INDRAPRASTHA GAS LIMITED

18th Annual Report 2016-17

Green
Energy

WE'VE MADE A COMMITMENT TO THE ENVIRONMENT.

That of upholding energy solutions that will help conserve its balance.

WE'VE MADE A COMMITMENT TO OUR CUSTOMERS.

That of providing them with a complete range of energy solutions that can go beyond limited range of usages.

WE'VE MADE A COMMITMENT TO OUR SHAREHOLDERS.

That of enhancing their value and meeting their expectations – consistently.

And we are glad to have kept every single one of them!

Contents

Chairman's message

Dear Shareowners,

In most aspects, FY 2016-17 was one of the most challenging years for the Oil and Gas industry. However, at Indraprastha Gas Limited (IGL), it was a year that provided us with a platform to demonstrate our core capabilities, backed by our proven track record and value-creation methodologies. Our operational competitiveness and business strategies enabled us to respond to the changing market scenario. As a result, we retained the trust of our investors and maintained a resilient financial position.

Economic review

The global economic growth continued to face headwinds, reporting weak growth numbers for 2016. The crude oil prices remained under pressure with increase in supply from the US and Middle East beyond the expectations of the markets. Coupled with this, government has laid emphasis on better fuel pricing reforms and placed impetus on alternate and greener fuel energy which has only fuelled further growth opportunities for us in this sector.

The past one year witnessed two events in the country's economic history. One was demonetization that resulted in withdrawal of legal tender of high value currency notes, and the second being implementation of GST, which has brought the country under a new tax regime, to bring in greater transparency.

Financial performance

Your Company's focus on stronger operational performance and higher profitability continues unabated. Despite a marginal increase in the gross turnover, we were able to increase our net profit by 36.28% on a year-to-year basis. The pressure on pricing for Compressed Natural Gas (CNG) and Piped Natural Gas (PNG), on account of reduced input cost, caused the revenues to be flat. In numerical terms, we clocked Rs.4205.43 Crores of revenue in 2016-17 (against Rs.4052.14 Crores in 2015-16) and registered a net profit of Rs.571.07 Crores (against Rs.419.05 Crores in the previous year). Against this strong operational performance, your Board has recommended final dividend of 50%, in addition to interim dividend of 35% for the year 2016-17.

Operational performance

The major highlight for the year was our endeavor towards expanding CNG business of the Company. The Company started its operation in a new geographical area of Rewari in Haryana. We also successfully piloted the project of CNG based two wheelers, which was launched by the Hon'ble Minister of State I/C (P&NG) and appreciated by our stakeholders. This being a novel concept, we expect growth and revenues to increase from this segment in the long run.

On the core business front, we continued our steady network expansion. We expanded our CNG infrastructure with commissioning of 81 new CNG stations (including the 78 stations at retail outlets of Oil Marketing Companies). This has taken our total installed compression capacity to 71 Lakhs kg/ day as on March 31, 2017. We recorded our best performance till date for the PNG segment, providing more than 1.05 lacs new domestic PNG connections in the year ending 31st March, 2017. We also gained in industrial and commercial segments for PNG, adding customers in the industrial belts of Noida, Greater Noida, Delhi and Ghaziabad. We expanded our steel pipeline network to 778 kms (from 707 kms in 2015-16) and MDPE network to 9940 kms (from 9443 kms in 2015-16) during the year 2016-17. It is heartening to see that our investments in associate companies are bearing fruit and I am confident that our widespread network and innovative marketing will further widen our market presence.

The execution of our strategies resulting in a balanced business approach would not have been possible without the commitment of our team. We continue to invest in nurturing their skills through various training and development programmes. Their talent and determination has positioned us to continue to deliver value for our stakeholders.

Health and safety of our employees and customers constitute a critical aspect of our business sustainability. Safety inspections of CNG vehicles are done periodically on random basis to ensure compliance of safety standards. A detailed HSE Policy and regular safety audits ensure compliance of all safety rules and regulations. As a result, we crossed 106

Million Man Hours of accident free activity as on March 31, 2017 and were conferred with the Safety Innovation Award by Institute of Engineers and Certificate of Appreciation from National Safety Council for 2016-17.

Engaging better with customers

The evolving landscape for City Gas Distribution (CGD) requires us to address consumer requirements with ease and convenience. A growing consumer base across all our consumer segments, makes it imperative for us to focus on Information Technology. With focus on IT, our technology-led services have helped us to provide better services to our customers. The launch of 'IGL Connect' (mobile friendly app) and 'INSTAPAYMENT' (for facilitating online payment) has helped our customers to connect and engage better with us.

Holistic development

At IGL we have always believed in ensuring growth and development for a wider stakeholder community. We undertook several initiatives for empowering people in the field of education, healthcare, skill development and women empowerment. Initiatives like 'IGL Swasth Sarthi' and 'IGL Suraksha Yojna' have empowered the Driver community to a great extent. Our efforts towards sustainable development have got us recognition by way of various CSR awards.

Road ahead

We stand at the threshold of an era of change and constant evolution for cleaner energy. There has been a growing concern on the pollution levels in Delhi and NCR towards which, judicial and other Statutory Authorities have intervened. We continue to expand our operations in new geographical areas and strengthen our market presence in existing areas. We expect our entry into Gurugram, Haryana to be another game-changer and drive business growth across our business segments. Today, IGL is well positioned to continue to execute its defined plans and deliver significant and sustainable value for years to come.

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 deliver long-term value in the coming years.

Warm Regards

S. Ramesh
Chairman

Financial Highlights

Profit after Tax (in Rs. Crores)

FY17	571
FY16	419
FY15	438
FY14	360
FY13	354

Turnover (in Rs. Crores)

FY17	3880
FY16	3716
FY15	3716
FY14	3935
FY13	3380

Dividend (%)

FY17	85*
FY16	60
FY15	60
FY14	55
FY13	55

*Interim 35% and proposed final 50%

Average sales per day (mmscmd)

FY17	4.59
FY16	4.00
FY15	3.84
FY14	3.79
FY13	3.67

Earning per share (in Rs.)

FY17	40.79
FY16	29.73
FY15	31.27
FY14	25.73
FY13	25.29

Board of Directors

Shri S. Ramesh
Chairman

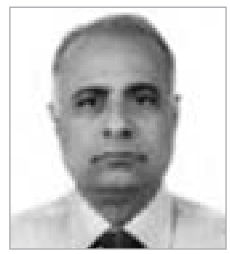
Shri E. S. Ranganathan
Managing Director

Shri V. Nagarajan
Director (Commercial)

Shri Manoj Jain
Director

Shri S.S. Rao
Director

Shri V. Ranganathan
Director



Shri Santosh Kumar
Director

Shri Raghu Nayyar
Director

Dr. Sudha Sharma
Director

Smt. Varsha Joshi
Director

Bankers	• ICICI Bank Limited • IDBI Bank Limited • State Bank of India • Axis Bank Limited • Andhra Bank • Kotak Mahindra Bank Limited • HDFC Bank Limited • IndusInd Bank Limited • IDFC Bank Limited
Statutory Auditors	M/s Walker Chandiok & Co. LLP
Cost Auditors	M/s Chandra Wadhwa & 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 Eighteenth Annual Report and the Company's audited financial statements for the financial year ended March 31, 2017.

Physical Performance

During the year, the Company recorded sales as under:

Figures in Million Standard Cubic Meters (mmscm)

Product	For the Year 31 March 2017	For the Year 31 March 2016	% Growth (YoY)
Compressed Natural Gas (CNG)	1268.42	1123.00	13
Piped Natural Gas (PNG)	406.09	342.05	19
Total	**1674.51**	**1465.05**	**14**
Average Sales Per day (mmscmd)	4.59	4.00	

Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited and Shri V. Nagarajan, Director (Commercial), Indraprastha Gas Limited presenting dividend cheque for FY 2015-16 to Shri Najeeb Jung, then Hon'ble Lieutenant Governor of NCT of Delhi, in presence of senior IGL officials.

Financial Results

The Company's financial performance for the year ended March 31, 2017 is summarised below:

(Rs. in Crores)

Items	For the Year 31 March 2017	For the Year 31 March 2016
Net Sales & Other Income	3880.00	3715.68
Profit before Depreciation & Tax	1027.76	794.71
Depreciation	167.07	156.25
Profit before tax	860.69	638.46
Provision for tax	289.62	219.41
Profit after tax	571.07	419.05
Other comprehensive income	(0.86)	(0.35)
Total comprehensive income	570.21	418.70
Retained Earnings – opening balance	2072.93	1796.95
Add : Profit for the period	571.07	419.05
Profit available for appropriations	2644.00	2216.00
Appropriations:		
Dividends including Interim Dividend	133.00	84.00
Corporate dividend tax	27.08	17.10
Transferred to general reserve	-	41.62
Other comprehensive income recognised directly in retained earnings	(0.86)	(0.35)
Retained Earnings – closing balance	2483.06	2072.93

Financial Review

During the year, the gross turnover of the Company increased from Rs. 4052.14 Crores in 2015-16 to Rs. 4205.43 Crores in 2016-17. The increase of 3.8% in gross turnover, despite an increase of 14% in sales volume, is mainly on account of reduction in the selling price of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG)-domestic, which was reduced in line with the reduction in the APM prices of input gas which was passed on to the customers, by reducing the selling price of CNG and PNG-domestic. Further, the selling price of gas to industrial and commercial customers was reduced on account of reduction in the price of Term-RLNG during the year.

The Profit after tax (PAT) increased by 36.28% from Rs. 419.05 Crores in 2015-16 to Rs. 571.07 Crores in 2016-17.

The Company has prepared the Consolidated Financial Statements also which includes the Company's share of profit in its Associates combined on a equity method in accordance with Ind AS 28 - "Investment in Associates and Joint Ventures". The Consolidated PAT during FY 2016-17 is Rs. 606.34 Crores against Rs. 457.88 Crores in the previous year.

Dividend

Your Directors are pleased to recommend a dividend of 50% (Rs. 5.00 per share) in addition to the interim dividend of 35% (Rs. 3.50 per share) paid during the FY 2016-17. The proposed dividend, including corporate dividend tax, would absorb Rs. 84.25 Crores. The outflow of interim dividend, including corporate dividend tax, was Rs. 58.98 Crores.

Performance Highlights

Compressed Natural Gas Business

During the year, your Company further expanded its CNG infrastructure and commissioned 81 new CNG Stations (including 78 stations at retail outlets of Oil Marketing Companies) and thereby enhancing its installed compression capacity to 71 Lakhs kg/day in March 2017.

Your Company launched the pilot project to run two wheelers on Compressed Natural Gas (CNG), as part of its endeavour to curb pollution, thereby increasing the trust of customers in CNG as a "cleaner fuel".

Your Company has also taken an initiative to promote the use of CNG and attract customers during non-peak hours, by providing special incentive like discount on the selling price, during non-peak hours in the night time. The Company had total 421 CNG stations as on March 31, 2017 catering to over 9,75,000 vehicles including 5,78,000 private vehicles.

Piped Natural Gas Business

PNG - Domestic Connections

Your Company has increased its steel pipeline network from 707 kms in FY 2015-16 to 778 kms in FY 2016-17 and its MDPE network from 9443 kms in FY 2015-16 to 9940 kms in FY 2016-17.

During the year, your Company provided 60,867 PNG connections in Delhi and 45,021 PNG connections in the NCR and the total number of connections went up from 6,36,318 in March 2016 to 7,42,206 in March 2017. It is noteworthy that your Company provided 1,05,888 domestic PNG connections in Financial Year 2016-17 which is the best performance of the Company. The increase in customer base from networked areas / colonies was achieved with the help of aggressive multi-media marketing and publicity drive. The use of innovative street level marketing, combined with print and popular FM channels, enabled your Company to tap additional customers from areas which were considered saturated. An increased customer base demands an infusion of information technology for more efficient operations. The conventional methods of data storage and documentation are in the process of replacement with modern IT tools. Your Company has successfully completed the testing phase of field mobility technology to replace convenient method of paper documentation at the time of new connections and visit at customer premises for operation & maintenance activities. These modules have helped to infuse information technology in all its customer operations to bring better efficiency, by sharing real time information within IGL and with our customers.

Dr. Ashutosh Karnatak, Director (Projects), GAIL (India) Ltd., Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited at the handing over Ceremony of Desu-Maruti and Desu-Bahadurgarh (upto SV-3) pipeline to Indraprastha Gas Limited.

Your Company has increased its focus on 24 X 7 customer care centre for customer query/complaints redressal and additional call centre has also started for reducing the waiting time. The grievances are being monitored through CRM system and efforts are made to provide the resolution within defined timelines.

To enhance payment collection mode, your Company has started accepting payments through various options like E-Wallets, NEFT, QR Codes, Debit Card / Credit Card, Net Banking etc. Collection of smart meter reading is carried out through customized mobile application wherein photograph of meter installed at customer location is captured for improving billing accuracy. Your Company is also in process of improving the existing smart meter reading application with enhanced features. Apart from this, your Company is in process of introducing unique concepts like spot billing, self-billing, AMR, prepaid meters etc. to enhance further customer satisfaction.

Mobile application “IGL CONNECT” has been launched to enhance customer interface. The customer can download the app and can avail host of online facilities like change in profile, submit meter reading, view last invoices, make payments, lodge a request etc. The mobile application is being upgraded with new features.

PNG – Commercial & Industrial

PNG is gradually emerging as the key energy source for industrial and commercial users offering immense opportunities for growth. Your Company has plans to exploit significant demand potential for gas from industrial and commercial consumers in Delhi and NCR – Gautam Budh Nagar (Noida, Greater Noida) and Ghaziabad.

During the financial year 2016-17, your Company maintained its focus on the Industrial & Commercial segment as one of the potential growth areas in the forthcoming years. In spite of stiff competition from alternate fuels prices, like Furnace oil (FO)/ Diesel/ LPG, which have come down drastically due to lower crude prices, there was a growth of around 8% under industrial and around 6% under commercial segment in sales volume during financial year 2016-17. In terms of number of customers industrial customers increased from 821 in March, 2016 to 962 in March, 2017 and commercial customers increased from 1811 in March, 2016 to 1908 in March, 2017.

In addition, industrial and commercial segments in NCR towns of Noida, Greater Noida and Ghaziabad offer huge potential in the next few years, as PNG network is still being laid in few belts in these areas and many such units are still to be connected.

Your Company has already expanded its pipeline network to most of the major industrial areas of Delhi and the NCR i.e. Gautam Budh Nagar (Noida, Greater Noida) and Ghaziabad. Pipeline laying activities are underway in the remaining industrial areas in the NCR.

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. 240.52 Crores and profit after tax of Rs. 48.37 Crores for the financial year ended March 31, 2017.

Maharashtra Natural Gas Limited (MNGL)

MNGL is in City Gas Distribution business in Pune, Pimpri, Chinchwad, Chakan, Talegaon and Hinjewadi in the State of Maharashtra. Your Company holds 50% of paid-up equity share capital of MNGL.

MNGL achieved a gross turnover of Rs. 531.16 Crores and profit after tax of Rs. 76.29 Crores for the financial year ended March 31, 2017.

The statement containing the salient features of the financial statement 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

The Company has been expanding its area of operations in new geographical areas.

During the financial year 2016-17, your Company got authorization through bidding process from PNGRB for development of CGD network in the geographical area of

Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited inaugurating the pilot run of CNG supplies at Rewari district of Haryana in the presence of Shri V. Nagarajan, Director (Commercial) and senior IGL officials.

Rewari in Haryana. The Company has already started sale of gas in this area. The sales volume in this area would increase gradually with the rollout of increased infrastructure.

Recently, your Company has received permission, as of now from Director of Industries & Commerce, Haryana to lay CGD network in Gurugram in the area lying between west side of Sohna Road and National Highway-8 of Gurugram. The entry of your Company in Gurugram offers vast potential of business growth. However, the matter of authorization for cities of Gurugram and Faridabad is sub judice in Hon'ble Supreme Court of India for final disposal.

Your Company has also participated in the bidding process of PNGRB for the geographical areas of Karnal, Ambala & Kurukshetra District and Bulandshar (part district).

