 2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or program wise (Rs. in Lacs) | Amount spent on projects or programs in 2019-20 as on 31st March 2020 (Rs. in lacs) 1) Direct expenditure on projects or programs 2) Overheads | Cumulative expenditure upto 31st March 2020 (Rs. in Lacs) | Project implemented: Direct or through implementing agency |
| 29 | Mental healthcare camps for underprivileged women | Promoting Preventive Healthcare | Local area i.e, Delhi & NCR | 12.54 | 7.52 | 7.52 | NS Educational and Charitable Society |
| 30 | 'Mission Perfect Vision' free eye screening camps for commercial drivers | Promoting Preventive Healthcare | District Karnal in Haryana | 12.67 | 7.60 | 7.60 | Madhav Netra Bank |
| 31 | Skill development training to employed/ underprivileged youth | Promoting Employment Enhancing Vocational Skills | Local area i.e, Delhi & NCR | 96 | 60 | 60 | Bapu Nature Cure Hospital & Yogashram |
| 32 | Skill Development programme for underprivileged youth | Promoting Employment Enhancing Vocational Skills | Local area i.e, Delhi & NCR | 34.04 | 24.10 | 24.10 | Kherwadi Social Welfare Association |
| 33 | Providing furniture at Arsh Kanya Gurukul | Promoting Education | Local area i.e, Delhi & NCR | 12.43 | 12.43 | 12.43 | Navratan Foundation |
| 34 | Education support programme for underprivileged students | Promoting Education | Local area i.e, Delhi & NCR | 21.60 | 21.60 | 21.60 | Manorath Foundation |
| 35 | Education support of underprivileged students | Promoting Education | Local area i.e, Delhi & NCR | 8.40 | 6.72 | 6.72 | AIM for Seva |
| 36 | Enhancing spoken English and Soft Skills of Urban underprivileged Youth under Teach India initiative | Promoting Education | Local area i.e, Delhi & NCR | 20 | 20 | 20 | Society for Action in Community Health |
| 37 | Upgradation of libraries at Delhi Police Public School | Promoting Education | Local area i.e, Delhi & NCR | 12.21 | 9.77 | 9.77 | Police Foundation for Education |



| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------------------------------|--|---|---|--|--|---|---|
| Sr. No. | CSR Project or activity identified | Project description | Projects or programs 1) Local area or other 2) Specify the state or district where projects or programs were undertaken | Amount outlay (budget) project or program wise (Rs. in Lacs) | Amount spent on projects or programs in 2019-20 as on 31st March 2020 (Rs. in lacs) 1) Direct expenditure on projects or programs 2) Overheads | Cumulative expenditure upto 31st March 2020 (Rs. in Lacs) | Project implemented: Direct or through implementing agency |
| 38 | Digital training to differently abled and underprivileged youth | Promoting Education | Local area i.e, Delhi & NCR | 30.23 | 9.52 | 9.52 | Action for Ability Development & Inclusion |
| 39 | Women on Wheels programme | Promoting Women Empowerment | Local area i.e, Delhi & NCR | 63.45 | 39.69 | 39.69 | Azad Foundation |
| 40 | Provision of transportation facilities for college girl students | Promoting Women Empowerment and Education | District Kaithal in Haryana | 20.20 | 18.01 | 18.01 | District Red Cross Society, Kaithal |
| 41 | Construction of toilet complexes at DMRC metro stations | Promoting Sanitation | Local area i.e, Delhi & NCR | 286.45 | 128.90 | 128.90 | Kasturba Seva Sansthan |
| 42 | Awareness generation & training programme on segregation of solid waste at household level and composting in JJ colonies | Promoting Environment Sustainability and Sanitation | Local area i.e, Delhi & NCR | 29.29 | 11.60 | 11.60 | Society for Natural Resource Management and Community Development |
| 43 | Providing hand sanitizers to prevent against COVID -19, through Municipal Commissioner, Gurugram – COVID 19 Relief. | Disaster Management | Local area i.e, Delhi & NCR | 23.52 | 23.52 | 23.52 | Direct |
| 44 | Providing food packets to slum dwellers through Delhi Police – COVID-19 Relief | Disaster Management | Local area i.e, Delhi & NCR | 13.44 | 7.56 | 7.56 | Direct |
| Total Amount (Rs. in Lakhs) | | | | 3,210.94 (Rs. 32.11 Crores) | 1,988.34 (Rs. 19.88 Crores) | 2,469.37 (Rs. 24.69 Crores) | |

6. In case company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

An amount of Rs 19.88 crore has been utilised towards CSR programmes in FY 2019-2020 against budgeted amount of Rs 20.14 crore, which amounts to 1.97% of the average net profit in last three financial years. Due to suspension of a few projects in last fortnight of March 2020 due to COVID-19, there was a slight shortfall of Rs 26 lakhs in utilisation by few implementing agencies despite funds being released to them.

Also, since the span of execution of activities under many CSR programmes are spread over the financial year, many implementing partners tend to utilize the funds in the next financial year. Therefore, funds for few programmes initiated in FY 2019-20 would be released and utilized in FY 2020-21 as well.

7. CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

Place: New Delhi
Date: August 26, 2020

Sd/-
Asit Kumar Jana
Managing Director

Sd/-
Saroj Bala
Chairperson, CSR Committee



Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020

To,
The Members,
Indraprastha Gas Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Indraprastha Gas Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Indraprastha Gas Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Indraprastha Gas Limited** ("the Company") for the financial year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (vi) And other applicable laws which in our opinion were applicable to the company i.e. The Petroleum and Natural Gas Regulatory Board Act, 2006 and The Petroleum Act, 1934.
- We have also examined compliance with the applicable Regulations/Standards of the following:
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent they were applicable. The Company has incurred an expenditure of Rs. 19.88 Crores (Previous year Rs.14.49 Crores) on Corporate Social Responsibility activity specified under the provisions of the Companies Act 2013 as against the required spend of Rs. 20.14 Crores (Previous year Rs. 16.58 Crores).

We further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors .The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no specific event/action which has a major bearing on the affairs of the company in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

Place: Greater Noida
Date: 26 August, 2020

for V. K. Sharma & Co.
Company Secretaries

Sd/-
(V. K. Sharma)
FCS: 3440
C. P. No.:2019
UDIN:F003440B000616954

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report



'Annexure A'

**To,
The Members,
Indraprastha Gas Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification procedures on test basis.
5. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for V. K. Sharma & Co.
Company Secretaries

Sd/-
(V. K. Sharma)
FCS: 3440
C. P. No.:2019
UDIN:F003440B000616954

Place: Greater Noida
Date: 26 August, 2020

ANNEXURE 4

Disclosures with respect to remuneration and other details as required Under Section 197(12) of Companies Act, 2013 and Rule 5(1) & (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20;

| S. No | Name of Director | Director's Remuneration (Rs. in Lakhs)* | Employee Median Remuneration (Rs. in Lakhs) | Ratio |
|-------|---|---|---|--------|
| 1 | Shri E. S. Ranganathan, Managing Director | 102.14 | 11.79 | 8.66:1 |
| 2 | Shri Rajiv Sikka, Director (Commercial) | 14.39 | 2.97 | 4.85:1 |
| 3 | Shri Amit Garg, Director (Commercial) | 47.08 | 8.08 | 5.83:1 |

*Excluding commission on profit payable to parent organisations

Notes:

- Ratio of remuneration is not considered for non-executive directors.
- Shri Rajiv Sikka ceased to be a Director (Commercial) w.e.f. July 2, 2019.
- Shri Amit Garg appointed as Director (Commercial) w.e.f. July 25, 2019.
- In case of Shri Rajiv Sikka and Shri Amit Garg, employee median remuneration is proportionate to their period of directorship during financial year 2019-20.

b. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

| S. No | Name of Director*and KMP | % increase in remuneration |
|-------|---|--|
| 1 | Shri S. K. Jain, Company Secretary | 9.43% {(inclusive of (Performance Linked Incentive (PLI))} |
| 2 | Shri Rakesh Chawla, Chief Financial Officer | 5.04% (without PLI) |

*Shri E. S. Ranganathan, Shri Rajiv Sikka & Shri Amit Garg get remuneration from their employers i.e. GAIL & BPCL. Your Company has paid the amount including GST to promoters as secondment charges as these Directors are not the employees of the Company.

c. In the financial year 2019-20, there was an increase of 4.23% in the median remuneration of employees

d. The number of permanent employees on the rolls of Company as on March 31, 2020 was 703. The Company has maintained peaceful and harmonious relations with all its employees.

e. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 7.15%.

f. Details of top ten employees in terms of remuneration drawn for the financial year 2019-20 are as under:

| Employee Name | Designation | Remuneration (Rs.) | Qualification | Experience (Years) | Date of Joining | Age (Years) | Last Employment |
|---------------------------|--|--------------------|---------------------|--------------------|-----------------|-------------|---------------------------------------|
| Shri Ashim Batra | Sr. Vice President - PNG Project and O&M | 1,17,16,410 | BE, MBA (Marketing) | 36 | 23-06-2003 | 58 | Vietrans Pvt. Ltd. |
| Shri Praveen Kumar Pandey | Sr. Vice President - Marketing | 1,01,77,736 | BE (Mechanical) | 35 | 02-01-2006 | 56 | Sriram Fertilizer & Chemicals Limited |



| Employee Name | Designation | Remuneration (Rs.) | Qualification | Experience (Years) | Date of Joining | Age (Years) | Last Employment |
|----------------------------|---|--------------------|---------------------------|--------------------|-----------------|-------------|--------------------------------|
| Shri Manjeet Singh | Sr. Vice President - Project Engineering Services & JV Coordination | 1,00,20,894 | B.Tech, PGDBM (Marketing) | 35 | 27-09-2006 | 57 | Bharat Petroleum Corp. Limited |
| Shri Sudhanshu Pant | Vice President - ERP & IT | 81,12,187 | BE (Mechanical) | 36 | 02-12-2003 | 59 | TIL Limited |
| Shri Ajai Tyagi | Vice President - PNG Project and O&M | 81,11,752 | B.Tech (Electrical) | 30 | 23-06-2003 | 51 | India Glycols Limited |
| Shri Navnit Chandra Mangla | Vice President - C&P | 79,18,976 | BE (Mechanical) | 33 | 31-05-2004 | 55 | JCB India Limited |
| Shri Sunil Kumar Jain | Vice President - Company Secretary | 78,91,402 | CS, CMA, LLB | 31 | 18-06-2004 | 55 | Maharastra Seamless Ltd. |
| Shri Rakesh Chawla | Vice President - Finance | 78,31,206 | CA, LLB | 28 | 27-03-2018 | 52 | Mahanagar Gas Limited |
| Shri Alok Sharma | Vice President - Fire & Safety | 77,60,224 | BE (Fire) | 28 | 26-06-2006 | 52 | GAIL India Ltd. |
| Shri Susheel Jad | Vice President - Legal | 75,82,330 | LLB, LLM | 29 | 31-07-2006 | 52 | National Fertilizer Limited |

NOTES:

- Remuneration includes salary, allowances, Leave Travel Allowances, Performance Linked Incentive, Company contribution to PF, gratuity, NPS and other perks.
- None of the employees mentioned above hold more than 2% of the shares of your Company, alongwith their spouse and dependent children.
- None of the employees mentioned above is a relative of any director.

g. It is hereby affirmed that the remuneration paid is as per the Remuneration policy of the Company.

ANNEXURE 5

Form No. MGT-9

Extract of Annual Return
as on the financial year ended on 31.03.2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. Registration and Other Details:

| | |
|--|---|
| 1. CIN | L23201DL1998PLC097614 |
| 2. Registration Date | 23/12/1998 |
| 3. Name of the Company | Indraprastha Gas Limited |
| 4. Category / Sub-Category of the Company | Company limited by shares/Indian Non- Government Company |
| 5. Address of the Registered office and contact details | IGL Bhawan, Plot No.4, Community Centre, Sector-9, R. K. Puram, New Delhi - 110022 |
| 6. Whether listed Company | Yes |
| 7. Name, Address and Contact details of Registrar and Transfer Agent, if any | Kfin Technologies Private Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500032. |
| 8. Tel. No's | 040-67162222 |
| 9. Fax No's | 040-23001153 |
| 10. Toll Free no. | 1800-345-4001 |
| 11. E-Mail Address | einward.ris@kfintech.com |

II. Principal Business Activities of the Company:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|---|----------------------------------|------------------------------------|
| 1 | Natural Gas | 3520 | 100 |

III. Particulars of Holding, Subsidiary and Associate Companies

| Sl. No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------|-------------------------------------|--------------------------------------|
| 1 | Central U. P. Gas limited A-1/4 Lakhanpur, UPSIDC Complex, Lakhanpur, Kanpur - 208024, U.P. | U40200UP2005PLC029538 | Associate | 50% of paid-up equity share capital | Section 2 (6) of Companies Act, 2013 |
| 2 | Maharashtra Natural Gas Limited A-Block, Plot No 27, Narveer Tanaji Wadi, PMT Bus Depot Commercial Building, First Floor, Shivaji Nagar, Pune- 411005, Maharashtra | U11102PN2006PLC021839 | Associate | 50% of paid-up equity share capital | Section 2 (6) of Companies Act, 2013 |



(IV) Shareholding Pattern (Equity Share Capital Break-up as percentage of total equity)

(i) Category - Wise Shareholding

| CATEGORY CODE | CATEGORY OF SHAREHOLDER | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2019 | | | | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020 | | | | % CHANGE DURING THE YEAR |
|---------------|--|--|-----------------|------------------|-------------------|--|-----------------|------------------|-------------------|--------------------------|
| | | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) |
| (A) | PROMOTER AND PROMOTER GROUP | | | | | | | | | |
| (1) | INDIAN | | | | | | | | | |
| (a) | Individual /HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Central Government/State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Bodies Corporate | 315000400 | 0 | 315000400 | 45.00 | 315000400 | 0 | 315000400 | 45.00 | 0.00 |
| (d) | Financial Institutions / Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total A(1) : | 315000400 | 0 | 315000400 | 45.00 | 315000400 | 0 | 315000400 | 45.00 | 0.00 |
| (2) | FOREIGN | | | | | | | | | |
| (a) | Individuals (NRIs/Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Others | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total A(2) : | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Total A=A(1)+A(2) | 315000400 | 0 | 315000400 | 45.00 | 315000400 | 0 | 315000400 | 45.00 | 0.00 |
| (B) | PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) | INSTITUTIONS | | | | | | | | | |
| (a) | Mutual Funds /UTI | 54958479 | 0 | 54958479 | 7.85 | 52665109 | 0 | 52665109 | 7.52 | -0.33 |
| (b) | Financial Institutions / Banks | 7961072 | 0 | 7961072 | 1.14 | 1028221 | 0 | 1028221 | 0.15 | -0.99 |
| (c) | Central Government / State Government(s) | 0 | 35000000 | 35000000 | 5.00 | 0 | 35000000 | 35000000 | 5.00 | 0.00 |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) | Insurance Companies | 63230216 | 0 | 63230216 | 9.03 | 63557113 | 0 | 63557113 | 9.08 | 0.05 |
| (f) | Foreign Institutional Investors | 147586967 | 0 | 147586967 | 21.08 | 159417514 | 0 | 159417514 | 22.77 | 1.68 |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Others – Foreign Nationals | 1250 | 0 | 1250 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total B(1) : | 273737984 | 35000000 | 308737984 | 44.11 | 276667957 | 35000000 | 311667957 | 44.52 | 0.41 |
| (2) | NON-INSTITUTIONS | | | | | | | | | |
| (a) | Bodies Corporate | 33513718 | 0 | 33513718 | 4.79 | 9576050 | 0 | 9576050 | 1.37 | -3.41 |
| (b) | Individuals | | | | | | | | | |
| (i) | Individuals holding nominal share capital upto Rs.1 lakh | 34934498 | 75448 | 35009946 | 5.00 | 31362427 | 65882 | 31428309 | 4.49 | -0.50 |
| (ii) | Individuals holding nominal share capital in excess of Rs.1 lakh | 4244849 | 0 | 4244849 | 0.61 | 4631684 | 0 | 4631684 | 0.66 | 0.05 |
| (c) | Others | | | | | | | | | |
| | Clearing Members | 1598531 | 0 | 1598531 | 0.23 | 1449325 | 0 | 1449325 | 0.21 | -0.02 |
| | I E P F | 81335 | 0 | 81335 | 0.01 | 85701 | 0 | 85701 | 0.01 | 0.00 |
| | Non Resident Indians | 1181231 | 0 | 1181231 | 0.17 | 1055112 | 0 | 1055112 | 0.15 | -0.02 |
| | NRI Non-Repatriation | 393425 | 0 | 393425 | 0.06 | 351853 | 0 | 351853 | 0.05 | -0.01 |
| | NBFC registered with RBI | 44904 | 0 | 44904 | 0.01 | 40770 | 0 | 40770 | 0.01 | 0 |

| CATEGORY CODE | CATEGORY OF SHAREHOLDER | NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2019 | | | | NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2020 | | | | % CHANGE DURING THE YEAR |
|---------------|--|--|-----------------|------------------|-------------------|--|-----------------|------------------|-------------------|--------------------------|
| | | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | DEMAT | PHYSICAL | TOTAL | % OF TOTAL SHARES | |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) | (X) | (XI) |
| (d) | Trusts | 194395 | 0 | 194395 | 0.03 | 261692 | 0 | 261692 | 0.04 | 0.01 |
| | Qualified Institutional Buyer | 82 | 0 | 82 | 0.00 | 24451947 | | 24451947 | 3.49 | 3.49 |
| | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total B(2) : | 76186968 | 75448 | 76262416 | 10.89 | 73266561 | 65882 | 73332443 | 10.48 | -0.41 |
| | Total B=B(1)+B(2) : | 349924952 | 35075448 | 385000400 | 55.00 | 349934518 | 35065882 | 385000400 | 55.00 | 0.00 |
| | Total (A+B) : | 664925352 | 35075448 | 700000800 | 100.00 | 664934918 | 35065882 | 700000800 | 100.00 | 0.00 |
| (C) | Shares held by custodians, against which Depository Receipts have been issued | | | | | | | | | |
| (1) | Promoter and Promoter Group | | | | | | | | | |
| (2) | Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | GRAND TOTAL (A+B+C) : | 664925352 | 35075448 | 700000800 | 100.00 | 664934918 | 35065882 | 700000800 | 100.00 | |

(ii) Shareholding of Promoters

| Sl. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change During the year |
|--------|-----------------------------------|---|-------------------|---|-------------------------------------|-------------------|---|--------------------------|
| | | No. of Shares | % of Total Shares | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of Total Shares | % of Shares Pledged/ encumbered to total shares | |
| 1 | Bharat Petroleum Corporation Ltd. | 15,75,00,400 | 22.5 | 0 | 15,75,00,400 | 22.5 | 0 | Nil |
| 2 | GAIL (India) Ltd. | 15,75,00,000 | 22.5 | 0 | 15,75,00,000 | 22.5 | 0 | Nil |
| | Total | | 45 | 0 | | 45 | 0 | |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in Promoters' Shareholding.

(iv) Shareholding pattern of top 10 Shareholders (other than Directors and Promoters)

| Sl. no | Name of the Share Holder | Shareholding at the beginning of the Year | | | | Reason | Cumulative Shareholding during the Year | |
|--------|-------------------------------------|---|----------------------------------|------------|-------------------------------------|----------|---|----------------------------------|
| | | No of Shares | % of total shares of the company | Date | Increase/ Decrease in share holding | | No of Shares | % of total shares of the company |
| 1 | Life Insurance Corporation of India | 43647921 | 6.24 | 01/04/2019 | | | 43647921 | 6.24 |
| | | | | 09/08/2019 | 250000 | Transfer | 43897921 | 6.27 |
| | | | | 16/08/2019 | 587400 | Transfer | 44485321 | 6.36 |
| | | | | 13/09/2019 | 888000 | Transfer | 45373321 | 6.48 |
| | | | | 20/09/2019 | 512942 | Transfer | 45886263 | 6.56 |
| | | | | 27/09/2019 | 208500 | Transfer | 46094763 | 6.58 |
| | | | | 04/10/2019 | 70648 | Transfer | 46165411 | 6.60 |
| | | | | 11/10/2019 | 81624 | Transfer | 46247035 | 6.61 |
| | | | | 18/10/2019 | 14785 | Transfer | 46261820 | 6.61 |
| | | | | 25/10/2019 | 72550 | Transfer | 46334370 | 6.62 |



| Sl. no | Name of the Share Holder | Shareholding at the beginning of the Year | | | | Reason | Cumulative Shareholding during the Year | |
|--------|-------------------------------------|---|----------------------------------|------------|-------------------------------------|----------|---|----------------------------------|
| | | No of Shares | % of total shares of the company | Date | Increase/ Decrease in share holding | | No of Shares | % of total shares of the company |
| | | | | 08/11/2019 | 286393 | Transfer | 46620763 | 6.66 |
| | | | | 15/11/2019 | 167591 | Transfer | 46788354 | 6.68 |
| | | | | 29/11/2019 | 835426 | Transfer | 47623780 | 6.80 |
| | | | | 06/12/2019 | 246330 | Transfer | 47870110 | 6.84 |
| | | | | 13/12/2019 | 397490 | Transfer | 48267600 | 6.90 |
| | | | | 20/12/2019 | 270259 | Transfer | 48537859 | 6.93 |
| | | | | 27/12/2019 | 70000 | Transfer | 48607859 | 6.94 |
| | | | | 31/12/2019 | 170000 | Transfer | 48777859 | 6.97 |
| | | | | 17/01/2020 | 247750 | Transfer | 49025609 | 7.00 |
| | | | | 31/03/2020 | | | 49025609 | 7.00 |
| 2 | Govt of Nct of Delhi | 35000000 | 5.00 | 01/04/2019 | | | 35000000 | 5.00 |
| | | | | 31/03/2020 | | | 35000000 | 5.00 |
| 3 | HDFC Life Insurance Company Limited | 13548133 | 1.94 | 01/04/2019 | | | 13548133 | 1.94 |
| | | | | 05/04/2019 | 650779 | Transfer | 14198912 | 2.03 |
| | | | | 19/04/2019 | -450000 | Transfer | 13748912 | 1.96 |
| | | | | 26/04/2019 | -123550 | Transfer | 13625362 | 1.95 |
| | | | | 03/05/2019 | 168 | Transfer | 13625530 | 1.95 |
| | | | | 10/05/2019 | 122 | Transfer | 13625652 | 1.95 |
| | | | | 17/05/2019 | 200372 | Transfer | 13826024 | 1.98 |
| | | | | 24/05/2019 | 20 | Transfer | 13826044 | 1.98 |
| | | | | 31/05/2019 | -321067 | Transfer | 13504977 | 1.93 |
| | | | | 07/06/2019 | -330543 | Transfer | 13174434 | 1.88 |
| | | | | 14/06/2019 | -53091 | Transfer | 13121343 | 1.87 |
| | | | | 05/07/2019 | 323592 | Transfer | 13444935 | 1.92 |
| | | | | 12/07/2019 | 4000 | Transfer | 13448935 | 1.92 |
| | | | | 19/07/2019 | -62181 | Transfer | 13386754 | 1.91 |
| | | | | 26/07/2019 | -185861 | Transfer | 13200893 | 1.89 |
| | | | | 02/08/2019 | 154625 | Transfer | 13355518 | 1.91 |
| | | | | 09/08/2019 | -80056 | Transfer | 13275462 | 1.90 |
| | | | | 16/08/2019 | -435 | Transfer | 13275027 | 1.90 |
| | | | | 23/08/2019 | -100325 | Transfer | 13174702 | 1.88 |
| | | | | 30/08/2019 | -6225 | Transfer | 13168477 | 1.88 |
| | | | | 06/09/2019 | 134606 | Transfer | 13303083 | 1.90 |
| | | | | 20/09/2019 | -2360 | Transfer | 13300723 | 1.90 |
| | | | | 27/09/2019 | 99609 | Transfer | 13400332 | 1.91 |
| | | | | 04/10/2019 | -406 | Transfer | 13399926 | 1.91 |
| | | | | 11/10/2019 | -106275 | Transfer | 13293651 | 1.90 |
| | | | | 18/10/2019 | -707 | Transfer | 13292944 | 1.90 |
| | | | | 25/10/2019 | -4691 | Transfer | 13288253 | 1.90 |
| | | | | 01/11/2019 | -861 | Transfer | 13287392 | 1.90 |
| | | | | 08/11/2019 | -4295 | Transfer | 13283097 | 1.90 |
| | | | | 15/11/2019 | -101079 | Transfer | 13182018 | 1.88 |
| | | | | 22/11/2019 | -2532 | Transfer | 13179486 | 1.88 |
| | | | | 29/11/2019 | -2490 | Transfer | 13176996 | 1.88 |
| | | | | 06/12/2019 | -2566 | Transfer | 13174430 | 1.88 |
| | | | | 13/12/2019 | -266 | Transfer | 13174164 | 1.88 |
| | | | | 20/12/2019 | -12405 | Transfer | 13161759 | 1.88 |

| Sl. no | Name of the Share Holder | Shareholding at the beginning of the Year | | | Reason | Cumulative Shareholding during the Year | | |
|--------|---|---|----------------------------------|------------|----------|---|--------------|----------------------------------|
| | | No of Shares | % of total shares of the company | Date | | Increase/Decrease in share holding | No of Shares | % of total shares of the company |
| | | | | 27/12/2019 | -1221 | Transfer | 13160538 | 1.88 |
| | | | | 31/12/2019 | -1864 | Transfer | 13158674 | 1.88 |
| | | | | 03/01/2020 | -2985 | Transfer | 13155689 | 1.88 |
| | | | | 10/01/2020 | -14913 | Transfer | 13140776 | 1.88 |
| | | | | 17/01/2020 | -175749 | Transfer | 12965027 | 1.85 |
| | | | | 24/01/2020 | -282864 | Transfer | 12682163 | 1.81 |
| | | | | 31/01/2020 | -201834 | Transfer | 12480329 | 1.78 |
| | | | | 07/02/2020 | -39134 | Transfer | 12441195 | 1.78 |
| | | | | 14/02/2020 | -2891 | Transfer | 12438304 | 1.78 |
| | | | | 21/02/2020 | 49900 | Transfer | 12488204 | 1.78 |
| | | | | 28/02/2020 | 27215 | Transfer | 12515419 | 1.79 |
| | | | | 06/03/2020 | 224585 | Transfer | 12740004 | 1.82 |
| | | | | 31/03/2020 | | | 13562147 | 1.94 |
| 4 | Kotak Standard Multicap Fund | 13529275 | 1.93 | 01/04/2019 | | | 13529275 | 1.93 |
| | | | | 12/04/2019 | 446056 | Transfer | 13975331 | 2.00 |
| | | | | 19/04/2019 | 24669 | Transfer | 14000000 | 2.00 |
| | | | | 19/07/2019 | -1397000 | Transfer | 12603000 | 1.80 |
| | | | | 26/07/2019 | 46750 | Transfer | 12649750 | 1.81 |
| | | | | 02/08/2019 | 1215500 | Transfer | 13865250 | 1.98 |
| | | | | 09/08/2019 | -533500 | Transfer | 13331750 | 1.90 |
| | | | | 16/08/2019 | 668250 | Transfer | 14000000 | 2.00 |
| | | | | 20/09/2019 | 280000 | Transfer | 14280000 | 2.04 |
| | | | | 27/09/2019 | 720000 | Transfer | 15000000 | 2.14 |
| | | | | 11/10/2019 | 192625 | Transfer | 15192625 | 2.17 |
| | | | | 07/02/2020 | -66000 | Transfer | 15126625 | 2.16 |
| | | | | 14/02/2020 | 66000 | Transfer | 15192625 | 2.17 |
| | | | | 31/03/2020 | | | 15192625 | 2.17 |
| 5 | Vontobel Fund - Mtx Sustainable Emerging Markets Leaders | 11548272 | 1.65 | 01/04/2019 | | | 11548272 | 1.65 |
| | | | | 05/04/2019 | 256845 | Transfer | 11805117 | 1.69 |
| | | | | 12/04/2019 | 675643 | Transfer | 12480760 | 1.78 |
| | | | | 19/04/2019 | 808743 | Transfer | 13289503 | 1.90 |
| | | | | 26/04/2019 | 5277 | Transfer | 13294780 | 1.90 |
| | | | | 03/05/2019 | 112000 | Transfer | 13406780 | 1.92 |
| | | | | 10/05/2019 | 665236 | Transfer | 14072016 | 2.01 |
| | | | | 17/05/2019 | 934523 | Transfer | 15006539 | 2.14 |
| | | | | 19/07/2019 | 1140265 | Transfer | 16146804 | 2.31 |
| | | | | 26/07/2019 | 392579 | Transfer | 16539383 | 2.36 |
| | | | | 25/10/2019 | 409434 | Transfer | 16948817 | 2.42 |
| | | | | 01/11/2019 | 366790 | Transfer | 17315607 | 2.47 |
| | | | | 31/03/2020 | | | 17315607 | 2.47 |
| 6 | Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund | 9885294 | 1.41 | 01/04/2019 | | | 9885294 | 1.41 |
| | | | | 05/07/2019 | 380800 | Transfer | 10266094 | 1.47 |
| | | | | 13/09/2019 | 59400 | Transfer | 10325494 | 1.48 |
| | | | | 27/09/2019 | 159700 | Transfer | 10485194 | 1.50 |
| | | | | 08/11/2019 | 782100 | Transfer | 11267294 | 1.61 |



| Sl. no | Name of the Share Holder | Shareholding at the beginning of the Year | | | | Reason | Cumulative Shareholding during the Year | |
|--------|---|---|----------------------------------|------------|------------------------------------|----------|---|----------------------------------|
| | | No of Shares | % of total shares of the company | Date | Increase/Decrease in share holding | | No of Shares | % of total shares of the company |
| | | | | 29/11/2019 | 243300 | Transfer | 11510594 | 1.64 |
| | | | | 20/12/2019 | 162500 | Transfer | 11673094 | 1.67 |
| | | | | 14/02/2020 | 202100 | Transfer | 11875194 | 1.70 |
| | | | | 31/03/2020 | | | 12071294 | 1.72 |
| 7 | Life Insurance Corporation Of India P & GS Fund | 9551530 | 1.36 | 01/04/2019 | | | 9551530 | 1.36 |
| | | | | 31/03/2020 | | | 9943204 | 1.42 |
| 8 | Schroder International Selection Fund Emerging Asia | 8273344 | 1.18 | 01/04/2019 | | | 8273344 | 1.18 |
| | | | | 31/03/2020 | | | 8273344 | 1.18 |
| 9 | City Of New York Group Trust [#] | 6867244 | 0.98 | 01/04/2019 | | | 6867244 | 0.98 |
| | | | | 06/09/2019 | -697841 | Transfer | 6169403 | 0.88 |
| | | | | 13/09/2019 | -1507530 | Transfer | 4661873 | 0.67 |
| | | | | 08/11/2019 | -330425 | Transfer | 4331448 | 0.62 |
| | | | | 15/11/2019 | -140000 | Transfer | 4191448 | 0.60 |
| | | | | 14/02/2020 | -222843 | Transfer | 3968605 | 0.57 |
| | | | | 21/02/2020 | -656281 | Transfer | 3312324 | 0.47 |
| | | | | 31/03/2020 | | | 3312324 | 0.47 |
| 10 | Uti-Mid Cap Fund [#] | 4770433 | 0.68 | 01/04/2019 | | | 4770433 | 0.68 |
| | | | | 13/09/2019 | -492000 | Transfer | 4278433 | 0.61 |
| | | | | 20/09/2019 | -200000 | Transfer | 4078433 | 0.58 |
| | | | | 18/10/2019 | -486047 | Transfer | 3592386 | 0.51 |
| | | | | 22/11/2019 | -202789 | Transfer | 3389597 | 0.48 |
| | | | | 29/11/2019 | -499987 | Transfer | 2889610 | 0.41 |
| | | | | 06/12/2019 | -200000 | Transfer | 2689610 | 0.38 |
| | | | | 03/01/2020 | -200000 | Transfer | 2489610 | 0.36 |
| | | | | 10/01/2020 | -161992 | Transfer | 2327618 | 0.33 |
| | | | | 28/02/2020 | -100000 | Transfer | 2227618 | 0.32 |
| | | | | 31/03/2020 | | | 2227618 | 0.32 |
| 11 | India Midcap (Mauritius) Ltd.* | 4166130 | 0.60 | 01/04/2019 | | | 4166130 | 0.60 |
| | | | | 31/03/2020 | | | 4166130 | 0.60 |
| 12 | Vontobel Fund - Mtx Sustainable Asian Leaders* | 0 | 0.00 | 01/04/2019 | | | 0 | 0.00 |
| | | | | 31/03/2020 | | | 4042914 | 0.58 |

*Not in the list of Top 10 shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2020.

[#]ceased to be in the list of Top 10 shareholders as on 31-03-2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2019.

(v) Shareholding of Directors and Key Managerial Personnel:

Shri E. S. Ranganathan, then Managing Director was holding 500 shares in the Company as on March 31, 2020. Except Shri E. S. Ranganathan, none of the Directors and Key Managerial Personnel are holding equity shares in the Company as on March 31, 2020.

V. Indebtedness

INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31.03.2020

| (Rs. in Crores) | | | | |
|---|--|--------------------|----------|-----------------------|
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| * Addition | - | - | - | - |
| * Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 0.00 | - | - | 0.00 |

VI. Remuneration of Directors and Key Managerial Personnel

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| | | | | | (Rs. in Lakhs) |
|---------|---|------------------------|-------------------------------|------------------------------|----------------|
| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
| | | Shri E. S. Ranganathan | Shri Rajiv Sikka [§] | Shri Amit Garg ^{**} | |
| 1. | Gross Salary (Secondment charges paid to promoters including GST) [@] | 102.14 | 14.39 | 47.08 | 163.61 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961 | - | - | - | - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission ^{^^} | | | | |
| | - as % of profit | 7.50 | 1.89 | 5.14 | 14.53 |
| | - others, specify | - | - | - | - |
| 5. | Others | - | - | - | - |
| | Total(A) | 109.64 | 16.28 | 52.22 | 178.14 |
| | Ceiling as per the Act ^{§§} | | | | |

[§]Shri Rajiv Sikka ceased to be Director (Commercial) w.e.f. July 2, 2019.

^{**}Shri Amit Garg joined as Director (Commercial) w.e.f. July 25, 2019.

[@]Shri E. S. Ranganathan, Shri Amit Garg, and Shri Rajiv Sikka get remuneration from their employers i.e. GAIL & BPCL. Your Company has paid the amount including GST to promoters as secondment charges as these Directors are not the employees of the Company.

^{^^}Payable to Parent Organizations

^{§§}Remuneration is within the ceiling prescribed under Companies Act, 2013



b. Remuneration to other directors:

| S. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount (Rs.) |
|--------|--|-------------------|-------------------|------------------|------------------|--------------------|--------------------|
| | | Dr. A. K. Ambasht | Smt. Saroj Bala | Shri R. S. Sahoo | Shri R.N. Misra | Shri Deepak Mishra | |
| 1 | Independent Directors | | | | | | |
| | Fee for attending board / committee meetings | 6,35,000 | 4,90,000 | 6,75,000 | 4,10,000 | 3,35,000 | 25,45,000 |
| | Commission | 7,50,000 | 7,50,000 | 7,50,000 | 6,04,508 | 6,00,410 | 34,54,918 |
| | Others, please specify | - | - | - | - | - | - |
| | Total (1) | 13,85,000 | 12,40,000 | 14,25,000 | 10,14,508 | 9,35,410 | 59,99,918 |
| 2 | Other Non-Executive Directors | | | | | | |
| | Fee for attending board/ committee meetings | 3,25,000 | 5,60,000 | 0 | 0 | 30,000 | 9,15,000 |
| | Commission | 7,50,000 | 7,50,000 | 1,06,557 | 3,34,016 | 2,50,000 | 21,90,573 |
| | Others, please specify | - | - | - | - | - | - |
| | Total (2) | 10,75,000* | 13,10,000* | 1,06,557* | 3,34,016* | 2,80,000* | 31,05,573* |
| | Total (B)=(1+2) | | | | | | 91,05,491 |
| | Ceiling as per the Act** | | | | | | |

* Payable to parent organizations.

**Total Managerial Remuneration is within the ceiling prescribed under Companies Act, 2013.

Note: Commission to Directors is in proportion to their period of Directorship during the year.