Besides new geographies, your Company has been expanding its infrastructure in existing areas to consolidate its position for increased sales volume growth.

Your Company has earmarked Rs. 600 Crores for the FY 2017-18 for capital expenditure.

During the year FY 2016-17, your Company entered into collaboration with a renowned market player in Iran to introduce retrofittment of CNG kit in the 2-wheelers segment. The Company has completed the pilot project of installation of CNG kit in 2-wheelers successfully. Your Company has plans to carry forward this project further in a phased manner.

It is also expected that in order to further strengthen the Public Transport system in Delhi, the Government of NCT of Delhi has an aggressive plan to introduce additional buses, which would add volume to sales growth.

It is also expected, that the price differential of CNG versus alternate liquid fuel will continue to drive the conversion of petrol driven private vehicles to CNG mode. The introduction of more CNG variant models by car manufacturers would further add to CNG volumes.

MoP&NG has given target of 3 lacs connections to the Company for FY 2017-18. The Company is working aggressively to meet the target. The Company has targeted defence areas to provide PNG Connections which would provide good number of PNG connections and help in achieving targets.

Your Company has innovative plans to expand its PNG customer base as a part of mission of expanding PNG launched by the Ministry of Petroleum & Natural Gas, Government of India. Expanding PNG connectivity into newly constructed housing units in Gautam Budh Nagar by builders / government will be given priority to register ambitious growth. Though there has been a slack in demand for new residential units, which is a cause for concern in the short term, it is expected that FY 2017 -18 will witness some surge in demand from prospective buyers of properties. This demand recovery will enable your Company to push for aggressive targets for PNG connections in new residential projects. New high volume industrial & commercial customers will continue to be the target for achieving higher growth by your Company.

The landscape of CGD sector particularly in Delhi and NCR is changing quite rapidly in a dynamic environment with evolving regulatory regime and rising customer's expectations. There has been a growing concern on the pollution levels in Delhi and NCR in the past months due to which various landmark judgments have been made by Judiciary & Statutory Authorities. Various Statutory Authorities like Environment Pollution Control Authority (EPCA), Centre for Science & Environment (CSE), Delhi Pollution Control Committee (DPCC) & Uttar Pradesh Pollution Control Board (UPPCB) are working in a synchronized manner to curb the air pollution levels further in Delhi and NCR, wherein one such proposed initiative is to ban use of Furnace Oil (FO) and Petcoke by industries in Delhi and NCR.

In this regard, your Company has made plans to take advantage of the recent opportunities under industrial segment in NCT of Delhi which can witness improvement in PNG volumes. Endeavours will be made to realize full market potential by tapping gas volumes from industries, which will come up after notification to ban use of Furnace Oil (FO) and Petcoke in NCT of Delhi and NCR.

Shri B.C. Tripathi, Chairman & Managing Director, GAIL (India) Ltd. and Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited flagging off second fleet of CNG run two wheelers (as part of the pilot drive) in the presence of senior officials from IGL and GAIL.


Indraprastha Gas Limited observed International Yoga Day on 21st June 2017.

Corporate Strategy

The Company has initiated a comprehensive internal exercise to analyse evolving business environment and technological changes that can affect future business of your Company. Various options for growth and diversification are being considered to ensure sustained long term growth for its stakeholders. It will be a continuing exercise under its Corporate Strategy Department.

Information Technology

Your Company being leader amongst major CGD companies in India is committed to establish the latest technology driven IT landscape to render world class customer centric applications and facilitate 'ease of doing business'.

Your Company has launched "IGL Connect", a user-friendly and feature-rich mobile app, for CNG and PNG users with simplicity of design, user interface and security. The app enables PNG customers to view billing and payment history, lodge complaints, track status of service request and complaints, share feedback, update mobile and phone number, submit meter reading and make online payments etc. Facility of 'INSTAPAYMENT' option is also available on IGL website as an option of online payment. PNG customers can now upload their documents online which has provided convenience to them for applying new connection. For the convenience of CNG customers, the app also includes details of CNG testing centres, Kit suppliers and useful information about CNG vehicle care, benefits of using CNG and 'savings calculator' etc. CNG customers can also search for CNG stations on the map or in a particular area using this app.

In order to facilitate customers visiting the walk-in-centres and to efficiently render services to them, your Company has developed "Queue Management System" through which customers shall be issued system generated tokens for assigning free counter as per the service selected by the customer. The system data may be later used for analytics for categorization of issues and resolution time taken against them. Your Company has introduced various schemes and discount offers for the benefit of PNG billing customers which are mapped in ERP system viz. EMI option on security deposit amount for new connection request, Rs. 100 discount on first bill for e-bill subscription etc.

Besides, your Company is continuously evolving and innovating upon optimizing the billing process in ERP system through working on self-billing option which shall be soon available to PNG customers. Your Company has also extended its existing SAP ERP and other customer centric applications viz. CRM etc. for enabling business in newly

Shri V. Nagarajan, Director (Commercial), Indraprastha Gas Limited during the training programme on 'Managing Customer Service Excellence'.

acquired 'Rewari' area in Haryana. You Company has already aligned its systems and processes to adapt and ready for GST regime wherein all the necessary changes have been incorporated in the ERP landscape.

Your Company is also committed towards ensuring convenience to employees and optimization of daily operations through applications like "File tracking system" for ensuring timely processing of approval documents, "Bill watch system" to keep track of vendor invoices etc. Many other employee related apps have been planned for helping them to perform their regular task efficiently and conveniently.

Human Resources

The Company realizes that the challenges of the future can be best met with competent and motivated human resources. Your Company is taking various HR initiatives to add value to its pool of human talent and integration of individual goals with that of Company. The Company reviews from time to time compensation packages and other policies/facilities of its employees to make them more competitive and aligned with industry practices.

Learning and development of employees forms an integral part of the Company's policy towards accomplishing organizational goal. Mentor-mentee mechanism for new employees and town hall meetings have been introduced.

Conducting of Fire & Safety training to the residents of a residential colony at New Delhi.`

Conducting of Fire & Safety training to the CNG Station Operators.

During the year, your Company also participated in Delhi Half Marathon and organised International Yoga Day, Stress Management Workshop, Brahmakumaris Workshop to take care of employees health & fitness.

During the year, the Company inducted various young professionals at entry level to infuse talent in the professional arena. Your Company has maintained a harmonious and cordial relation among its employees and appreciates the contribution of all employees in its growth path.

Health Safety and Environment (HSE)

Safety is accorded top most priority by your Company and has focused its continual efforts to maintain a good safety culture and to improve Fire and Safety standards in its business areas.

This is a matter of pride that your Company has crossed 106 Million Man Hours accident free till 31st March 2017. This milestone achievement is a result from continuous efforts of all the individuals working directly and indirectly for your Company. The 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 2016-17.

Safety inspections of CNG vehicles are done periodically on random basis to check compliances of safety standards and to prevent unsafe conditions arising out of gas leakage from the CNG kits. For Safety of CNG vehicles, free safety clinics are periodically organized where inspection of CNG kits and fittings is undertaken.

Training is regularly imparted to the employees, contract staff at CNG stations, DTC drivers and consumers of CNG and PNG. To create safety awareness and to impart training to all category of consumers, a dedicated group of trainers with fully equipped training van is deployed which conducts safety clinics alongwith practical demonstration.

Emergency Control Centres (ECC) established at strategic locations across Delhi & NCR, 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 handle emergencies.

In line with Company's HSE policy, Safety Audits and other statutory compliances are done to ensure safety at all facets of operations.

Corporate Social Responsibility

Your Company is fully conscious of its Corporate Social Responsibility. In addition to carrying forward various CSR projects started in the earlier year, many new ones were initiated in FY 2016-17.

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 seven years. It is again a matter of satisfaction that in FY 2016-17, all the eighteen students sponsored by your Company have qualified JEE (Main) 2017 examination for admission in top engineering colleges and 11 have qualified JEE (Advanced) 2017 examination.

Your Company realizes that good health is paramount to ensure safety on the roads. Therefore, your Company is carrying forward 'IGL Swasth Saarthi' – a comprehensive health management programme for auto and taxi drivers in Delhi and NCR, wherein a series of comprehensive Health check-up camps and Non Communicable Diseases (NCD) camps are being organized at various CNG stations, through a leading hospital.

In addition to carrying forward the funding of the training programme for auto and taxi drivers being organized by Transport Department, the Government of NCT of Delhi, on Gender Sensitization and Skill Management, your Company has extended the scope of its funding to include the training of auto and taxi drivers of Noida and Ghaziabad. A group accident insurance cover is being provided to 3.25 lakhs drivers of CNG run public transport in the region under 'IGL Suraksha Yojna'.

Your Company is also laying emphasis on initiatives aimed at empowerment of women especially young girls. Self-defence training has been provided to girl students of government schools through an NGO. Special training on sewing machine operatorship has been provided to rural women in Greater Noida to empower them to earn on their own.

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. Your Company has set up a Gas Plumbing Training Centre in a government run ITI and is running a special module for students from government run ITIs to provide them specialised skills related to gas plumbing.

Your Company is 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.

The Company has received following awards for its CSR activities:

- Award in the Category of "Innovations in Corporate Social Responsibility Practices" at ABP News – CSR Leadership Awards organized by World CSR Day.
- Award in the Category of "CSR/ Environment Protection and Conservation" at India Pride Awards organized by Dainik Bhaskar Group.
- CSR Community Initiative Award for its Gender Sensitization Programme at CSR Leadership Summit & Awards 2017.

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, 2017, 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;

Shri Dharmendra Pradhan, Hon'ble Minister of state I/C (P&NG), Smt. Meenakshi Lekhi, Hon'ble Member of Parliament, Shri B C Tripathi, Chairman & Managing Director, GAIL (India) Ltd., and Shri E.S. Ranganathan, Managing Director, IGL inaugurating the Mega Health Camp for Auto, Bus & Taxi drivers during inauguration function of Swasth Saarthi Abhiyan.

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, 2017 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. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Directors

Shri S. Ramesh, nominee of Bharat Petroleum Corporation Limited (BPCL), was appointed as the Chairman of the Board in place of Shri M. Ravindran w.e.f. January 14, 2017.

Shri Manoj Jain, nominee of Gail (India) Limited (GAIL), was appointed as an Additional Director of the Company w.e.f. January 18, 2017. Shri I. S. Rao ceased to be a director w.e.f. January 14, 2017.

Inauguration of Swasth Saarthi Abhiyan, a CSR initiative of Indraprastha Gas Limited by Hon'ble Minister Dr. Harsh Vardhan & Hon'ble Minister of state I/C Shri. Dharmendra Pradhan.

Shri Sandeep Kumar, nominee of Govt. of NCT of Delhi, was appointed as an Additional Director of the Company w.e.f. October 1, 2016.

Shri Vikram Dev Dutt, nominee of Govt. of NCT of Delhi, was appointed as an Additional Director of the Company in place of Shri Sandeep Kumar w.e.f. December 28, 2016.

Smt. Varsha Joshi, nominee of Govt. of NCT of Delhi, was appointed as an Additional Director of the Company in place of Shri Vikram Dev Dutt w.e.f. June 1, 2017.

The shareholders of the Company at 17th Annual General Meeting had appointed Shri E.S. Ranganathan, Managing Director of the Company w.e.f. June 1, 2016 to May 31, 2019.

The Board takes this opportunity to place on record its appreciation for valuable contribution made by Shri M. Ravindran, Shri I. S. Rao, Shri Sandeep Kumar and Shri Vikram Dev Dutt during their tenure as the Directors of the Company.

Shri S. S. Rao, Prof. V. Ranganathan and Shri Santosh Kumar Bajpai, Independent Directors were appointed for a period of three years during their first term which is ending on September 11, 2017.

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:-

(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.

Corporate Governance

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

Inauguration of Gas Plumbing Training Centre at Industrial Training Institute, Arab-ki-Sarai, New Delhi, in presence of Shri E.S. Ranganathan, Managing Director, Indraprastha Gas Limited, Shri V. Nagarajan, Director (Commercial), Indraprastha Gas Limited, Shri Manoj Kumar, IAS, Director, Directorate of Training and Technical Education (DTTE), Govt. of NCT Delhi and Smt. Punya Salila Srivastava, IAS, then Secretary, Training & Technical Education, Govt. of NCT Delhi.

Business Responsibility Report

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

Deposits

During the financial year 2016-17, 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 year 2016-17, 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 year 2016-17, 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, 2017 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:- *http://www.iglonline.net/english/5000_media/About_us/ Related-Party-Policy.pdf.*

During the financial year 2016-17, your Company has not entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014.

However, your Company has entered into transactions with parties which fall in the definition of "Related Parties" defined under Listing Regulations. Details of transactions with related parties are being disclosed separately in the Annual Report and since transactions in two contracts with GAIL qualify as material transactions, the same are 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 2016-17, no complaint with allegation of sexual harassment was received by the Company.

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.

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 Whistle Blower Policy as part of the vigil mechanism, which provides a platform to the 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 engaged an independent third party service provider to manage the operations of the whistle-blower hotline. 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 under which the stakeholders can lodge their complaints to Chief Ethics Officer of the Company.

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 July 09, 2017 has appointed M/s Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors of the Company for the financial Year 2017-18.

The Notes on financial statements referred to in the Auditors' Report for FY 2016-17 of M/s Walker Chandiok & Co, 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 Financial Year ending 2016-17 form part of financial statements of the Company.

Shri E. S. Ranganathan, Managing Director, Indraprastha Gas Limited receiving the award on behalf of IGL from Shri Manoj Sinha, Hon'ble Union Minister of State, Railways & Union Minister of State(I/C), Communications for Excellence in CSR/Environment Protection & Conservation at Dainik Bhaskar – INDIA PRIDE AWARDS 2016-17 at New Delhi.

Shri E. S. Ranganathan, Managing Director, Indraprastha Gas Limited and Shri V. Nagarajan, Director (Commercial) presenting dividend cheque for FY 2015-16 to Shri B.C. Tripathi, Chairman & Managing Director, GAIL (India) Limited in the presence of senior IGL and GAIL officials.

Cost Auditors

Your Company had appointed M/s. Chandra Wadhwa & Co., New Delhi as Cost Auditors for the financial year 2016-17.

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. Chandra Wadhwa & Co., New Delhi, Cost Accountants, as the Cost Auditors of the Company for the financial year 2017-18. 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.

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 financial year 2016-17. The Report of Secretarial Auditor for the financial year 2016-17 is appended as Annexure 3 to this report.

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.

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) (3) 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, Petroleum and Natural Gas Regulatory Board, and Promoter Companies (GAIL & BPCL) for their continuous patronage & support throughout the year.

Shri V. Nagarajan, Director (Commercial), Indraprastha Gas Limited presenting dividend cheque for FY 2015-16 to Shri D. Rajkumar, Chairman & Managing Director, BPCL in the presence of Shri S. Ramesh, Chairman, Indraprastha Gas Limited and senior IGL and BPCL Officials.

Your Directors acknowledge wise counsel received from Statutory Auditors and CAG and are grateful for their support and cooperation.

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 co-operation & 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/-	Sd/-
V. Nagarajan	**E. S. Ranganathan**
Director (Commercial)	Managing Director

Place : New Delhi
Date : August 11, 2017

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:

1. Names of subsidiaries which are yet to commence operations – Not Applicable
2. 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

S. No	Name of Associates or Joint Ventures	Central UP Gas Limited (CUGL)	Maharashtra Natural Gas Limited (MNGL)
1.	**Latest audited Balance Sheet Date**	31.03.2017	31.03.2017
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**		
	i. No.	30000000	50000000
	ii. Amount of Investment in Associates or Joint Venture	Rs. 69.17 Crores	Rs. 190.00 Crores
	iii. Extend of Holding (in percentage)	50%	50%

S. 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 audited Balance Sheet**	Rs. 207.17 Crores	Rs. 332.21 Crores
7.	**Profit / Loss for the year**		
	i. Considered in Consolidation	Rs. 24.19 Crores	Rs. 38.14 Crores.
	ii. Not Considered in Consolidation	Rs. 24.19 Crores	Rs. 38.14 Crores.

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

Sd/-
E.S. Ranganathan
Managing Director

Sd/-
V. Nagarajan
Director (Commercial)

Place: New Delhi
Date : August 11, 2017

Sd/-
S.K. Jain
Company Secretary

Sd/-
Rajesh Agrawal
Chief Financial Officer

ANNEXURE 2

Annual Report on CSR activities for the financial year 2016-17

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.*

2. Composition of the CSR Committee (As on March 31, 2017)

Shri Santosh Kumar – Chairman

Shri Raghu Nayyar - Member

Shri E. S. Ranganathan – Member

Shri V. Nagarajan - Member

3. Average Net Profit of the company in the last three financial years – Rs. 607.91 Crores

4. Prescribed CSR expenditure (2% of the amount mentioned in 3 above) – Rs. 12.17 Crores

5. a) Total Amount to be spent in the financial year – Rs. 12.17 Crores
   b) Amount unspent – Rs. 5.64 Crores
   c) Amount spent given in table below – Rs. 6.52 Crores

1	2	3	4	5	6	7	8
S. 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 programme wise (Rs. in Lacs)**	**Amount spent on projects or programs in 2016-17 (Rs. in Lacs)** **1) Direct expenditure on projects or programs** **2) Overheads**	**Cumulative expenditure up to the 31st March 2017 (Rs. in Lacs)**	**Project Implemented: Direct or through implementing agency**
1.	**IGL Suraksha Yojana**	Eradicating poverty (Jul'16 – Jul'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	17.52	1) 16.52 2) 1	17.52	Direct

1	2	3	4	5	6	7	8
S. 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 programme wise (Rs. in Lacs)**	**Amount spent on projects or programs in 2016-17 (Rs. in Lacs) 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure up to the 31st March 2017 (Rs. in Lacs)**	**Project Implemented: Direct or through implementing agency**
2	**IGL Swasth Saarthi**	Promoting Healthcare including Preventive Healthcare (Feb'16 – Feb'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	61.43	1) 33.56 2) 0.52	45.63	St. Stephens Hospital
3	**IGL Swasth Saarthi**	(Mar'17 – Mar'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	73.57	1) 14.45 2)0.25	14.45 0.25	
4	**Building Bonds through Gender Sensitisation for Taxi Drivers in Delhi**	Vocational Skills (Mar'16–Mar'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	86.34	50.73	86.34	Manas Foundation
5	**Building Bonds through Gender Sensitisation for Auto Drivers in Delhi**	Vocational Skills (Feb'16 - Feb'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	86.81	19.57	86.81	Manas Foundation
6	**Building Bonds through Gender Sensitisation for Auto Drivers in Noida**	Vocational Skills (Mar'16 – Feb'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	43.40	25.50	43.40	Manas Foundation
7	**Building Bonds through Gender Sensitization for Auto & Taxi trivers in Delhi, Noida & Ghaziabad**	Vocational Skills (Mar'17 – Mar'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	273.75	95.22	95.22	Manas Foundation

1	2	3	4	5	6	7	8
S. 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 programme wise (Rs. in Lacs)**	**Amount spent on projects or programs in 2016-17 (Rs. in Lacs) 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure up to the 31st March 2017 (Rs. in Lacs)**	**Project Implemented: Direct or through implementing agency**
8	**Impact evaluation of Gender Sensitization programme**	Vocational Skills (Sep'16 – Dec'16)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	1.95	1.95	1.95	Department of Social Work, University of Delhi
9	**Provision of RO drinking water facilities at 4 Govt. Schools**	Promoting Health & Hygiene (Jun'16 – May'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	15.94	7.97	7.97	Buddha Education Foundation
10	**Procurement for medical equipments for a charitable hospital**	Promoting Healthcare (May '16 – May'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	18	18	18	Mahavir International
11	**Upbringing of vulnerable children through enabling women via livelihood**	Empowerment of women and underprivileged (Jun'16-Jun'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	31.40	25.03	25.03	SOS Children' Village
12	**Road Safety Summer Camp for students by Delhi Traffic Police**	Promoting Education through Delhi Traffic Police (May'16 – Jun'16)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	2.88	2.88	2.88	Direct
13	**Skill development training of Delhi Govt. run ITI students & setting up workshop on Gas Plumbing at ITI, Arab ki Sarai**	Education & employment enhancing vocational skills (Nov'16 – Nov'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	81.81 10.64	53.86	53.86	Direct

1	2	3	4	5	6	7	8
S. 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 programme wise (Rs. in Lacs)**	**Amount spent on projects or programs in 2016-17 (Rs. in Lacs) 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure up to the 31st March 2017 (Rs. in Lacs)**	**Project Implemented: Direct or through implementing agency**
14	**Generating sustainable livelihood opportunities through Skill Development program**	Education & employment enhancing vocational skills (May '16– Dec'16)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	56.05	50.57	50.57	National Yuva Co-operative Society
15	**Sponsorship of underprivileged students for IIT Entrance exams coaching**	Promoting Education (Aug'16– May'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	45	45	45	Centre for Social Responsibility & Leadership
16	**Self-defence training to girls from Govt. schools in co-ordination with The Directorate of Education, Govt. of NCT of Delhi.**	Empowerment of women (Aug'16– Aug'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	28.14	28.14	28.14	Asheray Welfare & Charitable Society
17	**School sanitation and behavioural change communication at four Govt. schools in Noida**	Promoting Sanitation, Health & Hygiene (Feb'17 – Jan'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	33.77	31.07	31.07	Charities Aid Foundation
18	**Road safety campaign by Delhi Traffic Police**	Promoting Education through Delhi Traffic Police (Oct'16 – Jan'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	18.26	18.26	18.26	Direct

1	2	3	4	5	6	7	8
S. 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 programme wise (Rs. in Lacs)**	**Amount spent on projects or programs in 2016-17 (Rs. in Lacs)**	**Cumulative expenditure up to the 31st March 2017 (Rs. in Lacs)**	**Project Implemented: Direct or through implementing agency**
					1) Direct expenditure on projects or programs		
					2) Overheads		
19	**Construction and redevelopment of toilets in Schools run by Directorate of Education, Govt. of NCT of Delhi**	Promoting Sanitation (Nearing Completion)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	43.14	2.89	31.02	Sulabh International
20	**Girl Child Education in MCD schools under NDMC**	Promoting Education (Jan'17 – Apr'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	25.02	18.64	18.64	Society for Natural Resource Management and Community Development
21	**Education of underprivileged rural children**	Education & employment enhancing vocational skills	Outside Local area in the southern state of India	5	5	5	Isha Vidhya
22	**Sewing Machine Operator Training programme for rural women of Noida & Greater Noida through Amity Humanity Foundation**	Women Empowerment and Employment enhancing vocational skills (Mar'17 – Mar'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	11.96	3.59	3.59	Amity Humanity Foundation
23	**Distribution of 10,000 kits of 'You Can Be Happy' to students of schools**	Promoting Education (Dec'16-Jan'17)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	15	15	15	ISKCON, New Delhi

1	2	3	4	5	6	7	8
S. 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 programme wise (Rs. in Lacs)**	**Amount spent on projects or programs in 2016-17 (Rs. in Lacs) 1) Direct expenditure on projects or programs 2) Overheads**	**Cumulative expenditure up to the 31st March 2017 (Rs. in Lacs)**	**Project Implemented: Direct or through implementing agency**
24	**Municipal Schools based Library Program at 100 MCD run schools of Delhi**	Promoting Education (Apr'17-Mar'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	62.17	24.87	24.87	Pratham Delhi Education Initiative Trust
25	**Preventive eye care for the underprivileged communities of NCR region**	Promoting Healthcare including Preventive Healthcare (Apr'17-Mar'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	47.28	14.18	14.18	I-Care Hospital (unit of Ishwar Charitable Trust)
26	**Impact Assessment, Monitoring & Evaluation of CSR Programmes**	(Feb'17 – Jan'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	21.60	3.6	3.6	SR Asia
27	**School Support programme at a MCD run school in Delhi**	Promoting Education (Mar'17 – Mar'18)	Local area i.e, Delhi & NCR (Noida, Greater Noida & Ghaziabad)	48	24	24	Khushii
TOTAL (Rs. in Crores)				**12.66**	**6.52**	**8.12**	

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.**

   In line with the Board approved CSR Policy, in addition to the ongoing CSR projects from previous FY 2015-16, a large number of new CSR projects had been identified and initiated in FY 2016-17, apart from the ongoing ones. The amount spent in FY 2016-17 on CSR projects amounting to Rs. 6.52 Crores was almost 50% more than the amount spent in FY 2015-16.

   Our budget for CSR initiatives undertaken was Rs. 12.66 Crores, which was more than the CSR budget of Rs. 12.17 Crores. However, since the span of execution of activities under the undertaken CSR programmes was spread over more than one year, the payments are released only upon reaching certain milestones. Therefore, funds for the programmes initiated in FY 2016-17 would be released in FY 2017-18 as well.

   Two major projects amounting to Rs 2.3 Crores approx. involving construction of toilet blocks by concerned municipal corporations in line with Swachh Bharat campaign could not start despite approval during the year. Since the construction had not started in FY 2016-17, this amount was not accounted for as the spent amount. This is being followed up in current financial year.

   A large number of proposals are received by IGL throughout the year, which have to go through due diligence before the approval as per our Board approved CSR policy. Adequate care is taken to select the initiatives which are strategically aligned with IGL objectives and/ or have strength to make visible impact on ground. Impact assessment study by an independent agency has been made a part the process for execution of CSR projects.

   Many new CSR Projects have been identified for FY 2017-18, for which approvals have already been taken and work has been initiated. In addition, the successful CSR projects of FY 2016-17, like Gender sensitisation, Swasth Saarthi and Coaching for engineering entrance examination etc. are being scaled up in FY 2017-18 after analysing their impact. In future also, all the projects would be ramped up in the subsequent years after gauging impact of these initiatives through impact assessment studies.

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.

	Sd/-	Sd/-
Place: New Delhi	**E.S. Ranganathan**	**Santosh Kumar**
Date : August 11, 2017	Managing Director	Chairman, CSR Committee

ANNEXURE 3

Form No. MR-3

Secretarial Audit Report
For The Financial Year Ended 31.03.2017
[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 31.03.2017

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 31.03.2017 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 31.03.2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 2009;

   (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, The Petroleum Act, 1934 and Explosives Act, 1884.

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. 6.52 Crores (Previous year Rs. 4.43 Crores) on Corporate Social Responsibility activity specified under the provisions of the Companies Act 2013 as against the required spend of Rs. 12.17 Crores (Previous year Rs. 11.45 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.

for V. K. Sharma & Co.
Company Secretaries

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

Place: Noida
Date : August 11, 2017

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

Place: Noida
Date : August 11, 2017

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 2016-17;

S. No	Name of Director (Executive	Director's Remuneration (Rs. In lacs)*	Employee Median Remuneration (Rs. In lacs)	Ratio
1	Shri E. S. Ranganathan, Managing Director	44.61	9.33	4.78:1
2	Shri Narendra Kumar, Managing Director	9.17	1.87	4.90:1
3	Shri V. Nagarajan, Director (Commercial)	52.90	11.20	4.72:1

* Excluding commission on profit payable to parent organisations.

Notes:

1. Ratio of remuneration is not considered for non-executive directors.
2. Shri E. S. Ranganathan, Managing Director was appointed w.e.f. June 1, 2017.
3. Shri Narendra Kumar, Managing Director ceased to be Director w.e.f. June 1, 2017.
4. In case of Shri E. S. Ranganathan and Shri Narendra Kumar, employee median remuneration is proportionate to their period of directorship during financial year 2016-17.

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 V. Nagarajan, Director (Commercial)	11.41%
2	Shri Rajesh Agrawal, Chief Financial Officer	11.97%
3	Shri S.K. Jain, Company Secretary	6.59%

c) In the financial year 2016-17, there was an increase of 4.88% in the median remuneration of employees.

d) The number of permanent employees on the rolls of Company as on March 31, 2017 was 570. 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 6.13% whereas the increase in the salary of Director (Commercial) was 11.41%.

f) Details of top ten employees in terms of remuneration drawn for the financial year 2016 -17 are as under:

Name	Designation	Remuneration (Rs.)	Qualification	Experience (years)	Joining Date	Age	Last employment
Shri Ashim Batra	Sr. Vice President- PNG Project And O&M	71,79,178	BE, MBA(Mktg.)	33	23.06.2003	55	Vietrans Pvt. Ltd.
Shri Rajesh Agrawal	CFO	70,02,901	CA,CS	34	16.01.2006	59	IBP Company Limited
Shri Praveen Kumar Pandey	Vice President-Marketing	61,27,378	BE(Mech)	32	02.01.2006	54	Sriram Fertilizer & Chemicals Limited
Shri Manjeet Singh	Vice President-Project Engineering Services & JV Co-ord	59,98,303	B.Tech, PGDM(Mktg.)	32	27.09.2006	55	Bharat Petroleum Corp. Ltd.
Shri Sudhanshu Pant	Vice President-CNG Projects	51,88,265	BE(Mech)	33	02.12.2003	56	TIL Limited
Shri Navnit Chandra Mangla	Chief General Manager-ERP IT &HR	49,61,798	BE(Mech)	30	31.05.2004	52	JCB India Limited
Shri Vinod Kumar Dhaaka	Chief General Manager-Corporate Strategy	47,12,222	MBA (Marketing)	28	24.11.2003	53	LG Polymers india pvt. Ltd.
Shri Ajai Tyagi	Chief General Manager- PNG Project And O&M	46,69,890	B.Tech. (Electrical)	27	23.06.2003	48	India Glycols Limited
Shri Sunil Kumar Jain	Company Secretary	46,49,760	CS,CMA,LLB	28	18.06.2004	52	Maharashtra Seamless Ltd.
Shri Alok Sharma	Chief General Manager-Fire & Safety	45,45,901	BE (Fire)	25	26.06.2006	49	GAIL India Ltd.