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
|---------|---|--------------------------|--------------------|--------------------|
| | | CS | CFO | |
| | | Shri S. K. Jain | Shri Rakesh Chawla | |
| 1. | Gross salary | Rs. | Rs. | Rs. |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 75,24,707 | 74,67,166 | 1,49,91,873 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 16,000 | 4,002 | 20,002 |
| | (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | Others, specify... | - | - | - |
| 5. | Others, please specify – Benefits | 3,50,695 | 3,60,038 | 7,10,733 |
| | Total | 78,91,402 | 78,31,206 | 1,57,22,608 |

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

ANNEXURE 6

Conservation of Energy and Technology Absorption, Foreign Exchange Earnings and outgo

A. Conservation of Energy

(i) Your Company has taken various steps for conservation of energy, which are as under:

1. Conventional HPMV based light fittings have been replaced by LED based light fittings at ~ 70% IGL CNG stations; replacement of same at remaining IGL CNG stations is under progress.
2. Conventional induction motor based ceiling fans have been replaced by Brushless DC motor based ceiling fans at ~ 40% IGL CNG stations; replacement of remaining conventional fans is under progress.
3. 39 numbers of IE2 motors (high efficiency) have been replaced by IE3 motors (premium efficiency).

(ii) Steps taken by the Company for utilising alternate sources of energy:

Nil

(iii) The capital investment on energy conservation equipment:

Rs. 1.83 Crores towards installation of LED light fittings, BLDC ceiling fans and IE3 motors

B. Technology Absorption

| | |
|---|--|
| (i) The efforts made towards technology Absorption; | <ol style="list-style-type: none"> 1. Siemens S7-200 model of PLC was upgraded by S7-1200 PLC in 37 nos. of Delta motor driven compressors installed at CNG stations. 2. AMR planned for implementation in I&C Customers having gas consumption more than 5 SCM/day. 3. Pilot of Pre-paid gas metering system implemented in I&C Segment. |
| (ii) The benefits derived like product improvement, cost reduction, product development or import Substitution; | <ol style="list-style-type: none"> 1. (i) New model is having high processing speed & Automation / SCADA compatibility. (ii) Breakdown hours reduced & availability of machines is increased. (iii) New PLC is 70% cheaper than old model. 2. Benefits of Automated Reading System are: <ul style="list-style-type: none"> • Very precise monitoring by the event-based wireless communication. • Timely reading collection & Billing. • Elimination of human error in meter reading. • Up-to-date consumption data for the detailed and exact billing. 3. Benefits of Pre-paid meters with Automated Reading System are: <ul style="list-style-type: none"> • No manual reading collection. • Optimized capacity planning. • Increased and balanced revenue stream. • SMS/ email alerts in case of any abnormality. • Improves cash flow and reduces cost to the utility. • Remote disconnect for non-payment. • No need to produce a bill since consumption is available to customer via sms on every recharge. • Reduction in back office staff. |



| | |
|--|-----------------------|
| (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), - i. The details of technology imported; ii. Year of import; iii. Whether the technology been fully absorbed; iv. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof. | N.A. |
| (iv) The expenditure incurred on Research and Development | No direct expenditure |

C. Foreign Exchange Earning and Outgo

Total foreign exchanged used & earned:

During the year under review, the foreign exchange earnings and outgo are given below:

| | (Rs. in Crores) |
|-------------------------|-----------------|
| Foreign Exchange Earned | 0.06 |
| Foreign Exchange Used | 39.10 |

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

The Company's philosophy on the Code of Corporate Governance is as follows:

- To ensure transparency, high degree of disclosure and adequate control system;
- To ensure that the decision making process is systematic and rational;
- To ensure full commitment of the Management to enhance stakeholders' value;
- To ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct.

II. Board of Directors

Composition:

As on March 31, 2020, the Board of the Company consists of 10 (Ten) Directors comprising 2 (two) Executive Directors namely Managing Director and Director (Commercial) and 8 (eight) Non-Executive Directors.

The composition and category of Directors alongwith other Directorships or Memberships in Board Committees as on March 31, 2020:

| Name of Directors | Category | Directorships in other Public Limited Companies* | List of Directorship held in Other Listed Companies and category of Directorship- | Membership in Committees of Board of other Companies [†] | Chairmanship in Committees of Board of other Companies [†] |
|--|----------------------------|--|---|---|---|
| Shri Gajendra Singh (Chairman) | Non-Executive | 3 | Gail (India) Limited – Director | 1 | 1 |
| Shri E. S. Ranganathan (Managing Director) | Executive | 1 | Nil | Nil | Nil |
| Shri Amit Garg (Director (Commercial)) | Executive | 1 | Nil | Nil | Nil |
| Shri R. P. Natekar | Non-Executive | 3 | Nil | Nil | Nil |
| Smt. Renu Sharma | Non-Executive | 3 | Nil | Nil | Nil |
| Smt. Saroj Bala | Non-Executive, Independent | Nil | Nil | Nil | Nil |
| Dr. A. K. Ambasht | Non-Executive, Independent | Nil | Nil | Nil | Nil |
| Shri R. S. Sahoo | Non-Executive, Independent | 2 | Nil | Nil | 2 |
| Shri Ramesh Narain Misra | Non-Executive, Independent | 1 | PTC India Limited- Independent Director | Nil | Nil |
| Shri Deepak Mishra | Non-Executive, Independent | Nil | Nil | Nil | Nil |

*This does not include Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

[†]In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations"), Memberships/chairmanships of only Audit Committees and Stakeholders Relationship Committees in all public limited companies have been considered.

Shri E. S. Ranganathan was holding 500 shares in the Company. There are no relationships between Directors inter-se.

Attendance of Directors at Board Meetings and Last Annual General Meeting:

During the financial year ended March 31, 2020, ten Board Meetings were held on April 26, 2019, May 24, 2019, June 03, 2019, August 14, 2019, August 23, 2019, November 07, 2019, November 27, 2019, January 06, 2020, January 18, 2020 and March 16, 2020. The last Annual General Meeting was held on September 24, 2019.



The attendance of each Director at Board Meetings and the last Annual General Meeting was as under:

| Name of Directors | No. of Meetings Attended | Attendance* (% thereof) | Attendance at Last AGM |
|--|--------------------------|-------------------------|------------------------|
| Shri Gajendra Singh (Chairman) | 10 | 100% | Present |
| Shri E. S. Ranganathan (Managing Director) | 10 | 100% | Present |
| Shri Rajiv Sikka† Director (Commercial) | 3 | 100% | NA |
| Shri Amit Garg‡ Director (Commercial) | 7 | 100% | Present |
| Shri R. P. Natekar | 7 | 70% | Present |
| Smt. Varsha Joshi§ | 0 | 0% | NA |
| Shri Rajeev Verma** | 0 | 0% | Absent |
| Smt. Renu Sharma†† | 1 | 33% | NA |
| Smt. Saroj Bala | 8 | 80% | Absent |
| Dr. Akhilesh Kumar Ambasht | 7 | 70% | Present |
| Sh. Rajib Sekhar Sahoo | 10 | 100% | Present |
| Shri R. N. Misra‡‡ | 7 | 100% | Present |
| Shri Deepak Mishra§§ | 7 | 100% | Present |

*Percentage computed by considering the meetings attended with the total meetings held during their tenure.

†Sh. Rajiv Sikka ceased to be a Director w.e.f. July 2, 2019.

‡Sh. Amit Garg appointed as Director (Commercial) w.e.f. July 25, 2019.

**Sh. Rajeev Verma appointed as Additional Director w.e.f. June 21, 2019. He ceased to be a Director w.e.f. December 1, 2019.

§Smt. Varsha Joshi ceased to be a Director w.e.f. May 23, 2019.

††Smt. Renu Sharma appointed as Additional Director w.e.f. December 1, 2019.

‡‡Sh. R. N. Misra appointed as Independent Director w.e.f. June 11, 2019.

§§Sh. Deepak Mishra appointed as Independent Director w.e.f. June 13, 2019.

Brief details of familiarization programmes of Independent Directors are uploaded on the website of the Company – https://iglonline.net/english/5000_media/Investor_Relations/Familiarization-Programmes-for-Independent-Directors.pdf

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

- 1. Financial:** Management of the finance function, understanding & review of financial statements, financial controls, risk management, acquisitions, etc.
- 2. Strategy and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
- 3. Sales and marketing:** Experience in developing strategies to grow sales, build brand awareness, and enhance enterprise reputation.
- 4. Project Management:** Execution of projects in timely manner in existing & new geographical areas.
- 5. Governance:** Experience in developing governance practices, serving the best interests of all stakeholders, building long-term effective stakeholder engagements.

Names of Directors who have such skills/ expertise/ competence:

Directors of the Company possess the requisite skills identified by the Board as above and they have such skills/expertise/ competence in running a business that is relevant to the Company's business. The Company is a leading CGD Company and its business runs across different geographical areas. The Directors appointed are from diverse backgrounds and possess special skills and competence with regard to the industries / fields from where they come.

Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down of the Companies Act, 2013 and the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in the Companies Act, 2013 and Listing Regulations.

Certification from Company Secretary in Practice

M/s V. K. Sharma & Co., Practicing Company Secretaries, Noida, has issued a certificate pursuant to clause 10 of Part C of Schedule V of Listing Regulations.

Code of Conduct

The Board of Directors has laid down a Code of Conduct, which is applicable to all Board Members and Senior Management of the Company. The Code has also been posted on the website of the Company.

Board Members and Senior Management Executives have affirmed compliance with the Code of Conduct. The declaration signed by the Managing Director affirming compliance to the Code by the Board Members and the Senior Management forms part of this Report.

III. Audit Committee

Composition:

The Audit Committee comprises of four Directors of which three are Non-Executive Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director. All Members of the Committee have good financial and accounting knowledge. The Managing Director, Director (Commercial) and Auditors are invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee.

The minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The constitution of the Audit Committee as on March 31, 2020:-

| | |
|-----------------------|--------------------------------------|
| 1) Shri R. S. Sahoo | Chairman, Independent, Non-Executive |
| 2) Dr. A. K. Ambasht | Member, Independent, Non-Executive |
| 3) Shri R. P. Natekar | Member, Non-Executive |
| 4) Smt. Saroj Bala* | Member, Independent, Non-Executive |

*Smt. Saroj Bala appointed as Member of Audit Committee w.e.f. December 1, 2019.

Terms of Reference:

The term of reference of Audit Committee for the financial year ended March 31, 2020 includes overseeing the audit functions, review of Company's financial performance, review critical findings of Internal Audit, compliance with the Accounting Standards, approval or any subsequent modification of transactions of the Company with the related parties, evaluation of internal financial controls and risk management systems & all other matters specified under Listing Regulations and in Section 177 of the Companies Act, 2013.

Meetings and Attendance:

During the financial year ended March 31, 2020, eight Audit Committee meetings were held on May 24, 2019, June 18, 2019, August 14, 2019, September 24, 2019, October 23, 2019, November 07, 2019, February 06, 2020 and February 24, 2020.

The attendance of the Members of Audit Committee Meetings was as under: -

| Name of Members | No. of Meetings Attended |
|-------------------|--------------------------|
| Shri R. S. Sahoo | 8 |
| Dr. A. K. Ambasht | 6 |



| Name of Members | No. of Meetings Attended |
|--------------------|--------------------------|
| Shri R. P. Natekar | 5 |
| Smt. Saroj Bala* | 2 |

*Smt. Saroj Bala appointed as Member of Audit Committee w.e.f. December 1, 2019.

IV. Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee comprises of four Directors. The Chairman of the Committee is an Independent Director. The Company Secretary acts as a Secretary to the Committee.

The constitution of the Nomination and Remuneration Committee as on March 31, 2020: -

| | |
|------------------------|--------------------------------------|
| 1. Dr. A. K. Ambasht | Chairman, Independent, Non-Executive |
| 2. Shri R. S. Sahoo | Member, Independent, Non-Executive |
| 3. Shri Gajendra Singh | Member, Non-Executive. |
| 4. Shri R. P. Natekar | Member, Non-Executive |

The minutes of the Nomination and Remuneration Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

Meetings and Attendance:

During the financial year ended March 31, 2020, one Nomination and Remuneration Committee Meeting was held on June 03, 2019.

The attendance of the Members of Nomination and Remuneration Committee Meetings was as under: -

| Name of Members | No. of Meetings Attended |
|---------------------|--------------------------|
| Dr. A. K. Ambasht | 1 |
| Shri R. S. Sahoo | 1 |
| Shri Gajendra Singh | 1 |
| Shri R. P. Natekar | 1 |

Terms of Reference

The term of reference of the Nomination and Remuneration Committee includes determining the criteria of appointment to the Board and to identify candidates for appointment to the Board of Directors and senior management and evaluate their performance.

Remuneration / Sitting Fees Paid to Directors

a. Executive Directors:

The remuneration paid to the Executive Directors (i.e. Managing Director and Director (Commercial)) is disclosed in the Directors' Report of the Company.

b. Non-Executive Directors:

Total commission on profit of Rs. 56.45 Lakhs was payable to non-executive Directors / their parent organizations for the financial year 2019-20.

Non-Executive Directors were paid sitting fees of Rs. 30,000/- and Rs. 25,000/- for attending each Board meeting & Committee meeting respectively. Total sitting fees paid during the financial year under review was Rs. 34.60 Lakhs.

The Non-Executive Directors do not hold any shares in the Company.

Remuneration Policy

The Managing Director and Director (Commercial) are nominated by GAIL (India) Limited (GAIL) and Bharat Petroleum Corporation Limited (BPCL) respectively and the terms and conditions of their appointment including remuneration are advised by their parent organizations.

The Company formulated a remuneration policy for its employees effective from April 1, 2018 for a period of three years which was recommended by Nomination and Remuneration Committee and approved by Board of Directors.

V. Share Transfer & Stakeholders Relationship Committee:

Composition:

The Share Transfer & Stakeholders' Relationship Committee constituted by the Board comprises of four members with an Independent Non-Executive Director as Chairperson of the Committee.

The constitution of the Share Transfer & Stakeholders Relationship Committee as on March 31, 2020:

| | |
|---------------------------|--------------------------------------|
| 1) Shri Deepak Mishra* | Chairman, Independent, Non-Executive |
| 2) Smt. Saroj Bala | Member, Independent, Non-Executive |
| 3) Shri E. S. Ranganathan | Member, Executive |
| 4) Shri Amit Garg† | Member, Executive |

*Shri Deepak Mishra appointed as Chairman of the Committee w.e.f. December 1, 2019.

†Shri Amit Garg appointed as a member of the Committee w.e.f. July 25, 2019.

The minutes of the Share Transfer & Stakeholder Relationship Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

Meetings and Attendance:

During the financial year ended March 31, 2020, one Share Transfer & Stakeholders Relationship Committee Meeting was held on July 30, 2019. The attendance of the Members was as under: -

| Name of Members | No. of Meetings Attended |
|------------------------|--------------------------|
| Shri Deepak Mishra* | NA |
| Smt. Saroj Bala | 1 |
| Shri E. S. Ranganathan | 1 |
| Shri Amit Garg | 1 |

*Shri Deepak Mishra appointed as Chairman of the Committee w.e.f. December 1, 2019.

Scope & Functions of Share Transfer & Stakeholders Relationship Committee:

The scope & functions of the Committee inter alia include consolidation/splitting of certificates, issue of duplicate share certificates, transmission of shares, dematerialization / re-materialisation of shares in stipulated period of time. The Committee also considers and oversee the grievances of the security holders and ensures cordial investor relations.

Compliance Officer:

Shri S. K. Jain, Company Secretary is the Compliance Officer.

Details of Shareholders' Complaints Received & Replied to the Satisfaction of Shareholders:-

The Company received 53 complaints during the year, which were duly attended & replied. There was no complaint pending as on March 31, 2020.



VI. Risk Management Committee

Composition:

The Risk Management Committee comprises of seven members which includes four Directors and three senior management employees. The Chairman of the Committee is a Non-Executive Independent Director. All Members of the Committee have good financial and accounting knowledge. The Company Secretary acts as a Secretary to the Committee.

The minutes of the Risk Management Committee Meetings are noted by the Board of Directors at the subsequent Board Meeting.

The constitution of the Risk Management Committee as on March 31, 2020:-

| | |
|---------------------------|--------------------------------------|
| 1) Shri A. K. Ambasht | Chairman, Independent, Non-Executive |
| 2) Shri R. S. Sahoo | Member, Independent, Non-Executive |
| 3) Shri E. S. Ranganathan | Member, Executive |
| 4) Shri Amit Garg | Member, Executive |
| 5) Shri Rakesh Chawla | CFO |
| 6) Shri Susheel Jad | VP (Legal) |
| 7) Shri Amit Mathur | AGM (R&CA/ IA &RM) |

Terms of Reference:

The term of reference of Risk Management Committee includes periodical review & monitoring of the Risk Management Framework to ensure that risks are controlled through properly defined framework. The risk assessment framework encompasses, inter-alia, methodology for assessing risks (including cyber security) on ongoing basis, risk prioritization, risk mitigation, monitoring plan and comprehensive reporting system.

Meetings and Attendance:

During the financial year ended March 31, 2020, one Risk Management Committee meeting was held on February 24, 2020.

The attendance of the Members of Risk Management Committee Meeting was as under: -

| Name of Members | No. of Meetings Attended |
|-----------------------|--------------------------|
| Shri A.K. Ambasht | 0 |
| Shri R.S. Sahoo | 1 |
| Shri E.S. Ranganathan | 1 |
| Shri Amit Garg | 1 |
| Shri Rakesh Chawla | 1 |
| Shri Susheel Jad | 1 |
| Shri Amit Mathur | 1 |

VII. General Body Meetings

The location, time and details of Special Resolutions passed in the last three Annual General Meetings were as under:

| Meeting | Date | Time | Venue | Detail of Special Resolutions Passed |
|----------|--------------------|------------|-----------------------------|---|
| 18th AGM | September 28, 2017 | 11:30 A.M. | Manekshaw Centre, New Delhi | 1. Approval of amendment of Clause V of Memorandum of Association of the Company. 2. Approval of amendment of Article 3 of Articles of Association of the Company. |
| 19th AGM | September 26, 2018 | 11:30 A.M. | Manekshaw Centre, New Delhi | 1. Re-appointment of Shri Raghu Nayyar as an Independent Director of the Company. 2. Re-appointment of Dr. Sudha Sharma as an Independent Director of the Company. |

| Meeting | Date | Time | Venue | Detail of Special Resolutions Passed |
|----------|--------------------|------------|--------------------------------|--------------------------------------|
| 20th AGM | September 24, 2019 | 11:30 A.M. | Airforce Auditorium, New Delhi | Nil |

During the year under review, there have been no resolutions passed by the Company's shareholders through postal ballot. At the ensuing Annual General Meeting, no resolution is proposed to be passed by postal ballot.

VIII. Disclosures

(a) Related Party Transactions

The Company has entered into transactions with the Promoters, Directors or the Management, but they do not have potential conflict with the interests of the Company at large. Transactions with related parties are being disclosed separately in the Annual Report.

The Company has formulated a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions and the same has been disclosed on the website of the Company at web link http://www.iglonline.net/english/5000_media/About_us/Related-Party-Policy.pdf

(b) Compliances by the Company

Other than the below mentioned fine, during the last three years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI, or any statutory authority for non-compliance of any matter related to capital markets.

In financial year 2018-19, BSE Ltd. and National Stock Exchange imposed the fine of Rs. 1,30,400 each (plus GST @ 18%) on the Company for the delay of 26 days in appointment of Independent Directors as per Regulation 17(1) of the Listing Regulations.

(c) Whistle Blower Policy/Vigil Mechanism Policy

The Company has a Whistle Blower Policy for employees, Directors, vendors and suppliers of the Company to come forward and raise their genuine concerns without any fear of retaliation and victimization. The Company has appointed an independent third party as service provider to manage the operations of whistle-blower hotline. The complainant may also reach out to Chairman of the Audit Committee directly in appropriate or exceptional circumstances by submitting a written complaint. No personnel was denied access to the Audit Committee.

The Whistle Blower policy is available on website of the Company- www.iglonline.net.

Besides Whistle Blower Policy, the Company also has separate Vigil Mechanism for the stakeholders of the Company.

Chief Ethics Officer has been appointed for looking complaints under Vigil Mechanism Policy.

(d) Details of total fees paid to statutory auditors

The details of total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as under:

| Type of service | FY 2019-20 (in Rs. crores) |
|-----------------------------------|----------------------------|
| Audit Fees | 0.55 |
| Others(Reimbursement of expenses) | 0.03 |
| Total | 0.58 |



(e) Complaints pertaining to sexual harassment

The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment is provided in the Business Responsibility Report of this Annual report.

(f) Compliance with the corporate governance codes

The Company has complied with the requirements stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, 2015.

IX. Means of Communication

The quarterly and half-yearly results are forthwith communicated to the BSE Ltd. (BSE) and the National Stock Exchange of India Ltd. (NSE), where the shares of the Company are listed, as soon as these are approved and taken on record by the Board of Directors of the Company. The results are published in leading newspapers, such as Business Standard/ Financial Express in English, Dainik Jagran/Jansatta/Hindustan in Hindi, alongwith the official news releases. The results and presentations made to institutional investors/analyst are available on the Company's website under 'Investor Relations'.

For investors, the Company has created a separate e-mail ID i.e. investors@igl.co.in.

Management Discussion & Analysis is separately annexed and is forming a part of Annual Report.

X. General Shareholders Information

(a) Annual General Meeting:

The 21st Annual General Meeting of the Company is scheduled to be held on: -

Date and Time : September 28, 2020 at 11:30 A.M.

Venue : The Company is conducting meeting through Video Conference/Other Audio Visual Means pursuant to the MCA circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

(b) Financial Year : April 1 to March 31

(c) Financial Calendar (Tentative):

The Quarterly results will be taken on record by the Board of Directors as per the following schedule:

| | |
|------------------------------------|-----------------------------------|
| Quarter ending June 30, 2020 | : On or before September 15, 2020 |
| Quarter ending September 30, 2020 | : On or before November 14, 2020 |
| Quarter ending December 31, 2020 | : On or before February 14, 2021 |
| Quarter/Year ending March 31, 2021 | : On or before May 30, 2021 |

(d) Date of Book Closure for Dividend : September 19, 2020 to September 28, 2020 (both days inclusive)

(e) Dividend Payment Date : On or after October 5, 2020

(f) Listing on Stock Exchanges :

| Name of Stock Exchanges | Address | Stock Code |
|---|--|------------|
| BSE Ltd. (BSE) | Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra. | 532514 |
| National Stock Exchange of India Ltd. (NSE) | Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra. | IGL |

The Company has paid the listing fees to BSE and NSE for the financial year 2019-20 within due date.

(g) ISIN Number : INE203G01027

(h) Market Price Data & Share price performance:

At BSE

| MONTH | IGL | | BSE (SENSEX) | |
|--------|------------|-----------|--------------|-------|
| | HIGH (Rs.) | LOW (Rs.) | HIGH | LOW |
| Apr-19 | 328 | 298 | 39487 | 38460 |
| May-19 | 340 | 292 | 40125 | 36956 |
| Jun-19 | 350 | 309 | 40312 | 38871 |
| Jul-19 | 327 | 294 | 40032 | 37128 |
| Aug-19 | 349 | 299 | 37808 | 36102 |
| Sep-19 | 372 | 318 | 39441 | 35988 |
| Oct-19 | 393 | 343 | 40392 | 37416 |
| Nov-19 | 439 | 385 | 41164 | 40014 |
| Dec-19 | 438 | 398 | 41810 | 40135 |
| Jan-20 | 521 | 407 | 42274 | 40477 |
| Feb-20 | 534 | 434 | 41709 | 38220 |
| Mar-20 | 458 | 285 | 39083 | 25639 |

At National Stock Exchange (NSE)

| MONTH | IGL | | NSE (NIFTY) | |
|--------|------------|-----------|-------------|-------|
| | HIGH (Rs.) | LOW (Rs.) | HIGH | LOW |
| Apr-19 | 330 | 298 | 11856 | 11549 |
| May-19 | 339 | 292 | 12041 | 11108 |
| Jun-19 | 351 | 308 | 12103 | 11625 |
| Jul-19 | 327 | 295 | 11982 | 10999 |
| Aug-19 | 341 | 298 | 11181 | 10637 |
| Sep-19 | 372 | 317 | 11695 | 10670 |
| Oct-19 | 394 | 343 | 11945 | 11090 |
| Nov-19 | 439 | 384 | 12159 | 11803 |
| Dec-19 | 438 | 398 | 12294 | 11832 |
| Jan-20 | 521 | 407 | 12431 | 11930 |
| Feb-20 | 534 | 434 | 12247 | 11175 |
| Mar-20 | 458 | 284 | 11433 | 7511 |

(i) Registrar and Share Transfer Agent:

The Company has appointed M/s Kfin Technologies Private Limited, Hyderabad as its Registrar and Share Transfer Agent, to whom communications regarding change of address, change of mandate, split/consolidation/transmission of shares etc. can be addressed. The address of the Registrar and Share Transfer Agent is as under: -

Kfin Technologies Private Limited, Unit- Indraprastha Gas Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.

Tel. No's : 040-67162222
 Fax No's : 040-23001153
 Toll Free no. : 1800-345-4001
 E-Mail Address : einward.ris@kfintech.com
 Website : www.kfintech.com



(j) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialized form.

(k) Distribution of shareholding as on March 31, 2020:

| S. No. | Category Amount (Rs.) | | No. of Shareholders | % of Shareholders | Amount (Rs.) | % of Amount |
|--------------|-----------------------|--------|---------------------|-------------------|-----------------------|---------------|
| | From | To | | | | |
| 1 | 1 | 5000 | 1,21,708 | 98.37 | 4,65,09,968 | 3.32 |
| 2 | 5001 | 10000 | 964 | 0.78 | 73,83,692 | 0.53 |
| 3 | 10001 | 20000 | 390 | 0.32 | 56,78,036 | 0.41 |
| 4 | 20001 | 30000 | 128 | 0.10 | 31,51,828 | 0.22 |
| 5 | 30001 | 40000 | 51 | 0.04 | 18,22,984 | 0.13 |
| 6 | 40001 | 50000 | 52 | 0.04 | 23,77,204 | 0.17 |
| 7 | 50001 | 100000 | 98 | 0.08 | 74,39,832 | 0.53 |
| 8 | 100001 & ABOVE | | 336 | 0.27 | 1,32,56,38,056 | 94.69 |
| Total | | | 1,23,727 | 100.00 | 1,40,00,01,600 | 100.00 |

(l) Categories of Shareholding as on March 31, 2020:

| S. No. | Category | No. of Shares Holders | Total No. of Shares Held | % To Share Capital |
|--------------|---|-----------------------|--------------------------|--------------------|
| A | Promoters Holding | | | |
| | - Indian Promoters | 2 | 31,50,00,400 | 45 |
| B | Non Promoters Holding | | | |
| | Institutions | | | |
| | - Mutual Funds | 28 | 5,26,65,109 | 7.52 |
| | - Financial Institutions/ Banks | 8 | 10,28,221 | 0.15 |
| | - State Govt. | 1 | 3,50,00,000 | 5.00 |
| | - Insurance Companies | 4 | 6,35,57,113 | 9.08 |
| | - Foreign Portfolio/Institutional Investors | 362 | 15,94,17,514 | 22.77 |
| | Non- Institutions | | | |
| | - Bodies Corporate | 597 | 95,76,050 | 1.37 |
| | - Individuals | 1,20,250 | 3,60,59,993 | 5.15 |
| | - Any Other : | | | |
| | (i) Non-resident Indians | 2219 | 14,06,965 | 0.20 |
| | (ii) Trusts | 13 | 2,61,692 | 0.04 |
| | (iii) Clearing Members | 216 | 14,49,325 | 0.21 |
| | (iv) NBFCs registered with RBI | 5 | 40,770 | 0.01 |
| | (v) IEPF | 1 | 85,701 | 0.01 |
| | (vi) Qualified Institutional Buyer | 21 | 2,44,51,947 | 3.49 |
| TOTAL | | 1,23,727 | 70,00,00,800 | 100% |

(m) Dematerialisation of Shares and Liquidity: -

The shares of the Company are compulsorily traded in dematerialized form, 94.99% of equity shares have been dematerialized as on March 31, 2020.

The equity shares of the Company are actively traded at BSE & NSE.

(n) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company had not issued any GDRs/ADRs/Warrants etc.

(o) Address for Correspondence: -

The Company Secretary, Indraprastha Gas Limited, IGL Bhawan, Plot No.4, Community Centre, Sector-9, R.K. Puram, New Delhi-110022.

Tel No's : 011-46074607
 Fax No : 011-26171863
 E-Mail Ids : skjain@igl.co.in, investors@igl.co.in

(p) Plant Locations: -

The Company has 555 CNG stations as on March 31, 2020 spread all around the National Capital Territory of Delhi and in National Capital Region.

(q) Credit ratings

The Company has obtained rating from ICRA during the year ended March 31, 2020.

| Rating Agency | Rating |
|---------------|---------------------------------------|
| ICRA | AAA (Non-fund based limit- long term) |
| ICRA | A1+ (Short Term) |

Non-Mandatory Requirements**1. Chairman of the Board**

The Company has a Non-Executive Chairman and it bears the expenses, if any, incurred by him while performing duties for the Company.

2. Shareholders' Right

As the Company's half-yearly results are published in English newspapers having circulation all over India and in a Hindi newspaper widely circulated in New Delhi, the same are not sent to each household of shareholders.

Quarterly/Half yearly financial performance of the Company, are displayed on the website of the Company.

Declaration

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2020.

Place: New Delhi.
 Date: August 26, 2020

Sd/-
 (A.K. Jana)
 Managing Director



Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
INDRAPRASTHA GAS LIMITED
IGL BHAWAN, PLOT NO.4, COMMUNITY CENTRE SECTOR-9,
R. K. PURAM NEW DELHI DL 110022 IN

We, V. K. Sharma & Co. Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of INDRAPRASTHA GAS LIMITED having CIN L23201DL1998PLC097614 and having registered office at IGL BHAWAN, PLOT NO.4, COMMUNITY CENTRE, SECTOR-9, R. K. PURAM NEW DELHI DL 110022 IN (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority except that Ms. Renu Sharma a Director of the Company as on 31.03.2020, has not provided a written representation as to whether any Company in which she is a Director on 31.03.2020, has not defaulted in terms of sub-section 2 of section 164 of the Act. In the absence of such declaration we are unable to comment whether she is disqualified to be appointed as a Director of the company as on 31.03.2020. However, she has ceased as director of the Company with effect from 21.07.2020.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|----------------------------------|----------|--------------------------------|
| 1. | GAJENDRA SINGH | 03290248 | 14/01/2019 |
| 2. | RANGANATHAN ELAVATHUR SUBRAMANIA | 07417640 | 01/06/2016 |
| 3. | AMIT GARG | 08515246 | 25/07/2019 |
| 4. | RAJENDRA NATEKAR PUSHPARAJ | 07858989 | 14/01/2019 |
| 5. | RENU SHARMA | 02797298 | 01/12/2019 |
| 6. | RAJIB SEKHAR SAHOO | 02708503 | 11/02/2019 |
| 7. | SAROJ BALA | 07854580 | 11/02/2019 |
| 8. | AKHILESH KUMAR AMBASHT | 08339038 | 11/02/2019 |
| 9. | RAMESH NARAIN MISRA | 03109225 | 11/06/2019 |
| 10. | DEEPAK MISHRA | 02357888 | 13/06/2019 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V.K. Sharma & Co
Company Secretary

Sd/-
(V. K Sharma)
FCS NO.: 3440
C P NO. :2019
UDIN: F003440B000616723

Place: Greater Noida
Date: 26 August, 2020

Auditors' Certificate on Corporate Governance

To the Members of
INDRAPRASTHA GAS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Indraprastha Gas Limited ('the Company'), for the year ended 31 March, 2020 as stipulated in the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Schedule V to the Listing Regulations.
2. The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
4. We further state that the compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management conducted the affairs of the Company.

For V.K. Sharma & Co
Company Secretary

Place: Greater Noida
Date: 26 August, 2020

Sd/-
(V. K Sharma)
FCS NO.: 3440
C P NO. :2019
UDIN: F003440B000616855



Management Discussion and Analysis

Company Overview

Incorporated in 1998, Indraprastha Gas Limited (Company) today is one of the leading City Gas Distribution (CGD) companies in India. The Company is a joint venture promoted by GAIL (India) Limited and Bharat Petroleum Corporation Limited (BPCL). Government of NCT of Delhi is also a stakeholder with 5% equity.

The Company is in the City Gas Distribution business and provides safe and uninterrupted gas supply through its extensive distribution network to transport, domestic, commercial and industrial consumers. The operations of the Company is spread over NCT of Delhi, Noida, Greater Noida, Ghaziabad & Hapur, Gurugram, Meerut (except area already authorised), Shamli, Muzaffarnagar, Karnal, Rewari, Kanpur (except area already authorized), Hamirpur & Fatehpur districts, Kaithal district and Ajmer, Pali & Rajsamand.

The Company has two following associate companies that operate as CGD Companies -

- Central UP Gas Limited (CUGL), in the areas of Kanpur, Bareilly, Unnao and Jhansi in Uttar Pradesh, and;
- Maharashtra Natural Gas Limited (MNGL), in the areas of Pune and nearby areas of Pimpri, Chinchwad, Chakan, Talegaon, Hinjewadi, Sindhudurg, Nashik and Dhule district in the state of Maharashtra, parts of Valsad district in Gujarat and Ramanagara in the state of Karnataka.

Indian Natural Gas Industry

The oil and gas sector is one of the core industries in India. It plays a major role in influencing decision making for all the other important sectors of the economy. The government is creating an enabling environment to make India a USD 5 trillion economy by 2025 and this sector is closely related to this agenda. Therefore, with the growth of the Indian economy, the demand for oil and gas is projected to singularly grow more in the coming years.

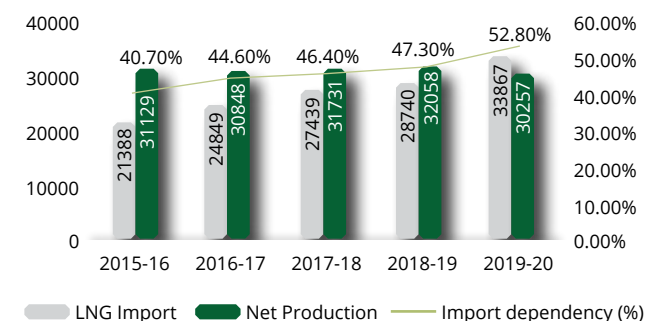
Natural gas is the cleanest fossil fuels among the available fossil fuels. However, Natural gas currently makes up only 6.2% of all energy consumed in the country. Gas as clean fuel has been given a top priority and Indian Government wants to make the Indian economy as a gas-based economy. In this regard, the government is targeting its share to rise to 15% by 2030. The current consumption of gas comprises around 50% of domestic output and the remaining consumption is met through imports. There has been an increased dependence on imports over the years.

Presently, the industry is facing challenges due to the spread of COVID-19, which has led to a nation-wide lockdown. The demand for natural gas has decreased since March, 2020, the beginning of lockdown. Near standstill transport sector along with prolonged closing of several factories and manufacturing units during the lockdown has dented natural gas demand. With the ease down of lockdown situation, the demand is picking up and expected to reach at its normal level in the second half of the current year FY 2020-21.

However, the government on its part has been continuing its efforts to strengthen the gas industry. The government has taken steps to increase indigenous production, creating pipeline infrastructure throughout the country and increasing the capacity of LNG terminals. These measures coupled with the start of Gas Exchange and envisaged revision in transport tariff policy are likely to add growth in the industry and transform India into a vibrant gas market.

Other initiatives like LNG corridor along golden Quadrilateral, Blue Corridor (LNG) and expansion of city gas distribution network in the entire country are some of the other pioneering initiatives to boost natural gas demand in the country.

Trend of natural gas consumption in India (in MMSCM)



[Source: PPAC]

City Gas Distribution Sector in India

City Gas Distribution (CGD) refers to the transportation or distribution of natural gas to consumers in domestic, commercial or industrial and transport sectors through a network of pipelines. This business has attracted several companies to lay a network of gas pipelines over the last decade. The sector has been witnessing growth over the past years with the expansion CGD network in various parts of the country.

City gas distribution networks are being expanded with coverage of around 70% population and 50% area of the

country till 10th round of bidding by PNGRB with massive investment plans. In order to promote the development of CGD network, the Government has accorded priority in domestic gas allocation to PNG (Domestic) and CNG (Transport) segments. The government has also taken up initiatives for the expansion of the city gas networks, by opening 'Make in India' market for ancillary equipment needed for piped natural

gas to households and refuelling CNG vehicles. The expansion of CNG and PNG services will also create huge employment opportunities in this sector.

Additionally, the PNGRB has proposed 44 new geographical areas for the upcoming 11th round of bidding for city gas distribution (CGD). The aim is to make environment friendly fuel i.e. CNG/PNG available to public at large.

City Gas Distribution - Coverage of population of India and its Area

| CGD Authorizations | Geographical Areas (GAs) | | % Population of india | | %Area of India | |
|--------------------|--------------------------|------------|-----------------------|------------|----------------|------------|
| | Standalone | Cumulative | Standalone | Cumulative | Standalone | Cumulative |
| Pre-PNGRB | 30 | 30 | 9.28 | 9.28 | 2.95 | 2.95 |
| Round 1 (Oct '08) | 6 | 36 | 0.33 | 9.61 | 0.03 | 2.98 |
| Round 2 (Feb '09) | 3 | 39 | 0.23 | 9.84 | 0.03 | 3.01 |
| Round 3 (Jul '10) | 6 | 45 | 0.77 | 10.61 | 1.21 | 4.22 |
| Round 4 (Sept '13) | 9 | 54 | 2.27 | 12.88 | 1.29 | 5.51 |
| Round 5 (Jan '15) | 8 | 62 | 2.04 | 14.92 | 1.82 | 7.33 |
| Round 6 (Oct '15) | 17 | 79 | 2.07 | 16.99 | 2.02 | 9.35 |
| Round 7 (Jun '16) | 1 | 80 | 0.36 | 17.35 | 0.46 | 9.81 |
| Round 8 (Nov '16) | 6 | 86 | 0.94 | 18.29 | 0.57 | 10.38 |
| Sec. 42 (Mar '18) | 6 | 92 | 1.57 | 19.86 | 0.61 | 10.99 |
| Round 9 (Apr '18) | 86 | 178 | 26.38 | 46.24 | 23.82 | 34.81 |
| Round 10 (Nov '18) | 50 | 228 | 24.23 | 70.47 | 17.92 | 52.73 |

[Source: Petroleum and Natural Gas Regulatory Board]

Government Enablers

- Model CGD policy launched by the MoPNG.
- Public Utility Status granted to CGD Projects by Ministry of Labour and Employment.
- Ministry of Defence has issued guidelines for use of PNG in its residential areas/unit lines

Performance Analysis

Financial Performance

IGL witnessed the following financial growth on standalone basis during the year under review:

- Gross turnover increased from Rs. 6336.66 Crores in 2018-19 to Rs. 7131.29 Crores in 2019-20.
- Profit after tax (PAT) increased to Rs. 1136.54 Crores in 2019-20 from Rs. 786.67 Crores in 2018-19.
- Earnings per share of the Company showed a growth rate of 44% from Rs. 11.24 in FY 2018-19 to Rs. 16.24 in FY 2019-20.
- Net worth of the Company as at 31st March 2020 was Rs. 5062.36 Crores as compared to Rs. 4129.85 Crores as at 31st March 2019.
- As on 31st March 2020, IGL is a zero debt Company.

Ratio Analysis

| S. No. | Particulars | For the Year 31 March 2020 | For the Year 31 March 2019 |
|--------|---------------------------|----------------------------------|----------------------------------|
| 1. | Debtors Turnover Ratio | 32.92 | 25.65 |
| 2. | Inventory Turnover Ratio | 1077.24 | 992.31 |
| 3. | Current Ratio | 1.39 | 1.46 |
| 4. | Operating Profit Margin % | 19.52% | 18.36% |
| 5. | Net Profit Margin % | 17.62% | 13.71% |
| 6. | Return on Net Worth % | 22.45% | 19.05% |

Segment Wise Performance

The Company has its presence in following segments:

Compressed Natural Gas (CNG) - IGL's majority portion of the revenue accrues from sales of CNG amounting to Rs.5426.40 Crores in FY 2019-20, showing a growth rate of 13.97 % over previous year. The Company has 555 stations through which it provided gas to 11.45 lakh vehicles, with an average sale of 33.67 lakh kg per day in 2019-20.

Piped Natural Gas (PNG) - The total sales of PNG grew by 8.21% to Rs. 1704.89 Crores in FY 2019-20 from Rs. 1575.57 Crores in FY 2018-19. Sales volume of PNG increased from



552.52 mmscm in previous year to 619.05 mmscm in FY 2019-20, registering a growth rate of 12.04%. IGL provided 2.72 lacs new PNG connections during FY 2019-20. As on March 31, 2020, total PNG connections were provided to 13.74 Lakh households and 5578 Commercial & Industrial consumers. The Company's pipeline infrastructure expanded from 13,028 kms in FY 2018-19 to 14,605 kms in FY 2019-20.

Opportunities

The growth momentum of sales is likely to continue in the coming years.

- **Expansion in new geographical areas** – After the 9th and 10th round of bidding, the Company has spread its operations in the number of new geographical areas. The Company continues to look for expansion opportunities in new geographical areas.
- **Green corridors** – Establishing CNG/LNG stations alongside highways to provide opportunities to the Company to increase its CNG sales volumes.
- **Merger/acquisition of stake in other CGD Companies** – Through a merger or an acquisition of shares in other CGD Companies in the country, the Company is exploring the possibility of expanding its operations.
- **Benefits of cost** – The conversion of vehicles to CNG mode is likely to increase as CNG is economical when compared to other liquid fossil fuels such as petrol/diesel.
- **Smart Cities** – Due to rapid urbanization, the government of India is in the process of developing smart cities. These cities will feature robust infrastructure of clean and efficient fuel which is likely to add to the growth prospects of the Company.
- **Reduction in carbon footprint** – There is an increased focus on reducing carbon emissions by judiciary, central and state governments which will promote eco-friendly fuels i.e. CNG and PNG.

Threats, Risk & Concerns and Mitigations

Increasing importance of electric vehicles - The popularity of Electric enabled vehicles have been growing in India with the government introducing various incentive schemes. In medium to long term, these cars may pose a potential threat to CNG run vehicles.

The Company is preparing itself for meeting the challenge by becoming a part of value chain in electric mobility business and setting up of EV charging facilities at its CNG stations.

Regulatory Regime - The City Gas Distribution is under a regulatory regime wherein the Regulatory Board (PNGRB) has framed various regulations, which have ramifications on a day to day business, operations of the CGD entity. Any changes in the regulations may have an adverse impact on the Company. With regard to Marketing Exclusivity, IGL has challenged Regulations 5 and 6 of the PNGRB Exclusivity Regulations in the Hon'ble High Court of Delhi and the matter is under sub-judice.

Your Company has already established the CGD infrastructure across all parts of NCT of Delhi. This would be a major challenge for any new entrant in the prevailing scenario.

Unavailability of Natural Gas - Domestic Natural Gas is a scarce resource. The non-allocation of the required amount of low-cost natural gas by the government may have an adverse impact on margins.

However, considering the thrust of the government for promoting eco-friendly fuel and firm allocation of gas for transport and PNG domestic segments, it is expected that the Company would continue to get assured supply of gas at an affordable price.

Competition from Alternative Fuels - The customers of the Company also have an alternative to move towards other fuels if there is a cost advantage. Such scenario is likely to impact the Company's operations.

CNG constitutes around 75% of the total sales volume of the Company and is very much competitive compared to alternate fuels i.e. petrol and diesel.

Macro-economic scenario - The dynamic macro-economic scenario can have an impact on the growth plan of the Company.

However, the Company has a strong financial position and credit rating which will help the Company to mitigate this risk. Healthy profitability, strong cash flow from operations, zero debt, and comfortable working capital position helps the Company to maintain its financial position.

Pandemic Covid-19 has made an impact on the overall sales volume of the Company. However, with the ease down of lockdown conditions, the sales volume are gradually increasing and expected to return at its normal level in the coming months.

Fire & Safety Risk - The Company is in the gas distribution business and fire & safety is a major concern.

The Company gives utmost priority to this area and has established robust system & procedures which has helped it to record 184 million accident-free man-hours as on March 31, 2020.

Internal Control

The Company has adequate internal control procedures commensurate with the size and nature of its business.

During the FY 2019-20, M/s Ernst & Young, Chartered Accountants and in-house audit team carried out internal audits and the internal audit reports prepared by them were placed before the Audit Committee.

Human Resource

Human Resource plays a vital and strategic role and has contributed its best to bring the Company to its present heights. The HR practices were in line with the Organization and emphasis on HR Vision of building a team of competent, committed and dedicated professionals for providing quality services to the clients and make a valuable contribution in the development of the country.

The success of IGL depends on the high level of skills and professionalism of employees. The company appreciates the role of its human capital in propelling the Company to new heights. As on March 31, 2020, IGL's employee strength stands at 703 employees.

Environmental consciousness

Natural gas is an environment-friendly fuel and emerging as a fuel for the future. There is an endeavour on part of the

government to increase its share in the total energy basket of the country. The Company is making continuous efforts to promote its wider use among all categories of prospective customers. To ensure this, awareness is spread among all the users regarding the economic and environmental advantages of natural gas when compared to other fuels. The Company is promoting usage of natural gas as a fuel to reduce pollution in Delhi and its adjoining areas.

Cautionary statement

The Statement in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include demand-supply conditions, changes in government and international regulations, tax regimes, economic developments within and outside India and other factors such as litigation and labour relations.



Business Responsibility Report

[As per Regulation 34(2) (f)]

Section A: General Information about the Company

| | | |
|----|--|---|
| 1 | Corporate Identity Number (CIN) of the Company | L23201DL1998PLC097614 |
| 2 | Name of the Company | Indraprastha Gas Limited |
| 3 | Registered address | IGL Bhawan, Plot No. 4, Community Centre, Sector-9, R. K Puram, New Delhi- 110022 |
| 4 | Website | www.iglonline.net |
| 5 | Email ID | investors@igl.co.in |
| 6 | Financial Year reported | April 1, 2019 – March 31, 2020 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | Natural Gas NIC Code (as per NIC Code 2008): 3520 (Manufacture of gas; distribution of gaseous fuels through mains) |
| 8 | Three key products/services manufactured (as in balance sheet): | Natural Gas |
| 9 | Total number of locations where business activity is undertaken by the Company | NCT of Delhi; districts Gautam Budh Nagar, Ghaziabad, Hapur, Muzaffarnagar, Shamli, uncovered parts of Meerut & Kanpur, Fatehpur and Hamirpur in Uttar Pradesh; districts Rewari, Gurugram (part), Karnal and Kaithal in Haryana; and, district Ajmer, Pali & Rajsamand in Rajasthan. |
| | (a) Number of International Locations (Provide details of major 5) | NIL |
| | (b) Number of National Locations | NCT of Delhi & NCR and other areas mentioned above |
| 10 | Markets served by the Company | Local/State (Delhi & NCR and other areas mentioned above, India) |

Section B: Financial Details of the Company

| | | |
|-------|---|--|
| (i) | Paid up capital | Rs. 140.00 Crores (700,000,800 equity shares of Rs. 2 each) |
| (ii) | Total Turnover | Rs. 7131.29 Crores |
| (iii) | Total profit after taxes | Rs. 1136.54 Crores |
| (iv) | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | (i) Amount spent: Rs. 19.88 Crores (ii) Amount spent as percentage of profit after tax: 1.75% |
| (v) | List of activities in which expenditure in 4 above has been incurred: | |
| | (i) Education | |
| | (ii) Eradicating Poverty | |
| | (iii) Preventive Healthcare, Sanitation & Hygiene | |
| | (iv) Skill Development | |
| | (v) Gender Equality & Women / Girl child Empowerment | |

Section C: Financial Details of the Company

1. Does the Company have any Subsidiary Company/ Companies?

No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

Not Applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [>30%, 30-60%, < 60%]

No, none of the entity/entities with whom Company does business participates in the BR initiatives of the Company. Company's promoters i.e. GAIL (India) Limited (GAIL) and Bharat Petroleum Company Limited (BPCL) are required to undertake BR activities and release their own BR reports.

Section D: BR Information

1 Details of Director/Directors responsible for BR

a. Details of Director/Directors responsible for BR implementation of the BR policy/policies

DIN No. : 08515246
 Name : Shri Amit Garg
 Designation : Director (Commercial)

b. Details of the BR head

DIN (if applicable) : 08515246
 Name : Shri Amit Garg
 Designation : Director (Commercial)
 Telephone No : 011-46074610
 Email ID : gargam@igl.co.in

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3

Businesses should promote the well-being of all employees.

Principle 4

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5

Businesses should respect and promote human rights

Principle 6

Business should respect, protect and make efforts to restore the environment.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8

Businesses should support inclusive growth and equitable development

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner.



Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|------|-----|-------|------|--------|--------|-------|-----------|------|
| 1 | Do you have a policy/ policies for | Yes | No§ | Yes | No** | Yes | Yes | Yes | Yes | Yes |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Yes | NA | Yes | NA | Yes | Yes | Yes | Yes | No†† |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Yes∞ | NA | Yes∞ | NA | Yes∞ | Yes∞ | Yes∞ | Yes∞ | Yes∞ |
| 4 | Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Yes | NA | Yes | NA | Yes | Yes | Yes | Yes | No |
| 5 | Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy? | Yes | NA | Yes | NA | Yes | Yes | Yes | Yes | Yes |
| 6 | Indicate the link for the policy to be viewed online? | Ref# | NA | Ref§§ | NA | Ref*** | Ref††† | Ref## | Ref\$\$\$ | No |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | NA | Yes | NA | Yes | Yes | Yes | Yes | No |
| 8 | Does the company have in-house structure to implement the policy/policies? | Yes | NA | Yes | NA | Yes | Yes | Yes | Yes | Yes |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes | NA | Yes | NA | Yes | Yes | Yes | Yes | Yes |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Yes | NA | Yes | NA | Yes | Yes | Yes | Yes | Yes |

§Company does not have specific policies regarding these aspects, considering the nature of Company's business. However, the Company is taking appropriate actions as and when required to address them

**Company doesn't have specific policies regarding these aspects. However, Company is taking care of disadvantaged, vulnerable and marginalized sections of the society through its various CSR programs

††PNGRB has a separate regulations "Petroleum and Natural Gas Regulatory Board (Code of Practice for Quality of Service for City or Local Natural Gas Distribution Networks) Regulations, 2010" that details the standards of quality of services that a CGD entity has to abide by.

∞All policies have been developed as per the applicable legal framework

#http://www.iglonline.net/english/5000_media/About_us/Whistle-Blower-Policy.pdf

§§Policies are available to employees through intranet portal.

***Policy is available to employees through intranet portal.

†††<http://www.iglonline.net/english/Default.aspx?option=article&type=single&id=71&mnuid=169&prvtyp=site>

##http://www.iglonline.net/english/5000_media/About_us/Code-for-Fair-Disclosure.pdf

\$\$\$<http://www.iglonline.net/english/Default.aspx?option=article&type=single&id=38&mnuid=196&prvtyp=site>

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Company is committed to the sustainable performance of its business and enhancement of stakeholders' value. The Board of Directors of the Company endeavour to ensure and improve the sustainable practices of the Company through continual

assessment at various levels. The Board of Directors assesses the BR performance of the Company, at least once on annual basis.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes its Business Responsibility Report annually which forms part of the Annual Report and can be accessed at the investor relations section on <http://www.iglonline.net>.

Section E: Principle Wise Performance

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company has a code of conduct for board members and senior management and whistle blower policy applicable to the employees, directors, vendors and suppliers of the Company. For more details, please refer to the Code of conduct webhosted on our website, at http://www.iglonline.net/English/5000_media/Investor_Relations/Code_of_Conduct.pdf.

The Whistle blower Policy is available on our website, at http://www.iglonline.net/english/5000_media/About_us/Whistle-Blower-Policy.pdf. In addition, the Company has a system for delegation of powers, contract & procurement manual and other policies to ensure that day to day affairs of the Company are conducted in a systematic and fair manner. The Company promotes at all levels ethics, transparency and fair dealing with the various stakeholders of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Company's stakeholders include our investors, employees, customers, vendors, government and local communities. For investor complaint, please refer to 'investor complaint' section in the corporate governance section of annual report. Most of the investor complaints were related to dividend and non-receipt of annual reports etc. Total 53 complaints were received during the financial year. All investors' grievances were disposed of and there was no pending complaint at the end of the year.

The complaints received from the customers are being addressed by Customer care cell of Marketing Department of the Company. The Chief Ethics Officer appointed under vigil mechanism addresses the complaints received from other stakeholders.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities?

The Company is engaged in the business of providing natural gas and environmental friendly fuel for the transportation, household cooking and to commercial and industrial establishments. The business of the Company itself promotes a sustainable eco-friendly environment which ensures the sustainability of Company's business. Air pollution has been a major concern for the country and particularly in National Capital and surrounding areas. The concern has been raised at various forums for reducing the level of pollutants and improving the air quality index. All public transportation in NCT of Delhi runs on compressed natural gas which is a green fuel as well as cost effective compared to other fossil fuels such as petrol and diesel. Similarly, PNG used by households, commercial and industrial establishments are clean fuel and does not harm the environment. The Company has been able to implement CNG and PNG as green fuel since its inception and has contributed to improve the quality of air in its areas of operation. There is a continuous endeavour on the part of Company to make available environment friendly fuel at a reasonable price to create pollution free environment for the society. The Company has been expanding its business not only in existing areas but also has plans to enter into new geographical areas to supply eco-friendly fuel.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The Company is primarily in distribution and supply of the natural gas to the business users and end consumers. We are sourcing APM and PMT gas from GAIL at a price determined by the Government of India for meeting the entire requirement of the transportation and PNG domestic sector. The requirement of gas for commercial and industrial sector are met through various sources i.e. GAIL, BPCL and other private players. It is constant endeavour of the Company to reduce gas loss during distribution process.



b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company is making continuous efforts to increase the uses of natural gas. Natural gas which is the major product of IGL doesn't produce significant amount of solid waste, air emissions, and carbon dioxide are also of lower quantity than those produced from non-renewable coal and oil. The increased use of natural gas reduces the carbon dioxide content in the area. It is evident from the fact that Government of India is giving thrust to natural gas and wish to increase its share in the total energy basket of the country.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

There is sustainable source of meeting gas requirements for various segments of the Company. The government has given priority in allocation of gas for transportation and domestic sector. The Company has firm supply of gas for transportation and domestic households from Government of India to meet its entire requirement. The percentage of CNG and PNG domestic sector constitute approx. 80% of total sales volume of the Company. The Company is sourcing gas through long term contracts and on spot basis for meeting the requirement of commercial and industrial customers based on the requirement from time to time. Substantial portion of the raw material sourced by the Company is transported through the installed pipelines, which is clean and sustainable mode of transportation.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We source natural gas from GAIL and other suppliers as mentioned above. Besides sourcing of gas, the Company procures various materials and services for its day to day operations for which we engage with local suppliers. The Company's procurement approach is based on least priced tendering mechanism which ensures equal opportunity to all the participants including local communities and small producers. The bids

received by the Company from various parties are first evaluated based on Bidding Evaluation Criteria (BEC) and thereafter techno commercial evaluation is done and job is awarded to the lowest bidder. The Company has detailed contract procurement manual and contracts are made as per rules, criteria and principles laid down in the manual which includes appropriate clauses and checks to prevent the employment of child labour or forced labour in any form. Our whistle blower policy/vigil policy provides sufficient mechanism to voice concerns and issues of our suppliers. We also organize various interactive sessions with suppliers, vendors and customers for their feedback and to provide better services.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%)? Also, provide details thereof?

The nature of the product of Company is such that it cannot be recycled.

Principle 3 - Businesses should promote the well-being of all employees

- 1. Total no of employees:** Our total employee count stands at 703 as on March 31, 2020.
- 2. Total number of employees hired on temporary/contractual/casual basis:** Total count of employees hired on temporary/contractual/casual basis by the Company stands at 10000 as on March 31, 2020.
- 3. No of permanent women employees:** The number of our total women employees is 33 as on March 31, 2020.
- 4. Number of permanent employees with disabilities:** The number of disabled permanent employees stands at 4.
- 5. Do you have an employee association that is recognized by management:** No
- 6. What percentage of your permanent employees is members of this recognized employee association?**

Not applicable as the Company does not have any employee association.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

| No | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|----|---|--|--|
| 1. | Child labour/ forced labour/ involuntary labour | NIL | NIL |
| 2. | Sexual harassment | NIL | NIL |
| 3. | Discriminatory employment | NIL | NIL |

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

The Company believes in holistic development of its employees and for this purpose organize various training programs like competency development, team building, soft skills and other periodical training on regular basis. The Company has Health, Safety and Environment (HSE) Policy and we impart Safety training to our employees on periodical basis. Further, training is also imparted by the Company to the contractual staff at CNG Stations, DTC drivers and consumers of CNG and PNG.

The percentage of the employees who have attended the training on safety and skill up-gradation training is as follows:

- Permanent Employees: 93%
- Permanent Women Employees: 100%
- Casual/Temporary/Contractual Employees: 100%
- Employees with Disabilities: 100%

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its various key internal and external stakeholders and interacts with them

from time to time. The Company give due recognition to its employees and there are regular communication from management to its employees. The Company has suggestion scheme whereby employees can send suggestion on various matters to the management. The Company organizes various interactive sessions with its suppliers, vendors and customers for their feedback and to offer better services. Under fire and safety training programs, training is being imparted to employees, contract staff at CNG stations, DTC Drivers and consumers of CNG and PNG. Under CSR policy, the Company has taken various initiatives to provide benefits to the underprivileged and poor strata of society. The Company has an active presence in social media for interaction with external stakeholders and also publishes Newsletters for communication with internal stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

There is no formal identification of the disadvantaged, vulnerable and marginalized stakeholders of the Company. However, as part of our CSR initiative, we are running education, healthcare, community infrastructure development projects, and skill development programme for the lower strata of society and is actively working with them towards inclusive growth.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so

Yes, as a responsible organization we are committed to the needs and welfare of the communities around us and especially for the lower strata of the society. The Company has been providing group accident insurance, preventive health management & gender sensitization to auto and taxi drivers of the region. Company is also contributing towards skill development programmes for unemployed youth in the fields of gas plumbing and welding by providing technical oriented training. Further, the Company has been working with local authority for development of new toilet complexes and up-gradation of the toilet facilities in the government-run schools. The Company organizes free health check-up camps for the auto drivers and taxi drivers and has taken an insurance scheme i.e. group accident cover for drivers of CNG run public transport under IGL Suraksha Yojana.



Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

There is no dedicated human rights policy. However, the Company ensures protection of the human rights to all at various levels in its practices and all contractors and suppliers are expected to follow the same. The Company has sexual harassment policy in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to ensure safe working environment for woman at workplace. We respect the human rights of all concerned and provide equal opportunities to all without any discrimination on the basis of gender, caste, sexual orientation or religion.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no grievances or complaints with respect to the human rights from any of the stakeholders of the Company during the past financial year.

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others

As a responsible organisation, we are committed to take necessary steps for protection of the environment. As a step in this direction our Health, Safety and Environment (HSE) Policy, ensures best practices and provide a safe and healthy workplace for our employees and contractors and other stakeholders engaged in business with the Company. All the HSE standards and parameters are regularly reviewed by the Company. The Contractors are also required to monitor adherence of the policy and take strict actions on any issues arising out of non-adherence of the HSE Policy and the standard parameters. In line with the Company's HSE policy, safety audits and other statutory compliances are done to ensure safety in all facets of Company's operations. Safety information is broadcasted regularly through FM Radio for awareness of CNG/PNG customers and general public and mock drills are carried out regularly to check preparedness to control emergencies. The Emergency Control Centres (ECC) established at strategic locations across Delhi and the NCR, are manned round the clock to respond fast to any gas leak or emergency situation.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

IGL is committed to environmental protection and understands its role and responsibility in mitigating the effects of climate change. In this regard, Company's biggest contribution is in the form of its product, i.e. natural gas, which is a cleaner form of fuel compared to fossil fuels, i.e. coal and petroleum products. The Company is committed to promote the use of environment friendly natural gases which could help in reduction of the carbon emission to a great extent and may contribute to prevent the global warming and the air pollution.

3. Does the company identify and assess potential environmental risks? Y/N

There is a minimal environmental risk from our operations owing to the nature of the business of the Company. There is no significant process emissions or waste generation in our operations and the limited wastes generated during the processing are disposed-off in an environment friendly manner.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Not Applicable.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

For energy efficiency, Company has taken following initiatives:

1. Conventional HPMV based light fittings have been replaced by LED based light fittings at ~ 70 % IGL CNG stations; replacement of same at remaining IGL CNG stations is under progress.
2. Conventional induction motor based ceiling fans have been replaced by Brushless DC motor based ceiling fans at ~ 40% IGL CNG stations; replacement of remaining conventional fans is under progress.
3. 39 numbers of IE2 motors (high efficiency) have been replaced by IE3 motors (premium efficiency).

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Considering the nature of business, this is not applicable to the Company.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

We did not receive any show cause/ legal notices from CPCB/SPCB during the financial year 2019-20.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of Natural Gas Society which has been established to catalyse the development of the natural gas distribution industry. The aforesaid society is a think tank which provide critical inputs on the sectoral policy through research, collaboration and dialogues. The Company is also a member of Federation of Indian Petroleum Industry (FIPI).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We put forth our views through the above associations on various ongoing issues concerning the CGD sector, however, we do not lobby or influence public policies with vested interest.

Principle 8 - Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Our corporate social responsibility believes in all-inclusive value creation among our stakeholders. We consider improving health, promoting education, increasing women empowerment & development of vocational skill leads to all-inclusive growth of all the communities. The Company has put in place a 'Policy on Corporate Social Responsibility' to guide its efforts on CSR initiatives that contribute to inclusive growth and

equitable development. Some of our corporate social responsibility initiatives include:

1. Promoting healthcare including preventive healthcare for CNG Drivers under IGL Swasth Saarthi Programme;
2. Building bonds through gender sensitization for auto drivers;
3. Self-defence training to women;
4. Skilled development training of unemployed youth in the fields of gas plumbing and welding;
5. Construction and re-development of toilets in government run schools;
6. Supporting meritorious students from underprivileged strata of society;

Some of CSR activities undertaken by the Company have been duly recognized and Company received following rewards:

1. Project Roshni, the preventive health care programme for Government school children was awarded at CSR Community Initiative Awards 2019 during CSR Leadership Summit.
2. 'Move Without Fear' the self-defence training programme for school girls was recognized at National CSR Summit & Awards 2019 organized at New Delhi.
3. Project Roshni', was awarded at 4th Social Imprints North East CSR Awards & Summit.
4. 'Project Roshni' was also awarded under the category 'Swasthya Kalyan' at 'Social and Business Enterprise Responsible Awards 2019'.
5. Two of IGL's key CSR programmes "Move Without Fear" and "IGL Swasth Saarthi" were recognized at 3rd Social Imprints CSR Awards and Summit 2019.

For further detail of the programmes/projects undertaken by the Company under its corporate social responsibility initiative, please refer to the Annual Report on CSR Activities forming part of the Board report or our CSR section of our website <http://www.iglonline.net>.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The Programmes are being undertaken directly/ Government bodies/NGOs/specialized organisations etc. For details of the organizations through which the



programmes are being undertaken please refer to the Annual Report on CSR Activities forming part of the Board report.

3. Have you done any impact assessment of your initiative?

Yes, we have been doing impact assessment studies of our CSR initiatives with the help of an external agency engaged by the Company with an intent to analyse the efficacy of the programmes and achieving better results..

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has taken various CSR activities for the benefit of society/community and spent Rs. 19.88 Crores on such initiatives during the financial year ended March 31, 2020. For details of the programmes/projects undertaken by the Company and the amount spent by the Company on such programmes/projects, please refer to the report on Corporate Social Responsibility forming part of our Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company constantly monitors and do impact assessment study of the CSR initiatives undertaken by on regular basis with the help of an external agency engaged by the Company to find the efficacy of the programme. On the basis of the assessment reports, appropriate measures are taken to ensure that the initiatives taken by the Company should be beneficial to the community and successfully adopted by them. The result of impact assessment study is further used for the future CSR initiatives of the Company.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company is catering to 11.45 lacs vehicles plying on CNG in Delhi and NCR. The Company had total 13.74 lacs households' connections, besides 5578 commercial and

industrial customers. The Company follows customer centric approach and has reduced the Turn Around Time to attend complaints/requests by approx. 50%. Even with reduced TAT period, IGL has managed to attend more than 90% of these complaints in a time bound manner.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

As the Company does not deal in any physical product, this is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

We have appropriate mechanisms to receive and address complaints from stakeholders related to compliance, corruption or bribery. No stakeholder has filed any case against the Company, nor are any cases pending regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and no such case is pending as on 31 March 2020.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

We interact with our customers on a regular basis and across multiple platforms. We also carry out consumer survey from time to time to assess the customer satisfaction level and take appropriate actions for improving its services. We are a customer centric organization and always endeavour to raise the level of quality of services offered to our customers.

Standalone Financial Statements



Independent Auditor's Report

To
The Members of
Indraprastha Gas Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Indraprastha Gas Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

| Key audit matter | How our audit addressed the key audit matter |
|---|--|
| <p>Demand raised by Delhi Development Authority ('DDA')</p> <p>Refer note 3.19 for the accounting policy and note 36(1)(c) for the related disclosure.</p> <p>As explained in the note 36(1)(c) to the accompanying standalone financial statements; the Company had received a demand (excluding interest) from DDA amounting to ₹ 155.64 crores during financial year 2013-14 pertaining to the period 1 April 2007 to 31 March 2014 on account of increase in license fees in respect of sites taken on lease by the Company from DDA for setting up Compressed Natural Gas (CNG) stations in Delhi. The Company had filed a writ petition on 11 October 2013</p> | <p>Our audit procedures in relation to the aforesaid matter included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Evaluated the design of, and tested key internal controls in respect of identification, recognition and measurement of provisions for dispute, litigations, and contingent liabilities; • Obtained the Company's evaluation of the said matter supported by the external legal opinion obtained by the management in the financial year ended 31 March 2020; |

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>before the Hon'ble High Court of Delhi against the aforesaid demand (excluding interest) raised by DDA which is currently pending. Further, DDA vide communication dated 29 August 2016 had revised the total demand (excluding interest) to ₹ 330.73 crores for the period upto 31 March 2016.</p> <p>The management of the Company, based on legal opinion obtained by them, have assessed the same as contingent and accordingly not provided for the demand raised by DDA in the financial statements.</p> <p>We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved in this matter and inherent subjectivity and uncertainty involved in determination of the amount, if any, to be provided as liability in accordance with the applicable accounting standards.</p> | <ul style="list-style-type: none"> • Discussed the said matter with the in-house legal general counsel of the Company; • Conducted in-depth inquiries with the management of the Company and robust discussions with the Board, to obtain their view on the status of the aforesaid matter; • Circulated and obtained confirmation from the legal counsel representing the Company as at year end; and • Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards |

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the 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 in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 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 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 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 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; and
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

17. As required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Act, we give our report on the matters specified in the aforementioned directions in Annexure B on taking into consideration the information, explanations, examinations of records and written representations received from the management.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) Ms. Renu Sharma, one of the directors of the Company as on 31 March 2020, has not provided a written representation as to whether she has incurred any disqualifications in terms of sub-section (2) of the section 164 of the Act with respect to any company in which she is a director as on 31 March 2020. In the absence of this representation, we are unable to comment whether she is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act. As far as other directors are concerned, on the basis of the written representations received from such directors and taken on record by the Board of Directors, we report that none of the other directors are disqualified as on 31 March 2020 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 17 June 2020 as per Annexure C expressed unmodified opinion; and
 - g) 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, as detailed in note 36(1) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Rajni Mundra

Partner

Place: New Delhi

Date: 17 June 2020

Membership No.: 058644

UDIN: 20058644AAAAAX6689



Annexure A to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the standalone financial statements for the year ended on 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE').

(b) Other than PPE related to underground natural gas distribution system which as per management cannot be physically verified, the PPE has been physically verified by the management during the year and no material discrepancies were noticed on such verification. 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. For the underground natural gas distribution system, the management has adequate controls in place to safeguard the physical existence of the said distribution system.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties:

| (₹ in Crores) | | | | | |
|--------------------|-----------------------|-----------------------------|---------------------------------|----------------------------|--------------------|
| Nature of property | Total number of cases | Whether leasehold /freehold | Gross block as on 31 March 2020 | Net block on 31 March 2020 | Remarks |
| Land | One | Leasehold perpetual | 9.83 | 9.83 | Refer note 1 below |
| Land | One | Leasehold perpetual | 7.15 | 7.15 | Refer note 2 below |

Note 1: The Company has an allotment letter for the said land but has not entered into a lease deed.

Note 2: The Company has entered into a memorandum of understanding with the lessor, but has, however, not entered into a lease deed.