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 31.03.2017
[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:

i.	CIN	L23201DL1998PLC097614
ii.	Registration Date	23/12/1998
iii.	Name of the Company	INDRAPRASTHA GAS LIMITED
iv.	Category / Sub-Category of the Company	Company limited by shares/Indian Non- Government Company
v.	Address of the Registered office and contact details	IGL BHAWAN, PLOT NO.4, COMMUNITY CENTRE, SECTOR-9, R. K. PURAM, NEW DELHI - 110022
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private 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@karvy.com

II. Principal Business Ativities 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 Share-Holder	No. of Shares held at the beginning of the year 01/04/2016				No. of shares held at the end of the year 31/03/2017				% 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	63000080	0	63000080	45.00	63000080	0	63000080	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) :	**63000080**	**0**	**63000080**	**45.00**	**63000080**	**0**	**63000080**	**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)	**63000080**	**0**	**63000080**	**45.00**	**63000080**	**0**	**63000080**	**45.00**	**0.00**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds /UTI	13258557	0	13258557	9.47	14411072	0	14411072	10.29	0.82
(b)	Financial Institutions /Banks	888066	0	888066	0.63	983717	0	983717	0.70	0.07
(c)	Central Government / State Government(s)	0	7000000	7000000	5.00	0	7000000	7000000	5.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	8194213	0	8194213	5.85	4549405	0	4549405	3.25	-2.60
(f)	Foreign Institutional Investors	29130658	0	29130658	20.81	34649428	0	34649428	24.75	3.94
(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 National	300	0	300	0.00	300	0	300	0.00	0.00
	Sub-Total B(1) :	51471794	7000000	58471794	41.77	**54593922**	**7000000**	**61593922**	**44.00**	2.23

(i) Category - Wise Shareholding

Category Code	Category of Share-Holder	No. of Shares held at the beginning of the year 01/04/2016				No. of shares held at the end of the year 31/03/2017				% 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)
(2)	**Non-Institutions**									
(a)	Bodies Corporate	9920650	0	9920650	7.09	7149113	0	7149113	5.11	-1.98
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	6832866	12725	6845591	4.89	6462602	17438	6480040	4.63	-0.26
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	1064517	0	1064517	0.76	892789	0	892789	0.64	-0.12
(c)	Others									
	Clearing Members	313544	0	313544	0.22	548622	0	548622	0.39	0.17
	Non Resident Indians	327309	0	327309	0.23	252886	0	252886	0.18	0.05
	Nri Non-Repatriation	0	0	0	0.00	65237	0	65237	0.05	0.05
	Trusts	3375	0	3375	0.00	1771	0	1771	0.00	0.00
	NBFC Registered with RBI	53300		53300	0.04	15700	0	15700	0.01	-0.03
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**18515561**	**12725**	**18528286**	**13.23**	**15388720**	**17438**	**15406158**	**11.00**	**-2.23**
	Total B=B(1)+B(2) :	**69987355**	**7012725**	**77000080**	**55.00**	**69982642**	**7017438**	**77000080**	**55.00**	**0.00**
	Total (A+B) :	**132987435**	**7012725**	**140000160**	**100.00**	**132982722**	**7017438**	**140000160**	**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) :	**132987435**	**7012725**	**140000160**	**100.00**	**132982722**	**7017438**	**140000160**	**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.	31500080	22.50	0	31500080	22.50	0	Nil
2	GAIL (India) Ltd.	31500000	22.50	0	31500000	22.50	0	Nil
	Total	**63000080**	**45.00**	**0**	**63000080**	**45.00**	**0**	**Nil**

(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	Govt of NCT of Delhi	7000000	5.00	01/04/16				
				31/03/2017			7000000	5.00
2	Life Insurance Corporation of India	6812064	4.87	01/04/16				
				08/04/2016	(257980)	Transfer	6554084	4.68
				15/04/2016	(3000)	Transfer	6551084	4.68
				03/06/2016	(308723)	Transfer	6242361	4.46
				10/06/2016	(191044)	Transfer	6051317	4.32
				17/06/2016	(300233)	Transfer	5751084	4.11
				09/09/2016	(128520)	Transfer	5622564	4.02
				16/09/2016	(57456)	Transfer	5565108	3.98
				23/09/2016	(168315)	Transfer	5396793	3.85
				30/09/2016	(441128)	Transfer	4955665	3.54
				07/10/2016	(394999)	Transfer	4560666	3.26
				25/11/2016	(100000)	Transfer	4460666	3.19
				02/12/2016	(136210)	Transfer	4324456	3.09
				09/12/2016	(250000)	Transfer	4074456	2.91
				16/12/2016	(160868)	Transfer	3913588	2.80
				23/12/2016	(52922)	Transfer	3860666	2.76
				31/03/2017			3860666	2.76
3	Pinebridge Investments GF Mauritius Limited	4133435	2.95	01/04/16				
				08/04/2016	(73704)	Transfer	4059731	2.90
				17/06/2016	(756000)	Transfer	3303731	2.36
				07/10/2016	(101002)	Transfer	3202729	2.29
				03/02/2017	(120440)	Transfer	3082289	2.20
				10/02/2017	(252499)	Transfer	2829790	2.02
				17/02/2017	(494908)	Transfer	2334882	1.67
				31/03/2017			2334882	1.67
4	ALLARD GROWTH FUND	2931273	2.09	01/04/16				
				06/05/2016	(32201)	Transfer	2899072	2.07
				13/05/2016	(95630)	Transfer	2803442	2.00
				20/05/2016	(32300)	Transfer	2771142	1.98
				03/06/2016	(67271)	Transfer	2703871	1.93
				17/06/2016	(106719)	Transfer	2597152	1.86
				24/06/2016	(91172)	Transfer	2505980	1.79
				26/08/2016	(354660)	Transfer	2151320	1.54
				02/09/2016	(105068)	Transfer	2046252	1.46
				07/10/2016	(244599)	Transfer	1801653	1.29
				14/10/2016	(270275)	Transfer	1531378	1.09

(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
				21/10/2016	(39465)	Transfer	1491913	1.07
				04/11/2016	(26412)	Transfer	1465501	1.05
				11/11/2016	(187981)	Transfer	1277520	0.91
				18/11/2016	(6137)	Transfer	1271383	0.91
				25/11/2016	(7000)	Transfer	1264383	0.90
				02/12/2016	(177655)	Transfer	1086728	0.78
				09/12/2016	(169394)	Transfer	917334	0.66
				16/12/2016	(368019)	Transfer	549315	0.39
				06/01/2017	(151459)	Transfer	397856	0.28
				13/01/2017	(61955)	Transfer	335901	0.24
				20/01/2017	(55892)	Transfer	280009	0.20
				10/02/2017	(94305)	Transfer	185704	0.13
				24/03/2017	(60298)	Transfer	125406	0.09
				31/03/2017			125406	0.09
5	Bajaj Allianz Life Insurance Company Ltd.	2463468	1.76	01/04/16				
				08/04/2016	142800	Transfer	2606268	1.86
				22/04/2016	(2821)	Transfer	2603447	1.86
				10/06/2016	200000	Transfer	2803447	2.00
				17/06/2016	(477312)	Transfer	2326135	1.66
				30/06/2016	65000	Transfer	2391135	1.71
				01/07/2016	200000	Transfer	2591135	1.85
				08/07/2016	(7045)	Transfer	2584090	1.85
				15/07/2016	(51000)	Transfer	2533090	1.81
				22/07/2016	20000	Transfer	2553090	1.82
				29/07/2016	29021	Transfer	2582111	1.84
				30/09/2016	50000	Transfer	2632111	1.88
				07/10/2016	(35000)	Transfer	2597111	1.86
				28/10/2016	(30000)	Transfer	2567111	1.83
				04/11/2016	25000	Transfer	2592111	1.85
				30/12/2016	(16173)	Transfer	2575938	1.84
				06/01/2017	(56000)	Transfer	2519938	1.80
				13/01/2017	(262000)	Transfer	2257938	1.61
				27/01/2017	(60000)	Transfer	2197938	1.57
				10/02/2017	(200000)	Transfer	1997938	1.43
				17/02/2017	(995000)	Transfer	1002938	0.72
				24/02/2017	(414817)	Transfer	588121	0.42
				03/03/2017	(337088)	Transfer	251033	0.18
				10/03/2017	(10000)	Transfer	241033	0.17
				31/03/2017	(40000)	Transfer	201033	0.14
				31/03/2017			201033	0.14
6	Fidelity Investment Trust Fidelity Series Emerging*	0	0.00	01/04/16				
				17/02/2017	557906	Transfer	557906	0.40
				24/02/2017	564432	Transfer	1122338	0.80

(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
				03/03/2017	491293	Transfer	1613631	1.15
				10/03/2017	278751	Transfer	1892382	1.35
				24/03/2017	(59108)	Transfer	1833274	1.31
				31/03/2017			1833274	1.31
7	Sundaram Mutual Fund A/C Sundaram Select Midcap	1825000	1.30	01/04/16				
				26/08/2016	(25000)	Transfer		0.00
				02/09/2016	(134037)	Transfer	1665963	1.19
				09/09/2016	(29316)	Transfer	1636647	1.17
				16/09/2016	(57448)	Transfer	1579199	1.13
				07/10/2016	(10000)	Transfer	1569199	1.12
				21/10/2016	(49912)	Transfer	1519287	1.09
				10/03/2017	(55588)	Transfer	1463699	1.05
				17/03/2017	(7942)	Transfer	1455757	1.04
				31/03/2017			1455757	1.04
8	Platinum Asia Fund#	1753550	1.25	01/04/16				
				05/08/2016	(169400)	Transfer	1584150	1.13
				26/08/2016	(316300)	Transfer	1267850	0.91
				02/09/2016	(102000)	Transfer	1165850	0.83
				09/09/2016	(129984)	Transfer	1035866	0.74
				16/09/2016	(456879)	Transfer	578987	0.41
				23/09/2016	(199289)	Transfer	379698	0.27
				30/09/2016	(379698)	Transfer	0	0.00
				31/03/2017			0	0.00
9	HDFC Standard Life Insurance Company Limited	1126382	0.80	01/04/16				
				08/04/2016	150000	Transfer	1276382	0.91
				06/05/2016	150000	Transfer	1426382	1.02
				13/05/2016	813	Transfer	1427195	1.02
				20/05/2016	2338	Transfer	1429533	1.02
				27/05/2016	6844	Transfer	1436377	1.03
				03/06/2016	64070	Transfer	1500447	1.07
				17/06/2016	697	Transfer	1501144	1.07
				24/06/2016	2904	Transfer	1504048	1.07
				30/06/2016	15676	Transfer	1519724	1.09
				01/07/2016	73891	Transfer	1593615	1.14
				08/07/2016	61807	Transfer	1655422	1.18
				15/07/2016	25000	Transfer	1680422	1.20
				22/07/2016	27590	Transfer	1708012	1.22
				29/07/2016	25000	Transfer	1733012	1.24
				12/08/2016	50000	Transfer	1783012	1.27
				19/08/2016	(165767)	Transfer	1617245	1.16
				26/08/2016	149627	Transfer	1766872	1.26
				02/09/2016	145827	Transfer	1912699	1.37
				09/09/2016	75500	Transfer	1988199	1.42

(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
				16/09/2016	75000	Transfer	2063199	1.47
				30/09/2016	(200000)	Transfer	1863199	1.33
				07/10/2016	(65000)	Transfer	1798199	1.28
				11/11/2016	(40000)	Transfer	1758199	1.26
				18/11/2016	644	Transfer	1758843	1.26
				25/11/2016	2850	Transfer	1761693	1.26
				23/12/2016	(26807)	Transfer	1734886	1.24
				30/12/2016	(25000)	Transfer	1709886	1.22
				20/01/2017	(43000)	Transfer	1666886	1.19
				27/01/2017	(26193)	Transfer	1640693	1.17
				24/02/2017	(3600)	Transfer	1637093	1.17
				10/03/2017	(5000)	Transfer	1632093	1.17
				24/03/2017	9500	Transfer	1641593	1.17
				31/03/2017	15100	Transfer	1656693	1.18
				31/03/2017			1656693	1.18
10	Kotak Select Focus Fund	1550000	1.11	01/04/16				
				06/05/2016	25000	Transfer	1575000	1.12
				13/05/2016	50000	Transfer	1625000	1.16
				20/05/2016	25000	Transfer	1650000	1.18
				03/06/2016	100000	Transfer	1750000	1.25
				10/06/2016	14015	Transfer	1764015	1.26
				18/11/2016	40985	Transfer	1805000	1.29
				25/11/2016	68514	Transfer	1873514	1.34
				02/12/2016	759	Transfer	1874273	1.34
				09/12/2016	21920	Transfer	1896193	1.35
				10/03/2017	50000	Transfer	1946193	1.39
				31/03/2017	53807	Transfer	2000000	1.43
				31/03/2017			2000000	1.43
11	Birla Sun Life Insurance Company Limited#	1341070	0.96	01/04/16				
				08/04/2016	(14438)	Transfer	1326632	0.95
				13/05/2016	650	Transfer	1327282	0.95
				03/06/2016	43000	Transfer	1370282	0.98
				10/06/2016	1020	Transfer	1371302	0.98
				17/06/2016	65000	Transfer	1436302	1.03
				24/06/2016	(65000)	Transfer	1371302	0.98
				30/06/2016	300000	Transfer	1671302	1.19
				08/07/2016	(13800)	Transfer	1657502	1.18
				15/07/2016	(215220)	Transfer	1442282	1.03
				05/08/2016	(51140)	Transfer	1391142	0.99
				12/08/2016	(206000)	Transfer	1185142	0.85
				26/08/2016	(247000)	Transfer	938142	0.67
				07/10/2016	(225000)	Transfer	713142	0.51
				14/10/2016	(35363)	Transfer	677779	0.48

(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
				21/10/2016	(57808)	Transfer	619971	0.44
				04/11/2016	(56000)	Transfer	563971	0.40
				11/11/2016	(637)	Transfer	563334	0.40
				24/03/2017	(114000)	Transfer	449334	0.32
				31/03/2017	(268700)	Transfer	180634	0.13
				31/03/2017			180634	0.13
12	Morgan Stanley Investment Holding Company (Mauritius) Ltd *	0	0.00	01/04/16				
				20/05/2016	458111	Transfer	458111	0.33
				27/05/2016	56172	Transfer	514283	0.37
				15/07/2016	184322	Transfer	698605	0.50
				12/08/2016	28793	Transfer	727398	0.52
				16/09/2016	69537	Transfer	796935	0.57
				23/09/2016	(58575)	Transfer	738360	0.53
				30/09/2016	(29618)	Transfer	708742	0.51
				16/12/2016	77231	Transfer	785973	0.56
				27/01/2017	30228	Transfer	816201	0.58
				03/02/2017	34331	Transfer	850532	0.61
				17/02/2017	95034	Transfer	945566	0.68
				24/02/2017	91474	Transfer	1037040	0.74
				10/03/2017	67400	Transfer	1104440	0.79
				17/03/2017	53730	Transfer	1158170	0.83
				24/03/2017	171468	Transfer	1329638	0.95
				31/03/2017			1329638	0.95
13	Uti-Mid Cap Fund#	1262050	0.90	01/04/16				
				15/07/2016	(360592)	Transfer	901458	0.64
				16/12/2016	(60090)	Transfer	841368	0.60
				31/03/2017			841368	0.60
14	Morgan Stanley India Investment Fund, Inc.*	0	0.00	01/04/16				
				20/05/2016	574624	Transfer	574624	0.41
				27/05/2016	192551	Transfer	767175	0.55
				15/07/2016	230983	Transfer	998158	0.71
				12/08/2016	19933	Transfer	1018091	0.73
				16/09/2016	48137	Transfer	1066228	0.76
				31/03/2017			1066228	0.76
15	Morgan Stanley Mauritius Company Limited*	0	0.00	01/04/16				
				08/04/2016	8320	Transfer	8320	0.01
				15/04/2016	(2573)	Transfer	5747	0.00
				22/04/2016	(5747)	Transfer	0	0.00
				29/04/2016	50364	Transfer	50364	0.04

(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
				06/05/2016	(50364)	Transfer	0	0.00
				03/06/2016	16993	Transfer	16993	0.01
				10/06/2016	(7943)	Transfer	9050	0.01
				17/06/2016	(8957)	Transfer	93	0.00
				30/06/2016	(93)	Transfer	0	0.00
				08/07/2016	1100	Transfer	1100	0.00
				15/07/2016	(1100)	Transfer	0	0.00
				05/08/2016	1118	Transfer	1118	0.00
				19/08/2016	15400	Transfer	16518	0.01
				26/08/2016	3858	Transfer	20376	0.01
				02/09/2016	318277	Transfer	338653	0.24
				09/09/2016	73697	Transfer	412350	0.29
				16/09/2016	31783	Transfer	444133	0.32
				23/09/2016	4989	Transfer	449122	0.32
				30/09/2016	(216167)	Transfer	232955	0.17
				07/10/2016	(42046)	Transfer	190909	0.14
				14/10/2016	1142	Transfer	192051	0.14
				21/10/2016	26629	Transfer	218680	0.16
				28/10/2016	10439	Transfer	229119	0.16
				04/11/2016	25300	Transfer	254419	0.18
				11/11/2016	(8984)	Transfer	245435	0.18
				18/11/2016	(50404)	Transfer	195031	0.14
				25/11/2016	2313	Transfer	197344	0.14
				02/12/2016	10070	Transfer	207414	0.15
				09/12/2016	10381	Transfer	217795	0.16
				16/12/2016	2139	Transfer	219934	0.16
				23/12/2016	17739	Transfer	237673	0.17
				30/12/2016	3300	Transfer	240973	0.17
				06/01/2017	14394	Transfer	255367	0.18
				13/01/2017	21800	Transfer	277167	0.20
				20/01/2017	(6182)	Transfer	270985	0.19
				27/01/2017	16830	Transfer	287815	0.21
				03/02/2017	162929	Transfer	450744	0.32
				10/02/2017	227829	Transfer	678573	0.48
				17/02/2017	526915	Transfer	1205488	0.86
				24/02/2017	(47633)	Transfer	1157855	0.83
				03/03/2017	(172163)	Transfer	985692	0.70
				10/03/2017	(44646)	Transfer	941046	0.67
				17/03/2017	(1478070	Transfer	793239	0.57
				24/03/2017	201063	Transfer	994302	0.71
				31/03/2017	(585890	Transfer	935713	0.67
				31/03/2017			935713	0.67

* Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2017.