(ii) The inventories of the Company comprise of natural gas and inventory of stores and spares parts. As explained to us, having regard to the nature of the inventory of natural gas, the procedures followed by the management for estimation of natural gas quantities which is based on volume of pipelines and the volume of cascades containing the natural gas considering the standard temperature and pressures, are reasonable and no material discrepancies were noticed on such computation. Further, in our opinion, the management has conducted physical verification of inventory of stores and spare parts at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance

of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect there of were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

| | | | | | | (₹ in Crores) |
|---|---|--------------------------------|--|------------------------------------|--|--------------------|
| Name of the statute | Nature of dues | Gross amount due (₹ in crores) | Amount paid under protest against gross amount due (₹ in crores) | Period to which the amount relates | Forum where dispute is pending | Remarks |
| Central Excise Act, 1944 | Matters relating to levy of Excise duty on discount to customers | 4.84 | 2.42 | 2008-10 | Commissioner of Central Excise | Refer note 1 below |
| Income-tax Act, 1961 | Matters relating to disallowance of additional depreciation | 8.23 | - | Financial year (FY) 2010-11 | Income-tax Appellate Tribunal | - |
| Income-tax Act, 1961 | Matters relating to disallowance of additional depreciation | 10.68 | - | FY 2011-12 | Income-tax Appellate Tribunal | - |
| Income-tax Act, 1961 | Matters relating to disallowance of additional depreciation | 2.51 | 2.51 | FY 2012-13 | Income-tax Appellate Tribunal | Refer note 2 below |
| Income-tax Act, 1961 | Matters relating to disallowance of additional depreciation | 2.01 | 2.01 | FY 2013-14 | Income-tax Appellate Tribunal | Refer note 2 below |
| Income-tax Act, 1961 | Matters relating to disallowance of additional depreciation | 1.26 | 0.17 | FY 2014-15 | Income-tax Appellate Tribunal | Refer note 3 below |
| Income-tax Act, 1961 | Matters relating to disallowance of additional depreciation | 0.84 | - | FY 2015-16 | Income-tax Appellate Tribunal | - |
| Income-tax Act, 1961 | Matters relating to disallowance of additional depreciation | 2.48 | - | FY 2016-17 | Commissioner of Income- tax (Appeals) | - |
| Uttar Pradesh Goods and Service Tax Act, 2017 | Matters relating to demand of Central Goods and Service Tax and Uttar Pradesh Goods and Service Tax Act | 0.04 | 0.04 | FY 2018-19 | Commercial Tax department, Uttar Pradesh | - |



Notes:

1. The amount of ₹ 2.42 crores disclosed as paid under protest initially demanded by the Excise Department had been paid and had been expensed off in the Statement of Profit and Loss during the previous years. Subsequently, a penalty of equal amount was also imposed on the Company, post which the Company filed an appeal against the demand and penalty.
 2. Amount paid under protest of ₹ 4.52 crores for the financial year 2012-13 and 2013-14 inter-alia includes adjustment of ₹ 4.01 crores, ₹ 0.23 crores and ₹ 0.08 crores made by the Income-tax department from the refund of financial year 2013-14, 2014-15 and 2010-11 respectively.
 3. Amount paid under protest of ₹ 0.17 crores for the financial year 2014-15 pertains to the amount adjusted from the refund of financial year 2010-11.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Rajni Mundra

Partner

Place: New Delhi

Date: 17 June 2020

Membership No.: 058644

UDIN: 20058644AAAAAX6689

Annexure B to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the standalone financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report as required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Companies Act, 2013 (the 'Act')

Based on the audit procedures performed and taking into consideration the information, explanations, examinations of records and written representations given to us by the management in the normal course of audit, we report to the best of our knowledge and belief that:

| S. no. | Directions | Response | Impact on financial statement |
|--------|---|--|-------------------------------|
| 1. | Whether the Company has system in place to process all the accounting transactions through the 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. | The Company has system in place to process all the accounting transactions through the IT system. Further, as per the information and explanations given to us by the management, there are no accounting transactions that are processed outside the IT system by the Company which impact the integrity of the accounts. | Not applicable. |
| 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. | As per information and explanations given to us and based on the examination of records, the Company did not have any debts/loans payable to any lender as at and during the year ended 31 March 2020 and hence reporting under this direction is not applicable. | Not applicable. |
| 3. | Whether funds received/ receivable for specific schemes from Central/ State Agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation. | As per information and explanations given to us and based on the examination of records, no funds have been received during the year ended 31 March 2020 or are receivable as at 31 March 2020 for specific schemes from the Central/ State Agencies. Therefore, reporting under this direction is not applicable. | Not applicable. |

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 20058644AAAAAX6689

Place: New Delhi

Date: 17 June 2020



Annexure C to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the standalone financial statements for the year ended 31 March 2020

Annexure C

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the standalone financial statements of Indraprastha Gas Limited (the 'Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Rajni Mundra

Partner

Place: New Delhi

Date: 17 June 2020

Membership No.: 058644

UDIN: 20058644AAAAAX6689



Standalone Balance Sheet

As at 31 March 2020

| | | (₹ in Crores) | |
|--|------|------------------------|------------------------|
| Particulars | Note | As at 31 March 2020 | As at 31 March 2019 |
| A Assets | | | |
| 1 Non-current assets | | | |
| a) Property, plant and equipment | 4 | 3,416.73 | 2,855.30 |
| b) Capital work-in-progress | 4 | 776.69 | 478.08 |
| c) Right-of-use assets | | 122.00 | - |
| d) Other intangible assets | 4 | 18.17 | 21.55 |
| e) Financial assets | | | |
| (i) Investments | 5 | 258.12 | 258.12 |
| (ii) Loans | 6 | 13.38 | 11.47 |
| (iii) Other financial assets | 7 | 0.10 | 0.34 |
| f) Income-tax assets (net) | 8 | 22.90 | 15.03 |
| g) Other non-current assets | 9 | 46.52 | 67.08 |
| Total non-current assets | | 4,674.61 | 3,706.97 |
| 2 Current assets | | | |
| a) Inventories | 10 | 51.11 | 50.94 |
| b) Financial assets | | | |
| (i) Investments | 11 | - | 1,285.87 |
| (ii) Trade receivables | 12 | 170.39 | 221.48 |
| (iii) Cash and cash equivalents | 13 | 667.71 | 71.16 |
| (iv) Bank balances other than (iii) above | 14 | 1,512.23 | 535.93 |
| (v) Loans | 15 | 1.99 | 3.78 |
| (vi) Other financial assets | 16 | 61.35 | 44.40 |
| c) Other current assets | 17 | 32.86 | 28.81 |
| Total current assets | | 2,497.64 | 2,242.37 |
| Total assets | | 7,172.25 | 5,949.34 |
| B Equity and liabilities | | | |
| 1 Equity | | | |
| a) Equity share capital | 18 | 140.00 | 140.00 |
| b) Other equity | 19 | 4,922.36 | 3,989.85 |
| Total equity | | 5,062.36 | 4,129.85 |
| 2 Liabilities | | | |
| Non-current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Lease liabilities | | 76.18 | - |
| (ii) Other financial liabilities (other than those specified in item (b)) | 20 | 1.97 | 0.41 |
| b) Provisions | 21 | 23.47 | 19.55 |
| c) Deferred tax liabilities (net) | 22 | 211.91 | 267.84 |
| d) Other non-current liabilities | 23 | 0.87 | 0.97 |
| Total non-current liabilities | | 314.40 | 288.77 |
| Current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Trade payables | 24 | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | | 41.09 | 41.11 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 183.87 | 284.95 |
| (ii) Other financial liabilities [other than those specified in item (c)] | 25 | 1,221.73 | 977.76 |
| (iii) Lease liabilities | | 20.01 | - |
| b) Other current liabilities | 26 | 71.50 | 61.66 |
| c) Provisions | 27 | 257.29 | 163.45 |
| d) Current tax liabilities (net) | 28 | - | 1.79 |
| Total current liabilities | | 1,795.49 | 1,530.72 |
| Total liabilities | | 2,109.89 | 1,819.49 |
| Total equity and liabilities | | 7,172.25 | 5,949.34 |

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-57)

In terms of our report attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No. 058644

For and on behalf of Board of Directors

Sd/-

Asit Kumar Jana

Managing Director

(DIN 03452799)

Sd/-

Amit Garg

Director (Commercial)

(DIN 08515246)

Place: New Delhi

Date: 17 June 2020

Sd/-

Rakesh Chawla

Chief Financial Officer

Sd/-

S.K. Jain

Company Secretary

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

| | | (₹ in Crores) | | |
|-------------|--|-----------------------------|-----------------------------|-----------------|
| Particulars | Note | Year ended 31 March 2020 | Year ended 31 March 2019 | |
| 1 | Revenue from operations | 29 | 7,165.49 | 6,361.87 |
| 2 | Other income | 30 | 156.38 | 146.15 |
| 3 | Total income (1 + 2) | | 7,321.87 | 6,508.02 |
| 4 | Expenses: | | | |
| | (a) Purchases of stock-in-trade of natural gas | 31 | 3,678.77 | 3,397.89 |
| | (b) Changes in inventories of stock-in-trade of natural gas | 32 | 0.59 | (0.57) |
| | (c) Excise duty | | 680.22 | 597.03 |
| | (d) Employee benefits expense | 33 | 151.70 | 142.55 |
| | (e) Finance costs | 34 | 8.12 | 2.05 |
| | (f) Depreciation and amortisation expenses | 4 and 51 | 252.25 | 201.07 |
| | (g) Other expenses | 35 | 1,134.57 | 967.99 |
| | Total expenses (4) | | 5,906.22 | 5,308.01 |
| 5 | Profit before tax (3 - 4) | | 1,415.65 | 1,200.01 |
| 6 | Tax expense: | 44 | | |
| | (a) Current tax | | 334.53 | 370.31 |
| | (b) Deferred tax | | (55.42) | 43.03 |
| | Total tax expenses | | 279.11 | 413.34 |
| 7 | Profit for the year (5 - 6) | | 1,136.54 | 786.67 |
| 8 | Other comprehensive income | | | |
| | (a) Items that will not be reclassified to profit or loss | | | |
| | (i) Re-measurement of post employment benefit obligations | | (2.01) | (1.44) |
| | (ii) Income-tax relating to re-measurement of post employment | | 0.51 | 0.50 |
| | Other comprehensive income for the year, net of tax | | (1.50) | (0.94) |
| 9 | Total comprehensive income for the year (7+8) (comprising profit and other comprehensive income for the year) | | 1,135.04 | 785.73 |
| 10 | Earnings per equity share: (face value of ₹ 2 per share) | 50 | | |
| | Basic and diluted (in ₹) | | 16.24 | 11.24 |

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-57)

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No. 058644

Place: New Delhi

Date: 17 June 2020

For and on behalf of Board of Directors

Sd/-

Asit Kumar Jana

Managing Director

(DIN 03452799)

Sd/-

Rakesh Chawla

Chief Financial Officer

Sd/-

Amit Garg

Director (Commercial)

(DIN 08515246)

Sd/-

S.K. Jain

Company Secretary



Standalone Statement of Changes in Equity

for the year ended 31 March 2020

A) Equity share capital

| Particulars | Note | Number in crores | ₹ in crores |
|---|------|------------------|---------------|
| Balance as at 1 April 2018 | 18 | 70.00 | 140.00 |
| Changes in equity share capital during the year | | - | - |
| Balance as at 31 March 2019 | 18 | 70.00 | 140.00 |
| Changes in equity share capital during the year | | - | - |
| Balance as at 31 March 2020 | 18 | 70.00 | 140.00 |

B) Other equity

| Particulars | Note | Reserves and surplus | | |
|--|------|----------------------|-------------------|-----------------|
| | | General reserve | Retained earnings | Total |
| Balance as at 1 April 2018 | 19 | 303.50 | 3,069.40 | 3,372.90 |
| Dividends paid (including dividend distribution tax) | | - | (168.78) | (168.78) |
| Transactions with owners in their capacity as owners | | - | (168.78) | (168.78) |
| Profit for the year | | - | 786.67 | 786.67 |
| Other comprehensive income | | - | (0.94) | (0.94) |
| Re-measurement of post employment benefit obligations (net of tax) | | - | (0.94) | (0.94) |
| Balance as at 31 March 2019 | 19 | 303.50 | 3,686.35 | 3,989.85 |
| Dividends paid (including dividend distribution tax) | | - | (202.53) | (202.53) |
| Transactions with owners in their capacity as owners | | - | (202.53) | (202.53) |
| Profit for the year | | - | 1,136.54 | 1,136.54 |
| Other comprehensive income | | - | (1.50) | (1.50) |
| Re-measurement of post employment benefit obligations (net of tax) | | - | (1.50) | (1.50) |
| Balance as at 31 March 2020 | 19 | 303.50 | 4,618.86 | 4,922.36 |

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-57)

In terms of our report attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No. 058644

Place: New Delhi

Date: 17 June 2020

For and on behalf of Board of Directors

Sd/-

Asit Kumar Jana

Managing Director

(DIN 03452799)

Sd/-

Rakesh Chawla

Chief Financial Officer

Sd/-

Amit Garg

Director (Commercial)

(DIN 08515246)

Sd/-

S.K. Jain

Company Secretary

Standalone Cash Flow Statement

for the year ended 31 March 2020

| | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| A. Cash flow from operating activities: | | |
| Profit before tax | 1,415.65 | 1,200.01 |
| <i>Adjustments for:</i> | | |
| - Depreciation and amortisation expense | 252.25 | 201.07 |
| - Unrealised foreign exchange (gain) | - | (0.10) |
| - Loss on property, plant and equipment sold or discarded | 4.49 | 2.04 |
| - Allowances for expected credit losses | 4.24 | 2.59 |
| - Provision for obsolete and slow moving capital work-in-progress | 0.46 | (0.33) |
| - Provision for obsolete and slow moving stores and spares, written back | (0.27) | (0.02) |
| - Allowances for expected credit loss no longer required, written back | - | (1.50) |
| - Liabilities/provisions no longer required, written back | (3.21) | (0.10) |
| - Finance costs | 6.54 | 0.98 |
| - Interest income on deposits with banks | (46.68) | (36.39) |
| - Income from investment in mutual funds | (87.38) | (88.79) |
| - Dividend income on investment in associates | (13.20) | (17.70) |
| Operating profit before working capital changes | 1,532.89 | 1,261.76 |
| <i>Changes in working capital:</i> | | |
| Adjustments for (increase)/decrease | | |
| - Financial assets | (3.16) | 1.06 |
| - Other current assets | (9.27) | (26.80) |
| - Inventories | 0.10 | 1.45 |
| - Trade receivables | 47.87 | 2.07 |
| Adjustments for increase/ (decrease) | | |
| - Other liabilities | 9.74 | 22.70 |
| - Other financial liabilities | 128.90 | 108.56 |
| - Trade payables | (97.89) | 94.78 |
| - Provisions | 95.75 | 60.35 |
| Cash flow generated from operating activities (gross) | 1,704.93 | 1,525.93 |
| Less: income-tax paid (net) | (344.18) | (368.78) |
| Net cash flow generated from operating activities (A) | 1,360.75 | 1,157.15 |
| B. Cash flow from investing activities: | | |
| - Payment for purchase of property, plant and equipment, other intangible assets and capital work-in-progress including capital advances and creditors for capital goods | (963.22) | (680.72) |
| - (Investment) in bank deposits with maturity more than three months | (1,700.71) | (2,183.64) |
| - Maturity of bank deposits with maturity more than three months | 728.36 | 2,005.28 |
| - Movement in restricted bank balance | (3.59) | (3.22) |
| - (Investment) in mutual funds | (9,486.39) | (9,626.86) |
| - Proceeds from sale of mutual funds | 10,859.64 | 9,319.35 |
| - Interest received on term deposits with banks | 31.99 | 31.27 |
| - Dividend received from associates | 13.20 | 17.70 |
| Net cash flow (used in) investing activities (B) | (520.72) | (1,120.84) |



Standalone Cash Flow Statement

for the year ended 31 March 2020

| | (₹ in Crores) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| C. Cash flow from financing activities: | | |
| - Payment of lease liabilities | (40.93) | - |
| - Dividend and dividend distribution tax paid | (202.53) | (168.48) |
| - Interest paid | (0.02) | (0.35) |
| Net cash flow (used in) financing activities (C) | (243.48) | (168.83) |
| D. Net increase/ (decrease) in cash and cash equivalents (A+B+C) | 596.55 | (132.52) |
| E. Cash and cash equivalents as at the beginning of the year | 71.16 | 203.68 |
| F. Cash and cash equivalents as at the end of the year | 667.71 | 71.16 |
| G. Cash and cash equivalents at the end of the year (refer note 13) | | |
| i. Balances with banks in current accounts | 129.68 | 25.88 |
| ii. Cash on hand | 1.08 | 11.89 |
| iii. Balances with banks in fixed deposits with original maturity of less than three months | 536.95 | 33.39 |
| | 667.71 | 71.16 |

Note 1: The above standalone cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Note 2: Disclosure requirements as required as per Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below :

| | (₹ in Crores) |
|------------------------------------|-----------------------------|
| Particulars | Year ended 31 March 2020 |
| Lease liability | |
| Balance as on 1 April 2019 | 62.69 |
| Cash flows | |
| Less: payment of lease liabilities | (40.93) |
| Non cash changes | |
| Add: Interest on lease liability | 6.52 |
| Add: New leases | 67.91 |
| Balance as on 31 March 2020 | 96.19 |

There are no disclosures relating to changes in liabilities arising from financing activities [applicable on the Company] pertaining to the previous year ended 31 March 2019.

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-57)

In terms of our report attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No. 058644

For and on behalf of Board of Directors

Sd/-

Asit Kumar Jana

Managing Director

(DIN 03452799)

Sd/-

Rakesh Chawla

Chief Financial Officer

Sd/-

Amit Garg

Director (Commercial)

(DIN 08515246)

Sd/-

S.K. Jain

Company Secretary

Place: New Delhi

Date: 17 June 2020

Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

1 Corporate information

Indraprastha Gas Limited (the 'Company') or 'IGL' is a company limited by shares domiciled in India and was incorporated on 23 December 1998 under the erstwhile Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office is located at IGL Bhawan, Plot No.4, Community Centre, Sector 9, R.K. Puram, New Delhi -110022.

IGL is in the business of city gas distribution presently operating in the National Capital Territory of Delhi including adjoining areas of Noida, Greater Noida, Ghaziabad, Hapur, Gurugram, Meerut (except area already authorised), Shamli, Muzaffarnagar, Karnal and Rewari.

2 Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorized have been considered in preparing these standalone financial statements.

2.1 Standards issued but not yet effective

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1 April 2020.

3 Significant accounting policies and other explanatory information

3.1 General information and statement of compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, read with Section 133 of the Companies Act, 2013 (the 'Act') and other provisions of the Act.

The standalone financial statements of the Company for the year ended 31 March 2020 were approved and authorised for issue by the Board of Directors on 17 June 2020 (refer note 57).

3.2 Overall considerations

These standalone financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in the standalone financial statements.

3.3 Historical cost convention

These standalone financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

3.4 Revenue recognition

(i) Sale of natural gas

Revenue from the contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Sales, as disclosed, are inclusive of excise but are net of trade allowances, rebates, VAT and amounts collected on behalf of third parties.

The Company earns revenues primarily from sale of natural gas. Revenue is recognized on supply of gas to customers by metered/assessed measurements. The Company has concluded that it is the principal in all its revenue arrangements since it is primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risk.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). No element of



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

financing is deemed present as the credit term is not more than one year.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognized where the Company's right to consideration is unconditional (i.e. only the passage of time is required before payment of the consideration is due). When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

(ii) Interest and dividend income

Interest income is reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established.

3.5 Inventories

(i) Inventory of stock-in-trade of natural gas

Inventory of stock-in-trade of natural gas in pipelines and cascades is valued at the lower of cost computed on First in First out (FIFO) basis and net realisable value. The cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventory to its present location and condition.

(ii) Inventory of stores and spares

Stores and spares are valued at lower of cost computed on weighted average basis and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

3.6 Foreign currency transactions and translations

i. Initial recognition

The Company's standalone financial statements are presented in Indian Rupee ('INR'), which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

ii. Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. 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.

iii. Treatment of exchange difference

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

3.7 Leases

Accounting policy till 31 March 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as the lessor

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item,

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

Company as a lessee

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on straight line basis unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases

Change in accounting policy

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in -substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under residual value guarantees, if any
- the exercise price of a purchase option if any, if the Company is reasonably certain to exercise that option
- payment for penalties for terminating the lease, if the lease term reflects the Company exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depends on sales are recognised in the statement of profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the statement of profit and loss. Short term leases are the leases with a lease term of 12 months or less. Further, rental payments for the land where lease period is considered to be indefinite or indeterminable, these are charged off to the statement of profit and loss.

3.8 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to statement of profit and loss in the period in which they occur. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.9 Taxes on income

Tax expense comprises current tax and deferred tax. Current tax is the amount of the tax for the period determined in accordance with the Income-tax Act, 1961. Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in Other comprehensive income or in equity). Deferred tax is provided using the balance sheet approach on temporary differences at the reporting

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Such assets are reviewed at each balance sheet date to reassess realisation. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income-tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.10 Operating cycle

Based on the nature of products/activities of the Company and the normal time between purchase of natural gas and their realisation in cash or cash equivalents, the Company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.11 Operating expenses

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred.

3.12 (a) Property, plant and equipment

- i. Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.
- ii. Property, plant and equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.
- iii. Gas distribution systems are commissioned when ready for commencement of supply of gas to

consumers. In the case of commissioned assets where final payment to the contractors is pending, capitalisation is made on an estimated basis pending receipt of final bills from the contractors and subject to adjustment in cost and depreciation in the year of final settlement.

- iv. The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.
- v. Stores and spares which meet the definition of property, plant and equipment (whether as component or otherwise) and satisfy the recognition criteria, are capitalised as property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognised the new part with its own estimated useful life and it is depreciated accordingly. Likewise, when a major overhauling/ repair is performed, its cost is recognised in the carrying amount of respective assets if the recognition criteria are satisfied and depreciated over remaining useful life of asset or over the period of next overhauling due, whichever is earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

(b) Other intangible assets

Other intangible assets comprise of computer software/licenses. Such assets acquired by the Company are initially measured at cost. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and accumulated impairment loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits will flow to the Company.



Standalone summary of significant accounting policies and other explanatory information

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(c) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

3.13 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method ('SLM') at rates prescribed in Schedule II to the Companies Act, 2013 which are in line with their estimated useful life, except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.:

| A | Asset class | Depreciation |
|---|--|--------------|
| | Property, plant and equipment | |
| | - Mother compressors, online compressors and Booster compressors (forming part of plant and equipment) | 10 years |
| | - Pipeline (forming part of plant and equipment) | 25 years |
| | - Signages (forming part of buildings) | 10 years |
| | - Machinery spares | 5 years |

Overhauling cost is depreciated over the remaining life of the respective asset or over the period till the next overhauling date, whichever is earlier.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Other intangible assets

Intangible assets comprising software and licenses are amortised on straight line method (SLM) over the useful life of five years, which represents the management's assessment of economic useful life of the other intangible assets.

Amortisation method, useful lives and residual values of other intangible assets are reviewed at each financial year - end and adjusted, if appropriate.

3.14 Cash and cash equivalents

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

3.15 Cash flow statement

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

3.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.17 Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

3.18 Impairment of property, plant and equipment, other intangible assets and investments in associates

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

3.19 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material. Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates

in a single segment of natural gas business and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no 52.

3.21 Fair value measurement

The Company measures financial instruments such as investments in mutual funds, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised 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:

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

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.

3.22 Financial instruments

I. Financial assets

a. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

b. Subsequent measurement

(i) Financial assets carried at amortised cost

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

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

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

(iii) Financial assets at fair value through profit or loss (FVTPL)

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

c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 47 details how the Company determines whether there has been a significant increase in credit risk.

d. Derecognition of financial assets

A financial asset is derecognised when:

- The Company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial liabilities

Initial recognition and subsequent measurement

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

III. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

IV. 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.23 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

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

(i) Estimation of defined benefit obligation

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

(ii) Estimation of current tax and deferred tax

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in these financial statements.

(iii) Useful lives of depreciable/amortizable assets

Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain property, plant and equipment.

(iv) Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(v) Fair value measurement

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer note 46).

(vi) Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets is based on assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impact of Covid-19

The Ministry of Home Affairs vide order No.4-3/2020 dated 24 March 2020 notified natural gas supply among the essential services which continued to operate within the lockdown period in the crisis situation of COVID 19. However, owing to reduction in demand due to restrictions in vehicular movement, the management voluntarily decided to temporarily close down some of the CNG stations. Similarly, demand from industrial and commercial customers were also impacted due to the lockdown. The Company has evaluated the possible effects on the carrying amounts of the financial assets including receivables and unbilled revenue and expects to duly recover the same. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and impact thereof on its operations.

Standalone Summary of Significant Accounting Policies and Other Explanatory Information

for the Year Ended 31 March 2020

4 Property, plant and equipment, capital work-in-progress and other intangible assets

| Particulars | Property, plant and equipment | | | | | | | | | | Total | Other intangible assets Computer software/licenses | Capital work-in-progress (refer note 4.3 and 4.4) |
|---|-------------------------------|--|----------------------------|---------------------|------------------------|--------------|---------------------------|--------------------------|------------------------|----------|-------|---|---|
| | Freehold land | Land on perpetual lease (refer note 4.1) | Buildings (refer note 4.2) | Plant and equipment | Furniture and fixtures | Vehicles | Data processing equipment | Capital work-in-progress | | | | | |
| | | | | | | | | Plant and equipment | Furniture and fixtures | Vehicles | | | |
| Gross block | | | | | | | | | | | | | |
| Balance as at 1 April 2018 | 21.10 | 16.98 | 397.61 | 2,390.05 | 15.59 | 7.73 | 11.54 | | | | | 27.98 | 386.02 |
| Additions | 7.05 | - | 23.41 | 596.22 | 1.49 | 4.33 | 4.34 | | | | | 11.09 | 685.30 |
| Disposals/ adjustments | - | - | 1.67 | 15.53 | 0.09 | 0.01 | 0.80 | | | | | - | 593.24 |
| Balance as at 31 March 2019 | 28.15 | 16.98 | 419.35 | 2,970.74 | 16.99 | 12.05 | 15.08 | | | | | 39.07 | 478.08 |
| Additions | 12.27 | - | 16.00 | 743.61 | 4.18 | 10.85 | 4.54 | | | | | 3.60 | 1,019.17 |
| Disposals/ adjustments | - | - | 9.30 | 29.82 | 0.71 | 0.09 | 0.97 | | | | | - | 720.56 |
| Balance as at 31 March 2020 | 40.42 | 16.98 | 426.05 | 3,684.53 | 20.46 | 22.81 | 18.65 | | | | | 42.67 | 776.69 |
| Accumulated depreciation and amortisation | | | | | | | | | | | | | |
| Balance as at 1 April 2018 | - | - | 47.42 | 387.71 | 4.19 | 2.47 | 3.26 | | | | | 11.50 | - |
| Depreciation and amortisation charge for the year | - | - | 19.13 | 169.57 | 1.80 | 1.16 | 3.39 | | | | | 6.02 | - |
| Disposals | - | - | 1.63 | 13.64 | - | - | 0.79 | | | | | - | - |
| Balance as at 31 March 2019 | - | - | 64.92 | 543.64 | 5.99 | 3.63 | 5.86 | | | | | 17.52 | - |
| Depreciation and amortisation charge for the year | - | - | 19.26 | 197.22 | 1.99 | 2.55 | 4.51 | | | | | 6.98 | - |
| Disposals | - | - | 5.24 | 29.52 | 0.64 | 0.08 | 0.92 | | | | | - | - |
| Balance as at 31 March 2020 | - | - | 78.94 | 711.34 | 7.34 | 6.10 | 9.45 | | | | | 24.50 | - |
| Net block as at 31 March 2019 | 28.15 | 16.98 | 354.43 | 2,427.10 | 11.00 | 8.42 | 9.22 | | | | | 21.55 | 478.08 |
| Net block as at 31 March 2020 | 40.42 | 16.98 | 347.11 | 2,973.19 | 13.12 | 16.71 | 9.20 | | | | | 18.17 | 776.69 |

Notes:

- 4.1 Gross block of land on perpetual lease includes land amounting to ₹ 16.98 crores (previous year: ₹ 16.98 crores) obtained on lease from local authorities under licensing arrangement and pending execution of the related lease agreements.
- 4.2 Buildings, inter-alia, include buildings which have been constructed on land acquired on lease from various Government Authorities. (refer note 38).
- 4.3 The expenditure incidental to setting up of project is included in capital work-in-progress (CWIP) which is apportioned to the property, plant and equipment on completion of project. The Company has capitalised salary, wages and bonus amounting to ₹ 9.52 crores (previous year ₹ 7.68 crores) to the cost of property, plant and equipment /capital work-in-progress.
- 4.4 Capital work-in-progress has been netted off by ₹ 2.03 crores towards provision for obsolete and slow moving capital work-in-progress (previous year ₹1.57 crores)



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

5 Non-current financial assets- investments

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Investments in equity instruments (measured at cost) | | |
| Trade (unquoted) | | |
| Investments in associates: | | |
| (a) Central U.P. Gas Limited (incorporated in India, operating in cities of Kanpur and Bareilly) | | |
| Proportion of Company's ownership | 50% | 50% |
| 3,00,00,000 (31 March 2019: 3,00,00,000) equity shares of ₹ 10 each fully paid up in Central U.P. Gas Limited purchased at ₹ 22.65 per share | 68.12 | 68.12 |
| Incidental expenses amounting to ₹ 0.17 crores included in the cost of investments. | | |
| (b) Maharashtra Natural Gas Limited (incorporated in India, operating in city of Pune and adjoining areas) | | |
| Proportion of Company's ownership | 50% | 50% |
| 5,00,00,000 (31 March 2019: 5,00,00,000) equity shares of ₹ 10 each fully paid up in Maharashtra Natural Gas Limited purchased at ₹ 38 per share | 190.00 | 190.00 |
| | 258.12 | 258.12 |
| Aggregate amount of unquoted investments | 258.12 | 258.12 |

6 Loans - non-current

| Particulars | (₹ in Crores) | |
|-------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | | |
| - Considered good - unsecured | 13.38 | 11.47 |
| | 13.38 | 11.47 |

7 Other non-current financial assets

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balance with banks in fixed deposits having remaining maturity of more than 12 months (under lien against bank guarantee) | 0.06 | 0.30 |
| Others | 0.04 | 0.04 |
| | 0.10 | 0.34 |

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

8 Income-tax assets (net)

| Particulars | (₹ in Crores) | |
|--------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advance tax (net of provisions) | 22.69 | 11.04 |
| Income-tax demand paid under protest | 0.21 | 3.99 |
| | 22.90 | 15.03 |

9 Other non-current assets

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Capital advances | 6.25 | 20.65 |
| Advances other than capital advances: | | |
| Advance to related parties - GAIL (India) Limited (considered good, refer note 43) | 12.88 | 11.48 |
| Prepaid expenses | 22.72 | 29.87 |
| Others | 4.67 | 5.08 |
| | 46.52 | 67.08 |

10 Inventories (valued at lower of cost and net realisable value)

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Stock-in-trade | | |
| Natural gas | 3.12 | 3.71 |
| Stores and spares | 51.37 | 50.88 |
| Less: Provision for obsolete and slow moving stores and spares | (3.38) | (3.65) |
| | 47.99 | 47.23 |
| | 51.11 | 50.94 |

11 Current financial assets - investments

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Investment in mutual funds (unquoted) - at fair value through profit and loss (refer 11.1 below) | - | 1,285.87 |
| | - | 1,285.87 |
| Aggregate amount of unquoted investments and market value thereof | - | 1,285.87 |



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

11.1

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) Nil units (31 March 2019: 2,52,488.807) in SBI Magnum Ultra Short Duration Fund, Direct Growth | - | 105.23 |
| (b) Nil units (31 March 2019: 2,50,85,667.555) in HDFC Low Duration Fund, Direct Growth | - | 102.50 |
| (c) Nil units (31 March 2019: 5,06,076.717) in IDBI Liquid Fund, Direct Growth | - | 101.37 |
| (d) Nil units (31 March 2019: 2,21,645.568) in Reliance Liquid Fund, Direct Growth | - | 101.11 |
| (e) Nil units (31 March 2019: 2,57,867.07) in HDFC Money Market Fund, Direct Growth | - | 101.07 |
| (f) Nil units (31 March 2019: 4,15,521.645) in SBI Magnum Low Duration Fund, Direct Growth | - | 101.03 |
| (g) Nil units (31 March 2019: 1,96,56,614.166) in JM Liquid Fund, Direct Growth | - | 100.62 |
| (h) Nil units (31 March 2019: 3,33,75,274.929) in Reliance Floating Rate Fund, Direct Growth | - | 100.51 |
| (i) Nil units (31 March 2019: 3,07,05,080.77) in HDFC Floating Rate Debt Fund, WP Direct Growth | - | 100.42 |
| (j) Nil units (31 March 2019: 3,58,700.377) in Franklin India Liquid Fund, Direct Growth | - | 100.38 |
| (k) Nil units (31 March 2019: 36,24,187.29) in ICICI Prudential Liquid Fund, Direct Growth | - | 100.18 |
| (l) Nil units (31 March 2019: 4,96,310.478) in Mirae Asset Cash Management Fund, Direct Growth | - | 97.85 |
| (m) Nil units (31 March 2019: 12,55,147.14) in Aditya Birla Sun Life Liquid Fund, Direct Growth | - | 37.71 |
| (n) Nil units (31 March 2019: 95,190.381) in Tata Liquid Fund, Direct Growth | - | 28.03 |
| (o) Nil units (31 March 2019: 25,678.43) in UTI Liquid Cash Plan, Direct Growth | - | 7.86 |
| Total | - | 1,285.87 |

12 Trade receivables

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Trade receivables | | |
| i. Trade receivables considered good - secured | 88.01 | 83.66 |
| ii. Trade receivables considered good - unsecured | 82.38 | 137.82 |
| iii. Trade receivable - credit impaired | 8.20 | 4.98 |
| Less: Allowances for expected credit loss | (8.20) | (4.98) |
| | 170.39 | 221.48 |
| The above receivables include: | | |
| Considered good - unsecured | | |
| Receivables from related parties (refer note 43) | 9.29 | 18.45 |

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

13 Cash and cash equivalents

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balances with banks in current accounts | 129.68 | 25.88 |
| Cash on hand | 1.08 | 11.89 |
| Balances with banks in fixed deposits with original maturity of less than three months | 536.95 | 33.39 |
| | 667.71 | 71.16 |

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

14 Bank balances other than cash and cash equivalents

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balances with banks in fixed deposits with original maturity of more than three months and remaining maturity of less than twelve months (refer note (a) below) | 1,500.94 | 528.36 |
| Unpaid dividend account (refer note (b) below) | 0.99 | 0.86 |
| Earmarked balances with banks in current accounts- Escrow account | 10.30 | 6.71 |
| | 1,512.23 | 535.93 |

Note:

- Includes deposits under lien against bank guarantee of ₹ 0.95 crores (previous year ₹ nil).
- Not due for deposit to the Investor Education and Protection Fund.

15 Loans - current

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | | |
| i. Considered good - secured | - | - |
| ii. Considered good - unsecured (refer note 15.1 below) | 1.99 | 3.78 |
| iii. Deposits - credit impaired | 2.52 | 1.50 |
| Less : Allowances for expected credit losses | (2.52) | (1.50) |
| | 1.99 | 3.78 |

15.1 Security deposits, *inter-alia* comprise of deposits given to related parties as below :

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) GAIL (India) Limited | 0.10 | 0.10 |
| (b) Bharat Petroleum Corporation Limited | 0.01 | 0.01 |
| (Also, refer note 43) | 0.11 | 0.11 |



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

16 Other current financial assets

| Particulars | (₹ in Crores) | |
|------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Unbilled revenue | 35.20 | 32.94 |
| Interest accrued on fixed deposits | 26.15 | 11.46 |
| | 61.35 | 44.40 |

17 Other current assets

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advances other than capital advances: | | |
| CENVAT credit recoverable | 2.98 | 0.62 |
| Prepaid expenses | 24.92 | 23.64 |
| Employee advances | 0.58 | 0.27 |
| Advances to vendors* | 1.35 | 1.33 |
| Advances to others | 2.07 | 1.94 |
| Others | 0.96 | 1.01 |
| | 32.86 | 28.81 |

The management assesses the fair value of these financial assets not to be materially different from the amounts recognised in the financial statements.

*Advances to vendors, *inter-alia*, includes advances given to related parties as below:

| | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) GAIL (India) Limited | 0.68 | - |
| (b) Bharat Petroleum Corporation Limited (Also, refer note 43) | - | 0.05 |
| | 0.68 | 0.05 |

18 Equity share capital

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of shares | (₹ in crores) | Number of shares | (₹ in crores) |
| (a) Authorised Equity shares of ₹ 2 each (previous year ₹ 2 each) | 1,10,00,00,000 | 220.00 | 1,10,00,00,000 | 220.00 |
| (b) Issued, subscribed and fully paid up Equity shares of ₹ 2 each (previous year ₹ 2 each) | 70,00,00,800 | 140.00 | 70,00,00,800 | 140.00 |

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

18.1 Terms and rights attached to equity shares:

The Company has one class of equity shares having a par value of ₹ 2 each (previous year ₹ 2 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

18.2 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of shares | (₹ in crores) | Number of shares | (₹ in crores) |
| Balance as at the beginning/end of the year | 700,000,800 | 140.00 | 700,000,800 | 140.00 |

18.3 Details of shares held by each shareholder holding more than 5% shares*:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|-----------|---------------------|-----------|
| | Number of shares | % holding | Number of shares | % holding |
| Equity shares of ₹ 2 each | | | | |
| (a) GAIL (India) Limited | 157,500,000 | 22.50% | 157,500,000 | 22.50% |
| (b) Bharat Petroleum Corporation Limited | 157,500,400 | 22.50% | 157,500,400 | 22.50% |
| (c) Life Insurance Corporation of India | 59,003,813 | 8.43% | 53,234,451 | 7.60% |

18.4 The Company has not issued any shares pursuant to contract without payment being received in cash, or allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the date of balance sheet. Further, there are no shares which are reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

18.5 During the current year, the Company paid dividend of ₹ 2.40 per equity share for financial year 2018-19 amounting to ₹ 168.00 crores (excluding dividend distribution tax of ₹ 34.53 crores) [in the previous year, ₹ 2.00 per equity share for financial year 2017-18 amounting to ₹ 140 crores (excluding dividend distribution tax of ₹ 28.78 crores)].

19 Other equity

(₹ in Crores)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|---------------------|---------------------|
| (a) General reserve : | | |
| Balance as at the beginning/ end of the year | 303.50 | 303.50 |
| (b) Retained earnings: | | |
| Opening balance | 3,686.35 | 3,069.40 |
| Profit for the year | 1,136.54 | 786.67 |
| Dividends distributed to equity shareholders (refer note no: 18.5 above) | (168.00) | (140.00) |
| Dividend distribution tax on dividend paid on equity share capital (refer note 18.5 above) | (34.53) | (28.78) |
| | 4,620.36 | 3,687.29 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| - Remeasurement of post-employment benefit obligation, net of tax | (1.50) | (0.94) |
| Closing balance | 4,618.86 | 3,686.35 |
| | 4,922.36 | 3,989.85 |



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

19 Other equity (Contd..)

Nature of reserves

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

20 Other non-current financial liabilities

| Particulars | (₹ in Crores) | |
|-------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | 1.97 | 0.41 |
| | 1.97 | 0.41 |

21 Non-current provisions

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Provision for employee benefit obligations (refer note 42) | 23.47 | 19.55 |
| | 23.47 | 19.55 |

22 Deferred tax liabilities (net)

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) Deferred tax liabilities on: | | |
| Difference between book balance and tax balance of property, plant and equipment. | 236.21 | 275.98 |
| Financial assets at fair value through profit or loss | - | 5.32 |
| Others | - | 0.03 |
| | 236.21 | 281.33 |
| (b) Deferred tax assets on: | | |
| Provision for employee benefit obligations | 6.22 | 7.70 |
| Provision for obsolete and slow moving stores and spares/ Capital work-in-progress | 1.36 | 1.82 |
| Provision for expected credit loss on trade receivables and security deposits | 2.70 | 2.26 |
| Lease liability | 0.88 | - |
| Others | 13.14 | 1.71 |
| | 24.30 | 13.49 |
| Deferred tax liabilities (net) | 211.91 | 267.84 |

Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Movements in deferred tax liabilities and deferred tax assets

| Particulars | (₹ in Crores) | | |
|--|-------------------------------|-----------------------------------|------------------|
| | Property, plant and equipment | Gratuity and compensated absences | Other provisions |
| As at 1 April 2018 | 234.03 | (4.89) | (3.83) |
| Charged/ (credited) to the statement of profit or loss | 41.95 | (2.31) | 3.39 |
| (Credited) to other comprehensive income | - | (0.50) | - |
| As at 31 March 2019 | 275.98 | (7.70) | (0.44) |
| Charged/(credited) to the statement of profit or loss | (39.77) | 1.99 | (17.64) |
| (Credited) to other comprehensive income | - | (0.51) | - |
| As at 31 March 2020 | 236.21 | (6.22) | (18.08) |

23 Other non-current liabilities

| Particulars | (₹ in Crores) | |
|-------------|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Others | 0.87 | 0.97 |
| | 0.87 | 0.97 |

24 Current financial liabilities- Trade payables

| Particulars | (₹ in Crores) | |
|---|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Trade payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises (refer note 41) | 41.09 | 41.11 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Payable to others | 138.29 | 134.05 |
| Payable to related parties (refer note 43) | 45.58 | 150.90 |
| | 224.96 | 326.06 |

25 Other current financial liabilities

| Particulars | (₹ in Crores) | |
|--|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits from customers (refer note 39) | 771.58 | 649.27 |
| Unclaimed dividend [#] | 0.99 | 0.86 |
| Security deposits from vendors | 3.87 | 3.54 |
| Employee payable | 32.99 | 28.29 |
| Creditor for capital goods | 412.30 | 295.80 |
| | 1,221.73 | 977.76 |

[#] not due for deposit to the Investor Education and Protection fund.