Ceased to be in the list of Top 10 shareholders as on 31-03-2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2016.

(v) Shareholding of Directors and Key Managerial Personnel:

Shri E. S. Ranganathan, Managing Director holds 100 shares in the Company as on March 31, 2017. Except Shri E. S. Ranganathan, none of the Directors and Key Managerial Personnel are holding equity shares in the Company as on March 31, 2017.

V. Indebtedness

INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31.03.17

(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 Narendra Kumar	Shri E S Ranganathan	Shri V. Nagarajan	
1	Gross salary	6.54	33.95	44.47	84.96
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.36	31.72	37.81	74.89
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	1.18	2.23	6.66	10.07
	(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 - others, specify....	1.25*	6.25*	7.50*	15.00*
5	Others (Retirement benefits and reimbursements)	2.63	10.66	8.43	21.72
	Total (A)	**10.42**	**50.86**	**60.40**	**121.68**
	Ceiling as per the Act**				

*Payable to Parent Organizations

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

b. Remuneration to other directors:

(Rs.)

Sl. No	Particulars of Remuneration	Name of Directors							Total Amount
		Shri S. S. Rao	Shri Santosh Kumar Bajpai	Prof. V. Ranganathan	Shri Raghu Nayyar	Dr. Sudha Sharma			
1	Independent Directors								
	Fee for attending board / committee meetings	705000	580000	480000	280000	295000			2340000
	Commission	750000	750,000	750,000	750,000	750,000			3750000
	Others, please specify	-	-	-	-	-			
	Total (1)	**1455000**	**1330000**	**1230000**	**1030000**	**1045000**			**6090000**
2	Other Non-Executive Directors	**Shri S. Ramesh**	**Shri M. Ravindran**	**Shri Manoj Jain**	**Shri I.S. Rao**	**Shri Vikram Dev Dutt**	**Shri Sandeep Kumar**	**Smt. Gitanjali Gupta Kundra**	
	Fee for attending board / committee meetings	30000	150000	80000	185000	0	0	0	445000
	Commission	158,219	591,781	150,000	591,781	193,151	180,822	258,904	2124658
	Others, please specify	-	-	-	-	-	-	-	
	Total (2)	**188219***	**741781***	**230000***	**776781***	**193151***	**180822***	**258904***	**2569658**
	Total (B)=(1+2)								**8659658**
Overall 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		
		CS	CFO	Total
1	Gross salary	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4006706	6370044	10376750
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21200	19400	40600
	(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	621854	613457	1343835
	Total	**4649760**	**7002901**	**11761185**

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:

- Conventional light fittings on all IGL CNG stations are being replaced by energy efficient LED fittings in phased manner. 34 CNG stations have been covered and balance would be taken up in coming Year. The energy saving accrued on account of lighting load is to the tune of 50%.
- All new procurement is on the basis of Energy efficient / star rated products only and same is now part of standard procurement policy.
- Additional Engine Flow meters have been installed in gas engine driven compressors, so that gas loss is controlled & reduced.

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

- In order to utilize renewable energy, installation of Solar PV module on pilot basis at 7 IGL CNG stations is under progress.

iii. The capital investment on energy conservation equipment:

- Rs 1.5 Crores

B. Technology Absorption

1. The efforts made towards technology Absorption;	AMR (Automated Meter Reading) implemented in select Industrial & commercial customers having withdrawal >100 SCMD of natural gas alongwith FRS also.
2. The benefits derived like product improvement, cost reduction, product development or import Substitution;	1. Real time monitoring of gas consumption through AMR. 2. Identification of Peak demand / gas consumption in a day. 3. Interfacing with SAP for invoicing as well as SMS / Email alert in case of abnormality.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), - a) The details of technology imported; b) Year of import; c) Whether the technology been fully absorbed; d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.	N.A.
4. 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	-
Foreign Exchange Used	6.88

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

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

(a) To ensure transparency, high degree of disclosure and adequate control system;

(b) To ensure that the decision making process is systematic and rational;

(c) To ensure full commitment of the Management to maximize shareholders value;

(d) 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, 2017, the Board of the Company consist of 10 (ten) Directors on its Board 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, 2017:

Name of Directors	Category	Directorships in other Public Limited Companies (*)	Membership in Committees of Board of other Companies#	Chairmanship in Committees of Board of other Companies#
Shri S. Ramesh (Chairman)	Non-Executive	1	NIL	NIL
Shri E. S. Ranganathan (Managing Director)	Executive	1	1	NIL
Shri V. Nagarajan Director (Commercial)	Executive	1	NIL	NIL
Shri Manoj Jain	Non-Executive	1	NIL	NIL
Shri Vikram Dev Dutt	Non-Executive	4	NIL	NIL
Shri S. S. Rao	Non-Executive, Independent	1	NIL	NIL
Shri Santosh Kumar Bajpai	Non-Executive, Independent	1	1	NIL
Prof. V. Ranganathan	Non-Executive, Independent	NIL	NIL	NIL
Shri Raghu Nayyar	Non-Executive, Independent	NIL	NIL	NIL
Dr. Sudha Sharma	Non-Executive, Independent	NIL	NIL	NIL

Shri E. S. Ranganathan holds 100 shares in the Company. There are no relationships between Directors inter-se.

(*) 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, Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all public limited companies have been considered.

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

During the Financial Year ended March 31, 2017, six Board meetings were held on May 13, 2016, July 28, 2016, August 22, 2016, November 16, 2016, December 28, 2016 and February 08, 2017. The last Annual General Meeting was held on September 29, 2016.

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 S. Ramesh^	1	100	NA
Shri M. Ravindran^^	5	100	Present
Shri Narendra Kumar#	1	100	NA
Shri E. S. Ranganathan##	5	100	Present
Shri V. Nagarajan	6	100	Present
Shri I.S. Rao≤	2	40	Present
Shri Manoj Jain≤≤	1	100	NA
Smt Gitanjali Gupta Kundra∞	0	0	NA
Shri Sandeep Kumar∞∞	0	0	NA
Shri Vikram Dev Dutt∞∞∞	0	0	NA
Shri S. S. Rao	6	100	Present
Prof. V. Ranganathan	6	100	Present
Shri Santosh Kumar Bajpai	6	100	Present
Dr. Sudha Sharma	4	67	Present
Shri Raghu Nayyar	6	100	Present

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

^ Shri S. Ramesh joined w.e.f. January 14, 2017.

^^ Shri M. Ravindran ceased to be a director w.e.f. January 14, 2017.

Shri Narendra Kumar ceased to be a director w.e.f. June 1, 2016.

Shri E. S. Ranganathan joined w.e.f. June 1, 2016.

≤ Shri I. S. Rao ceased to be a director w.e.f. January 14, 2017.

≤≤ Shri Manoj Jain joined w.e.f. January 18, 2017.

∞ Smt Gitanjali Gupta Kundra's office of director became vacant w.e.f. August 05, 2016.

∞∞ Shri Sandeep Kumar joined w.e.f. October 1, 2016 and ceased to be a director w.e.f. December 28, 2016.

∞∞∞ Shri Vikram Dev Dutt joined w.e.f. December 28, 2016.

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

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.

All 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, 2017: -

1)	Shri S. S. Rao	:	Chairman, Independent, Non-Executive.
2)	Prof. V. Ranganathan	:	Member, Independent, Non-Executive.
3)	Shri Manoj Jain	:	Member, Non-Executive.
4)	Dr. Sudha Sharma	:	Member, Independent, Non-Executive.

Terms of Reference Audit Committee:

The Term of reference of Audit Committee for the financial year ended March 31, 2017 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in Section 177 of the Companies Act, 2013.

Meetings and Attendance:

During the financial year ended March 31, 2017, seven Audit Committee Meetings were held on April 27, 2016, May 13, 2016, August 22, 2016, November 07, 2016, November 16, 2016, February 08, 2017 and March 29, 2017.

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

Name of Members	No. of Meetings Attended
Shri S. S. Rao	7
Prof. V. Ranganathan	7
Shri I.S. Rao*	4
Shri Manoj Jain**	2
Dr. Sudha Sharma	6

* Shri I. S. Rao ceased to be a member of the Audit Committee w.e.f. January 14, 2017.

**Shri Manoj Jain appointed as a member of the Audit Committee w.e.f. January 18, 2016.

IV Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee comprises of three Non-Executive Directors. The Chairman of the Committee is a Non-Executive Independent Director. The Company Secretary acts as a Secretary to the Committee.

The constitution of the Nomination and Remuneration Committee as on March 31, 2017: -

1)	Prof. V. Ranganathan	:	Chairman, Independent, Non-Executive.
2)	Shri S.S. Rao	:	Member, Independent, Non-Executive.
3)	Shri Manoj Jain	:	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, 2017, one Nomination and Remuneration Committee Meeting was held on May 13, 2016.

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

Name of Members	No. of Meetings Attended
Prof. V. Ranganathan	1
Shri S. S. Rao	1
Shri I.S. Rao*	1
Shri Manoj Jain**	N/A

* Shri I. S. Rao ceased to be a member of the Nomination and Remuneration Committee w.e.f. January 14, 2017.

** Shri Manoj Jain appointed as a member of the Nomination and Remuneration Committee w.e.f. January 18, 2017.

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.

The Nomination & Remuneration Committee has laid down criteria such as attendance and participation in the meetings, adherence to ethical standards, integrity, code of conduct, interpersonal relations with other Directors, safeguard of confidential information of the Company, observing corporate governance standards, safeguard the interest of all stakeholders in the decision making etc. to carry out evaluation of every Director's performance.

Remuneration / Sitting Fees Paid to Directors

(a) Executive Directors:

The remuneration paid to the Executive Directors during the financial year is given below:

(Rs. in Lakhs)

S. No.	Name of Directors	Salary & Allowances	Perquisites	Contribution to PF & Other Funds	Total #
1	Shri Narendra Kumar#	5.36	1.18	2.63	9.17
2	Shri E. S. Ranganathan##	31.72	2.23	10.66	44.61
3	Shri V. Nagarajan	37.81	6.66	8.43	52.90

Shri Narendra Kumar ceased to be a director w.e.f. June 1, 2016.

Shri E. S. Ranganathan joined w.e.f. June 1, 2016.

The aforesaid remuneration does not include Rs.15,00,000 payable to the parent organizations viz. GAIL and BPCL of the Executive Directors as commission on profit for the financial year ended on March 31, 2017 and Executive Directors are not paid any sitting fees for attending Board/ Committee meetings.

(b) Non-Executive Directors:

Total commission on profit of Rs. 73,74,658/- is payable to non-executive directors / their parent organizations for the financial year 2016-17.

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.27,85,000/-.

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 has formulated its remuneration policy in the year 2015 for three years subject to review by Nomination & Remuneration Committee. The same was followed in FY 2016-17. The policy will due for revision in the year 2018.

V. Share Transfer & Stakeholders Relationship Committee:

Composition:

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

The constitution of the Share Transfer & Stakeholders Relationship Committee as on March 31, 2017:

1)	Shri S. S. Rao	:	Chairman, Independent, Non-Executive
2)	Shri E. S. Ranganathan	:	Member, Executive
3)	Shri V. Nagarajan	:	Member, Executive

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

Scope & Functions of Share Transfer & Stakeholders Relationship Committee:

The scope & functions of the Committee inter alia include approval of transfer and transmission of shares and other matters like consolidation/splitting of certificates, issue of duplicate share certificates, dematerialization / rematerialisation of shares in stipulated period of time. The Committee also considered and resolves the grievances of the security holders including complaints related to transfer of shares / non receipt of annual reports, dividends 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 34 complaints during the year, which were duly attended & replied. There was no complaint pending as on March 31, 2017.

VI. 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
15th AGM	September 12, 2014	11:30 A.M.	Air Force Auditorium, New Delhi	Nil
16th AGM	September 22, 2015	11:30 A.M.	Manekshaw Centre, New Delhi	Nil
17th AGM	September 29, 2016	11:30 A.M.	Manekshaw Centre, New Delhi	1. Authority to the Board of Directors u/s 180(1) (c) of the Companies Act, 2013 to borrow money(s) for business purposes of the Company for an amount up to Rs. 4000 Crores. 2. Authority to the Board of Directors u/s 180(1) (a) of the Companies Act, 2013 to mortgage and/or create charge on assets of the Company for an amount up to Rs. 4000 Crores.

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.

VII. 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 interest 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 i.e. http://www.iglonline.net/english/5000_media/About_us/Related-Party-Policy.pdf.

(b) Compliances by the Company

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.

(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.

Besides Whistle Blower Policy, the Company also formulated separate Vigil Mechanism for the stakeholders of the Company during the Financial Year. Chief Ethics Officer has been appointed for looking complaints under Vigil Mechanism Policy.

VIII. 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, Hindustan Times / Jansatta in Hindi, along with the official news releases. The results are also put- up on Company's website.

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.

IX. General Shareholders Information

(a) Annual General Meeting:

The 18th Annual General Meeting of the Company is scheduled to be held on: -

Date and Time	:	September 28, 2017 at 11:30 A.M.
Venue	:	Manekshaw Centre Parade Road, Delhi Cantonment New Delhi - 110010

(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, 2017	:	On or before August 14, 2017
Quarter ending September 30, 2017	:	On or before November 14, 2017
Quarter ending December 31, 2017	:	On or before February 14, 2018
Quarter/Year ending March 31, 2018	:	On or before May 30, 2018

(d) Date of Book Closure for Dividend : September 20, 2017 to September 28, 2017 (both days inclusive)

(e) Dividend Payment Date : On or after October 5, 2017

(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 2016-17 within due date.

(g) ISIN Number : INE203G01019

(h) Market Price Data & Share price performance:

At Bombay Stock Exchange (BSE)

MONTH	IGL		BSE (SENSEX)	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
Apr-16	594	537	26101	24523
May-16	606	556	26837	25058
Jun-16	636	556	27105	25911
Jul-16	654	593	28240	27034
Aug-16	809	636	28532	27628
Sep-16	802	740	29077	27717
Oct-16	882	780	28478	27488
Nov-16	896	799	28030	25718
Dec-16	951	810	26804	25754
Jan-17	974	912	27980	26447
Feb-17	1071	933	29065	27590
Mar-17	1059	985	29825	28716

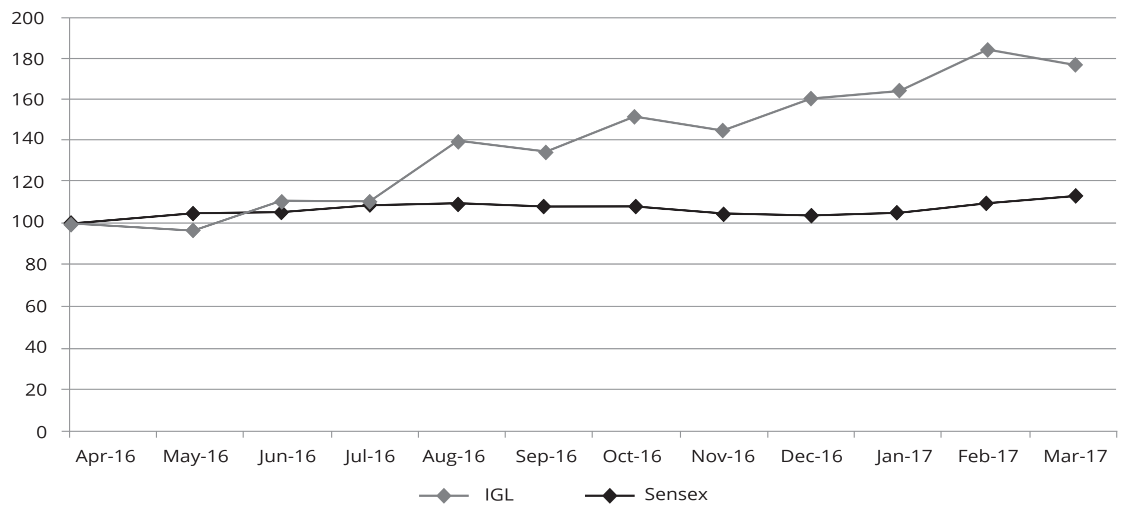
At National Stock Exchange (NSE)

MONTH	IGL		NSE (NIFTY)	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
Apr-16	595	537	7992	7517
May-16	606	556	8214	7678
Jun-16	636	555	8308	7927
Jul-16	654	593	8675	8288
Aug-16	809	642	8819	8518
Sep-16	801	740	8969	8555
Oct-16	881	779	8807	8506
Nov-16	897	793	8670	7916
Dec-16	926	807	8275	7894

MONTH	IGL		NSE (NIFTY)	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
Jan-17	975	911	8673	8134
Feb-17	1071	932	8982	8538
Mar-17	1058	986	9218	8860

Chart I: Performance in comparison to BSE Sensex

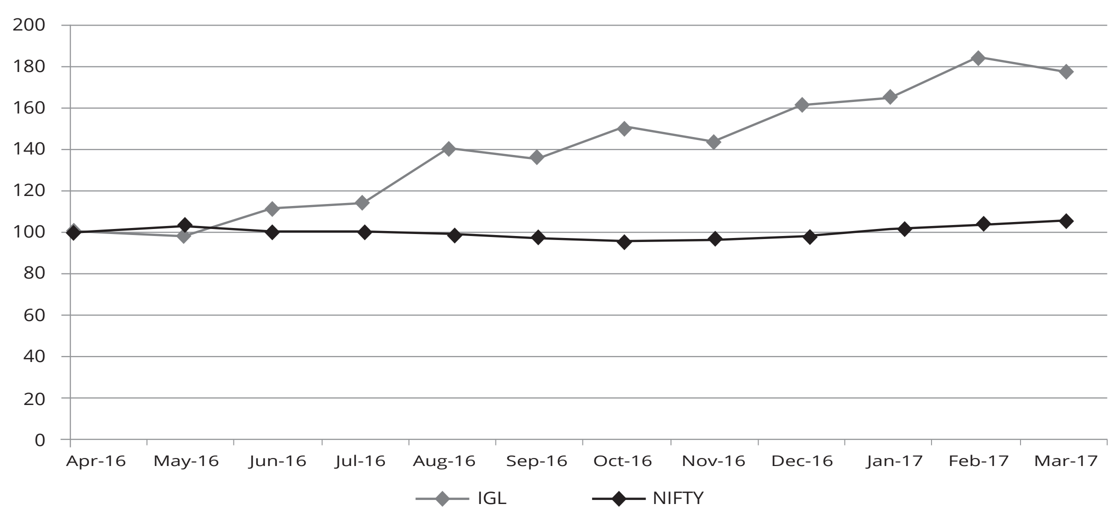
Indraprastha Gas Limited (IGL) stock performance Vs. BSE Sensex, indexed to 100 on 31 March 2017.



* Data as on closing of the month

Chart II: Performance in comparison to NSE Nifty

Indraprastha Gas Limited stock performance Vs. NSE Nifty, indexed to 100 on 31 March 2017



* Data as on closing of the month

(i) Registrar and Share Transfer Agent:

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

Karvy Computershare 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@karvy.com
Website : www.karvycomputershare.com

(j) Share Transfer System:

The shares of the Company are compulsorily traded in dematerialized form. Shares received in physical form are transferred within a period of 15 days from the date of receipt of request subject to documents being found valid and complete in all respects.

(k) Distribution of shareholding as on March 31, 2017:

S. No.	Category Amount (Rs.) From	Category Amount (Rs.) To	No. Of Share-Holders	% Of Share-Holders	Amount (Rs.)	% Of Amount
1	1	5000	58,808	96.21	44,746,600	3.20
2	5001	10000	1,082	1.77	8,579,770	0.61
3	10001	20000	457	0.75	6,818,410	0.49
4	20001	30000	139	0.23	3,523,420	0.25
5	30001	40000	72	0.12	2,584,490	0.18
6	40001	50000	47	0.08	2,225,300	0.16
7	50001	100000	108	0.18	8,051,610	0.58
8	100001 & ABOVE		403	0.66	1,323,472,000	94.53
Total			**61,116**	**100**	**1,400,001,600**	**100**

(l) Categories of Shareholding as on March 31, 2017:

S. No.	Category	No. of Shares Holders	Total No. of Shares Held.	% To Share Capital
A	Promoters Holding			
	- Indian Promoters	2	63000080	45
B	Non Promoters Holding			
	Institutions			
	- Mutual Funds	132	14411072	10.29
	- Financial Institutions/ Banks	12	983717	0.70
	- State Govt.	1	7000000	5
	- Insurance Companies	4	4549405	3.25
	- Foreign Portfolio/Institutional Investors	286	34649428	24.75

S. No.	Category	No. of Shares Holders	Total No. of Shares Held.	% To Share Capital
	- Any Other : Foreign Nationals	1	300	0.00
	Non- Institutions			
	- Bodies Corporate	751	7149113	5.11
	- Individuals	58790	7372829	5.27
	- Any Other :			
	(i) Non-resident Indians	1037	318123	0.23
	(ii) Trusts	6	1771	0.00
	(iii) Clearing Members	86	548622	0.39
	(iv) NBFCs Registered with RBI	8	15700	0.01
	TOTAL	**61116**	**140000160**	**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, 2017.

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 421 CNG stations as on March 31, 2017 spread all around the National Capital Territory of Delhi and in National Capital Region.

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, 2017.

sd/-
(E. S. Ranganathan)
Managing Director

Place : New Delhi
Date : August 11, 2017

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'), 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 during the year ended 31st March, 2017.

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 Secretaries

sd/-
(V. K. Sharma)
FCS: 3440
C. P. No.:2019

Place : New Delhi
Date : August 11, 2017

Management discussion and analysis

About the Company

Incorporated in 1998, Indraprastha Gas Limited (IGL) is a leading City Gas Distribution Company in India. IGL started its operations in NCT of Delhi in 1999 with 9 CNG stations and 1000 PNG consumers. IGL has been providing Compressed Natural Gas (CNG) across NCT of Delhi, Noida, Greater Noida, Ghaziabad and Rewari. The Company had 421 CNG stations, 7.42 lacs residential consumers and 2.9 thousand industrial / commercial customers as on March 31, 2017. The Company is also fuelling the largest CNG Bus fleet in the world.

The Company is backed by strong promoters i.e. Gail (India) Limited and Bharat Petroleum Corporation Ltd. (BPCL) and continues to augment its infrastructure to meet the increasing demand of CNG across its area of presence. The Company has highly qualified senior management personnel with several years of experience in the sector to drive the Company ahead.

Areas of operation

Delhi: Delhi, National capital of India has a vast demand as all public transport vehicles are necessarily run on CNG in view of the directions of the Hon'ble Supreme Court of India. It has a large number of private cars when compared to the other cities of India and offers opportunities for conversion to environment friendly CNG fuel. Besides Delhi has vast demand potential of PNG due to a large number of residential & commercial complexes and hospitals etc.

Noida: Noida is the most advanced city in the state of Uttar Pradesh having a huge potential for CNG, PNG-Residential and commercial volumes.

Greater Noida and Ghaziabad: Greater Noida and Ghaziabad are the residential cum industrial towns of Uttar Pradesh having an enormous potential for PNG Residential, commercial and industrial.

Rewari: Rewari, an NCR Town in Haryana would also add volumes to CNG and PNG sales of the Company. The Company has two Associates Companies which also operate in City Gas Distribution sector. One, Central UP Gas Limited (CUGL), which caters to the cities of Kanpur, Barelly, /Unnao and Jhansi in Uttar Pradesh and second, Maharashtra Natural Gas Limited (MNGL), which caters to the city of Pune and nearby areas of Pimpri, Chinchwad, Chakan, Talegaon and Hinjewadi in the State of Maharashtra.

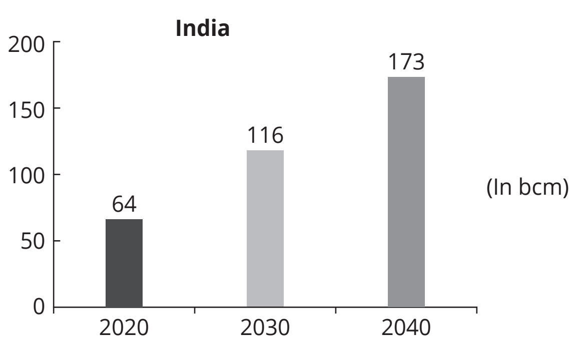
Global natural gas

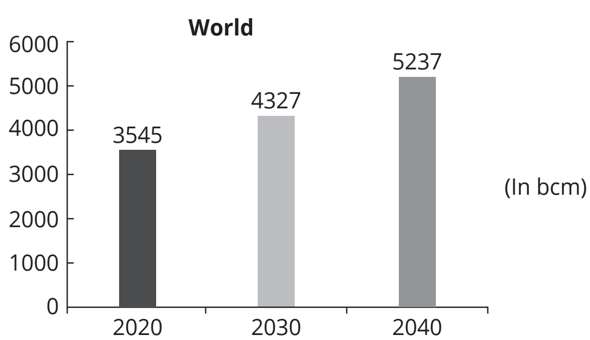
Primary energy grew globally by just 1.3% in 2016, almost half the average rate seen over the previous 10 years. Global gas consumption grew at 1.8% which is higher than 1.3% growth in primary energy consumption. Natural gas is a relatively abundant fuel and has become a global commodity with more volumes being made available worldwide in the form of LNG.

Presently, its share in world's energy mix is around 24%. As per the latest BP statistical review, global gas reserves are around 187 tcm while worldwide production and consumption were 3552 bcm and 3543 bcm, respectively. With the passage of time, global gas market has become integrated with more LNG trade flows having a share of 10% of world consumption which is a shift towards a more flexible style of trading, supported by a deeper, more competitive market structure.

Natural gas continues to grow faster than both oil and coal based energy, with sustainable growth expected in future as well. As per IEA – 2016, in the Current Policies Scenario, global gas production increases to around 5237 bcm in 2040, an average annual growth rate of 1.5%. The growth in gas production is dominated by unconventional gas, which ramps up at 3.5% per year, reaching around 1700 bcm in 2040.

IEA - Current Policies Scenario: Projected Gas production Outlook 2016





Indian natural gas

India has continued its march towards steady economic growth in the recent past accompanied by the increased energy consumption. India's primary energy consumption rose by 6% in 2016 and was the second highest contributor in global energy growth after China. With India's ambitious growth aspirations, it is clear that access to abundant and economically viable energy is important to sustain its growth journey.

India has its own limitations regarding indigenous energy resources other than coal and will have to diversify its fuel mix for its energy needs. It is here the role of gas becomes pivotal for enabling energy security of India. Share of gas in our country's energy mix is around 6%. In total gas consumption, share of LNG and domestic gas reached 50-50% for the first time during the last year. With government initiatives and thrust on cleaner fuel, the share of gas in total energy mix would increase in the coming years.

Natural Gas Industry in India requires huge investments to boost pipeline infrastructure and gas import to increase share of natural gas in India's total energy mix.

The demand of natural gas in India is likely to depict a strong growth with major demand from Power and Fertilizer sectors. City Gas Distribution (CGD) sector is expected to grow faster and its share in gas consumption would continuously increase over a period of time. The highest demand is expected to be from the power sector which is likely to contribute around 36% to 47% of the total demand. The share of fertilizer sector may drop from the current level of 25% to 15% because of high growth in other sectors. CGD is estimated to have the fastest growth in the use of natural gas with an expected contribution of 11% of the total demand by 2030.

Government initiatives:

- Government of India plans to make huge investment for the development of domestic gas fields in India in the next 5-7 years.
- India prioritises to become a natural gas based economy and is working to elevate the domestic production of the fuel.
- Policy for allowing CGD entities to supply domestic gas as PNG supplies to the approved list of Non Domestic Exempted Category (NDEC) customers like govt. / municipal hospitals, schools and colleges for hostel or mid-day meal scheme, canteen attached to govt. offices and defence establishments etc. instead of subsidized domestic LPG.
- NITI Aayog's draft National Energy Policy discusses about increase in pace of award of City Gas Distribution (CGD) licenses to distribute Piped Natural Gas throughout urban India.

City Gas Distribution sector in India

The scenario in City Gas Distribution sector in India is changing with the allocation of Gas by Govt. of India to meet the full requirement of Gas for CNG & PNG domestic segments. The price of domestic gas has also shown downward trend giving a boost to CGD Sector. Recently, CGD Industry has been given the status of public utility which would enable faster implementation of the projects

The petroleum and Natural Gas Regulatory Board (PNGRB) has been inviting bids for various new regions to roll out CGD Network in various cities of the Country.

Since Natural Gas is clean fuel, Govt. wants to promote its uses in transport and for domestic cooking purposes. There is judicial intervention / pollution control authorities to promote clean fuel of Natural Gas to reduce pollution in various parts of the Country. This makes the CGD sector one of the most prominent growth sector in India.

The Govt. of India has set a target of connecting 1 Crore households with PNG by 2019. This strong push by Government would add to growth of existing CGD Companies and entry of new players in the CGD sector.

Natural gas has been excluded from the ambit of Goods and Service Tax (GST) which is a dampener to the CGD Sector despite other positives.

Opportunities And Threats

Opportunities

Expansion in new geographical areas: The Company received authorization for geographical area of Rewari through PNGRB bidding process. Recently, Company has received permission from Haryana Government to lay CGD network in Gurugram in the area lying between west side of Sohna Road and National Highway-8 of Gurugram. The

Company has participated in the bidding process of PNGRB for the geographical areas of Karnal, Ambala & Kurukshetra District and Bulandshar (part district).

Opening of CNG/LNG stations along highways will promote CNG as a transportation fuel and provides opportunities to the Company to increase its CNG sales volumes

Merger/acquisition of stake in other CGD Companies: The Company is also exploring the possibility of expanding its operations through merger or acquisition of shares in other CGD Companies in the Country.

CNG for two-wheelers: The Company in collaboration with a renowned market player in Iran has recently introduced retrofitting of CNG kit in 2-wheelers on pilot basis. If this becomes sustainable, then it would open new avenues of growth for the Company.

Cost Benefit: As compared to other fuels such as Petrol and Diesel, the CNG is cost effective. This drives the demand for switching over to CNG vehicles.

Smart Cities: The government of India has planned to develop Smart Cities. The government has also emphasized that for clean and efficient fuel there is a need for City Gas distribution network. This would lead to a continuous demand for the expansion of the network.

Concern for pollution: Increased focus on reducing emissions by central and state governments will increase growth of CNG and PNG.

Amendment in PNGRB Act: The Company had requested amendment in PNGRB T4S Regulations for laying of gas pipeline in areas where required depth cover is not available. The amendment has been issued and published in Gazette of India on 24.11.2016 which would be helpful in increasing customer base and reaching left-out areas.

Threats/Concerns

Change in regulations: The CGD sector is regulated through the PNGRB. Any change in regulation 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 presently sub-judice. Your Company has already established the CGD infrastructure across all parts of NCT of Delhi. The setting up of new CGD infrastructure would be major challenge for any new entrant in the prevailing scenario.

Delay in Bidding Processes: The authorization of the CGD network is through a bidding process organized by the PNGRB. Any delay in the bidding process would have an adverse impact on the Company's growth/expansion plans.

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

Competition from Alternate Fuels: The Company's customers also have an alternative to move towards other fuels if there is a cost advantage. If such a scenario arises then it would impact Company's business.

Promotion of electric and hybrid vehicle in India: Electric cars are at nascent stage in India and Government is promoting the same. In medium to long term, these cars may be a cause of concern for CNG run vehicles.

Operational Review

The CNG and PNG business have grown during the year 2016-17. On an overall basis, the sales volume has shown a growth of around 14% over the previous year.

During the year, the CNG sales volume has increased to 1268 mmscm from 1123 mmscm in the previous year, showing a growth of 13% and the PNG sales volume has increased to 406 mmscm from 342 mmscm in the previous year, thereby showing a growth of 19%.