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

26 Other current liabilities

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Excess payments received from customers | 26.09 | 23.72 |
| Advance from customers | 10.39 | 6.31 |
| Statutory dues payable | 17.49 | 13.14 |
| Advance received for shifting of pipeline | 16.77 | 17.05 |
| Others | 0.76 | 1.44 |
| | 71.50 | 61.66 |

27 Current-provisions

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Provision for employee benefit obligations (refer note 42) | 1.23 | 1.03 |
| Provisions for lease rentals (refer note below) | 256.06 | 162.42 |
| | 257.29 | 163.45 |
| Movement of provisions for lease rentals as required under Ind AS 37 | | |
| Balance as at the beginning of the year | 162.42 | 107.47 |
| Add: Additional provisions made during the year | 93.64 | 54.95 |
| Balance as at the end of the year | 256.06 | 162.42 |

28 Current tax liabilities (net)

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Provision for tax (net of advance tax) | - | 1.79 |
| | - | 1.79 |

29 Revenue from operations

| Particulars | (₹ in Crores) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Sale of natural gas (including excise duty) | 7,131.29 | 6,336.66 |
| Other operating revenues | 34.20 | 25.21 |
| | 7,165.49 | 6,361.87 |

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

30 Other income

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Interest income from banks | 46.68 | 36.39 |
| Dividend income from: | | |
| - investments in associates | 13.20 | 17.70 |
| Profit on sale of mutual funds | 87.38 | 73.57 |
| Net gain arising on debt mutual funds designated as at fair value through profit or loss | - | 15.22 |
| Provision for obsolete and slow moving stores and spares, written back | 0.27 | 0.02 |
| Provision for obsolete and slow moving capital work-in-progress, written back | - | 0.33 |
| Liabilities/provisions no longer required, written back | 3.21 | 0.10 |
| Allowances for expected credit loss no longer required, written back | - | 1.50 |
| Net gain on foreign currency transaction and translation | - | 0.05 |
| Other non-operating income | 5.64 | 1.27 |
| | 156.38 | 146.15 |

31 Purchases of stock-in-trade of natural gas

| Particulars | (₹ in Crores) | |
|-------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Natural gas | 3,678.77 | 3,397.89 |
| | 3,678.77 | 3,397.89 |

32 Changes in inventories of stock-in-trade of natural gas

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Closing stock of stock-in-trade of natural gas | 3.12 | 3.71 |
| Opening stock of stock-in-trade of natural gas | 3.71 | 3.14 |
| | 0.59 | (0.57) |

33 Employee benefits expense

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Salaries and wages | 129.44 | 123.04 |
| Contribution to provident fund and other funds | 4.41 | 4.23 |
| Staff welfare expenses | 17.85 | 15.28 |
| | 151.70 | 142.55 |



Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

34 Finance costs

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Finance costs on defined benefit obligations | 1.58 | 1.07 |
| Interest on late deposit of advance tax | - | 0.26 |
| Interest on lease liabilities | 6.52 | - |
| Other finance costs | 0.02 | 0.72 |
| | 8.12 | 2.05 |

35 Other expenses

| Particulars | (₹ in Crores) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Operating expenses at CNG stations | 201.89 | 182.53 |
| Stores and spares consumed | 25.21 | 27.03 |
| Power and fuel | 231.87 | 209.58 |
| Rent | 145.42 | 105.17 |
| Hire charges: | | |
| - Vehicle | 26.02 | 25.23 |
| - Equipment | 2.60 | 1.57 |
| Rates and taxes | 2.70 | 2.33 |
| Repairs and maintenance: | | |
| - Buildings | 22.25 | 12.89 |
| - Plant and equipment | 278.69 | 227.22 |
| Security expenses | 52.08 | 49.44 |
| Insurance | 1.96 | 1.49 |
| Cash/cheque collection charges | 9.34 | 10.70 |
| Legal and professional fees | 23.21 | 18.34 |
| Auditor's remuneration (refer note 35.1) | 0.58 | 0.54 |
| Travelling and conveyance | 7.07 | 5.40 |
| Office maintenance | 8.28 | 6.84 |
| Advertisement expenses | 11.36 | 12.40 |
| Loss on property, plant and equipment sold or discarded | 4.49 | 2.04 |
| Allowances for expected credit losses | 4.24 | 2.59 |
| Provision for obsolete and slow moving capital work-in-progress | 0.46 | - |
| Corporate social responsibility (CSR) activity expenses (refer note 40) | 19.88 | 14.49 |
| Miscellaneous expenses | 54.97 | 50.17 |
| | 1,134.57 | 967.99 |

Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

35 Other expenses (Contd..)

35.1 Payment to the statutory auditors as:

| Particulars | ₹ in Crores | |
|-----------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| (a) Auditor | 0.55 | 0.51 |
| (b) For reimbursement of expenses | 0.03 | 0.03 |
| | 0.58 | 0.54 |

36 Contingent liabilities

1. Claims against the Company not acknowledged as debt:

(a) Demand raised by Excise authorities

The Company had received a show cause notice dated 5 June 2012 from the Directorate General of Central Excise Intelligence for not paying excise duty on the facility discount paid to Delhi Transport Corporation from December 2008 to August 2010 and raised a demand of ₹ 2.42 crores (previous year ₹ 2.42 crores) which the Company duly deposited and, however, filed an appeal on 20 August 2013 with the Commissioner of Central Excise. The demand was confirmed by the Commissioner of Excise in its order dated 30 September 2013 and a penalty of ₹ 2.42 crores (excluding interest) was imposed on the Company. The Company filed an appeal on 10 January 2014 against the demand including penalty with Central Excise and Service Tax Appellate Tribunal and the stay has been granted by the tribunal against the demand. The case has been remanded back to the assessing authority by Central Excise and Service Tax Appellate Tribunal to submit additional documents along with other evidence.

(b) Demand raised by income-tax authorities

In respect of assessment year 2013-14 and 2014-15, the assessing officer had disallowed additional depreciation claimed by the Company on addition of assets pertaining to the CNG business. The department has raised a demand of ₹2.51 crores and ₹2.01 crores for the assessment year 2013-14 and 2014-15 respectively including interest. Out of the said demand, ₹ 4.01 crores has been adjusted against the refund for the assessment year 2014-15 and demand order for the balance amount of ₹ 0.51 crores has been issued by the Department for assessment year 2013-14. The Company had filed an appeal with the Commissioner of Income-tax (Appeals) which was ruled in favour of the revenue. The Company has further challenged the Order of the Commissioner of Income-tax (Appeals) in the Income-tax Appellate Tribunal. Against the remaining demand of ₹0.51 crores for the assessment year 2013-14, Company has deposited ₹ 0.20 crores under protest, while amounts of ₹ 0.23 crores and ₹ 0.08 crores have been adjusted against the refund of assessment year 2015-16 and assessment year 2011-12 respectively.

In respect of assessment year 2011-12, 2012-13 and 2015-16, the assessing officer had disallowed additional depreciation claimed by the Company on addition of assets pertaining to the CNG business. The department has raised a demand of ₹ 8.23 crores, ₹ 10.68 crores and ₹ 1.26 crores (including additional demand of ₹ 0.17 crores raised in current year) for the assessment year 2011-12, 2012-13 and 2015-16 respectively. Out of the said demand, ₹1.65 crores and ₹ 2.14 crores has been deposited under protest for the assessment year 2011-12 and 2012-13 respectively and ₹1.09 crores has been adjusted against the refund of assessment year 2015-16. The Company had filed appeals with the Commissioner of Income Tax (Appeals) against the decision of the Income-tax department which was ruled in favour of Company. Subsequently, the Income- tax department has further filed an appeal against the order of Commissioner of Income-tax (Appeals) in Income-tax Appellate Tribunal. In the current year, in addition to the additional demand raised for assessment year 2015-16 of ₹0.17 crores, the Company has received refund of ₹1.40 crores, ₹2.14 crores and ₹1.09 crores for assessment year 2011-12, 2012-13 and 2015-16 respectively. For assessment year 2011-12, balance amount of ₹ 0.25 crores has been adjusted against the demand of assessment year 2013-14 (₹ 0.08 crores) and additional demand for assessment year 2015-16 (₹ 0.17 crores).



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

36 Contingent liabilities (Contd..)

In respect of assessment year 2016-17, the assessing officer had disallowed additional depreciation claimed by the Company on addition of assets pertaining to the CNG business. The department has raised a demand of 0.84 crores for the assessment year 2016-17 including interest. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the assessment order passed by income-tax department for AY 2016-17, which was ruled in favour of Company. The Income-tax department has further filed an appeal against the order of Commissioner of Income-tax (Appeals) in Income-tax Appellate Tribunal. The Company is of the view that such disallowance is not tenable and accordingly no provision has been made for the said demand.

In the current year, the assessing officer had disallowed additional depreciation claimed by the Company in respect of assessment year 2017-18, on addition of assets pertaining to the CNG business. The department has raised a demand of ₹ 2.48 crores for the assessment year 2017-18 including interest. Company has filed an appeal with Commissioner of Income Tax (Appeals) against the assessment order passed by income-tax department for AY 2017-18. The Company is of the view that such disallowance is not tenable and accordingly no provision has been made for the said demand.

(c) Demand raised by Delhi Development Authority (DDA)

Delhi Development Authority (DDA) has raised a total demand (excluding interest) of ₹ 155.64 crores during 2013-14 on account of increase in license fees in respect of sites taken by the Company on lease from DDA for setting up compressed natural gas (CNG) stations in Delhi. The increase in license fees was related to the period 1 April 2007 to 31 March 2014. The Company has filed a writ petition on 11 October 2013 before the Hon'ble Delhi High Court against the demand raised by DDA as the revised license fees has been increased manifold and made applicable retrospectively from financial year 2007-08. Further, DDA vide communication dated 29 August 2016 has revised the total demand (excluding interest) to ₹ 330.73 crores for the period upto 31 March 2016. The same was also reported in the previous year(s) as a contingent liability.

The matter is pending in the Hon'ble High Court of Delhi and the Company, based on the legal opinion taken, is of the view that such demand is not tenable and accordingly no provision has been made for this aforementioned demand raised by DDA in the books of accounts.

- (d) During the previous year, the Company received a demand amounting to ₹ 0.04 crores from the Commercial Tax department, Uttar Pradesh which has been deposited by the Company under protest.
- (e) Apart from those disclosed above, the Company has certain ongoing litigations involving customers, vendors and employees. Based on legal advice of in house legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.

2 Demand raised by Goods and Service tax (GST) authorities

During the current year, the Company has received a demand cum show cause notice from the GST authorities for an amount of ₹19.55 crores in respect of financial year 2014-15, 2015-16, 2016-17 and from April 2017 to June 2017 wherein it has been alleged by the aforementioned authorities that the Company has incorrectly availed cenvat credit on the purchases made by the Company and has not paid service tax on certain other services. The Company is in process of filing the responses to the demand cum show cause notice and is of the view that such demand is not tenable. Accordingly, no provision has been made for the demand so raised.

- 3. There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgment dated 28 February 2019 on provident fund on which the Company is seeking legal advice specially on the retrospective applicability of the same. However, the Company for the current year is complying with the statutory requirements of the same and does not

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

36 Contingent liabilities (Contd..)

believes that any material liability would devolve on it.

4. During the previous year, GAIL (India) Limited has raised the following claims against the Company in relation to the allocation and actual utilisation of domestic gas amounting to :
 - ₹ 40.70 crores which in the current year has been revised to ₹ 0.01 crores post reconciliation of the computation performed by the Company and GAIL (India) Limited; and
 - ₹ 35.12 crores and ₹ 5.12 crores which have now been revised in the current year to ₹ 20.28 crores and ₹ 1.37 crores respectively for the gas supplied by the Company to Adani Gas Limited (AGL) and Haryana City Gas Distribution Limited (HCGDL). The Company has raised claims of the corresponding amount to AGL and HCGDL respectively. Both the aforementioned companies are in the process of reconciling the data with GAIL (India) Limited. Further, based on the agreements entered into by the Company with AGL and HCGDL respectively, and subsequent legal advice obtained on this matter, the management believes that the Company has the right to recover the said amount if charged by GAIL (India) Limited, from these companies. Accordingly, the management does not believes that any material liability would devolve on the Company.

37 Bank guarantees

The Company was in earlier years granted authorization for laying, building, operating and expanding CGD network in the geographical area of Karnal, Rewari, Meerut (except area already authorised) Shamli, Muzaffarnagar, Kaithal, Ajmer, Pali, Rajsamand, Kanpur (except area already authorised), Fatehpur and Hamirpur under the Petroleum and Natural Gas Regulatory Board (Authorizing entities to lay, build, operate or expand city or local Natural Gas Distribution Networks) Regulation 2008 against which the Company had submitted performance bank guarantees amounting to ₹ 2,446.36 crores (previous year ₹ 2,446.36 crores) to the Petroleum and Natural Gas Regulatory Board to cover the construction obligation for creation of infrastructure in the first 5 years. Further, during the year, the Company has been granted authorization for laying, building, operating and expanding City Gas Distribution (CGD) network in the geographical area of Hapur under the Petroleum and Natural Gas Regulatory Board (Authorizing entities to lay, build, operate or expand city or local Natural Gas Distribution Networks) Regulation 2008. The Company has further submitted a performance bank guarantee amounting to ₹ 33 crores to Petroleum and Natural Gas Regulatory Board to cover the construction obligation for creation of infrastructure in the first 5 years.

- (ii) The Company's commitment towards unexpired bank guarantees other than above mentioned in point (i) is ₹ 334.57 crores (previous year ₹ 375.39 crores) given in the ordinary course of business.

- 38 The Company has installed various CNG Stations on land leased from various government authorities for periods ranging from one to five years. However, assets constructed/installed on such land are depreciated generally at the rates specified in Schedule II to the Companies Act, 2013, as the management does not foresee non-renewal of the above lease arrangements by the authorities. The net block of such assets amounts to ₹ 274.36 crores (previous year ₹ 278.99 crores).

- 39 Security deposits from customers of natural gas, refundable on termination/alteration of the gas sales agreements, are considered as current liabilities as every customer has a right to request for termination of supply and the Company does not have a contractual right to delay payment for more than 12 months.

- 40 As per Section 135 of the Companies Act, 2013, a company, meeting the eligibility criteria, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of Companies Act, 2013. A CSR committee has been formed by the Company as per the Act.

- a) Gross amount required to be spent by the Company during the year is ₹ 20.14 crores (previous year ₹ 16.58 crores)



Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

b) Amount spent during the year on CSR

| (₹ in Crores) | | | | |
|---------------|---|---------|------------------------|-------|
| S.No | Particulars | In cash | Yet to be paid in cash | Total |
| (i) | Construction / acquisition of any asset | - | - | - |
| (ii) | On purposes other than (i) above: | 19.88 | - | 19.88 |
| | Empowerment of women and girl child | 2.73 | - | 2.73 |
| | Eradication of poverty | 1.10 | - | 1.10 |
| | Promotion of healthcare and sanitation | 4.68 | - | 4.68 |
| | Promotion of education | 8.73 | - | 8.73 |
| | Others | 2.64 | - | 2.64 |

41 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| (₹ in Crores) | | |
|---|-----------------------------|-----------------------------|
| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
| (a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| - Principal amount due to any supplier* | 285.26 | 197.27 |
| - Interest due on above | - | 0.37 |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (c) 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 the MSMED Act 2006. | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.48 | 0.48 |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

*includes amount of ₹ 244.65 crores (previous year ₹ 156.64 crores) towards creditors for capital goods.

42 Employee benefits:

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and other comprehensive income and the amount recognized in the balance sheet for the respective plans.

| (₹ in Crores) | | | | |
|---|---------------|---------------|---------------|---------------|
| Particulars | Non current | | Current | |
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Provision for gratuity (refer note below) | 1.63 | 2.16 | 0.54 | 0.31 |
| Provision for leave encashment | 21.84 | 17.39 | 0.69 | 0.72 |
| | 23.47 | 19.55 | 1.23 | 1.03 |

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Gratuity (funded)

(₹ in Crores)

| Particulars | Gratuity benefits | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Change in present value of the benefit obligations are as follows: | | |
| Present value of obligations at the beginning of the year | 14.19 | 10.89 |
| Current service cost | 1.69 | 1.31 |
| Interest cost | 1.09 | 0.81 |
| Remeasurement (gains)/losses: Actuarial losses | 2.21 | 1.44 |
| Benefits paid | (0.05) | (0.26) |
| Present value of obligation at the year end | 19.13 | 14.19 |
| Change in plan assets | | |
| Fair value of plan asset at the beginning of the year | 11.72 | 8.79 |
| Investment income | 1.30 | 0.80 |
| Employer contribution | 4.31 | 2.49 |
| Mortality charges | (0.12) | (0.10) |
| Remeasurement (gains)/losses - Return on plan assets | (0.20) | - |
| Benefits paid | (0.05) | (0.26) |
| Fair value of plan asset at the end of the year* | 16.96 | 11.72 |
| *The fund is managed by Life Insurance Corporation of India and category-wise composition of plan assets is not available with the Company. | | |
| Net liability recognised in balance sheet | | |
| Present value of the benefit obligations at the end of the year | 19.13 | 14.19 |
| Fair value of plan assets | 16.96 | 11.72 |
| Net liability recognised in balance sheet as provisions | 2.17 | 2.47 |
| Non-current portion of net liability | 1.63 | 2.16 |
| Current portion of net liability | 0.54 | 0.31 |
| | 2.17 | 2.47 |
| Expenses recognised in the statement of profit and loss: | | |
| Current service cost | 1.69 | 1.31 |
| Past service cost including curtailment gains/losses | - | - |
| Interest cost in benefit obligation (net) | 0.18 | 0.12 |
| Total expense recognised in statement of profit and loss | 1.87 | 1.43 |
| Expense recognised in other comprehensive income | | |
| Actuarial (gains)/losses arising from: | | |
| - changes in demographic assumptions | - | - |
| - changes in financial assumptions | 2.18 | 0.29 |
| - experience adjustments | 0.03 | 1.15 |
| Return on plan assets (excluding amounts included in net interest expense) | (0.20) | - |
| Total expense recognised in other comprehensive income | 2.01 | 1.44 |

Actuarial assumptions used

| Particulars | Gratuity benefits | |
|---------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Discount rate | 6.76% | 7.65% |
| Expected salary escalation rate | 6.50% | 6.50% |



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

42 Employee benefits: (Contd..)

Notes:

- The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liability.
- The estimates for future salary increase rate takes account of inflation, seniority, promotion, business plan, human resource policy and other relevant factors on long term basis.

Demographic assumptions used

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------|-----------------------------|-----------------------------|
| Mortality table | IALM(2012-14) | IALM(2006-08) |
| Retirement age | 60 years | 60 years |
| Withdrawal rates | | |
| Upto 30 years | 3 | 3 |
| From 31 to 44 years | 2 | 2 |
| Above 44 years | 1 | 1 |

Experience adjustment:

| Particulars | ₹ in Crores | | | | |
|---|-------------|--------|--------|--------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Present value of defined benefit obligation | 19.13 | 14.19 | 10.89 | 8.89 | 6.19 |
| Experience gain/(loss) on liability | (0.03) | (1.15) | (0.11) | (0.12) | 0.96 |

Effect of plan on Company's future cash flows

(a) Funding arrangements and funding Policy

The Company has purchased an insurance policy to provide payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(b) Maturity profile of defined benefit obligation

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| (i) Weighted average duration of the defined benefit obligation | 18.73 years | 18.91 years |

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| (ii) Duration of defined benefit obligation | | |
| 0 to 1 year | 0.54 | 0.31 |
| 1 to 2 year | 0.54 | 0.27 |
| 2 to 3 year | 0.59 | 0.26 |
| 3 to 4 year | 0.60 | 0.57 |
| 4 to 5 year | 0.78 | 0.42 |
| 5 to 6 year | 0.32 | 0.47 |
| 6 year onwards | 15.76 | 11.87 |

- (c) The contribution expected to be made by the Company during the financial year 2020-21 is ₹ 2.04 crores.

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

| Particulars | (₹ in Crores) | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2020 | | As at 31 March 2019 | |
| | Increase by 0.5% | Decrease by 0.5% | Increase by 0.5% | Decrease by 0.5% |
| Discount rate (Decrease)/ increase in the defined benefit liability | (1.27) | 1.40 | (0.93) | 1.02 |
| Salary growth rate (Decrease)/ increase in the defined benefit liability | 1.40 | (1.28) | 1.03 | (0.95) |

The present value of the defined benefit obligation calculated with the same method (project unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analysis are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Defined contribution plan

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 4.41 crores for provident fund contributions (previous year ₹ 4.23 crores) in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

43 Information on related party transactions pursuant to Ind AS 24 - Related party Disclosures

List of related parties:

- (a) Entities having significant influence over the Company (promoter venturers)
 - i. GAIL (India) Limited
 - ii. Bharat Petroleum Corporation Limited
- (b) Entities over which the Company exercises significant influence
 - i. Central UP Gas Limited
 - ii. Maharashtra Natural Gas Limited
- (c) Entities controlled by a major shareholder
 - i. GAIL Gas Limited (controlled by GAIL (India) Limited)



Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(d) Entities which are joint ventures of GAIL (India) Limited

- i. Petronet LNG Limited
- ii. Green Gas Limited
- iii. Rajasthan State Gas Limited

(e) Key managerial personnel (KMPs):

- | | | |
|-------|--------------------------------|---|
| i | Mr. Gajendra Singh | Chairman (with effect from 14 January 2019) |
| ii | Mr. Arun Kumar Singh | Chairman (with effect from 1 October 2018 to 13 January 2019) |
| iii | Mr S. Ramesh | Chairman (with effect from 1 April 2018 to 23 September 2018) |
| iv | Mr. E.S. Ranganathan | Managing Director# |
| v | Mr. Amit Garg | Director Commercial (with effect from 25 July 2019) |
| vi | Mr. Rajiv Sikka | Director Commercial (with effect from 25 May 2018 to 1 July 2019) |
| vii | Mr. V. Nagarajan | Director Commercial (till 24 May 2018) |
| viii | Mr. Rajendra Natekar Pushparaj | Non- Executive Director (with effect from 14 January 2019) |
| ix | Mr. S. Bairagi | Non-Executive Director (with effect from 6 July 2018 to 13 January 2019) |
| x | Mr Manoj Jain | Non-Executive Director (with effect from 1 April 2018 to 5 July 2018) |
| xi | Mr. Rakesh Chawala | Chief Financial Officer (with effect from 1 August 2018)* |
| xii | Mr. Rajesh Agrawal | Chief Financial Officer (till 31 July 2018)* |
| xiii | Mr. S.K. Jain | Company Secretary* |
| xiv | Ms Varsha Joshi | Non- Executive Director (upto 22 May 2019) |
| xv | Ms Renu Sharma | Non- Executive Director (with effect from 1 December 2019) |
| xvi | Mr. Rajeev Verma | Non- Executive Director (with effect from 21 June 2019 till 30 November 2019) |
| xvii | Mr. Akhilesh Kumar Ambasht | Non - Executive, Independent Director (with effect from 11 February 2019) |
| xviii | Ms Saroj Bala | Non - Executive, Independent Director (with effect from 11 February 2019) |
| xix | Mr. R.S. Sahoo | Non - Executive, Independent Director (with effect from 11 February 2019) |
| xx | Mr Raghu Nayar | Non-Executive, Independent Director (till 19 March 2019) |
| xxi | Ms Sudha Sharma | Non-Executive, Independent Director (till 19 March 2019) |
| xxii | Mr Sadashiv Srinivas Rao | Non-Executive, Independent Director (till 15 October 2018) |
| xxiii | Mr Santosh Kumar Bajpai | Non-Executive, Independent Director (till 15 October 2018) |
| xxiv | Mr Ranganathan Venkataraman | Non-Executive, Independent Director (till 15 October 2018) |
| xxv | Mr. Ramesh Narain Misra | Non - Executive, Independent Director (with effect from 11 June 2019) |
| xxvi | Mr. Deepak Mishra | Non - Executive, Independent Director (with effect from 13 June 2019) |

Post the year end, with effect from 16 June 2020, Mr. Asit Kumar Jana is the Managing Director of the Company.

* Pursuant only to Section 203 of the Companies Act, 2013

Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Transactions/balances outstanding with related parties in the ordinary course of business:

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| GAIL (India) Limited | | |
| <i>Transactions during the year:</i> | | |
| Purchase of stock-in-trade of natural gas (including VAT) | 3,113.84 | 2,800.96 |
| Transportation charges | 44.52 | 35.67 |
| Refund of excess fixed transmission charges | 18.36 | - |
| Sale of natural gas | 2.63 | 3.21 |
| Salaries, allowances and other related payments | 1.05 | 0.99 |
| Road restoration charges | 0.07 | 0.25 |
| Bonus (profit sharing) | 0.15 | 0.15 |
| Advance paid for hooking up charges of shippers facilities | 9.43 | - |
| Refund of hooking up charges | 8.01 | - |
| Operational charges | 0.19 | 0.16 |
| Sponsorship of events | 0.02 | - |
| Net movement in standby letter of credit/ bank guarantee | 2.47 | (96.43) |
| Dividend paid | 37.80 | 31.50 |
| <i>Balance outstanding as at the year end:</i> | | |
| Trade payables | 34.70 | 123.98 |
| Trade receivables | 0.03 | 0.25 |
| Security deposit paid | 0.10 | 0.10 |
| Bank guarantee/standby letter of credit outstanding (SBLC) at the year end | 160.30 | 157.83 |
| Advance paid for hooking up of shippers facilities | 13.56 | 11.48 |
| Bharat Petroleum Corporation Limited | | |
| <i>Transactions during the year:</i> | | |
| Sale of CNG (gross) | 462.19 | 432.16 |
| Salaries, allowances and other related payments | 0.68 | 0.95 |
| Reimbursement of electricity expenses | 16.74 | 16.00 |
| Facility charges | 17.52 | 17.04 |
| Purchases of stock-in-trade of natural gas | 302.77 | 324.42 |
| Purchases of lubricants | 0.60 | 0.86 |
| Purchase of petrol/diesel (including unutilised) | 0.15 | 0.17 |
| Security deposit paid | 0.02 | 0.01 |
| Security deposit refund | 0.02 | 0.01 |
| Bonus (profit sharing) | 0.15 | 0.15 |
| Earnest money deposit received/(repaid) | - | (0.04) |
| Net movement in standby letter of credit/ bank guarantee | 0.40 | (1.93) |
| Dividend paid | 37.80 | 31.50 |
| <i>Balance outstanding as at the year end:</i> | | |
| Trade payables | 7.70 | 11.50 |
| Trade receivables | 9.26 | 18.20 |
| Security deposit | 0.01 | 0.01 |
| Bank guarantee outstanding at the year end | 29.20 | 28.80 |
| Other advances | - | 0.05 |



Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Transactions/balances outstanding with related parties in the ordinary course of business: (Contd..)

| Particulars | (₹ in Crores) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Central UP Gas Limited | | |
| <i>Transactions during the year:</i> | | |
| Dividend received | - | 4.50 |
| Sitting fees received | 0.04 | 0.04 |
| Security deposit given | - | 0.02 |
| Security deposit refund | - | 0.02 |
| Maharashtra Natural Gas Limited | | |
| <i>Transactions during the year:</i> | | |
| Dividend received | 13.20 | 13.20 |
| Sitting fees received | 0.03 | 0.01 |
| GAIL Gas Limited | | |
| <i>Transactions during the year:</i> | | |
| Purchase of stock-in-trade of natural gas | 135.56 | 132.77 |
| <i>Balance outstanding as at the year end:</i> | | |
| Trade payables | 3.12 | 5.74 |
| Bank guarantee outstanding at the year end | 8.46 | 8.46 |
| Petronet LNG Limited | | |
| <i>Transactions during the year:</i> | | |
| Purchase of stock-in-trade of natural gas | 20.90 | 44.82 |
| Net movement in standby letter of credit/ bank guarantee issued/renewed | (0.30) | 11.58 |
| <i>Balance outstanding as at the year end:</i> | | |
| Trade payable | - | 9.62 |
| Bank guarantee outstanding at the year end | 11.28 | 11.58 |
| Green Gas Limited | | |
| <i>Transactions during the year:</i> | | |
| Purchase of stock-in-trade of natural gas | - | - |
| <i>Balance outstanding as at the year end:</i> | | |
| Trade payable | 0.06 | 0.06 |
| Rajasthan State Gas Limited | | |
| <i>Transactions during the year:</i> | | |
| Sale of property, plant and equipment | - | 0.01 |
| Key managerial personnel: | | |
| <i>Transactions during the year:</i> | | |
| Mr. E.S. Ranganathan: direct reimbursements# | 0.04 | 0.03 |
| Mr. Rajiv Sikka: direct reimbursements# | 0.02 | 0.05 |
| Mr. Amit Garg: direct reimbursements# | 0.06 | - |
| Mr. Rakesh Chawala (managerial remuneration) | 0.78 | 0.41 |

Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Transactions/balances outstanding with related parties in the ordinary course of business: (Contd..)

(₹ in Crores)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Mr. S.K. Jain (managerial remuneration) | 0.79 | 0.72 |
| Mr. Akhilesh Kumar Ambasht | 0.14 | 0.02 |
| Ms Saroj Bala | 0.12 | 0.02 |
| Mr. R.S. Sahoo | 0.21 | 0.02 |
| Ms Varsha Joshi | 0.01 | - |
| Mr. Rajeev Verma | 0.03 | - |
| Ms Renu Sharma | 0.03 | - |
| Mr. Ramesh Narain Misra | 0.10 | - |
| Mr. Deepak Mishra | 0.09 | - |
| Mr. V. Nagarajan: Direct reimbursements# | - | 0.02 |
| Mr. Rajesh Agrawal (managerial remuneration) | - | 0.74 |
| Mr Raghu Nayar | - | 0.14 |
| Ms Sudha Sharma | - | 0.14 |
| Mr Sadashiv Srinivas Rao | - | 0.09 |
| Mr Santosh Kumar Bajpai | - | 0.08 |
| Mr Ranganathan Venkataraman | - | 0.07 |

Direct reimbursements made as per terms of employment/entitlements

44 Income-tax expense

(₹ in Crores)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| (a) Income-tax expense | | |
| <i>Current tax</i> | | |
| Current tax on profits for the year | 334.53 | 370.31 |
| Total current tax expense | 334.53 | 370.31 |
| <i>Deferred tax</i> | | |
| (Increase)/ decrease in deferred tax assets | (10.30) | (4.27) |
| (Decrease)/ increase in deferred tax liabilities | (45.12) | 47.30 |
| Total deferred tax expense | (55.42) | 43.03 |
| Income tax expense reported in the statement of profit or loss | 279.11 | 413.34 |
| <i>Deferred tax related to items recognised in OCI during the year</i> | | |
| Net loss/(gain) on remeasurements of defined benefit plans | (0.51) | (0.50) |
| Tax expense | 278.60 | 412.84 |



Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

| Particulars | ₹ in Crores | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Profit before income-tax expense | 1,415.65 | 1,200.01 |
| Tax at the Indian tax rate of 25.168% (2018-2019 : 34.944%) | 356.29 | 419.33 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Effect of non deductible expenses | 5.01 | 5.41 |
| Effect of disallowances/ (allowances) | 0.10 | (6.62) |
| Income exempt from tax | (3.32) | (6.19) |
| Others | (1.54) | 0.91 |
| Change due to adoption of new tax rate (refer note below) | (77.94) | - |
| Income-tax expense | 278.60 | 412.84 |

Note :

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised provision for income-tax basis the revised rates resulting in a reduction in current tax expense. The Company has also re-measured its deferred tax liability on the basis of reduced rate.

45 Financial instruments by category

| Particulars | ₹ in Crores | | | |
|--|---------------------|-----------------|---------------------|----------------|
| | As at 31 March 2020 | | As at 31 March 2019 | |
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Non current financial assets | | | | |
| Loans | - | 13.38 | - | 11.47 |
| Other financial assets | - | 0.10 | - | 0.34 |
| Current financial assets | | | | |
| Investments | - | - | 1,285.87 | - |
| Trade receivables | - | 170.39 | - | 221.48 |
| Cash and cash equivalents | - | 667.71 | - | 71.16 |
| Bank balances other than cash and cash equivalents | - | 1,512.23 | - | 535.93 |
| Unbilled revenue | - | 35.20 | - | 32.94 |
| Interest accrued on fixed deposits | - | 26.15 | - | 11.46 |
| Security deposits with related parties and others | - | 1.99 | - | 3.78 |
| Total financial assets | - | 2,427.15 | 1,285.87 | 888.56 |
| Non current financial liabilities | | | | |
| Security deposits | - | 1.97 | - | 0.41 |
| Lease liabilities | - | 76.18 | - | - |
| Current financial liabilities | | | | |
| Trade payables | - | 224.96 | - | 326.06 |
| Security deposits from customers | - | 771.58 | - | 649.27 |
| Unclaimed dividends | - | 0.99 | - | 0.86 |
| Employee benefits payable | - | 32.99 | - | 28.29 |

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

45 Financial instruments by category (Contd..)

| Particulars | (₹ in Crores) | | | |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | As at 31 March 2020 | | As at 31 March 2019 | |
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| Creditors towards capital goods | - | 412.30 | - | 295.80 |
| Security deposits from vendors | - | 3.87 | - | 3.54 |
| Lease liabilities | - | 20.01 | - | - |
| Total financial liabilities | - | 1,544.85 | - | 1,304.23 |

Note :

Investments in associates as at the close of the year ended 31 March 2020 and 31 March 2019 are carried at cost, per the exemption availed by the Company. Hence, the same has not been considered in the above table.

46 Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

There are no financial liabilities measured at fair value as at 31 March 2020 and 31 March 2019.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 31 March 2019 and 31 March 2020 as follows:

| | (₹ in Crores) | | | |
|----------------------------|-----------------|---------|---------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| As at 31 March 2019 | | | | |
| Investment in mutual funds | 1,285.87 | - | - | 1,285.87 |
| Total | 1,285.87 | - | - | 1,285.87 |
| As at 31 March 2020 | | | | |
| Investment in mutual funds | - | - | - | - |
| Total | - | - | - | - |

During the previous year, the investment in mutual funds have been fair valued per net assets value [NAV] as at reporting date.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Security deposits received have not been fair valued as the same are repayable on demand, so there is no fixed term available for the purpose of discounting. Further, security deposits given have not been fair valued as the impact of the fair valuation is not material.



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

47 Financial risk management

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of the same in the financial statements.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk mainly through its purchases of capital items from overseas suppliers in various foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency ('FC') transactions and follows established risk management policies to manage its risks.

The Company's foreign currency exposure on accounts payable that have not been hedged by a derivative instrument or otherwise are given below:

| Currency | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|----------|--------------------------|---------------|--------------------------|---------------|
| | FC | (₹ in crores) | FC | (₹ in crores) |
| USD | 7,69,094 | 5.80 | 3,24,230 | 2.24 |
| EURO | 1,04,514 | 0.87 | 1,26,771 | 0.99 |
| | | 6.67 | | 3.23 |

Foreign currency sensitivity

There shall be no material impact on profit before tax due to 1% increase/decrease in foreign exchange rates.

(ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date :

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses

| Exposure to credit risk | (₹ in Crores) | |
|--|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits (non-current) | 13.38 | 11.47 |
| Balance with banks in fixed deposits (under lien against bank guarantee) | 0.06 | 0.30 |
| Cash and cash equivalents (except cash on hand) | 666.63 | 59.27 |
| Other bank balances | 1,512.23 | 535.93 |
| Unbilled revenue | 35.20 | 32.94 |
| Interest accrued on fixed deposits | 26.15 | 11.46 |
| Security deposits with related parties and others | 1.99 | 3.78 |
| | 2,255.64 | 655.15 |

Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses

| | | |
|-------------------|--------|--------|
| Trade receivables | 178.59 | 226.46 |
|-------------------|--------|--------|

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(ii) Credit risk (Contd..)

An analysis of age of trade receivables at each statement of financial position date is summarized as follows:

| Particulars | (₹ in Crores) | |
|-------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| upto 1 year | 170.37 | 217.88 |
| upto 2 years | 2.95 | 3.29 |
| upto 3 years | 2.22 | 2.96 |
| upto 4 years | 0.84 | 1.04 |
| upto 5 years | 0.71 | 0.91 |
| More than 5 years | 1.50 | 0.38 |
| | 178.59 | 226.46 |

Expected credit loss

| Particulars | As at | |
|-------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| upto 1 year | 0% | 0% |
| upto 2 years | 84% | 34% |
| upto 3 years | 91% | 43% |
| upto 4 years | 100% | 100% |
| upto 5 years | 100% | 100% |
| More than 5 years | 100% | 100% |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks. Further, security deposits paid includes payment made to government agencies which are considered low credit risk

(iii) Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each statement of financial position date. Long term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals. As at each statement of financial position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarized as follows:



Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(iii) Liquidity risk (Contd..)

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31 March 2020

| Particulars | (₹ in Crores) | | |
|----------------------------------|------------------|------------------|-----------------|
| | Less than 1 year | More than 1 year | Total |
| Trade payables | 224.96 | - | 224.96 |
| Security deposits from customers | 771.58 | - | 771.58 |
| Unclaimed dividends | 0.99 | - | 0.99 |
| Security deposits from vendors | 3.87 | - | 3.87 |
| Employee payable | 32.99 | - | 32.99 |
| Creditor for capital goods | 412.30 | - | 412.30 |
| Security deposits | - | 1.97 | 1.97 |
| Lease liabilities | 20.01 | 76.18 | 96.19 |
| | 1,466.70 | 78.15 | 1,544.85 |

As at 31 March 2019

| Particulars | (₹ in Crores) | | |
|----------------------------------|------------------|------------------|-----------------|
| | Less than 1 year | More than 1 year | Total |
| Trade payables | 326.06 | - | 326.06 |
| Security deposits from customers | 649.27 | - | 649.27 |
| Unclaimed dividends | 0.86 | - | 0.86 |
| Security deposits from vendors | 3.54 | - | 3.54 |
| Employee payable | 28.29 | - | 28.29 |
| Creditor for capital goods | 295.80 | - | 295.80 |
| Security deposits | - | 0.41 | 0.41 |
| | 1,303.82 | 0.41 | 1,304.23 |

(iv) Price risk

The Company is not exposed to sensitivity to price risk in regards to its financial assets and liabilities.

(v) Interest risk

The Company's policy is to minimise interest rate cash flow risk exposures. The Company is exposed to the interest rate risk on fixed deposit and on the investment done by the Company in mutual funds. The exposure to the interest rate for the Company's mutual fund and fixed deposit is considered immaterial.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.50% (2018-19: +/-0.50%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

| Particulars | (₹ in Crores) | | | |
|---------------|---------------------|--------------|--------------|--------------|
| | Profit for the year | | Equity | |
| | 0.50% | 0.50% | 0.50% | 0.50% |
| 31 March 2020 | 10.19 | (10.19) | 7.63 | (7.63) |
| 31 March 2019 | 9.24 | (9.24) | 6.01 | (6.01) |

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

48 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to stakeholders

For the purpose of Company's capital management, capital includes issued equity capital. The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants, if any. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, less cash and cash equivalents.

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Borrowings | - | - |
| Less: Cash and cash equivalents | (667.71) | (71.16) |
| Borrowings (net of cash and cash equivalents) | - | - |
| Capital employed | 5,062.36 | 4,129.85 |
| Total capital employed | 5,062.36 | 4,129.85 |
| Gearing ratio | 0% | 0% |

49 Capital and other commitments

(a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is as under:

| Particulars | (₹ in Crores) | |
|-------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Property, plant and equipment | 2,013.94 | 1,469.80 |
| | 2,013.94 | 1,469.80 |

(b) Other commitments

The Company has entered into long-term agreements for purchase of natural gas upto maximum quantity of 0.58 million standard cubic meters (SCM)/ day (₹ 1.96 crores per day based on average rates prevailing on March 2020) till 2028 with different suppliers. These agreements have 'take or pay' clause which shall be applicable in case gas off take is less than the contractual quantity as defined in the agreement and the same can be adjusted against make up quantity to be taken in the subsequent years. As at the balance sheet date, the management does not foresee any liability on account of the said obligation.

50 Earnings per equity share

| Particulars | Units | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|---------------|-----------------------------|-----------------------------|
| Net profit attributable to shareholders | ₹ crores | 1,136.54 | 786.67 |
| Weighted average number of equity shares | No. in crores | 70.00 | 70.00 |
| Nominal value per share | ₹ | 2.00 | 2.00 |
| Basic earning per share of ₹ 2 each | ₹ | 16.24 | 11.24 |

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.



Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

51 Leases

a) The Company has adopted Ind AS 116 'Leases' from 1 April 2019, which resulted in changes in accounting policies in the standalone financial statements.

b) Transition

Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and recognised at the date of initial application:

- a) Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for leases as on 31 March 2019; and
- b) Right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

c) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases

d) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9% p.a. with maturity between 2020 - 2042.

e) Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

f) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

| | (₹ in Crores) | | |
|----------------------------|----------------------------------|---------------------------------|-------------------------------------|
| Right-of-use assets | No of right-of-use assets leased | Range of remaining term (years) | Average remaining lease term(years) |
| Land | 21 | 2- 90 | 46.62 |
| Building | 35 | 1- 22 | 2.27 |
| Data processing equipments | 1 | 1- 1 | 1.00 |
| Vehicles | 19 | 4- 5 | 4.56 |

There are no leases entered by the Company which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

Standalone summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

g) (i) Amounts recognised in balance sheet and statement of profit and loss :

The balance sheet shows the following amounts relating to leases:

(₹ in Crores)

| Particulars | Category of right-of-use assets | | | | |
|---|---------------------------------|--------------|---------------------------|--------------|---------------|
| | Land | Buildings | Data processing equipment | Vehicles | Total |
| Balance as at 1 April 2019 (on account of initial application of Ind AS 116) | 31.11 | 14.33 | 0.18 | 28.21 | 73.83 |
| Add: Additions | 30.99 | 19.19 | - | 17.73 | 67.91 |
| Less: Depreciation charged on the right-of-use assets | 6.66 | 6.12 | 0.09 | 6.87 | 19.74 |
| Balance as at 31 March 2020 | 55.44 | 27.40 | 0.09 | 39.07 | 122.00 |

h) Lease payments not recognised as lease liabilities:

(₹ in Crores)

| Particulars | Year ended 31 March 2020 |
|---|--------------------------|
| Expenses relating to short term leases (included in other expenses) | 132.39 |
| Expenses relating to variable lease payments not included in lease payments | 20.66 |
| Total | 153.05 |

i) The total cash outflow for leases for the year ended 31 March 2020 was ₹ 40.93 crores.

j) Future minimum lease payments as on 31 March 2020 are as follows:

| Minimum lease payments due | As at 31 March 2020 | | |
|----------------------------|---------------------|-----------------|--------------------|
| | Lease payments | Finance charges | Net present values |
| Within 1 year | 27.33 | (7.32) | 20.01 |
| 1 - 2 years | 25.24 | (5.55) | 19.69 |
| 2 - 3 years | 21.63 | (4.01) | 17.62 |
| 3 - 4 years | 19.95 | (2.48) | 17.47 |
| 4 - 5 years | 13.33 | (1.08) | 12.25 |
| After 5 years | 15.82 | (6.67) | 9.15 |
| Total | 123.30 | (27.11) | 96.19 |

k) Reconciliation of total lease commitments as on 31 March 2019 to the lease liabilities recognised at 1 April 2019:

| Particulars | Amount in ₹ |
|---|--------------|
| Total operating lease commitments as on 31 March 2019 | 83.58 |
| Discounted using incremental borrowing rate | (20.89) |
| Operating lease liabilities | 62.69 |
| Reasonably certain extension options | - |
| Finance lease obligations | - |
| Total lease liabilities recognised live under Ind AS 116 at 1 April 2019 | 62.69 |



Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

52 The Company is primarily engaged in the business of providing natural gas. Hence, as per the chief operating decision maker the sale of natural gas has been considered as a single operating segment per Ind AS 108 'Operating Segment' and accordingly disclosures have been limited to single operating segment.

In the current year, revenue from one external customer amounting to ₹ 795.15 crores individually accounted for more than ten percent of the revenue. In the previous year, none of the customer individually accounted for more than ten percent of the revenue.

53 Disclosures pursuant to Ind AS 115, Revenue from Contracts with customers, are as follows :

a) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

| Particulars | ₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Contract assets | | |
| Unbilled revenue | 35.20 | 32.94 |
| Total contract assets | 35.20 | 32.94 |
| Contract liabilities | | |
| Excess payments received from customers | 26.09 | 23.72 |
| Advance from customers | 10.39 | 6.31 |
| Total contract liabilities | 36.48 | 30.03 |
| Receivables | | |
| Trade receivables | 170.39 | 221.48 |
| Net receivables | 170.39 | 221.48 |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

b) Significant changes in contract assets and liabilities

There has been no significant changes in contract assets during the year

| Particulars | ₹ in Crores) | | | |
|---|---|------------------------|---|------------------------|
| | As at 31 March 2020 | | As at 31 March 2019 | |
| | Contract liabilities | | Contract liabilities | |
| | Excess payments received from customers | Advance from customers | Excess payments received from customers | Advance from customers |
| Opening balance | 23.72 | 6.31 | 16.57 | 3.79 |
| Add: Addition during the year | 14.22 | 10.39 | 16.11 | 6.31 |
| Less: Revenue recognised during the year from opening liability | 11.85 | 6.31 | 8.96 | 3.79 |
| Closing balance | 26.09 | 10.39 | 23.72 | 6.31 |

Standalone summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

- 54** During the year ended 31 March 2020, the Company has reclassified / regrouped the outstanding liability pertaining to lease rentals amounting to ₹ 162.42 crores as at 31 March 2019 from Current financial liabilities- Trade payables to Current- provisions.
- 55** The agreements with the Oil Marketing Companies (OMCs) for the Delhi region and Uttar Pradesh region expired on 31 March 2018 and 31 March 2019 respectively. The Company is in active negotiations with them to renew the commercial terms of the contracts. However, for the Delhi region, an incremental amount of ₹ 10.83 crores pertaining to the current year (previous year ₹ 4.90 crores) and for the Uttar Pradesh region an incremental amount of ₹ 0.88 crores has been provided for towards the estimated increase in the amount of trade margin and facility charges payable to the OMCs.
- 56 Post reporting date events**
- No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorisation of the Company's standalone financial statements. However, the Board of Directors have recommended a final dividend of 140% i.e. ₹ 2.80 (previous year ₹ 2.40) on equity shares of ₹ 2 (previous year ₹ 2) each for the year ended 31 March 2020, subject to approval of shareholders at the ensuing annual general meeting.
- 57** The standalone financial statements for the year ended 31 March 2020 were approved by the Board of Directors on 17 June 2020.

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-57)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Sd/-
Rajni Mundra
Partner
Membership No. 058644

Place: New Delhi
Date: 17 June 2020

For and on behalf of board of directors

Sd/-
Asit Kumar Jana
Managing Director
(DIN 03452799)

Sd/-
Amit Garg
Director (Commercial)
(DIN 08515246)

Sd/-
Rakesh Chawla
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF INDRAPRASTHA GAS LIMITED FOR THE YEAR ENDED 31
MARCH 2020**

The preparation of financial statements of Indraprastha Gas Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indraprastha Gas Limited for the year ended 31 March 2020 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6) (b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(D. K. Sekar)

Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 11 August 2020

Consolidated Financial Statements



Independent Auditor's Report

To
the Members of
Indraprastha Gas Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Indraprastha Gas Limited (the 'Company') and its associates, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Company and its associates, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the associates, were of most significance in our audit of the 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.
5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter

Demand raised by Delhi Development Authority ('DDA')

Refer note 3.21 for the accounting policy and note 36(1)(c) for the related disclosure.

As explained in the note 36(1)(c) to the accompanying consolidated financial statements; the Company had received a demand (excluding interest) from DDA amounting to ₹ 155.64 crores during financial year 2013-14

How our audit addressed the key audit matter

Our audit procedures in relation to the aforesaid matter included, but were not limited to the following:

- Evaluated the design of, and tested key internal controls in respect of identification, recognition and measurement of provisions for dispute, litigations, and contingent liabilities;

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>pertaining to the period 1 April 2007 to 31 March 2014 on account of increase in license fees in respect of sites taken on lease by the Company from DDA for setting up Compressed Natural Gas (CNG) stations in Delhi. The Company had filed a writ petition on 11 October 2013 before the Hon'ble High Court of Delhi against the aforesaid demand (excluding interest) raised by DDA which is currently pending. Further, DDA vide communication dated 29 August 2016 had revised the total demand (excluding interest) to ₹ 330.73 crores for the period upto 31 March 2016.</p> <p>The management of the Company, based on legal opinion obtained by them, have assessed the same as contingent and accordingly not provided for the demand raised by DDA in the consolidated financial statements.</p> <p>We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved in this matter and inherent subjectivity and uncertainty involved in determination of the amount, if any, to be provided as liability in accordance with the applicable accounting standards.</p> | <ul style="list-style-type: none"> • Obtained the Company's evaluation of the said matter supported by the external legal opinion obtained by the management in the financial year ended 31 March 2020; • Discussed the said matter with the in-house legal general counsel of the Company; • Conducted in-depth inquiries with the management of the Company and robust discussions with the Board, to obtain their view on the status of the aforesaid matter; • Circulated and obtained confirmation from the legal counsel representing the Company as at year end; and • Assessed the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting standards. |

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we 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 in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Company's Board of Directors. 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 Company including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the Company and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associates are responsible for assessing the ability of the Company and of its associates 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the financial reporting process of the Company and of its associates.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 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 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 management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates 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 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 and its associates to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its associates, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

15. The consolidated financial statements include the Company's share of net profit (including other comprehensive income) of Rs. 154.06 crores for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, 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 reports of the other auditors.

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 reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the associates, we report that the Company and its associate companies paid remuneration to their respective directors during the year in accordance with the provisions of and limits

laid down under section 197 read with Schedule V to the Act.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the associates, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements 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 Ind AS specified under section 133 of the Act;
 - e) Ms. Renu Sharma, one of the directors of the Company as on 31 March 2020, has not provided a written representation as to whether she has incurred any disqualification in terms of sub-section (2) of the section 164 of the Act with respect to any company in which she is disqualified as on 31 March 2020. In the absence of this representation, we are unable to comment whether she is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act. As far as other directors are concerned, on the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies, we report that none of the other directors of the Company and its associate companies, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and its associate companies, and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2'; and



- g) 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 and based on the consideration of the report of the other auditors on separate financial statements of the associates:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associates as detailed in Note 36(1) to the consolidated financial statements;
 - ii. the Company and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the

Investor Education and Protection Fund by the Company and its associate companies during the year ended 31 March 2020; and

- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 20058644AAAAAW1642

Place: New Delhi

Date: 17 June 2020

Annexure 1 to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the consolidated financial statements for the year ended 31 March 2020

Annexure 1

List of associates included in the consolidated financial statements

1. Central U.P. Gas Limited; and
2. Maharashtra Natural Gas Limited



Annexure 2 to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the consolidated financial statements for the year ended 31 March 2020

Annexure 2

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the consolidated financial statements of Indraprastha Gas Limited (the Company) and its associates as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company and its associate companies, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Company and its associate companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its associate companies considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company and its associate companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards

on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Company and its associate companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 controls with reference to financial statements include 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 Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the associate companies, the Company and its associate companies, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal

control over financial reporting criteria established by the Company and its associate companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. The consolidated financial statements include the Company's share of net profit (including other comprehensive income) of Rs.154.06 crores for the year ended 31 March 2020, in respect of two associate companies, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Company and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Rajni Mundra

Partner

Place: New Delhi

Date: 17 June 2020

Membership No.: 058644

UDIN: 20058644AAAAAW1642



Consolidated Balance Sheet

As at 31 March 2020

| Particulars | Note | ₹ in Crores | |
|--|------|------------------------|------------------------|
| | | As at 31 March 2020 | As at 31 March 2019 |
| A Assets | | | |
| 1 Non-current assets | | | |
| a) Property, plant and equipment | 4 | 3,416.73 | 2,855.30 |
| b) Capital work-in-progress | 4 | 776.69 | 478.08 |
| c) Right-of-use assets | | 122.00 | - |
| d) Other intangible assets | 4 | 18.17 | 21.55 |
| e) Investments accounted for using the equity method | 5 | 630.22 | 492.07 |
| f) Financial assets | | | |
| (i) Loans | 6 | 13.38 | 11.47 |
| (ii) Other financial assets | 7 | 0.10 | 0.34 |
| g) Income-tax assets (net) | 8 | 22.90 | 15.03 |
| h) Other non-current assets | 9 | 46.52 | 67.08 |
| Total non-current assets | | 5,046.71 | 3,940.92 |
| 2 Current assets | | | |
| a) Inventories | 10 | 51.11 | 50.94 |
| b) Financial assets | | | |
| (i) Investments | 11 | - | 1,285.87 |
| (ii) Trade receivables | 12 | 170.39 | 221.48 |
| (iii) Cash and cash equivalents | 13 | 667.71 | 71.16 |
| (iv) Bank balances other than (iii) above | 14 | 1,512.23 | 535.93 |
| (v) Loans | 15 | 1.99 | 3.78 |
| (vi) Other financial assets | 16 | 61.35 | 44.40 |
| c) Other current assets | 17 | 32.86 | 28.81 |
| Total current assets | | 2,497.64 | 2,242.37 |
| Total assets | | 7,544.35 | 6,183.29 |
| B Equity and liabilities | | | |
| 1 Equity | | | |
| a) Equity share capital | 18 | 140.00 | 140.00 |
| b) Other equity | 19 | 5,217.97 | 4,175.71 |
| Total equity | | 5,357.97 | 4,315.71 |
| 2 Liabilities | | | |
| Non-current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Lease liabilities | | 76.18 | - |
| (ii) Other financial liabilities (other than those specified in item (b)) | 20 | 1.97 | 0.41 |
| b) Provisions | 21 | 23.47 | 19.55 |
| c) Deferred tax liabilities (net) | 22 | 288.40 | 315.93 |
| d) Other non-current liabilities | 23 | 0.87 | 0.97 |
| Total non-current liabilities | | 390.89 | 336.86 |
| Current liabilities | | | |
| a) Financial liabilities | | | |
| (i) Trade payables | 24 | | |
| (A) total outstanding dues of micro enterprises and small enterprises; and | | 41.09 | 41.11 |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 183.87 | 284.95 |
| (ii) Other financial liabilities [other than those specified in item (c)] | 25 | 1,221.73 | 977.76 |
| (iii) Lease liabilities | | 20.01 | - |
| b) Other current liabilities | 26 | 71.50 | 61.66 |
| c) Provisions | 27 | 257.29 | 163.45 |
| d) Current tax liabilities (net) | 28 | - | 1.79 |
| Total current liabilities | | 1,795.49 | 1,530.72 |
| Total liabilities | | 2,186.38 | 1,867.58 |
| Total equity and liabilities | | 7,544.35 | 6,183.29 |

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-57)

In terms of our report attached

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No. 058644

For and on behalf of the Board of Directors

Sd/-

Asit Kumar Jana

Managing Director

(DIN 03452799)

Sd/-

Amit Garg

Director (Commercial)

(DIN 08515246)

Place: New Delhi

Date: 17 June 2020

Sd/-

Rakesh Chawla

Chief Financial Officer

Sd/-

S.K. Jain

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(₹ in Crores)

| Particulars | Note | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|----------|-----------------------------|-----------------------------|
| 1 Revenue from operations | 29 | 7,165.49 | 6,361.87 |
| 2 Other income | 30 | 143.18 | 128.45 |
| 3 Total income (1 + 2) | | 7,308.67 | 6,490.32 |
| 4 Expenses: | | | |
| (a) Purchases of stock-in-trade of natural gas | 31 | 3,678.77 | 3,397.89 |
| (b) Changes in inventories of stock-in-trade of natural gas | 32 | 0.59 | (0.57) |
| (c) Excise duty | | 680.22 | 597.03 |
| (d) Employee benefits expense | 33 | 151.70 | 142.55 |
| (e) Finance costs | 34 | 8.12 | 2.05 |
| (f) Depreciation and amortisation expenses | 4 and 51 | 252.25 | 201.07 |
| (g) Other expenses | 35 | 1,134.57 | 967.99 |
| Total expenses (4) | | 5,906.22 | 5,308.01 |
| 5 Profit before tax and share of profit of associates (3 - 4) | | 1,402.45 | 1,182.31 |
| 6 Share of profit of associates | | 154.05 | 86.96 |
| 7 Profit before tax (5+6) | | 1,556.50 | 1,269.27 |
| 8 Tax expense: | 44 | | |
| (a) Current tax | | 334.53 | 370.31 |
| (b) Deferred tax | | (27.02) | 56.86 |
| Total tax expenses | | 307.51 | 427.17 |
| 9 Profit for the year (7-8) | | 1,248.99 | 842.10 |
| 10 Other comprehensive income | | | |
| (a) Items that will not be reclassified to profit or loss | | | |
| (i) Re-measurement of post employment benefit obligations | | (2.01) | (1.44) |
| (ii) Share of other comprehensive income of associates | | 0.01 | 0.01 |
| (iii) Income-tax relating to re-measurement of post employment benefit obligations | | 0.51 | 0.50 |
| (iv) Income-tax relating to share of other comprehensive income of associates | | - | - |
| Other comprehensive income for the year, net of tax | | (1.49) | (0.93) |
| 11 Total comprehensive income for the year (9+10) (comprising profit and other comprehensive income for the year) | | 1,247.50 | 841.17 |
| 12 Earnings per equity share: (face value of ₹ 2 per share) | 50 | | |
| Basic and diluted (in ₹) | | 17.84 | 12.03 |

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-57)

In terms of our report attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

Sd/-

Rajni Mundra

Partner

Membership No. 058644

For and on behalf of the Board of Directors

Sd/-

Asit Kumar Jana

Managing Director

(DIN 03452799)

Sd/-

Amit Garg

Director (Commercial)

(DIN 08515246)

Place: New Delhi

Date: 17 June 2020

Sd/-

Rakesh Chawla

Chief Financial Officer

Sd/-

S.K. Jain

Company Secretary



Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

A) Equity share capital

| Particulars | Note | Number in crores | ₹ in crores |
|---|------|------------------|---------------|
| Balance as at 1 April 2018 | 18 | 70.00 | 140.00 |
| Changes in equity share capital during the year | | - | - |
| Balance as at 31 March 2019 | 18 | 70.00 | 140.00 |
| Changes in equity share capital during the year | | - | - |
| Balance as at 31 March 2020 | 18 | 70.00 | 140.00 |

B) Other equity

| Particulars | Note | Reserves and surplus | | |
|--|------|----------------------|-------------------|-----------------|
| | | General reserve | Retained earnings | Total |
| Balance as at 1 April 2018 | 19 | 303.50 | 3,203.45 | 3,506.95 |
| Dividends paid (including dividend distribution tax) | | - | (168.78) | (168.78) |
| Transactions with owners in their capacity as owners | | - | (168.78) | (168.78) |
| Profit for the year | | - | 842.10 | 842.10 |
| Other comprehensive income | | | | |
| Re-measurement of post employment benefit obligations (net of tax) | | - | (0.93) | (0.93) |
| Corporate dividend tax of associates | | | (3.63) | (3.63) |
| Balance as at 31 March 2019 | 19 | 303.50 | 3,872.21 | 4,175.71 |
| Dividends paid (including dividend distribution tax) | | - | (202.53) | (202.53) |
| Transactions with owners in their capacity as owners | | - | (202.53) | (202.53) |
| Profit for the year | | - | 1,248.99 | 1,248.99 |
| Other comprehensive income | | | | |
| Re-measurement of post employment benefit obligations (net of tax) | | - | (1.49) | (1.49) |
| Corporate dividend tax of associates | | - | (2.71) | (2.71) |
| Balance as at 31 March 2020 | 19 | 303.50 | 4,914.47 | 5,217.97 |

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-57)

In terms of our report attached

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Sd/-
Rajni Mundra
Partner
Membership No. 058644

Sd/-
Asit Kumar Jana
Managing Director
(DIN 03452799)

Sd/-
Amit Garg
Director (Commercial)
(DIN 08515246)

Place: New Delhi
Date: 17 June 2020

Sd/-
Rakesh Chawla
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 March 2020

(₹ in Crores)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| A. Cash flow from operating activities: | | |
| Profit before tax | 1,556.50 | 1,269.27 |
| <i>Adjustments for:</i> | | |
| - Depreciation and amortisation expense | 252.25 | 201.07 |
| - Unrealised foreign exchange (gain) | - | (0.10) |
| - Loss on property, plant and equipment sold or discarded | 4.49 | 2.04 |
| - Allowances for expected credit losses | 4.24 | 2.59 |
| - Provision for obsolete and slow moving capital work-in-progress | 0.46 | (0.33) |
| - Provision for obsolete and slow moving stores and spares, written back | (0.27) | (0.02) |
| - Allowances for expected credit loss no longer required, written back | - | (1.50) |
| - Liabilities/provisions no longer required, written back | (3.21) | (0.10) |
| - Finance costs | 6.54 | 0.98 |
| - Interest income on deposits with banks | (46.68) | (36.39) |
| - Income from investment in mutual funds | (87.38) | (88.79) |
| - Share of profit of associates | (154.05) | (86.96) |
| Operating profit before working capital changes | 1,532.89 | 1,261.76 |
| <i>Changes in working capital:</i> | | |
| Adjustments for (increase)/decrease | | |
| - Financial assets | (3.16) | 1.06 |
| - Other current assets | (9.27) | (26.80) |
| - Inventories | 0.10 | 1.45 |
| - Trade receivables | 47.87 | 2.07 |
| Adjustments for increase/ (decrease) | | |
| - Other liabilities | 9.74 | 22.70 |
| - Other financial liabilities | 128.90 | 108.56 |
| - Trade payables | (97.89) | 94.78 |
| - Provisions | 95.75 | 60.35 |
| Cash flow generated from operating activities (gross) | 1,704.93 | 1,525.93 |
| Less: income-tax paid (net) | (344.18) | (368.78) |
| Net cash flow generated from operating activities (A) | 1,360.75 | 1,157.15 |
| B. Cash flow from investing activities: | | |
| - Payment for purchase of property, plant and equipment (including other intangible assets and capital work-in-progress including capital advances and creditors for capital goods) | (963.22) | (680.72) |
| - (Investment) in bank deposits with maturity more than three months | (1,700.71) | (2,183.64) |
| - Maturity of bank deposits with maturity more than three months | 728.36 | 2,005.28 |
| - Movement in restricted bank balance | (3.59) | (3.22) |
| - (Investment) in mutual funds | (9,486.39) | (9,626.86) |
| - Proceeds from sale of mutual funds | 10,859.64 | 9,319.35 |
| - Interest received on term deposits with banks | 31.99 | 31.27 |
| - Dividend received from associates | 13.20 | 17.70 |
| Net cash flow (used in) investing activities (B) | (520.72) | (1,120.84) |



Consolidated Cash Flow Statement

for the year ended 31 March 2020

| Particulars | (₹ in Crores) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| C. Cash flow from financing activities: | | |
| - Payment of lease liabilities | (40.93) | - |
| - Dividend and dividend distribution tax paid | (202.53) | (168.48) |
| - Interest paid | (0.02) | (0.35) |
| Net cash flow (used in) financing activities (C) | (243.48) | (168.83) |
| D. Net increase/ (decrease) in cash and cash equivalents (A+B+C) | 596.55 | (132.52) |
| E. Cash and cash equivalents as at the beginning of the year | 71.16 | 203.68 |
| F. Cash and cash equivalents as at the end of the year | 667.71 | 71.16 |
| G. Cash and cash equivalents at the end of the year (refer note 13) | | |
| i. Balances with banks in current accounts | 129.68 | 25.88 |
| ii. Cash on hand | 1.08 | 11.89 |
| iii. Balances with banks in fixed deposits with original maturity of less than three months | 536.95 | 33.39 |
| | 667.71 | 71.16 |

Note 1: The above consolidated cash flow statement has been prepared under the 'Indirect method' as set out in Ind AS 7, 'Statement of cash flows'.

Note 2: Disclosure requirements as required as per Ind AS 7 'Statement of cash flows' related to the change in financial liabilities arising from financing activity is as below :

| Particulars | (₹ in Crores) |
|------------------------------------|-----------------------------|
| | Year ended 31 March 2020 |
| Lease liability | |
| Balance as on 1 April 2019 | 62.69 |
| Cash flows | |
| Less: payment of lease liabilities | (40.93) |
| Non cash changes | |
| Add: Interest on lease liability | 6.52 |
| Add: New leases | 67.91 |
| Balance as on 31 March 2020 | 96.19 |

There are no disclosures relating to changes in liabilities arising from financing activities [applicable on the Company] pertaining to the previous year ended 31 March 2019.

Significant accounting policies and other explanatory information forming part of the consolidated financial statements (1-57)

In terms of our report attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of the Board of Directors

Sd/-

Rajni Mundra

Partner

Membership No. 058644

Sd/-

Asit Kumar Jana

Managing Director

(DIN 03452799)

Sd/-

Amit Garg

Director (Commercial)

(DIN 08515246)

Place: New Delhi

Date: 17 June 2020

Sd/-

Rakesh Chawla

Chief Financial Officer

Sd/-

S.K. Jain

Company Secretary

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

1 Corporate information

Indraprastha Gas Limited (the 'Company') or 'IGL' is a company limited by shares domiciled in India and was incorporated on 23 December 1998 under the erstwhile Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office is located at IGL Bhawan, Plot No.4, Community Centre, Sector 9, R.K. Puram, New Delhi -110022.

IGL is in the business of city gas distribution presently operating in the National Capital Territory of Delhi including adjoining areas of Noida, Greater Noida, Ghaziabad, Hapur, Gurugram, Meerut (except area already authorised), Shamli, Muzaffarnagar, Karnal and Rewari.

The Company has two associates namely, Central U.P. Gas Limited and Maharashtra Natural Gas Limited which are engaged in the business similar to that of the Company.

2 Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the consolidated financial statements are authorized have been considered in preparing these consolidated financial statements.

2.1 Standards issued but not yet effective

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from 1 April 2020.

3 Significant accounting policies and other explanatory information

3.1 General information and statement of compliance with Indian Accounting Standards (Ind AS)

These consolidated financial statements of the Company and its associates have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies

(Indian Accounting Standards) Amendment Rules, 2016, read with Section 133 of the Companies Act, 2013 (the 'Act') and other provisions of the Act.

The consolidated financial statements of the Company and its associates for the year ended 31 March 2020 were approved and authorised for issue by the Board of Directors on 17 June 2020 (refer note 57).

3.2 Overall considerations

These consolidated financial statements have been prepared on going concern basis using the significant accounting policies and measurement bases summarised below.

These accounting policies have been used throughout all periods presented in the consolidated financial statements.

3.3 Basis of consolidation

The Company consolidates the standalone financial statements of the Company with its associates as mentioned below:

- a) Central U.P. Gas Limited
- b) Maharashtra Natural Gas Limited

3.4 Investment in associates

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 3.20 below.

3.5 Historical cost convention

These consolidated financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

3.6 Revenue recognition

(i) Sale of natural gas

Revenue from the contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Sales, as disclosed, are inclusive of excise but are net of trade allowances, rebates, VAT and amounts collected on behalf of third parties.

The Company earns revenues primarily from sale of natural gas. Revenue is recognized on supply of gas to customers by metered/assessed measurements. The Company has concluded that it is the principal in all its revenue arrangements since it is primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risk.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). No element of financing is deemed present as the credit term is not more than one year.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognized where the Company's right to consideration is unconditional (i.e. only the passage of time is required before payment of the consideration is due). When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

(ii) Interest and dividend income

Interest income is reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established.

3.7 Inventories

(i) Inventory of stock-in-trade of natural gas

Inventory of stock-in-trade of natural gas in pipelines and cascades is valued at the lower of cost computed on First in First out (FIFO) basis and net realisable value. The cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventory to its present location and condition.

(ii) Inventory of stores and spares

Stores and spares are valued at lower of cost computed on weighted average basis and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

3.8 Foreign currency transactions and translations

i. Initial recognition

The Company's consolidated financial statements are presented in Indian Rupee ('INR'), which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

ii. Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. 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.

iii. Treatment of exchange difference

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

3.9 Leases

Accounting policy till 31 March 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as the lessor

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges

and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

Company as a lessee

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Change in accounting policy

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under residual value guarantees, if any



Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

- the exercise price of a purchase option if any, if the Company is reasonably certain to exercise that option
- payment for penalties for terminating the lease, if the lease term reflects the Company exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depends on sales are recognised in the statement of profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the

statement of profit and loss. Short term leases are the leases with a lease term of 12 months or less. Further, rental payments for the land where lease period is considered to be indefinite or indeterminable, these are charged off to the statement of profit and loss.

3.10 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution.

Defined benefit plans

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

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services

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rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled with actuarial valuations being carried out at each Balance Sheet date. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to statement of profit and loss in the period in which they occur. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

3.11 Taxes on income

Tax expense comprises current tax and deferred tax. Current tax is the amount of the tax for the period determined in accordance with the Income-tax Act, 1961. Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the end of the reporting period. Current income-tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in Other comprehensive income or in equity). Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws

that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Such assets are reviewed at each balance sheet date to reassess realisation. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income-tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Operating cycle

Based on the nature of products/activities of the Company and the normal time between purchase of natural gas and their realisation in cash or cash equivalents, the Company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.13 Operating expenses

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred.

3.14 (a) Property, plant and equipment

- i. Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.
- ii. Property, plant and equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.
- iii. Gas distribution systems are commissioned when ready for commencement of supply of gas to consumers. In the case of commissioned assets where final payment to the contractors is pending, capitalisation is made on an estimated basis pending receipt of final bills from the contractors and subject to adjustment in cost and depreciation in the year of final settlement.



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- iv. The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.
- v. Stores and spares which meet the definition of property, plant and equipment (whether as component or otherwise) and satisfy the recognition criteria, are capitalised as property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognised the new part with its own estimated useful life and it is depreciated accordingly. Likewise, when a major overhauling/ repair is performed, its cost is recognised in the carrying amount of respective assets if the recognition criteria are satisfied and depreciated over remaining useful life of asset or over the period of next overhauling due, whichever is earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

(b) Other intangible assets

Other intangible assets comprise of computer software/licenses. Such assets acquired by the Company are initially measured at cost. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and accumulated impairment loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits will flow to the Company.

(c) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not available for intended use.

3.15 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method ('SLM') at rates prescribed in Schedule II to the Companies Act, 2013 which are in line with their estimated useful life, except for the following assets where depreciation is charged on pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc.:

| A | Asset class | Depreciation |
|---|--|--------------|
| | Property, plant and equipment | |
| | - Mother compressors, online compressors and Booster compressors (forming part of plant and equipment) | 10 years |
| | - Pipeline (forming part of plant and equipment) | 25 years |
| | - Signages (forming part of buildings) | 10 years |
| | - Machinery spares | 5 years |

Overhauling cost is depreciated over the remaining life of the respective asset or over the period till the next overhauling date, whichever is earlier.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

B. Other intangible assets

Intangible assets comprising software and licenses are amortised on straight line method (SLM) over the useful life of five years, which represents the management's assessment of economic useful life of the other intangible assets.