The Company had a network of 421 stations for the supply of CNG as on March 31, 2017. The estimated number of vehicles using CNG was over 9.75 lakhs in March 2017 and our back-end infrastructure, compression capacity and dispensing outlets are under continuous augmentation to meet the growing demand. The Company has provided PNG connections to 7.4 lakhs domestic households and around 2870 commercial and industrial customers, as on March 31, 2017.

Financial performance

Particulars	2016-17	2015-16	y-o-y growth
Gross turnover	Rs. 4205.43 Crores	Rs. 4052.14 Crores	4%
Operational profit (EBITDA)	Rs.963.75 Crores	Rs.774.74 Crores	24%
Profit before tax	Rs.860.69 Crores	Rs.638.46 Crores	35%
Profit after tax	Rs.571.07 Crores	Rs.419.05 Crores	36%

The gross turnover of the Company increased from Rs. 4052.14 Crores in 2015-16 to Rs. 4205.43 Crores in 2016-17. The increase of 4% in gross turnover, despite an increase of 14% in sales volume, is mainly on account of reduction in the selling price of Compressed Natural Gas (CNG) and Piped Natural Gas (PNG)-domestic, which was reduced in line with the reduction in the APM prices of input gas which was passed on to the customers, by reducing the selling price of CNG and PNG-domestic. Further, the selling price of gas to industrial and commercial customers was reduced on account of reduction in the price of Term-RLNG during the year.

During the year, the cost of Natural Gas was Rs. 2,083.98 Crores (1691.33 mmscm) as compared to Rs. 2,275.37 Crores (1488.04 mmscm) in the previous year. The decrease in cost is due to the reduction in the APM and Term-RLNG prices during the year.

The profit before tax (PBT) has been Rs. 860.69 Crores as against Rs. 638.46 Crores in the previous year. The profit after tax has been Rs. 571.07 Crores as compared to Rs. 419.05 Crores in the previous year.

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 Ind AS 28 - "Investment in Associates and Joint Ventures". The Consolidated PAT during FY 2016-17 is Rs. 606.34 Crores against Rs. 457.88 Crores in the previous year.

The Company is meeting its funds requirement through internal accruals. The Company is debt free Company with no borrowings as on March 31, 2017.

Share Capital

Share Capital of the Company comprises Equity Share Capital of Rs. 140 Crores.

Reserves & Surplus

Reserves & Surplus of the Company was Rs. 2,786.56 Crores as at March 31, 2017 as against Rs. 2,376.43 Crores as at March 31, 2016.

Net worth

The net worth of the Company was Rs. 2,926.56 Crores as at March 31, 2017 as against Rs. 2,516.43 Crores as at March 31, 2016.

Earnings per Share

Earnings per share for the financial year 2016-17 have been Rs. 40.79 compared to Rs. 29.93 in the previous year.

Interest and Finance Charges

During the year, no interest and finance charges were paid to the banks for borrowed funds as compared to Rs. 9.00 Crores in previous year.

Outlook

The Company has been expanding its business in new geographical areas besides consolidating its position in the existing areas. The upcoming green corridors offer opportunities for expansion of CNG business. The Company is participating in PNGRB bidding process for new cities to increase it footprints in new cities. The Company is also exploring the possibility of merger/acquisition of shares in other CGD companies.

In line with its expanding business the Company has added 81 new CNG Stations and laid 500 Kms MDPE Pipelines during the financial year 2016-17.

In PNG domestic segment, the Company has been working aggressively to meet the high target given by Ministry of Petroleum and Natural Gas. Besides increasing the penetration in existing areas, the Company is looking for new areas.

The Company is targeting high rise buildings/housing societies which offer good demand potential. The Company is also adding commercial and industrial customers to increase PNG sales. The current scenario offers good demand potential for future growth of the Company

Risk Management

In the current macro economic scenario the Company's business might encounter various systematic and non-systematic risks. The Company proactively assesses the various risks and takes proper mitigation measures.

Risk: Gas price

Mitigation: The CNG and PNG-Residential price remains competitive vis-à-vis petrol and subsidised LPG in view of allocation of domestic gas. The Company purchases the spot/short term gas to reduce the weighted average cost of gas for industrial/commercial segment.

Risk: Value Creation though Operational Excellence

Mitigation: In the competitive environment, creating value for the end customer is of utmost importance for any Company. The Company is fully conscious and is continuously working for enhancing operational efficiency, cost optimisation and asset utilisation and better customer services.

Risk: Sourcing of gas

Mitigation: The risk of sourcing of gas is mitigated by the firm allocation from Govt. of India for domestic gas –buying from GAIL, buying long term TRLNG gas from GAIL/BPCL and buying short term gas from the open market i.e. IOCL, GSPCL & Shell etc.

Risk: Natural Gas Availability Risk

Mitigation: The Company has long-term tie-ups for natural gas. Also the Government has placed CGD on the top priority for Natural Gas. With GAIL, India's largest Natural Gas Pipeline Company as its promoter, the Company's requirement for Natural Gas would be secured.

Risk: Fire Risk

Mitigation: The Company has successfully crossed 106 Million Man Hours 'accident free' till March 31, 2017. The Company has a very robust system of quality check for products sourced and also takes great care in maintenance.

Risk: Economic Risk

Mitigation: Although this risk cannot be completely nullified, however, through market exclusivity and low cost fuel advantage the impact would be minimal.

Internal control system

The Company has adequate internal control procedures commensurate with the size and nature of its business. During the financial year 2016-17, M/s KPMG, 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 development

The Company takes pride in its employees as their hard work and perseverance has enabled the Company to continuously grow. The employees are the biggest strength of the Company. The Company takes a lot of initiatives to attract and retain the employees. A very open and healthy culture of growth is maintained for all its employees. The Company has taken various HR initiatives for the value-addition of its pool of human talent and integration of individual goals with the Company's goals. Training and Development of the employees is an integral part of the Company's policy to achieve its objectives. The Company also takes utmost care for the safety of its employees and provides them with the best equipments.

Environment consciousness

Natural gas essentially is the cleanest of the fossil fuels, so the Company makes 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 economical and environmental advantages of natural gas when compared to other fuels. The Company is making continuous efforts 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

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	1 April 2016- 31 March 17
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 and NCR Towns
	a) Number of International Locations (Provide details of major 5)	NIL
	b) Number of National Locations	NCT of Delhi and NCR Towns
10	Markets served by the Company	Local/State (Delhi & NCR, India)

Section B: Financial Details of the Company

1	Paid up capital	Rs. 140.00 Crores (140,000,160 equity shares of Rs. 10 each)
2	Total Turnover	Rs 4205.43 Crores
3	Total profit after taxes	Rs 571.07 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	(i) Amount spent: Rs. 6.52 Crores (ii) Amount spent as percentage of profit after tax: 1.14%
5	List of activities in which expenditure in 4 above has been incurred: (i) Education (ii) Preventive Healthcare, Sanitation & Hygiene (iii) Skill Development (iv) 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 and 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.	:	06971361
Name	:	Shri V. Nagarajan
Designation	:	Director (Commercial)

(b) Details of the BR head

DIN (if applicable)	:	06971361
Name	:	Shri V. Nagarajan
Designation	:	Director (Commercial)
Telephone No	:	011-46074610
Email ID	:	nagarajanv@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.

(a) 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.

^ 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

** Policy is 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. The Board of Directors of the Company endeavour to ensure and improve the sustainable practice of the Company through continual assessment at various levels. The Board of Directors assess 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?

This is the first Business Responsibility Report of the Company which forms a part of the Annual Report for the financial year 2016-17 and can be accessed at in the investor relations section on http://www.iglonline.net. The Business Responsibility Report will be published on annual basis as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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?

We have a code of conduct for board members and senior management and whistle blower policy which is applicable to the employees, directors, vendors and suppliers of the Company. For more details, please refer to the Code of conduct section in the Corporate Governance Report chapter in this report, and the Whistleblower Policy available on our website, at http://www.iglonline.net/english/5000_media/About_us/Whistle-Blower-Policy.pdf. In addition, the Company follows a robust system for delegation of power, contract & procurement manual and other policies to ensure that day to day affairs of the Company is conducted in a systematic and fair manner. The Company advocates 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 investors complaint, please refer to 'investors' complaint' section in the corporate governance section of annual report. Most of the investors complaints were related to dividend and non-receipt of annual reports etc. Total 36 complaints were received during the financial year out of which 34 complaints were resolved and 2 complaints were pending for investigation and appropriate action.

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 in NCT of Delhi and NCR. Our business itself strive to create a sustainable environment while ensuring the sustainability of Company's business. Air pollution has been a major concern for the country and especially in NCT of Delhi and NCR. All public transportation in NCT of Delhi is run 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 endeavour to make available the requisite environmental friendly fuel at a reasonable price in our effort to create a pollution free environment for the society. With the introduction of CNG and PNG, people of NCT of Delhi and NCR has seen visible change in pollution level and Company has been appreciated both at national and international level. It is the constant endeavour of the Company to cover more and more areas to supply green fuels and address the environmental concern of air pollution.

(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 Company has been sourcing gas from various sources i.e. GAIL, BPCL and other private players for meeting the requirement of commercial and industrial sector. In the entire process of the gas distribution, it is the constant endeavour of the Company to minimize gas loss at various stages of distribution value chain.

(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 increased uses of natural gas 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.**

Although the Company does not have a dedicated sustainable sourcing policy, we endeavour to promote sustainable practices to procure natural gases and other materials and services. Substantial portion of the raw materials sourced by the Company is transported through the installed pipelines, which is clean and sustainable mode of transportation. 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.

(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 gases 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 programme 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 provide sufficient mechanism to voice concerns and issues of our suppliers. We also organize various interactive sessions with our suppliers, vendors and customers for their feedback and to offer 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. However, the Company is exploring the possibilities of co-generation and production of natural gas through Sewage Treatment Plant (STP).

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

(1) **Total no of employees:** Our total employee count stands at 7589 (570 permanent employees + 7019 employees on temporary/contractual/casual basis) as on March 31, 2017.

(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 7019 as on March 31, 2017.

(3) **No of permanent women employees:** The number of our total women employees is 22 as on March 31, 2017

(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 the overall development of its employees and for this purpose organise skill and personality development programmes on periodical basis. The Company has a formal Health, Safety and Environment (HSE) Policy and we impart requisite training on the same to our employees on periodical basis. Further, training is regularly imparted by the Company to the employees, contract 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:

(a) **Permanent Employees:** 88%

(b) **Permanent Women Employees:** 31%

(c) **Casual/Temporary/Contractual Employees:** 96%

(d) **Employees with Disabilities:** 25%

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 has town hall meetings with its employees to have two way communication for cordial relationship and congenial atmosphere in the Company. The Company organize 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.

(2) **Out of the above, has the Company identified the disadvantages, vulnerable and marginalised stakeholders?**

There is no formal identification of the disadvantages, 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 taxis 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 upgradation 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 is being provided to drivers of CNG run public transport under IGL Suraksha Yojna.

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?

Although there is no dedicated human rights policy, however the Company ensure 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. 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. In its effort towards creating a better environment, the Company has successfully implemented energy conservation measures in its premises and received ISO 50001:2011 certification for some of its business premises.

(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 use the environment friendly natural gas 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 of 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, the Company has successfully implemented energy conservation measures in its premises and received ISO 50001:2011 certification for some of its business premises. To ensure efficient energy consumption, LED Lights are being installed in a phased manner which would help in the energy conservation by the Company. In addition, the Company has taken many initiatives to use solar power at some of its CNG Stations as a pilot project to conserve the energy.

(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 2016-17.

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 supports inclusive growth of all the communities through the education, skill development and healthcare programmes. 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:

- Promoting healthcare including preventive healthcare for CNG Drivers under IGL Swasth Sarthi Programme;
- Building bonds through gender sensitization for auto drivers;
- Skilled development training of unemployed youth in the fields of gas plumbing and welding;
- Construction and re-development of toilets in government run schools;
- 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:

(a) IGL was awarded in the category of **"Innovations in Corporate Social Responsibility Practices"** at ABP News - **CSR Leadership Awards** organized by World CSR Day at Mumbai. IGL was recognized in this category for its unique CSR initiative "Barabari ki Dagar, Surakshit Safar" which is a training module on Gender Sensitization for Auto & Taxi drivers in Delhi & Noida aimed at making public transport a safer place for the women.

(b) IGL was awarded in the category of "CSR/ Environment Protection and Conservation" for its CSR initiatives at India Pride Awards organized by Dainik Bhaskar Group.

(c) IGL was awarded CSR Community Initiative Awards for its Gender Sensitization Programme at CSR Leadership Summit & Awards 2017 at Mumbai.

For further detail of the programmes/projects undertaken by the Company under its corporate social responsibility initiative, please refer to the report on Corporate Social Responsibility forming part of our Annual 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. 6.52 Crores on such initiatives during the financial year ended March 31, 2017. 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 monitor 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 9.75 lacs vehicles plying on CNG in Delhi and NCR. The Company is also providing cooking gas to 7.4 lacs households, besides 2870 industrial and commercials customers. The Company follows customer centric approach and make all its efforts to attend the complaints in a time bound manner. Out of total customer complaints, 1.07% of customer complaints were pending at the end of the financial year.

(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 2017.

(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 our services. We are a customer centric organization and always endeavour to raise the level of quality of services offered to its customers.

Financial Statements

Independent Auditor's Report

To
The Members of
Indraprastha Gas Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Indraprastha Gas Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2017, 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.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 prepared in accordance with Ind AS included in these standalone financial statements, are based on the previously issued statutory standalone financial statements for the year ended 31 March 2016 and 31 March 2015 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the Deloitte Haskins & Sells whose reports dated 13 May 2016 and 28 May 2015 respectively expressed unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. 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.

11. As required by the Comptroller and Auditor General of India vide directions dated 20 December 2016 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 and written representations received from the management.

12. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the 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) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 May 2017 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 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. the Company, as detailed in Note 51 to the standalone financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. We have relied on details provided by the banks, as described in the aforementioned note, for the purpose of testing certain details of the disclosure. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per **Neeraj Goel**
Partner
Membership No.: 99514

Place: New Delhi
Date: 27 May 2017

Annexure A to the Independent Auditor's Report

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.

(b) Other than fixed assets related to the underground natural gas distribution system which as per management cannot be physically verified, the Company has a regular program of physical verification of its fixed assets under which the fixed assets are verified in a phased manner over a period of two years, which in our opinion, 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 certain immovable properties taken on lease for which in one case the Company has an allotment letter and for another it has entered into a memorandum of understanding with the lessor but has, however, not entered into lease deeds, per details given below:

(Rs. in Crores)

Nature of property	Whether leasehold /freehold	Gross block as on 31 March 2017	Net block as on 31 March 2017
Land	Leasehold perpetual	9.83	9.83
Land	Leasehold perpetual	7.15	7.15

(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. No material discrepancies were noticed on the aforesaid 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 Sections 185 and 186 of the Act in respect of loans, investments, 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 product 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 thereof 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 (Rs. in Crores)

Name of the statute	Nature of dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Central Excise Act,1944	Matters relating to levy of Excise duty on discounts to customers	2.42	-	2008-2010	Customs and Central Excise Settlement commission
Income-tax Act, 1961	Matters related to disallowance of additional depreciation	2.51	-	2013-2014	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Matters related to disallowance of additional depreciation	2.01	-	2014-2015	Commissioner of Income Tax (Appeals)

(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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per **Neeraj Goel**
Partner
Membership No.: 99514

Place: New Delhi
Date: 27 May 2017

Annexure B to the Independent Auditor's Report

Independent Auditor's Report as required by the Comptroller and Auditor General of India vide directions dated 20 December 2016 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 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:

Sl. No.	Directions	Response
1.	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available?	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 certain immovable properties taken on lease for which in one case the Company has an allotment letter and for another it has entered into a memorandum of understanding with the lessor but has, however, not entered into lease deeds, as enumerated in Table A below.
2.	Whether there are any cases of waiver/write off of debts/ loans/interest etc. If yes, the reasons there for and amount involved.	There are no cases of write off or waiver of loans and interest. However, an amount of Rs. 0.45 crore recoverable from a debtor has been written off during the year. Based on circumstances prevailing with the said debtor, the management believed the amount is unlikely to be recovered and with necessary approval of the Board of Directors decided to write off the balance in its books of accounts.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grants(s) from the Govt. or other authorities.	The Company is maintaining proper records for inventories lying with third parties.