Amortisation method, useful lives and residual values of other intangible assets are reviewed at each financial year - end and adjusted, if appropriate.

3.16 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents also include short-term (with original maturity of three months or less from

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the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

3.17 Cash flow statement

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

3.18 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

3.19 Equity, reserves and dividend payment

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

3.20 Impairment of property, plant and equipment, other intangible assets and investments in associates

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value

less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company of assets (cash generating units). If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

3.21 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material. Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

3.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates in a single segment of natural gas business and relevant disclosure requirements as per Ind AS 108 "Operating Segments" have been disclosed by the Company under note no 52.

3.23 Fair value measurement

The Company measures financial instruments such as investments in mutual funds, at fair value at each balance sheet date.



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Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised 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:

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

3.24 Financial instruments

I. Financial assets

a. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

b. Subsequent measurement

(i) Financial assets carried at amortised cost

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

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

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

(iii) Financial assets at fair value through profit or loss (FVTPL)

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

c. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 47 details how the Company determines whether there has been a significant increase in credit risk.

d. Derecognition of financial assets

A financial asset is derecognised when:

- The Company has transferred the right to receive cash flows from the financial assets or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients. Where the entity transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the entity transfers substantially all the risks

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and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial liabilities

Initial recognition and subsequent measurement

All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost. Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

III. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

IV. 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.25 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

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

(i) Estimation of defined benefit obligation

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



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(ii) Estimation of current tax and deferred tax

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in these financial statements.

(iii) Useful lives of depreciable/amortizable assets

Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain property, plant and equipment.

(iv) Impairment of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(v) Fair value measurement

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available)

and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer note 46).

(vi) Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets is based on assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impact of Covid-19

The Ministry of Home Affairs vide order No.4-3/2020 dated 24 March 2020 notified natural gas supply among the essential services which continued to operate within the lockdown period in the crisis situation of COVID 19. However, owing to reduction in demand due to restrictions in vehicular movement, the management voluntarily decided to temporarily close down some of the CNG stations. Similarly, demand from industrial and commercial customers were also impacted due to the lockdown. The Company has evaluated the possible effects on the carrying amounts of the financial assets including receivables and unbilled revenue and expects to duly recover the same. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and impact thereof on its operations.

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4 Property, plant and equipment, capital work-in-progress and other intangible assets

| Particulars | Property, plant and equipment | | | | | | | | | | Other intangible assets Computer software/licenses | Capital work-in-progress (refer note 4.3 and 4.4) |
|---|-------------------------------|--|----------------------------|---------------------|------------------------|--------------|---------------------------|-----------------|--------------|---------------|---|--|
| | Total | | | | | | | | | | | |
| | Freehold land | Land on perpetual lease (refer note 4.1) | Buildings (refer note 4.2) | Plant and equipment | Furniture and fixtures | Vehicles | Data processing equipment | | | | | |
| Gross block | | | | | | | | | | | | |
| Balance as at 1 April 2018 | 21.10 | 16.98 | 397.61 | 2,390.05 | 15.59 | 7.73 | 11.54 | 2,860.60 | 27.98 | 386.02 | | |
| Additions | 7.05 | - | 23.41 | 596.22 | 1.49 | 4.33 | 4.34 | 636.84 | 11.09 | 685.30 | | |
| Disposals/ adjustments | - | - | 1.67 | 15.53 | 0.09 | 0.01 | 0.80 | 18.10 | - | 593.24 | | |
| Balance as at 31 March 2019 | 28.15 | 16.98 | 419.35 | 2,970.74 | 16.99 | 12.05 | 15.08 | 3,479.34 | 39.07 | 478.08 | | |
| Additions | 12.27 | - | 16.00 | 743.61 | 4.18 | 10.85 | 4.54 | 791.45 | 3.60 | 1,019.17 | | |
| Disposals/ adjustments | - | - | 9.30 | 29.82 | 0.71 | 0.09 | 0.97 | 40.89 | - | 720.56 | | |
| Balance as at 31 March 2020 | 40.42 | 16.98 | 426.05 | 3,684.53 | 20.46 | 22.81 | 18.65 | 4,229.90 | 42.67 | 776.69 | | |
| Accumulated depreciation and amortisation | | | | | | | | | | | | |
| Balance as at 1 April 2018 | - | - | 47.42 | 387.71 | 4.19 | 2.47 | 3.26 | 445.05 | 11.50 | - | | |
| Depreciation and amortisation charge for the year | - | - | 19.13 | 169.57 | 1.80 | 1.16 | 3.39 | 195.05 | 6.02 | - | | |
| Disposals | - | - | 1.63 | 13.64 | - | - | 0.79 | 16.06 | - | - | | |
| Balance as at 31 March 2019 | - | - | 64.92 | 543.64 | 5.99 | 3.63 | 5.86 | 624.04 | 17.52 | - | | |
| Depreciation and amortisation charge for the year | - | - | 19.26 | 197.22 | 1.99 | 2.55 | 4.51 | 225.53 | 6.98 | - | | |
| Disposals | - | - | 5.24 | 29.52 | 0.64 | 0.08 | 0.92 | 36.40 | - | - | | |
| Balance as at 31 March 2020 | - | - | 78.94 | 711.34 | 7.34 | 6.10 | 9.45 | 813.17 | 24.50 | - | | |
| Net block as at 31 March 2019 | 28.15 | 16.98 | 354.43 | 2,427.10 | 11.00 | 8.42 | 9.22 | 2,855.30 | 21.55 | 478.08 | | |
| Net block as at 31 March 2020 | 40.42 | 16.98 | 347.11 | 2,973.19 | 13.12 | 16.71 | 9.20 | 3,416.73 | 18.17 | 776.69 | | |

Notes:

- Gross block of land on perpetual lease includes land amounting to ₹ 16.98 crores (previous year: ₹ 16.98 crores) obtained on lease from local authorities under licensing arrangement and pending execution of the related lease agreements.
- Buildings, *inter-alia*, include buildings which have been constructed on land acquired on lease from various Government Authorities. (refer note 38).
- The expenditure incidental to setting up of project is included in capital work-in-progress (CWIP) which is apportioned to the property, plant and equipment on completion of project. The Company has capitalised salary, wages and bonus amounting to ₹ 9.52 crores (previous year ₹ 7.68 crores) to the cost of property, plant and equipment /capital work-in-progress.
- Capital work-in-progress has been netted off by ₹ 2.03 crores towards provision for obsolete and slow moving capital work-in-progress (previous year ₹ 1.57 crores)



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

5 Non-current financial assets- investments

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Investments in equity instruments (measured at cost) | | |
| Trade (unquoted) | | |
| Investments in associates: | | |
| (a) Central U.P. Gas Limited (incorporated in India, operating in cities of Kanpur and Bareilly) | | |
| Proportion of Company's ownership | 50% | 50% |
| 3,00,00,000 (31 March 2019: 3,00,00,000) equity shares of ₹ 10 each fully paid up in Central U.P. Gas Limited | 188.99 | 152.38 |
| (b) Maharashtra Natural Gas Limited (incorporated in India, operating in city of Pune and adjoining areas) | | |
| Proportion of Company's ownership | 50% | 50% |
| 5,00,00,000 (31 March 2019: 5,00,00,000) equity shares of ₹ 10 each fully paid up in Maharashtra Natural Gas Limited | 441.23 | 339.69 |
| | 630.22 | 492.07 |
| Aggregate amount of unquoted investments | 630.22 | 492.07 |

Summarised aggregated financial information of the Company's share in these associates:

5.1 Central U.P. Gas Limited (incorporated in India)

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Non current assets | 351.19 | 280.19 |
| Current assets | 95.98 | 80.04 |
| Non-current liabilities | (18.92) | (18.21) |
| Current liabilities | (72.58) | (60.01) |
| Net assets | 355.67 | 282.01 |
| Proportion of the Company's ownership | 50% | 50% |
| Company's share of net assets | 177.83 | 141.00 |
| Add: Goodwill | 11.38 | 11.38 |
| Less: Impact of change in accounting policy | 0.22 | - |
| Carrying amount of interest in associates | 188.99 | 152.38 |

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Revenue | 345.33 | 328.03 |
| Profit | 73.20 | 52.11 |
| Other comprehensive income | 0.02 | 0.01 |
| Total comprehensive income | 73.22 | 52.12 |
| Company's share of profit | 36.60 | 26.06 |
| Company's share of other comprehensive income | 0.01 | 0.01 |
| Company's share of total comprehensive income | 36.61 | 26.07 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

5 Non-current financial assets- investments (Contd..)

5.2 Maharashtra Natural Gas Limited (incorporated in India)

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Non current assets | 1,085.09 | 898.61 |
| Current assets | 136.31 | 215.68 |
| Non current liabilities | (258.59) | (420.71) |
| Current liabilities | (250.33) | (184.19) |
| Net assets | 712.48 | 509.39 |
| Proportion of the Company's ownership | 50% | 50% |
| Company's share of net assets | 356.24 | 254.70 |
| Add: Goodwill | 81.32 | 81.32 |
| Add: Impact of change in accounting policy | 1.82 | 1.82 |
| Add: Preacquisition dividend | 1.52 | 1.52 |
| Add: Corporate dividend tax on preacquisition dividend | 0.33 | 0.33 |
| Carrying amount of interest in associates | 441.23 | 339.69 |

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Revenue | 1,074.45 | 902.32 |
| Profit | 234.91 | 121.81 |
| Other comprehensive income | - | - |
| Total comprehensive income | 234.91 | 121.81 |
| Company's share of profit | 117.45 | 60.90 |
| Company's share of other comprehensive income | - | - |
| Company's share of total comprehensive income | 117.45 | 60.90 |

Consolidated summary of significant accounting policies and other explanatory information

for the Year Ended 31 March 2020

5.3 Additional information to consolidated financial statements as at 31 March 2020 (pursuant to Schedule III to the Companies Act, 2013):

| S. No. | Name of the Company | Proportion of ownership interest as on 31 March 2020 | Net Assets, i.e., total assets minus total liabilities | | Share of profit/(loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|--------|---|--|--|-----------------------------------|------------------------|--------------------------------------|-------------------------------------|---|-------------------------------------|---|
| | | | Amount | As a % of consolidated net assets | Amount | As a % of consolidated profit/(loss) | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income |
| 1 | Indraprastha Gas Limited Associates (investment as per equity method) | | 5,357.97 | 100% | 1,136.54 | 91.00% | (1.50) | 100.67% | 1,135.04 | 90.99% |
| 2 | Indian | | | | | | | | | |
| a) | Central U.P. Gas Limited | 50% | | Equity method | 36.60 | 2.93% | 0.01 | (0.67%) | 36.61 | 2.93% |
| b) | Maharashtra Natural Gas Limited | 50% | | Equity method | 117.45 | 9.40% | - | - | 117.45 | 9.41% |
| | Eliminations | | | | (41.60) | (3.33%) | - | - | (41.60) | (3.33%) |
| | Total | | | | 1,248.99 | 100.00% | (1.49) | 100.00% | 1,247.50 | 100.00% |

Additional information to consolidated financial statements as at 31 March 2019 (pursuant to Schedule III to the Companies Act, 2013):

| S. No. | Name of the Company | Proportion of ownership interest as on 31 March 2019 | Net Assets, i.e., total assets minus total liabilities | | Share of profit/(loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|--------|---|--|--|-----------------------------------|------------------------|--------------------------------------|-------------------------------------|---|-------------------------------------|---|
| | | | Amount | As a % of consolidated net assets | Amount | As a % of consolidated profit/(loss) | Amount | As a % of consolidated other comprehensive income | Amount | As a % of consolidated total comprehensive income |
| 1 | Indraprastha Gas Limited Associates (investment as per equity method) | | 4,315.71 | 100% | 786.67 | 93.42% | (0.94) | 101.08% | 785.73 | 93.41% |
| 2 | Indian | | | | | | | | | |
| a) | Central U.P. Gas Limited | 50% | | Equity method | 26.06 | 3.09% | 0.01 | (1.08%) | 26.07 | 3.10% |
| b) | Maharashtra Natural Gas Limited | 50% | | Equity method | 60.90 | 7.23% | - | - | 60.90 | 7.24% |
| | Eliminations | | | | (31.53) | (3.74%) | - | - | (31.53) | (3.75%) |
| | Total | | | | 842.10 | 100.00% | (0.93) | 100.00% | 841.17 | 100.00% |



Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

6 Loans - non-current

| Particulars | (₹ in Crores) | |
|-------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | | |
| - Considered good - unsecured | 13.38 | 11.47 |
| | 13.38 | 11.47 |

7 Other non-current financial assets

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balance with banks in fixed deposits having remaining maturity of more than 12 months (under lien against bank guarantee) | 0.06 | 0.30 |
| Others | 0.04 | 0.04 |
| | 0.10 | 0.34 |

8 Income-tax assets (net)

| Particulars | (₹ in Crores) | |
|--------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advance tax (net of provisions) | 22.69 | 11.04 |
| Income-tax demand paid under protest | 0.21 | 3.99 |
| | 22.90 | 15.03 |

9 Other non-current assets

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Capital advances | 6.25 | 20.65 |
| Advances other than capital advances: | | |
| Advance to related parties - GAIL (India) Limited (considered good, refer note 43) | 12.88 | 11.48 |
| Prepaid expenses | 22.72 | 29.87 |
| Others | 4.67 | 5.08 |
| | 46.52 | 67.08 |

10 Inventories (valued at lower of cost and net realisable value)

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Stock-in-trade | | |
| Natural gas | 3.12 | 3.71 |
| Stores and spares | 51.37 | 50.88 |
| Less: Provision for obsolete and slow moving stores and spares | (3.38) | (3.65) |
| | 47.99 | 47.23 |
| | 51.11 | 50.94 |



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

11 Current financial assets - Investments

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Investment in mutual funds (unquoted) - at fair value through profit and loss (refer 11.1 below) | - | 1,285.87 |
| | - | 1,285.87 |
| Aggregate amount of unquoted investments and market value thereof | - | 1,285.87 |

| 11.1 Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) Nil units (31 March 2019: 2,52,488.807) in SBI Magnum Ultra Short Duration Fund, Direct Growth | - | 105.23 |
| (b) Nil units (31 March 2019: 2,50,85,667.555) in HDFC Low Duration Fund, Direct Growth | - | 102.50 |
| (c) Nil units (31 March 2019: 5,06,076.717) in IDBI Liquid Fund, Direct Growth | - | 101.37 |
| (d) Nil units (31 March 2019: 2,21,645.568) in Reliance Liquid Fund, Direct Growth | - | 101.11 |
| (e) Nil units (31 March 2019: 2,57,867.07) in HDFC Money Market Fund, Direct Growth | - | 101.07 |
| (f) Nil units (31 March 2019: 4,15,521.645) in SBI Magnum Low Duration Fund, Direct Growth | - | 101.03 |
| (g) Nil units (31 March 2019: 1,96,56,614.166) in JM Liquid Fund, Direct Growth | - | 100.62 |
| (h) Nil units (31 March 2019: 3,33,75,274.929) in Reliance Floating Rate Fund, Direct Growth | - | 100.51 |
| (i) Nil units (31 March 2019: 3,07,05,080.77) in HDFC Floating Rate Debt Fund, WP Direct Growth | - | 100.42 |
| (j) Nil units (31 March 2019: 3,58,700.377) in Franklin India Liquid Fund, Direct Growth | - | 100.38 |
| (k) Nil units (31 March 2019: 36,24,187.29) in ICICI Prudential Liquid Fund, Direct Growth | - | 100.18 |
| (l) Nil units (31 March 2019: 4,96,310.478) in Mirae Asset Cash Management Fund, Direct Growth | - | 97.85 |
| (m) Nil units (31 March 2019: 12,55,147.14) in Aditya Birla Sun Life Liquid Fund, Direct Growth | - | 37.71 |
| (n) Nil units (31 March 2019: 95,190.381) in Tata Liquid Fund, Direct Growth | - | 28.03 |
| (o) Nil units (31 March 2019: 25,678.43) in UTI Liquid Cash Plan, Direct Growth | - | 7.86 |
| Total | - | 1,285.87 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

12 Trade receivables

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Trade receivables | | |
| i. Trade receivables considered good - secured | 88.01 | 83.66 |
| ii. Trade receivables considered good - unsecured | 82.38 | 137.82 |
| iii. Trade receivable - credit impaired | 8.20 | 4.98 |
| Less: Allowances for expected credit loss | (8.20) | (4.98) |
| | 170.39 | 221.48 |
| The above receivables include: | | |
| Considered good - unsecured | | |
| Receivables from related parties (refer note 43) | 9.29 | 18.45 |

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

13 Cash and cash equivalents

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balances with banks in current accounts | 129.68 | 25.88 |
| Cash on hand | 1.08 | 11.89 |
| Balances with banks in fixed deposits with original maturity of less than three months | 536.95 | 33.39 |
| | 667.71 | 71.16 |

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

14 Bank balances other than cash and cash equivalents

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balances with banks in fixed deposits with original maturity of more than three months and remaining maturity of less than twelve months (refer note (a) below) | 1,500.94 | 528.36 |
| Unpaid dividend account (refer note (b) below) | 0.99 | 0.86 |
| Earmarked balances with banks in current accounts- Escrow account | 10.30 | 6.71 |
| | 1,512.23 | 535.93 |

Note:

- Includes deposits under lien against bank guarantee of ₹ 0.95 crores (previous year ₹ nil).
- Not due for deposit to the Investor Education and Protection Fund.



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

15 Loans - current

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | | |
| i. Considered good - secured | - | - |
| ii. Considered good - unsecured (refer note 15.1 below) | 1.99 | 3.78 |
| iii. Deposits - credit impaired | 2.52 | 1.50 |
| Less : Allowances for expected credit losses | (2.52) | (1.50) |
| | 1.99 | 3.78 |

15.1 Security deposits, *inter-alia* comprise of deposits given to related parties as below :

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) GAIL (India) Limited | 0.10 | 0.10 |
| (b) Bharat Petroleum Corporation Limited (Also, refer note 43) | 0.01 | 0.01 |
| | 0.11 | 0.11 |

16 Other current financial assets

| Particulars | (₹ in Crores) | |
|------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Unbilled revenue | 35.20 | 32.94 |
| Interest accrued on fixed deposits | 26.15 | 11.46 |
| | 61.35 | 44.40 |

17 Other current assets

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advances other than capital advances: | | |
| CENVAT credit recoverable | 2.98 | 0.62 |
| Prepaid expenses | 24.92 | 23.64 |
| Employee advances | 0.58 | 0.27 |
| Advances to vendors* | 1.35 | 1.33 |
| Advances to others | 2.07 | 1.94 |
| Others | 0.96 | 1.01 |
| | 32.86 | 28.81 |

The management assesses the fair value of these financial assets not to be materially different from the amounts recognised in the financial statements.

*Advances to vendors, *inter-alia*, includes advances given to related parties as below:

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) GAIL (India) Limited | 0.68 | - |
| (b) Bharat Petroleum Corporation Limited (Also, refer note 43) | - | 0.05 |
| | 0.68 | 0.05 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

18 Equity share capital

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of shares | (₹ in crores) | Number of shares | (₹ in crores) |
| (a) Authorised Equity shares of ₹ 2 each (previous year ₹ 2 each) | 1,100,000,000 | 220.00 | 1,100,000,000 | 220.00 |
| (b) Issued, subscribed and fully paid up Equity shares of ₹ 2 each (previous year ₹ 2 each) | 700,000,800 | 140.00 | 700,000,800 | 140.00 |

18.1 Terms and rights attached to equity shares:

The Company has one class of equity shares having a par value of ₹ 2 each (previous year ₹ 2 each). Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

18.2 Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of shares | (₹ in crores) | Number of shares | (₹ in crores) |
| Balance as at the beginning/end of the year | 700,000,800 | 140.00 | 700,000,800 | 140.00 |

18.3 Details of shares held by each shareholder holding more than 5% shares:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|-----------------------|-----------|-----------------------|-----------|
| | Number of shares held | % holding | Number of shares held | % holding |
| Equity shares of ₹ 2 each | | | | |
| (a) GAIL (India) Limited | 157,500,000 | 22.50% | 157,500,000 | 22.50% |
| (b) Bharat Petroleum Corporation Limited | 157,500,400 | 22.50% | 157,500,400 | 22.50% |
| (c) Life Insurance Corporation of India | 59,003,813 | 8.43% | 53,234,451 | 7.60% |

18.4 The Company has not issued any shares pursuant to contract without payment being received in cash, or allotted as fully paid up by way of bonus shares or bought back any shares during the period of five years immediately preceding the date of balance sheet. Further, there are no shares which are reserved for issue under options and contracts or commitments for the sale of shares or disinvestment.

18.5 During the current year, the Company paid dividend of ₹ 2.40 per equity share for financial year 2018-19 amounting to ₹ 168.00 crores (excluding dividend distribution tax of ₹ 34.53 crores) [in the previous year, ₹ 2.00 per equity share for financial year 2017-18 amounting to ₹ 140 crores (excluding dividend distribution tax of ₹ 28.78 crores)].



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

19 Other equity

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) General reserve : | | |
| Balance as at the beginning/ end of the year | 303.50 | 303.50 |
| (b) Retained earnings: | | |
| Opening balance | 3,872.21 | 3,203.45 |
| Profit for the year | 1,248.99 | 842.10 |
| Dividends distributed to equity shareholders (refer note no: 18.5 above) | (168.00) | (140.00) |
| Dividend distribution tax on dividend paid on equity share capital (refer note 18.5 above) | (34.53) | (28.78) |
| Corporate dividend tax of associates | (2.71) | (3.63) |
| | 4,915.96 | 3,873.14 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| - Remeasurement of post-employment benefit obligation, net of tax | (1.49) | (0.93) |
| Closing balance | 4,914.47 | 3,872.21 |
| | 5,217.97 | 4,175.71 |

Nature of reserves

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with Companies (Transfer of profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

20 Other non-current financial liabilities

| Particulars | (₹ in Crores) | |
|-------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | 1.97 | 0.41 |
| | 1.97 | 0.41 |

21 Non-current provisions

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Provision for employee benefit obligations (refer note 42) | 23.47 | 19.55 |
| | 23.47 | 19.55 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

22 Deferred tax liabilities (net)

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) Deferred tax liabilities on: | | |
| Difference between book balance and tax balance of property, plant and equipment. | 236.21 | 275.98 |
| Undistributed profit of associates | 76.49 | 48.09 |
| Financial assets at fair value through profit or loss | - | 5.32 |
| Others | - | 0.03 |
| | 312.70 | 329.42 |
| (b) Deferred tax assets on: | | |
| Provision for employee benefit obligations | 6.22 | 7.70 |
| Provision for obsolete and slow moving stores and spares/ Capital work-in-progress | 1.36 | 1.82 |
| Provision for expected credit loss on trade receivables and security deposits | 2.70 | 2.26 |
| Lease liability | 0.88 | - |
| Others | 13.14 | 1.71 |
| | 24.30 | 13.49 |
| Deferred tax liabilities (net) | 288.40 | 315.93 |

Movements in deferred tax liabilities and deferred tax assets

| Particulars | (₹ in Crores) | | |
|--|-------------------------------|-----------------------------------|------------------|
| | Property, plant and equipment | Gratuity and compensated absences | Other provisions |
| As at 1 April 2018 | 234.03 | (4.89) | 30.44 |
| Charged/ (credited) to the statement of profit or loss | 41.95 | (2.31) | 17.21 |
| (Credited) to other comprehensive income | - | (0.50) | - |
| As at 31 March 2019 | 275.98 | (7.70) | 47.65 |
| Charged/(credited) to the statement of profit or loss | (39.77) | 1.99 | 10.76 |
| (Credited) to other comprehensive income | - | (0.51) | - |
| As at 31 March 2020 | 236.21 | (6.22) | 58.41 |

23 Other non-current liabilities

| Particulars | (₹ in Crores) | |
|-------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Others | 0.87 | 0.97 |
| | 0.87 | 0.97 |



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

24 Current financial liabilities- Trade payables

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Trade payables | | |
| (i) total outstanding dues of micro enterprises and small enterprises (refer note 41) | 41.09 | 41.11 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Payable to others | 138.29 | 134.05 |
| Payable to related parties (refer note 43) | 45.58 | 150.90 |
| | 224.96 | 326.06 |

25 Other current financial liabilities

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits from customers (refer note 39) | 771.58 | 649.27 |
| Unclaimed dividend [#] | 0.99 | 0.86 |
| Security deposits from vendors | 3.87 | 3.54 |
| Employee payable | 32.99 | 28.29 |
| Creditor for capital goods | 412.30 | 295.80 |
| | 1,221.73 | 977.76 |

[#] not due for deposit to the Investor Education and Protection fund.

26 Other current liabilities

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Excess payments received from customers | 26.09 | 23.72 |
| Advance from customers | 10.39 | 6.31 |
| Statutory dues payable | 17.49 | 13.14 |
| Advance received for shifting of pipeline | 16.77 | 17.05 |
| Others | 0.76 | 1.44 |
| | 71.50 | 61.66 |

27 Current- provisions

| Particulars | (₹ in Crores) | |
|--|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Provision for employee benefit obligations (refer note 42) | 1.23 | 1.03 |
| Provisions for lease rentals (refer note below) | 256.06 | 162.42 |
| | 257.29 | 163.45 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Movement of provisions for lease rentals as required under Ind AS 37

(₹ in Crores)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Balance as at the beginning of the year | | 107.47 |
| Add: Additional provisions made in the year | 162.42 | 54.95 |
| Balance as at the end of the year | 93.64 | 54.95 |
| | 256.06 | 162.42 |

28 Current tax liabilities (net)

(₹ in Crores)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Provision for tax (net of advance tax) | - | 1.79 |
| | - | 1.79 |

29 Revenue from operations

(₹ in Crores)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Sale of natural gas (including excise duty) | 7,131.29 | 6,336.66 |
| Other operating revenues | 34.20 | 25.21 |
| | 7,165.49 | 6,361.87 |

30 Other income

(₹ in Crores)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|-----------------------------|-----------------------------|
| Interest income from banks | 46.68 | 36.39 |
| Profit on sale of mutual funds | 87.38 | 73.57 |
| Net gain arising on debt mutual funds designated as at fair value through profit or loss | - | 15.22 |
| Provision for obsolete and slow moving stores and spares, written back | 0.27 | 0.02 |
| Provision for obsolete and slow moving capital work-in-progress, written back | - | 0.33 |
| Liabilities/provisions no longer required, written back | 3.21 | 0.10 |
| Allowances for expected credit loss no longer required, written back | - | 1.50 |
| Net gain on foreign currency transaction and translation | - | 0.05 |
| Other non-operating income | 5.64 | 1.27 |
| | 143.18 | 128.45 |



Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

31 Purchases of stock-in-trade of natural gas

| Particulars | (₹ in Crores) | |
|-------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Natural gas | 3,678.77 | 3,397.89 |
| | 3,678.77 | 3,397.89 |

32 Changes in inventories of stock-in-trade of natural gas

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Closing stock of stock-in-trade of natural gas | 3.12 | 3.71 |
| Opening stock of stock-in-trade of natural gas | 3.71 | 3.14 |
| | 0.59 | (0.57) |

33 Employee benefits expense

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Salaries and wages | 129.44 | 123.04 |
| Contribution to provident fund and other funds | 4.41 | 4.23 |
| Staff welfare expenses | 17.85 | 15.28 |
| | 151.70 | 142.55 |

34 Finance costs

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Finance costs on defined benefit obligations | 1.58 | 1.07 |
| Interest on late deposit of advance tax | - | 0.26 |
| Interest on lease liabilities | 6.52 | - |
| Other finance costs | 0.02 | 0.72 |
| | 8.12 | 2.05 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

35 Other expenses

| Particulars | (₹ in Crores) | |
|---|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Operating expenses at CNG stations | 201.89 | 182.53 |
| Stores and spares consumed | 25.21 | 27.03 |
| Power and fuel | 231.87 | 209.58 |
| Rent | 145.42 | 105.17 |
| Hire charges: | | |
| - Vehicle | 26.02 | 25.23 |
| - Equipment | 2.60 | 1.57 |
| Rates and taxes | 2.70 | 2.33 |
| Repairs and maintenance: | | |
| - Buildings | 22.25 | 12.89 |
| - Plant and equipment | 278.69 | 227.22 |
| Security expenses | 52.08 | 49.44 |
| Insurance | 1.96 | 1.49 |
| Cash/cheque collection charges | 9.34 | 10.70 |
| Legal and professional fees | 23.21 | 18.34 |
| Auditor's remuneration (refer note 35.1) | 0.58 | 0.54 |
| Travelling and conveyance | 7.07 | 5.40 |
| Office maintenance | 8.28 | 6.84 |
| Advertisement expenses | 11.36 | 12.40 |
| Loss on property, plant and equipment sold or discarded | 4.49 | 2.04 |
| Allowances for expected credit losses | 4.24 | 2.59 |
| Provision for obsolete and slow moving capital work-in-progress | 0.46 | - |
| Corporate social responsibility (CSR) activity expenses (refer note 40) | 19.88 | 14.49 |
| Miscellaneous expenses | 54.97 | 50.17 |
| | 1,134.57 | 967.99 |

35.1 Payment to the statutory auditors as:

| Particulars | (₹ in Crores) | |
|-----------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| (a) Auditor | 0.55 | 0.51 |
| (b) For reimbursement of expenses | 0.03 | 0.03 |
| | 0.58 | 0.54 |



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

36 Contingent liabilities

1. Claims against the Company not acknowledged as debt:

(a) Demand raised by Excise authorities

The Company had received a show cause notice dated 5 June 2012 from the Directorate General of Central Excise Intelligence for not paying excise duty on the facility discount paid to Delhi Transport Corporation from December 2008 to August 2010 and raised a demand of ₹ 2.42 crores (previous year ₹ 2.42 crores) which the Company duly deposited and, however, filed an appeal on 20 August 2013 with the Commissioner of Central Excise. The demand was confirmed by the Commissioner of Excise in its order dated 30 September 2013 and a penalty of ₹ 2.42 crores (excluding interest) was imposed on the Company. The Company filed an appeal on 10 January 2014 against the demand including penalty with Central Excise and Service Tax Appellate Tribunal and the stay has been granted by the tribunal against the demand. The case has been remanded back to the assessing authority by Central Excise and Service Tax Appellate Tribunal to submit additional documents along with other evidence.

(b) Demand raised by income-tax authorities

In respect of assessment year 2013-14 and 2014-15, the assessing officer had disallowed additional depreciation claimed by the Company on addition of assets pertaining to the CNG business. The department has raised a demand of ₹ 2.51 crores and ₹ 2.01 crores for the assessment year 2013-14 and 2014-15 respectively including interest. Out of the said demand, ₹ 4.01 crores has been adjusted against the refund for the assessment year 2014-15 and demand order for the balance amount of ₹ 0.51 crores has been issued by the Department for assessment year 2013-14. The Company had filed an appeal with the Commissioner of Income-tax (Appeals) which was ruled in favour of the revenue. The Company has further challenged the Order of the Commissioner of Income-tax (Appeals) in the Income-tax Appellate Tribunal. Against the remaining demand of ₹ 0.51 crores for the assessment year 2013-14, Company has deposited ₹ 0.20 crores under protest, while amounts of ₹ 0.23 crores and ₹ 0.08 crores have been adjusted against the refund of assessment year 2015-16 and assessment year 2011-12 respectively.

In respect of assessment year 2011-12, 2012-13 and 2015-16, the assessing officer had disallowed additional depreciation claimed by the Company on addition of assets pertaining to the CNG business. The department has raised a demand of ₹ 8.23 crores, ₹ 10.68 crores and ₹ 1.26 crores (including additional demand of ₹ 0.17 crores raised in current year) for the assessment year 2011-12, 2012-13 and 2015-16 respectively. Out of the said demand, ₹ 1.65 crores and ₹ 2.14 crores has been deposited under protest for the assessment year 2011-12 and 2012-13 respectively and ₹ 1.09 crores has been adjusted against the refund of assessment year 2015-16. The Company had filed appeals with the Commissioner of Income Tax (Appeals) against the decision of the Income-tax department which was ruled in favour of Company. Subsequently, the Income-tax department has further filed an appeal against the order of Commissioner of Income-tax (Appeals) in Income-tax Appellate Tribunal. In the current year, in addition to the additional demand raised for assessment year 2015-16 of ₹ 0.17 crores, the Company has received refund of ₹ 1.40 crores, ₹ 2.14 crores and ₹ 1.09 crores for assessment year 2011-12, 2012-13 and 2015-16 respectively. For assessment year 2011-12, balance amount of ₹ 0.25 crores has been adjusted against the demand of assessment year 2013-14 (₹ 0.08 crores) and additional demand for assessment year 2015-16 (₹ 0.17 crores).

In respect of assessment year 2016-17, the assessing officer had disallowed additional depreciation claimed by the Company on addition of assets pertaining to the CNG business. The department has raised a demand of ₹ 0.84 crores for the assessment year 2016-17 including interest. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the assessment order passed by income-tax department for AY 2016-17, which was ruled in favour of Company. The Income-tax department has further filled an appeal against the order of Commissioner of Income-tax (Appeals) in Income-tax Appellate Tribunal. The Company is of the view that such disallowance is not tenable and accordingly no provision has been made for the said demand.

Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

36 Contingent liabilities (Contd..)

In the current year, the assessing officer had disallowed additional depreciation claimed by the Company in respect of assessment year 2017-18, on addition of assets pertaining to the CNG business. The department has raised a demand of ₹ 2.48 crores for the assessment year 2017-18 including interest. Company has filed an appeal with Commissioner of Income Tax (Appeals) against the assessment order passed by income-tax department for AY 2017-18. The Company is of the view that such disallowance is not tenable and accordingly no provision has been made for the said demand.

(c) Demand raised by Delhi Development Authority (DDA)

Delhi Development Authority (DDA) has raised a total demand (excluding interest) of ₹ 155.64 crores during 2013-14 on account of increase in license fees in respect of sites taken by the Company on lease from DDA for setting up compressed natural gas (CNG) stations in Delhi. The increase in license fees was related to the period 1 April 2007 to 31 March 2014. The Company has filed a writ petition on 11 October 2013 before the Hon'ble Delhi High Court against the demand raised by DDA as the revised license fees has been increased manifold and made applicable retrospectively from financial year 2007-08. Further, DDA vide communication dated 29 August 2016 has revised the total demand (excluding interest) to ₹ 330.73 crores for the period upto 31 March 2016. The same was also reported in the previous year(s) as a contingent liability. The matter is pending in the Hon'ble High Court of Delhi and the Company, based on the legal opinion taken, is of the view that such demand is not tenable and accordingly no provision has been made for this aforementioned demand raised by DDA in the books of accounts.

- (d) During the previous year, the Company received a demand amounting to ₹ 0.04 crores from the Commercial Tax department, Uttar Pradesh which has been deposited by the Company under protest.
- (e) Apart from those disclosed above, the Company has certain ongoing litigations involving customers, vendors and employees. Based on legal advice of in house legal team, the management believes that no material liability will devolve on the Company in respect of these litigations.
- (f) The Company's share in contingent liabilities of its associate, Central U.P. Gas Limited is ₹ 8.38 crores (previous year ₹ 7.41 crores). The Company's share in contingent liabilities of its associate, Maharashtra Natural Gas Limited is ₹ 37.55 crores (previous year ₹ 35.67 crores).

2 Demand raised by Goods and Service tax (GST) authorities

During the current year, the Company has received a demand cum show cause notice from the GST authorities for an amount of ₹ 19.55 crores in respect of financial year 2014-15, 2015-16, 2016-17 and from April 2017 to June 2017 wherein it has been alleged by the aforementioned authorities that the Company has incorrectly availed cenvat credit on the purchases made by the Company and has not paid service tax on certain other services. The Company is in process of filing the responses to the demand cum show cause notice and is of the view that such demand is not tenable. Accordingly, no provision has been made for the demand so raised.

- 3. There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgment dated 28 February 2019 on provident fund on which the Company is seeking legal advice specially on the retrospective applicability of the same. However, the Company for the current year is complying with the statutory requirements of the same and does not believe that any material liability would devolve on it.



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

36 Contingent liabilities (Contd..)

4. During the previous year, GAIL (India) Limited has raised the following claims against the Company in relation to the allocation and actual utilisation of domestic gas amounting to :
- ₹ 40.70 crores which in the current year has been revised to ₹ 0.01 crores post reconciliation of the computation performed by the Company and GAIL (India) Limited; and
 - ₹ 35.12 crores and ₹ 5.12 crores which have now been revised in the current year to ₹ 20.28 crores and ₹ 1.37 crores respectively for the gas supplied by the Company to Adani Gas Limited (AGL) and Haryana City Gas Distribution Limited (HCGDL). The Company has raised claims of the corresponding amount to AGL and HCGDL respectively. Both the aforementioned companies are in the process of reconciling the data with GAIL (India) Limited. Further, based on the agreements entered into by the Company with AGL and HCGDL respectively, and subsequent legal advice obtained on this matter, the management believes that the Company has the right to recover the said amount if charged by GAIL (India) Limited from these companies. Accordingly, the management does not believe that any material liability would devolve on the Company

37 Bank guarantees

The Company was in earlier years granted authorization for laying, building, operating and expanding CGD network in the geographical area of Karnal, Rewari, Meerut (except area already authorised) Shamli, Muzaffarnagar, Kaithal, Ajmer, Pali, Rajsamand, Kanpur (except area already authorised), Fatehpur and Hamirpur under the Petroleum and Natural Gas Regulatory Board (Authorizing entities to lay, build, operate or expand city or local Natural Gas Distribution Networks) Regulation 2008 against which the Company had submitted performance bank guarantees amounting to ₹ 2,446.36 crores (previous year ₹ 2,446.36 crores) to the Petroleum and Natural Gas Regulatory Board to cover the construction obligation for creation of infrastructure in the first 5 years. Further, during the year, the Company has been granted authorization for laying, building, operating and expanding City Gas Distribution (CGD) network in the geographical area of Hapur under the Petroleum and Natural Gas Regulatory Board (Authorizing entities to lay, build, operate or expand city or local Natural Gas Distribution Networks) Regulation 2008. The Company has further submitted a performance bank guarantee amounting to ₹ 33.00 crores to Petroleum and Natural Gas Regulatory Board to cover the construction obligation for creation of infrastructure in the first 5 years.

- (ii) The Company's commitment towards unexpired bank guarantees other than above mentioned in point (i) is ₹ 334.57 crores (previous year ₹ 375.39 crores) given in the ordinary course of business.

- 38 The Company has installed various CNG Stations on land leased from various government authorities for periods ranging from one to five years. However, assets constructed/installed on such land are depreciated generally at the rates specified in Schedule II to the Companies Act, 2013, as the management does not foresee non-renewal of the above lease arrangements by the authorities. The net block of such assets amounts to ₹ 274.36 crores (previous year ₹ 278.99 crores).
- 39 Security deposits from customers of natural gas, refundable on termination/alteration of the gas sales agreements, are considered as current liabilities as every customer has a right to request for termination of supply and the Company does not have a contractual right to delay payment for more than 12 months.
- 40 As per Section 135 of the Companies Act, 2013, a company, meeting the eligibility criteria, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of Companies Act, 2013. A CSR committee has been formed by the Company as per the Act.
- a) Gross amount required to be spent by the Company during the year is ₹ 20.14 crores (previous year ₹ 16.58 crores)
 - b) Amount spent during the year on CSR

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

40 (Contd..)

| | | (₹ in Crores) | | |
|------|---|---------------|------------------------|-------|
| S.No | Particulars | In cash | Yet to be paid in cash | Total |
| (i) | Construction / acquisition of any asset | - | - | - |
| (ii) | On purposes other than (i) above: | 19.88 | - | 19.88 |
| | Empowerment of women and girl child | 2.73 | - | 2.73 |
| | Eradication of poverty | 1.10 | - | 1.10 |
| | Promotion of healthcare and sanitation | 4.68 | - | 4.68 |
| | Promotion of education | 8.73 | - | 8.73 |
| | Others | 2.64 | - | 2.64 |

41 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| | | (₹ in Crores) | |
|-------------|---|-----------------------------|-----------------------------|
| Particulars | | Year ended 31 March 2020 | Year ended 31 March 2019 |
| (a) | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| | - Principal amount due to any supplier* | 285.26 | 197.27 |
| | - Interest due on above | - | 0.37 |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (c) | 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 the MSMED Act 2006. | - | - |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year | 0.48 | 0.48 |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

*includes amount of ₹ 244.65 crores (previous year ₹ 156.64 crores) towards creditors for capital goods.

42 Employee benefits:

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and other comprehensive income and the amount recognized in the balance sheet for the respective plans.

| | | (₹ in Crores) | | | |
|---|---------------|---------------|---------------|---------------|--|
| | Non current | | Current | | |
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | |
| Provision for gratuity (refer note below) | 1.63 | 2.16 | 0.54 | 0.31 | |
| Provision for leave encashment | 21.84 | 17.39 | 0.69 | 0.72 | |
| | 23.47 | 19.55 | 1.23 | 1.03 | |



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Gratuity (funded)

| Particulars | (₹ in Crores) | |
|---|-----------------------------|-----------------------------|
| | Gratuity benefits | |
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Change in present value of the benefit obligations are as follows: | | |
| Present value of obligations at the beginning of the year | 14.19 | 10.89 |
| Current service cost | 1.69 | 1.31 |
| Interest cost | 1.09 | 0.81 |
| Remeasurement (gains)/losses: Actuarial losses | 2.21 | 1.44 |
| Benefits paid | (0.05) | (0.26) |
| Present value of obligation at the year end | 19.13 | 14.19 |
| Change in plan assets | | |
| Fair value of plan asset at the beginning of the year | 11.72 | 8.79 |
| Investment income | 1.30 | 0.80 |
| Employer contribution | 4.31 | 2.49 |
| Mortality charges | (0.12) | (0.10) |
| Remeasurement (gains)/losses - Return on plan assets | (0.20) | - |
| Benefits paid | (0.05) | (0.26) |
| Fair value of plan asset at the end of the year* | 16.96 | 11.72 |
| *The fund is managed by Life Insurance Corporation of India and category-wise composition of plan assets is not available with the Company. | | |
| Net liability recognised in balance sheet | | |
| Present value of the benefit obligations at the end of the year | 19.13 | 14.19 |
| Fair value of plan assets | 16.96 | 11.72 |
| Net liability recognised in balance sheet as provisions | 2.17 | 2.47 |
| Non-current portion of net liability | 1.63 | 2.16 |
| Current portion of net liability | 0.54 | 0.31 |
| | 2.17 | 2.47 |
| Expenses recognised in the statement of profit and loss: | | |
| Current service cost | 1.69 | 1.31 |
| Past service cost including curtailment gains/losses | - | - |
| Interest cost in benefit obligation (net) | 0.18 | 0.12 |
| Total expense recognised in statement of profit and loss | 1.87 | 1.43 |
| Expense recognised in other comprehensive income | | |
| Actuarial (gains)/losses arising from: | | |
| - changes in demographic assumptions | - | - |
| - changes in financial assumptions | 2.18 | 0.29 |
| - experience adjustments | 0.03 | 1.15 |
| Return on plan assets (excluding amounts included in net interest expense) | (0.20) | - |
| Total expense recognised in other comprehensive income | 2.01 | 1.44 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Actuarial assumptions used

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------------------|-----------------------------|-----------------------------|
| Discount rate | 6.76% | 7.65% |
| Expected salary escalation rate | 6.50% | 6.50% |

Notes:

- The discount rate is based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liability.
- The estimates for future salary increase rate takes account of inflation, seniority, promotion, business plan, human resource policy and other relevant factors on long term basis.

Demographic assumptions used

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------|-----------------------------|-----------------------------|
| Mortality table | IALM(2012-14) | IALM(2006-08) |
| Retirement age | 60 years | 60 years |
| Withdrawal rates | | |
| Upto 30 years | 3 | 3 |
| From 31 to 44 years | 2 | 2 |
| Above 44 years | 1 | 1 |

Experience adjustment:

| Particulars | ₹ in Crores | | | | |
|---|-------------|--------|--------|--------|------|
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Present value of defined benefit obligation | 19.13 | 14.19 | 10.89 | 8.89 | 6.19 |
| Experience gain/(loss) on liability | (0.03) | (1.15) | (0.11) | (0.12) | 0.96 |

Effect of plan on Company's future cash flows

(a) Funding arrangements and funding Policy

The Company has purchased an insurance policy to provide payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(b) Maturity profile of defined benefit obligation

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| (i) Weighted average duration of the defined benefit obligation | 18.73 years | 18.91 years |



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(b) Maturity profile of defined benefit obligation (Contd..)

| Particulars | ₹ in Crores | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (ii) Duration of defined benefit obligation | | |
| 0 to 1 year | 0.54 | 0.31 |
| 1 to 2 year | 0.54 | 0.27 |
| 2 to 3 year | 0.59 | 0.26 |
| 3 to 4 year | 0.60 | 0.57 |
| 4 to 5 year | 0.78 | 0.42 |
| 5 to 6 year | 0.32 | 0.47 |
| 6 year onwards | 15.76 | 11.87 |

(c) The contribution expected to be made by the Company during the financial year 2020-21 is ₹ 2.04 crores.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

| Particulars | ₹ in Crores | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2020 | | As at 31 March 2019 | |
| | Increase by 0.5% | Decrease by 0.5% | Increase by 0.5% | Decrease by 0.5% |
| Discount rate (Decrease)/ increase in the defined benefit liability | (1.27) | 1.40 | (0.93) | 1.02 |
| Salary growth rate (Decrease)/ increase in the defined benefit liability | 1.40 | (1.28) | 1.03 | (0.95) |

The present value of the defined benefit obligation calculated with the same method (project unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analysis are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Defined contribution plan

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 4.41 crores for provident fund contributions (previous year ₹ 4.23 crores) in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

43 Information on related party transactions pursuant to Ind AS 24 - Related party Disclosures

List of related parties:

- (a) Entities having significant influence over the Company (promoter venturers)
- i. GAIL (India) Limited
 - ii. Bharat Petroleum Corporation Limited
- (b) Entities over which the Company exercises significant influence
- i. Central UP Gas Limited
 - ii. Maharashtra Natural Gas Limited
- (c) Entities controlled by a major shareholder
- i. GAIL Gas Limited (controlled by GAIL (India) Limited)
- (d) Entities which are joint ventures of GAIL (India) Limited
- i. Petronet LNG Limited
 - ii. Green Gas Limited
 - iii. Rajasthan State Gas Limited
- (e) Key managerial personnel (KMPS):
- i. Mr. Gajendra Singh Chairman (with effect from 14 January 2019)
 - ii. Mr. Arun Kumar Singh Chairman (with effect from 1 October 2018 to 13 January 2019)
 - iii. Mr S. Ramesh Chairman (with effect from 1 April 2018 to 23 September 2018)
 - iv. Mr. E.S. Ranganathan Managing Director#
 - v. Mr. Amit Garg Director Commercial (with effect from 25 July 2019)
 - vi. Mr. Rajiv Sikka Director Commercial (with effect from 25 May 2018 to 1 July 2019)
 - vii. Mr. V. Nagarajan Director Commercial (till 24 May 2018)
 - viii. Mr. Rajendra Natekar Pushparaj Non- Executive Director (with effect from 14 January 2019)
 - ix. Mr. S. Bairagi Non-Executive Director (with effect from 6 July 2018 to 13 January 2019)
 - x. Mr Manoj Jain Non-Executive Director (with effect from 1 April 2018 to 5 July 2018)
 - xi. Mr. Rakesh Chawala Chief Financial Officer (with effect from 1 August 2018)*
 - xii. Mr. Rajesh Agrawal Chief Financial Officer (till 31 July 2018)*
 - xiii. Mr. S.K. Jain Company Secretary*
 - xiv. Ms Varsha Joshi Non- Executive Director (upto 22 May 2019)
 - xv. Ms Renu Sharma Non- Executive Director (with effect from 1 December 2019)
 - xvi. Mr. Rajeev Verma Non- Executive Director (with effect from 21 June 2019 till 30 November 2019)
 - xvii. Mr. Akhilesh Kumar Ambasht Non - Executive, Independent Director (with effect from 11 February 2019)
 - xviii. Ms Saroj Bala Non - Executive, Independent Director (with effect from 11 February 2019)
 - xix. Mr. R.S. Sahoo Non - Executive, Independent Director (with effect from 11 February 2019)
 - xx. Mr Raghu Nayar Non-Executive, Independent Director (till 19 March 2019)
 - xxi. Ms Sudha Sharma Non-Executive, Independent Director (till 19 March 2019)
 - xxii. Mr Sadashiv Srinivas Rao Non-Executive, Independent Director (till 15 October 2018)



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

43 Information on related party transactions pursuant to Ind AS 24 - Related party Disclosures (Contd..)

| | |
|----------------------------------|---|
| xxiii Mr Santosh Kumar Bajpai | Non-Executive, Independent Director (till 15 October 2018) |
| xxiv Mr Ranganathan Venkataraman | Non-Executive, Independent Director (till 15 October 2018) |
| xxv Mr. Ramesh Narain Misra | Non - Executive, Independent Director (with effect from 11 June 2019) |
| xxvi Mr. Deepak Mishra | Non - Executive, Independent Director (with effect from 13 June 2019) |

Post the year end, with effect from 16 June 2020, Mr. Asit Kumar Jana is the Managing Director of the Company.

* Pursuant only to Section 203 of the Companies Act, 2013

Transactions/balances outstanding with related parties in the ordinary course of business:

| Particulars | ₹ in Crores | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| GAIL (India) Limited | | |
| Transactions during the year: | | |
| Purchase of stock-in-trade of natural gas (including VAT) | 3,113.84 | 2,800.96 |
| Transportation charges | 44.52 | 35.67 |
| Refund of excess fixed transmission charges | 18.36 | - |
| Sale of natural gas | 2.63 | 3.21 |
| Salaries, allowances and other related payments | 1.05 | 0.99 |
| Road restoration charges | 0.07 | 0.25 |
| Bonus (profit sharing) | 0.15 | 0.15 |
| Advance paid for hooking up charges of shippers facilities | 9.43 | - |
| Refund of hooking up charges | 8.01 | - |
| Operational charges | 0.19 | 0.16 |
| Sponsorship of events | 0.02 | - |
| Net movement in standby letter of credit/ bank guarantee | 2.47 | (96.43) |
| Dividend paid | 37.80 | 31.50 |
| Balance outstanding as at the year end: | | |
| Trade payables | 34.70 | 123.98 |
| Trade receivables | 0.03 | 0.25 |
| Security deposit paid | 0.10 | 0.10 |
| Bank guarantee/standby letter of credit outstanding (SBLC) at the year end | 160.30 | 157.83 |
| Advance paid for hooking up of shippers facilities | 13.56 | 11.48 |
| Bharat Petroleum Corporation Limited | | |
| Transactions during the year: | | |
| Sale of CNG (gross) | 462.19 | 432.16 |
| Salaries, allowances and other related payments | 0.68 | 0.95 |
| Reimbursement of electricity expenses | 16.74 | 16.00 |
| Facility charges | 17.52 | 17.04 |
| Purchases of stock-in-trade of natural gas | 302.77 | 324.42 |
| Purchases of lubricants | 0.60 | 0.86 |
| Purchase of petrol/diesel (including unutilised) | 0.15 | 0.17 |
| Security deposit paid | 0.02 | 0.01 |
| Security deposit refund | 0.02 | 0.01 |
| Bonus (profit sharing) | 0.15 | 0.15 |
| Earnest money deposit received/(repaid) | - | (0.04) |
| Net movement in standby letter of credit/ bank guarantee | 0.40 | (1.93) |
| Dividend paid | 37.80 | 31.50 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

Transactions/balances outstanding with related parties in the ordinary course of business: (Contd..)

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Bharat Petroleum Corporation Limited | | |
| Balance outstanding as at the year end: | | |
| Trade payables | 7.70 | 11.50 |
| Trade receivables | 9.26 | 18.20 |
| Security deposit | 0.01 | 0.01 |
| Bank guarantee outstanding at the year end | 29.20 | 28.80 |
| Other advances | - | 0.05 |
| Central UP Gas Limited | | |
| Transactions during the year: | | |
| Sitting fees received | 0.04 | 0.04 |
| Security deposit given | - | 0.02 |
| Security deposit refund | - | 0.02 |
| Maharashtra Natural Gas Limited | | |
| Transactions during the year: | | |
| Sitting fees received | 0.03 | 0.01 |
| GAIL Gas Limited | | |
| <i>Transactions during the year:</i> | | |
| Purchase of stock-in-trade of natural gas | 135.56 | 132.77 |
| Balance outstanding as at the year end: | | |
| Trade payables | 3.12 | 5.74 |
| Bank guarantee outstanding at the year end | 8.46 | 8.46 |
| Petronet LNG Limited | | |
| Transactions during the year: | | |
| Purchase of stock-in-trade of natural gas | 20.90 | 44.82 |
| Net movement in standby letter of credit / bank guarantee issued/renewed | (0.30) | 11.58 |
| Balance outstanding as at the year end: | | |
| Trade payable | - | 9.62 |
| Bank guarantee outstanding at the year end | 11.28 | 11.58 |
| Green Gas Limited | | |
| Transactions during the year: | | |
| Purchase of stock-in-trade of natural gas | - | - |
| Balance outstanding as at the year end: | | |
| Trade payable | 0.06 | 0.06 |
| Rajasthan State Gas Limited | | |
| Transactions during the year: | | |
| Sale of property, plant and equipment | - | 0.01 |



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Key managerial personnel: | | |
| <i>Transactions during the year:</i> | | |
| Mr. E.S. Ranganathan: direct reimbursements [#] | 0.04 | 0.03 |
| Mr. Rajiv Sikka: direct reimbursements [#] | 0.02 | 0.05 |
| Mr. Amit Garg: direct reimbursements [#] | 0.06 | - |
| Mr. Rakesh Chawala (managerial remuneration) | 0.78 | 0.41 |
| Mr. S.K. Jain (managerial remuneration) | 0.79 | 0.72 |
| Mr. Akhilesh Kumar Ambasht | 0.14 | 0.02 |
| Ms. Saroj Bala | 0.12 | 0.02 |
| Mr. R.S. Sahoo | 0.21 | 0.02 |
| Ms. Varsha Joshi | 0.01 | - |
| Mr. Rajeev Verma | 0.03 | - |
| Ms. Renu Sharma | 0.03 | - |
| Mr. Ramesh Narain Misra | 0.10 | - |
| Mr. Deepak Mishra | 0.09 | - |
| Mr. V. Nagarajan: Direct reimbursements [#] | - | 0.02 |
| Mr. Rajesh Agrawal (managerial remuneration) | - | 0.74 |
| Mr. Raghu Nayar | - | 0.14 |
| Ms. Sudha Sharma | - | 0.14 |
| Mr. Sadashiv Srinivas Rao | - | 0.09 |
| Mr. Santosh Kumar Bajpai | - | 0.08 |
| Mr. Ranganathan Venkataraman | - | 0.07 |

[#] Direct reimbursements made as per terms of employment/entitlements

44 Income-tax expense

| Particulars | (₹ in Crores) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| (a) Income-tax expense | | |
| <i>Current tax</i> | | |
| Current tax on profits for the year | 334.53 | 370.31 |
| Total current tax expense | 334.53 | 370.31 |
| <i>Deferred tax</i> | | |
| (Increase)/ decrease in deferred tax assets | (10.30) | (4.27) |
| (Decrease)/ increase in deferred tax liabilities | (16.72) | 61.13 |
| Total deferred tax expense | (27.02) | 56.86 |
| Income tax expense reported in the statement of profit or loss | 307.51 | 427.17 |
| <i>Deferred tax related to items recognised in OCI during the year</i> | | |
| Net loss on remeasurements of defined benefit plans | (0.51) | (0.50) |
| Tax expense | 307.00 | 426.67 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in Crores)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|-----------------------------|-----------------------------|
| Profit before income-tax expense | 1,402.45 | 1,182.31 |
| Tax at the Indian tax rate of 25.168% (2018-2019 : 34.944%) | 352.97 | 413.15 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Effect of non deductible expenses | 5.01 | 5.41 |
| Effect of disallowances/ (allowances) | 0.10 | (6.63) |
| Share in profit of associates not taxable | 28.40 | 13.82 |
| Others | (1.54) | 0.92 |
| Change due to adoption of new tax rate (refer note below) | (77.94) | - |
| Income-tax expense | 307.00 | 426.67 |

Note :

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised provision for income-tax basis the revised rates resulting in a reduction in current tax expense. The Company has also re-measured its deferred tax liability on the basis of reduced rate.



Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

45 Financial instruments by category

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|-----------------|---------------------|-----------------|
| | FVTPL | Amortised cost | FVTPL | Amortised cost |
| (₹ in Crores) | | | | |
| Non current financial assets | | | | |
| Loans | - | 13.38 | - | 11.47 |
| Other financial assets | - | 0.10 | - | 0.34 |
| Current financial assets | | | | |
| Investments | - | - | 1,285.87 | - |
| Trade receivables | - | 170.39 | - | 221.48 |
| Cash and cash equivalents | - | 667.71 | - | 71.16 |
| Bank balances other than cash and cash equivalents | - | 1,512.23 | - | 535.93 |
| Unbilled revenue | - | 35.20 | - | 32.94 |
| Interest accrued on fixed deposits | - | 26.15 | - | 11.46 |
| Security deposits with related parties and others | - | 1.99 | - | 3.78 |
| Total financial assets | - | 2,427.15 | 1,285.87 | 888.56 |
| Non current financial liabilities | | | | |
| Security deposits | - | 1.97 | - | 0.41 |
| Lease liabilities | - | 76.18 | - | - |
| Current financial liabilities | | | | |
| Trade payables | - | 224.96 | - | 326.06 |
| Security deposits from customers | - | 771.58 | - | 649.27 |
| Unclaimed dividends | - | 0.99 | - | 0.86 |
| Employee benefits payable | - | 32.99 | - | 28.29 |
| Creditors towards capital goods | - | 412.30 | - | 295.80 |
| Security deposits from vendors | - | 3.87 | - | 3.54 |
| Lease liabilities | - | 20.01 | - | - |
| Total financial liabilities | - | 1,544.85 | - | 1,304.23 |

Note :

Investments in associates as at the close of the year ended 31 March 2020 and 31 March 2019 are carried at cost, per the exemption availed by the Company. Hence the same has not been considered in the above table.

46 Financial instruments measured at fair value

The following tables present financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

46 Financial instruments measured at fair value (Contd..)

There are no financial liabilities measured at fair value as at 31 March 2020 and 31 March 2019.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 31 March 2019 and 31 March 2020 as follows:

| | (₹ in Crores) | | | |
|----------------------------|-----------------|----------|----------|-----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| As at 31 March 2019 | | | | |
| Investment in mutual funds | 1,285.87 | - | - | 1,285.87 |
| Total | 1,285.87 | - | - | 1,285.87 |
| As at 31 March 2020 | | | | |
| Investment in mutual funds | - | - | - | - |
| Total | - | - | - | - |

During the previous year, the investments in mutual funds have been fair valued per net asset value (NAV) as at reporting date.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Security deposits received have not been fair valued as the same are repayable on demand, so there is no fixed term available for the purpose of discounting. Further, security deposits given have not been fair valued as the impact of the fair valuation is not material.

47 Financial risk management

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of the same in the financial statements.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk mainly through its purchases of capital items from overseas suppliers in various foreign currencies. The Company evaluates exchange rate exposure arising from foreign currency ('FC') transactions and follows established risk management policies to manage its risks.

The Company's foreign currency exposure on accounts payable that have not been hedged by a derivative instrument or otherwise are given below:

| Currency | As at 31 March 2020 | | As at 31 March 2019 | |
|----------|---------------------|---------------|---------------------|---------------|
| | FC | (₹ in crores) | FC | (₹ in crores) |
| USD | 7,69,094 | 5.80 | 3,24,230 | 2.24 |
| EURO | 1,04,514 | 0.87 | 1,26,771 | 0.99 |
| | | 6.67 | | 3.23 |



Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

Foreign currency sensitivity

There shall be no material impact on profit before tax due to 1% increase/decrease in foreign exchange rates.

(ii) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, derivative financial instruments, deposits from financial institutions and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date :

Financial assets for which loss allowance is measured using 12 months Expected Credit Losses

| Exposure to credit risk | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits (non-current) | 13.38 | 11.47 |
| Balance with banks in fixed deposits (under lien against bank guarantee) | 0.06 | 0.30 |
| Cash and cash equivalents (except cash on hand) | 666.63 | 59.27 |
| Other bank balances | 1,512.23 | 535.93 |
| Unbilled revenue | 35.20 | 32.94 |
| Interest accrued on fixed deposits | 26.15 | 11.46 |
| Security deposits with related parties and others | 1.99 | 3.78 |
| | 2,255.64 | 655.15 |

Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses

| | | |
|-------------------|--------|--------|
| Trade receivables | 178.59 | 226.46 |
|-------------------|--------|--------|

An analysis of age of trade receivables at each statement of financial position date is summarized as follows:

| Particulars | (₹ in Crores) | |
|-------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| upto 1 year | 170.37 | 217.88 |
| upto 2 years | 2.95 | 3.29 |
| upto 3 years | 2.22 | 2.96 |
| upto 4 years | 0.84 | 1.04 |
| upto 5 years | 0.71 | 0.91 |
| More than 5 years | 1.50 | 0.38 |
| | 178.59 | 226.46 |

Expected credit loss

| Particulars | | |
|-------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| upto 1 year | 0% | 0% |
| upto 2 years | 84% | 34% |
| upto 3 years | 91% | 43% |
| upto 4 years | 100% | 100% |
| upto 5 years | 100% | 100% |
| More than 5 years | 100% | 100% |

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks. Further, security deposits paid includes payment made to government agencies which are considered low credit risk.

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

(iii) Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Short term liquidity requirements comprises mainly of trade payables and employee dues arising during normal course of business as on each statement of financial position date. Long term liquidity requirement is assessed by the management on periodical basis and is managed through internal accruals. As at each statement of financial position date, the Company's liabilities having contractual maturities (including interest payments where applicable) are summarized as follows:

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

As at 31 March 2020

| Particulars | (₹ in Crores) | | |
|----------------------------------|------------------|------------------|-----------------|
| | Less than 1 year | More than 1 year | Total |
| Trade payables | 224.96 | - | 224.96 |
| Security deposits from customers | 771.58 | - | 771.58 |
| Unclaimed dividends | 0.99 | - | 0.99 |
| Security deposits from vendors | 3.87 | - | 3.87 |
| Employee payable | 32.99 | - | 32.99 |
| Creditor for capital goods | 412.30 | - | 412.30 |
| Security deposits | - | 1.97 | 1.97 |
| Lease liabilities | 20.01 | 76.18 | 96.19 |
| | 1,466.70 | 78.15 | 1,544.85 |

As at 31 March 2019

| Particulars | (₹ in Crores) | | |
|----------------------------------|------------------|------------------|-----------------|
| | Less than 1 year | More than 1 year | Total |
| Trade payables | 326.06 | - | 326.06 |
| Security deposits from customers | 649.27 | - | 649.27 |
| Unclaimed dividends | 0.86 | - | 0.86 |
| Security deposits from vendors | 3.54 | - | 3.54 |
| Employee payable | 28.29 | - | 28.29 |
| Creditor for capital goods | 295.80 | - | 295.80 |
| Security deposits | - | 0.41 | 0.41 |
| | 1,303.82 | 0.41 | 1,304.23 |

(iv) Price risk

The Company is not exposed to sensitivity to price risk in regards to its financial assets and liabilities.



Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(v) Interest risk

The Company's policy is to minimise interest rate cash flow risk exposures. The Company is exposed to the interest rate risk on fixed deposit and on the investment done by the Company in mutual funds. The exposure to the interest rate for the Company's mutual fund and fixed deposit is considered immaterial.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 0.50% (2018-19: +/-0.50%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

| Particulars | ₹ in Crores | | | |
|---------------|---------------------|---------|--------|--------|
| | Profit for the year | | Equity | |
| | +0.50% | -0.50% | +0.50% | -0.50% |
| 31 March 2020 | 10.19 | (10.19) | 7.63 | (7.63) |
| 31 March 2019 | 9.24 | (9.24) | 6.01 | (6.01) |

48 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to stakeholders

For the purpose of Company's capital management, capital includes issued equity capital. The Company manages its capital structure and makes adjustments in light of changes in economic condition and the requirements of the financial covenants, if any. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, less cash and cash equivalents.

| Particulars | ₹ in Crores | |
|--|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Borrowings | - | - |
| Less: Cash and cash equivalents | (667.71) | (71.16) |
| Borrowings (net of cash and cash equivalents) | - | - |
| Capital employed | 5,357.97 | 4,315.71 |
| Total capital employed | 5,357.97 | 4,315.71 |
| Gearing ratio | 0% | 0% |

49 Capital and other commitments

(a) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is as under:

| Particulars | ₹ in Crores | |
|-------------------------------|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Property, plant and equipment | 2,013.94 | 1,469.80 |
| | 2,013.94 | 1,469.80 |

Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(b) Other commitments

The Company has entered into long-term agreements for purchase of natural gas upto maximum quantity of 0.58 million standard cubic meters (SCM)/ day (₹1.96 crores per day based on average rates prevailing on March 2020) till 2028 with different suppliers. These agreements have 'take or pay' clause which shall be applicable in case gas off take is less than the contractual quantity as defined in the agreement and the same can be adjusted against make up quantity to be taken in the subsequent years. As at the balance sheet date, the management does not foresee any liability on account of the said obligation.

50 Earnings per equity share

| Particulars | Units | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--|---------------|-----------------------------|-----------------------------|
| Net profit attributable to shareholders | ₹ crores | 1,248.99 | 842.10 |
| Weighted average number of equity shares | No. in crores | 70.00 | 70.00 |
| Nominal value per share | ₹ | 2.00 | 2.00 |
| Basic earning per share of ₹ 2 each | ₹ | 17.84 | 12.03 |

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

51 Leases

a) The Company has adopted Ind AS 116 'Leases' from 1 April 2019, which resulted in changes in accounting policies in the Consolidated financial statements.

b) Transition

Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method and recognised at the date of initial application:

- Lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate for leases as on 31 March 2019; and
- Right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

c) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
 - accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- d) The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 9% p.a. with maturity between 2020 - 2042.
- e) Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.



Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

- f) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

| Right-of-use assets | No of right-of-use assets leased | Range of remaining term (years) | Average remaining lease term(years) |
|----------------------------|----------------------------------|---------------------------------|-------------------------------------|
| Land | 21 | 2- 90 | 46.62 |
| Building | 35 | 1- 22 | 2.27 |
| Data processing equipments | 1 | 1- 1 | 1.00 |
| Vehicles | 19 | 4- 5 | 4.56 |

There are no leases entered by the Company which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

- g) (i) Amounts recognised in balance sheet and statement of profit and loss :

The balance sheet shows the following amounts relating to leases:

| Particulars | Category of right-of-use assets | | | | |
|---|---------------------------------|--------------|---------------------------|--------------|---------------|
| | Land | Buildings | Data processing equipment | Vehicles | Total |
| Balance as at 1 April 2019 (on account of initial application of Ind AS 116) | 31.11 | 14.33 | 0.18 | 28.21 | 73.83 |
| Add: Additions | 30.99 | 19.19 | - | 17.73 | 67.91 |
| Less: Depreciation charged on the right-of-use assets | 6.66 | 6.12 | 0.09 | 6.87 | 19.74 |
| Balance as at 31 March 2020 | 55.44 | 27.40 | 0.09 | 39.07 | 122.00 |

- h) Lease payments not recognised as lease liabilities:

| Particulars | Year ended 31 March 2020 |
|---|--------------------------|
| Expenses relating to short term leases (included in other expenses) | 132.39 |
| Expenses relating to variable lease payments not included in lease payments | 20.66 |
| Total | 153.05 |

- i) The total cash outflow for leases for the year ended 31 March 2020 was ₹ 40.93 crores.

- j) Future minimum lease payments as on 31 March 2020 are as follows:

| Minimum lease payments due | As at 31 March 2020 | | |
|----------------------------|---------------------|-----------------|--------------------|
| | Lease payments | Finance charges | Net present values |
| Within 1 year | 27.33 | (7.32) | 20.01 |
| 1 - 2 years | 25.24 | (5.55) | 19.69 |
| 2 - 3 years | 21.63 | (4.01) | 17.62 |
| 3 - 4 years | 19.95 | (2.48) | 17.47 |
| 4 - 5 years | 13.33 | (1.08) | 12.25 |
| After 5 years | 15.82 | (6.67) | 9.15 |
| Total | 123.30 | (27.11) | 96.19 |

Consolidated summary of significant accounting policies and other explanatory information

for the year ended 31 March 2020

k) Reconciliation of total lease commitments as on 31 March 2019 to the lease liabilities recognised at 1 April 2019:

| Particulars | Amount in ₹ |
|--|--------------|
| Total operating lease commitments as on 31 March 2019 | 83.58 |
| Discounted using incremental borrowing rate | (20.89) |
| Operating lease liabilities | 62.69 |
| Reasonably certain extension options | - |
| Finance lease obligations | - |
| Total lease liabilities recognised under Ind AS 116 at 1 April 2019 | 62.69 |

52 The Company is primarily engaged in the business of providing natural gas. Hence, as per the chief operating decision maker the sale of natural gas has been considered as a single operating segment per Ind AS 108 'Operating Segment' and accordingly disclosures have been limited to single operating segment.

In the current year, revenue from one external customer amounting to ₹ 795.15 crores individually accounted for more than ten percent of the revenue. In the previous year, none of the customer individually accounted for more than ten percent of the revenue.

53 Disclosures pursuant to Ind AS 115, Revenue from Contracts with customers, are as follows :

a) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

| Particulars | (₹ in Crores) | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Contract assets | | |
| Unbilled revenue | 35.20 | 32.94 |
| Total contract assets | 35.20 | 32.94 |
| Contract liabilities | | |
| Excess payments received from customers | 26.09 | 23.72 |
| Advance from customers | 10.39 | 6.31 |
| Total contract liabilities | 36.48 | 30.03 |
| Receivables | | |
| Trade receivables | 170.39 | 221.48 |
| Net receivables | 170.39 | 221.48 |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.



Consolidated summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

b) Significant changes in contract assets and liabilities

There has been no significant changes in contract assets during the year

(₹ in Crores)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---|------------------------|---|------------------------|
| | Contract liabilities | | Contract liabilities | |
| | Excess payments received from customers | Advance from customers | Excess payments received from customers | Advance from customers |
| Opening balance | 23.72 | 6.31 | 16.57 | 3.79 |
| Add: Addition during the year | 14.22 | 10.39 | 16.11 | 6.31 |
| Less: Revenue recognised during the year from opening liability | 11.85 | 6.31 | 8.96 | 3.79 |
| Closing balance | 26.09 | 10.39 | 23.72 | 6.31 |

54 During the year ended 31 March 2020, the Company has reclassified / regrouped the outstanding liability pertaining to lease rentals amounting to ₹ 162.42 crores as at 31 March 2019 from Current financial liabilities- Trade payables to Current- provisions.

55 "The agreements with the Oil Marketing Companies (OMCs) for the Delhi region and Uttar Pradesh region expired on 31 March 2018 and 31 March 2019 respectively. The Company is in active negotiations with them to renew the commercial terms of the contracts. However, for the Delhi region, an incremental amount of ₹ 10.83 crores pertaining to the current year (previous year ₹ 4.90 crores) and for the Uttar Pradesh region an incremental amount of ₹ 0.88 crores has been provided for towards the estimated increase in the amount of trade margin and facility charges payable to the OMCs.

56 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2020 and the date of authorisation of the Company's Consolidated financial statements. However, the Board of Directors have recommended a final dividend of 140% i.e. ₹ 2.80 (previous year ₹ 2.40) on equity shares of ₹ 2 (previous year ₹ 2) each for the year ended 31 March 2020, subject to approval of shareholders at the ensuing annual general meeting.

57 The consolidated financial statements for the year ended 31 March 2020 were approved by the Board of Directors on 17 June 2020.

Significant accounting policies and other explanatory information forming part of the standalone financial statements (1-57)

In terms of our report attached

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the board of directors

Sd/-
Rajni Mundra
Partner
Membership No. 058644

Sd/-
Asit Kumar Jana
Managing Director
(DIN 03452799)

Sd/-
Amit Garg
Director (Commercial)
(DIN 08515246)

Place: New Delhi
Date: 17 June 2020

Sd/-
Rakesh Chawla
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

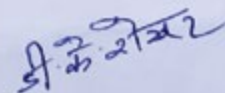
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDRAPRASTHA GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of Indraprastha Gas Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Indraprastha Gas Limited for the year ended 31 March 2020 under Section 143 (6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of financial statements of Indraprastha Gas Limited but did not conduct supplementary audit of financial statements of Maharashtra Natural Gas Limited (Associate) and Central U.P. Gas Limited (Associate) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143 (6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India



(D.K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 11 August 2020



INDRAPRASTHA GAS LIMITED

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New Delhi - 110022
Website: www.iglonline.net