Table A

Nature of property	Whether leasehold /freehold	Gross block as on 31 March 2017 (Rs. in crores)	Net block as on 31 March 2017 (Rs. in crores)	Area (in square meters)
Land	Leasehold	9.83	9.83	1,755.34
Land	Leasehold	7.15	7.15	2,674.83

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Per **Neeraj Goel**
Partner
Membership No.: 99514

Place: New Delhi
Date: 27 May 2017

Annexure C to the Independent Auditor's Report

Independent Auditor's Report on the Internal Financial Controls 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 financial statements of Indraprastha Gas Limited ('the Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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/-
Per **Neeraj Goel**
Partner
Membership No.: 99514

Place: New Delhi
Date: 27 May 2017

Standalone Balance Sheet As at 31 March 2017

(Rs. in Crores)

		Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A	**Assets**				
1	**Non-current assets**				
	a) Property, plant and equipment	4	2,103.18	2,003.41	1,957.20
	b) Capital work-in-progress	4	351.79	266.92	225.80
	c) Intangible assets	4	13.97	15.78	5.36
	d) Financial assets				
	(i) Investments	5	259.17	259.17	249.67
	(ii) Loans	6	7.77	6.04	5.82
	(iii) Other financial assets	7	0.30	0.30	0.30
	e) Income-tax assets (net)	8	1.82	7.12	4.32
	f) Other non-current assets	9	18.07	11.43	13.87
	Total non-current assets		**2,756.07**	**2,570.17**	**2,462.34**
2	**Current assets**				
	a) Inventories	10	51.72	57.58	51.57
	b) Financial assets				
	(i) Investments	11	417.87	-	41.19
	(ii) Trade receivables	12	201.39	251.14	245.12
	(iii) Cash and cash equivalents	13	125.57	453.27	230.69
	(iv) Bank balances other than (iii) above	14	483.02	0.49	0.51
	(v) Loans	15	2.49	1.91	2.49
	(vi) Other financial assets	16	21.43	15.44	16.28
	c) Other current assets	17	26.57	31.25	34.25
	Total current assets		**1,330.06**	**811.08**	**622.10**
	Total Assets		**4,086.13**	**3,381.25**	**3,084.44**
B	**Equity and liabilities**				
1	**Equity**				
	a) Equity share capital	18	140.00	140.00	140.00
	b) Other equity				
	- Reserves and surplus	19	2,786.56	2,376.43	2,058.83
	Total equity		**2,926.56**	**2,516.43**	**2,198.83**
2	**Liabilities**				
	Non-current liabilities				
	a) Financial liabilities				
	(i) Borrowings	20	-	-	145.31
	b) Employee benefit obligations	21	20.34	14.52	11.28
	c) Deferred tax liabilities (net)	22	180.62	165.02	126.97
	Total non-current liabilities		**200.96**	**179.54**	**283.56**
	Current liabilities				
	a) Financial liabilities				
	(i) Trade payables	23	274.00	161.26	156.92
	(ii) Other financial liabilities	24	649.00	494.13	416.10
	b) Employee benefit obligations	25	0.66	0.60	0.38
	c) Other current liabilities	26	34.95	29.29	25.12
	d) Current tax liabilities (net)	27	-	-	3.53
	Total current liabilities		**958.61**	**685.28**	**602.05**
	Total liabilities		**1,159.57**	**864.82**	**885.61**
	Total equity and liabilities		**4,086.13**	**3,381.25**	**3,084.44**

See accompanying notes forming part of the standalone financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Neeraj Goel
Partner

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Place: New Delhi
Date: 27 May 2017

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31 March 2017

(Rs. in Crores)

		Note	Year ended 31 March 2017	Year ended 31 March 2016
1	Revenue from operations	28	4,222.51	4,064.21
2	Other income	29	65.22	29.89
3	Total income (1 + 2)		**4,287.73**	**4,094.10**
4	**Expenses:**			
	(a) Cost of natural gas	30	2,083.98	2,275.37
	(b) (Increase)/decrease in stock of natural gas	31	(0.26)	0.74
	(c) Excise duty		407.73	378.42
	(d) Employee benefits expense	32	91.71	78.36
	(e) Finance costs	33	1.21	9.92
	(f) Depreciation and amortisation expense	4	167.07	156.25
	(g) Other expenses	34	675.60	556.58
	Total expenses		**3,427.04**	**3,455.64**
5	Profit before tax (3 - 4)		860.69	638.46
6	Tax expense:	43		
	(a) Current tax		273.54	181.17
	(b) Deferred tax		16.08	38.24
	Total tax expenses		289.62	**219.41**
7	Profit for the year (5 - 6)		**571.07**	**419.05**
8	Other comprehensive income			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurement of post employment benefit obligations		(1.34)	(0.54)
	(ii) Income-tax relating to remeasurement of post employment benefit obligations		0.48	0.19
	Other comprehensive income for the income, net of tax		(0.86)	**(0.35)**
9	Total comprehensive income for the year (7+8)		**570.21**	**418.70**
10	Earnings per equity share: (face value of Rs. 10 per share)			
	Basic/diluted earnings per share (in Rs.)		40.79	29.93

See accompanying notes forming part of the standalone financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner

Place: New Delhi
Date: 27 May 2017

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31 March 2017

I) Equity share capital

Particulars	Note	Number in crores	Rs. in crores
Balance as at 1 April 2015	18	14.00	140.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2016	18	**14.00**	**140.00**
Changes in equity share capital during the year		-	-
Balance as at 31 March 2017	18	**14.00**	**140.00**

II) Other equity

(Rs. in Crores)

		Reserves and surplus		Other reserves	
Particulars	**Note**	**General reserve**	**Retained earnings**	**Remeasurement of employee benefits**	**Total**
Balance as at 1 April 2015	50 B.4	261.88	1,796.95	-	2,058.83
Dividends paid (including dividend distribution tax)		-	(101.10)	-	(101.10)
Transactions with owners in their capacity as owners		-	(101.10)	-	(101.10)
Profit for the year		-	419.05	-	419.05
Other comprehensive income		-	-	(0.35)	(0.35)
Transfer from retained earnings to general reserve		41.62	(41.62)	-	-
Balance as at 31 March 2016	50 B.4	**303.50**	**2,073.28**	**(0.35)**	**2,376.43**
Dividends paid (including dividend distribution tax)		-	(160.08)	-	(160.08)
Transactions with owners in their capacity as owners		-	(160.08)	-	(160.08)
Profit for the year		-	571.07		571.07
Other comprehensive income		-	-	(0.86)	(0.86)
Balance as at 31 March 2017		**303.50**	**2,484.27**	**(1.21)**	**2,786.56**

See accompanying notes forming part of the standalone financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner

Place: New Delhi
Date: 27 May 2017

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Standalone Cash Flow Statement for the year ended 31 March 2017

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
A. Cash flow from operating activities:		
Profit before tax	860.69	638.46
Adjustments for:		
- Depreciation and amortisation for the year	167.07	156.25
- Loss on property, plant and equipment sold or discarded (net)	0.24	0.68
- Provision for expected credit losses/ Bad debt written off	1.43	0.80
- Provision for obsolete and slow moving stores and spares	3.11	0.68
- Finance cost	1.21	9.92
- Interest income on term deposits with banks	(16.33)	(1.87)
- Dividend income from mutual fund investments	(26.43)	(18.32)
- Dividend on investment in associates	(19.30)	(5.72)
- Liabilities/provisions no longer required, written back	-	(0.19)
Operating profit before working capital changes	971.69	780.69
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
- Non current financial assets- Loans	(1.73)	(0.22)
- Other non-current assets	0.14	0.14
- Inventories	4.06	(6.02)
- Trade receivables	48.32	(6.82)
- Other current assets	4.68	3.00
- Current financials assets	(0.58)	0.58
- Other current financial assets	(1.25)	1.01
Adjustments for increase in operating liabilities:		
- Trade payables	112.74	4.35
- Other current financial liabilities	68.11	57.20
- Employee benefit obligations	5.02	3.11
- Other current liabilities	5.07	3.95
Cash generated from operations	1,216.27	840.97
Net income-tax paid (net of refund)	(268.72)	(187.48)
Net cash flow from operating activities (A)	**947.55**	**653.49**
B. Cash flow from investing activities:		
- Payment for purchase of property, plant and equipment including capital advances and payable towards property plant and equipment	(271.41)	(232.02)
- Purchase of long-term investment	-	(9.50)
- Proceeds from sale of property, plant and equipment	0.54	0.03
- Investment in bank deposits with maturity more than three months	(482.49)	-
- Investment in mutual funds	(4,814.20)	(4,055.46)
- Proceeds from sale of mutual funds	4,396.33	4,096.65
- Income received on term deposits with banks	11.58	1.70
- Income received from mutual fund investments	26.43	18.32
- Dividend received	19.30	5.72
Net cash flow used in investing activities (B)	**(1,113.92)**	**(174.56)**

Standalone cash flow statement for the year ended 31 March 2017 (contd..)

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
C. Cash flow from financing activities:		
- Repayment of long-term borrowings	-	(145.31)
- Finance costs	(1.21)	(9.92)
- Dividend and dividend distribution tax paid	(160.12)	(101.12)
Net cash flow used in financing activities (C)	**(161.33)**	**(256.35)**
D. Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(327.70)	222.58
E. Cash and cash equivalents as at the beginning of the year	453.27	230.69
F. Cash and cash equivalents as at the end of the year	**125.57**	**453.27**

See accompanying notes forming part of the standalone financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner

Place: New Delhi
Date: 27 May 2017

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

1 Company overview

Indraprastha Gas Limited (the 'Company') was incorporated on 23 December 1998 under the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE) and the 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.

2 Application of new and revised Indian Accounting Standard (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

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payments.' The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the standalone financial statements is being evaluated.

Amendment to Ind AS 102: The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company has not issued any share options plans, hence this amendment will have no effect on the Company's standalone financial statements.

3 Significant accounting policies and other explanatory information

3.1 Statement of compliance with Indian Accounting Standards (Ind AS)

The 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. Accordingly, the standalone financial statements for the year ended 31 March 2017 are the Company's first Ind AS standalone financial statements. For periods up to and including the year ended 31 March 2016, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Refer note 50 for the explanation of transition from previous GAAP to Ind AS.

The standalone financial statements of Indraprastha Gas Limited as at and for the year ended 31 March 2017 (including comparatives) were approved and authorised for issue by the Board of Directors on 27 May 2017 (refer note 54).

3.2 Overall considerations and first time adoption of Ind AS

The standalone financial statements have been prepared 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, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

In accordance with Ind AS 101, the Company presents three balance sheets, two statement of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS standalone financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

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) Sales of goods

Revenue on sale of natural gas is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risks and rewards of ownership have been transferred to the buyer. Revenue includes excise duty but excludes central sales tax and value added tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Interest and dividends

Interest income and expenses are 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 natural gas

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

(ii) Inventory of stores and spares

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

3.6 Foreign currency transactions and translations

i. Initial recognition

The Company's standalone financial statements are presented in 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

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

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

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 the 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.

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

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', 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 retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised 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 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.

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. 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.

3.10 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 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013, 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.:

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

Cost associated with lease hold land is depreciated over the period of lease.

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

Intangible assets

- Computer software and licenses 5 years

3.13 (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.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

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. 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.

vi. 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) Intangible assets

Intangible assets comprise computer software/ license.

(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 includes capital inventory.

(d) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at 1April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

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 or loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period 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 or loss per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period 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.

3.18 Impairment of Property, plant and equipment, 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 and contingencies

A provision is recognised in the standalone financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes unless the outflow of resources is considered to be remote. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

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

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

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 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 46 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 assert. 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

A. 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.

3.23 Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying 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 the standalone 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 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 the standalone financial statements.

(iii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological 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 uses 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 45).

Standalone Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

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

(Rs. in Crores)

	Property, plant and equipment							Total	Intangible	Capital
Particulars	**Freehold land**	**Land on perpetual lease**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Vehicles**	**Data processing equipment**		**Computer software/ license**	**work-in-progress**
Deemed cost as at 1 April 2015	19.92	16.98	294.09	1,610.25	10.06	1.16	4.74	**1,957.20**	5.36	225.80
Additions	-	-	13.82	179.02	1.02	6.29	1.15	**201.30**	12.29	233.97
Disposal/transfer of assets	-	-	1.19	27.14	0.04	-	0.36	**28.73**	-	192.85
Balance as at 31 March 2016	**19.92**	**16.98**	**306.72**	**1,762.13**	**11.04**	**7.45**	**5.53**	**2,129.77**	**17.65**	**266.92**
Additions	-	-	41.55	217.11	2.19	0.20	1.98	**263.03**	2.78	343.53
Disposal/transfer of assets	-	-	0.09	12.05	0.14	-	1.33	**13.61**	-	258.66
Balance as at 31 March 2017	**19.92**	**16.98**	**348.18**	**1,967.19**	**13.09**	**7.65**	**6.18**	**2,379.19**	**20.43**	**351.79**
Accumulated depreciation and amortisation										
Depreciation and amortisation charge for the year	-	-	15.73	134.83	1.68	0.51	1.63	**154.38**	1.87	
Disposal/transfer of assets	-	-	0.64	27.01	0.01	-	0.36	**28.02**	-	-
Balance as at 31 March 2016	**-**	**-**	**15.09**	**107.82**	**1.67**	**0.51**	**1.27**	**126.36**	**1.87**	**-**
Depreciation and amortisation charge for the year	-	-	16.40	141.75	1.71	1.03	1.59	**162.48**	4.59	-
Disposal/transfer of assets	-	-	0.04	11.48	0.09	-	1.22	**12.83**	-	-
Balance as at 31 March 2017	**-**	**-**	**31.45**	**238.09**	**3.29**	**1.54**	**1.64**	**276.01**	**6.46**	**-**
Net block as at 31 March 2016	**19.92**	**16.98**	**291.63**	**1,654.31**	**9.37**	**6.94**	**4.26**	**2,003.41**	**15.78**	**266.92**
Net block as at 31 March 2017	**19.92**	**16.98**	**316.73**	**1,729.10**	**9.80**	**6.11**	**4.54**	**2,103.18**	**13.97**	**351.79**

4.1 Gross block of leasehold land includes land amounting to Rs. 16.98 crores (previous year: Rs. 16.98 crores) obtained on lease from local authorities under licensing arrangement and pending execution of the related lease agreements.

4.2 Buildings include buildings which have been constructed on land acquired on lease from various Government Authorities. (refer note 37)

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

5 Non current financial assets- investments

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investments in equity instruments (at cost)			
Trade (unquoted)			
Investments in associates:			
(a) 30,000,000 (31 March 2016: 30,000,000, 1 April 2015 : 30,000,000) equity shares of Rs. 10 each fully paid up in Central UP Gas Limited.	69.17	69.17	69.17
(b) 50,000,000 (31 March 2016: 50,000,000, 1 April 2015 : 47,500,000) equity shares of Rs. 10 each fully paid up in Maharashtra Natural Gas Limited	190.00	190.00	180.50
	259.17	**259.17**	**249.67**
Aggregate amount of carrying value of unquoted investment	259.17	259.17	249.67

6 Loans

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(Unsecured and considered good)			
Security deposits	7.77	6.04	5.82
	7.77	**6.04**	**5.82**

7 Other financial assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balance with banks in fixed deposits			
(under lien against bank guarantee)	0.30	0.30	0.30
	0.30	**0.30**	**0.30**

8 Income-tax assets (net)

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance tax (net of provisions)	1.82	7.12	4.32
	1.82	**7.12**	**4.32**

9 Other non-current assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital advances	6.82	0.04	2.35
Prepaid expenses	11.25	11.39	11.52
	18.07	**11.43**	**13.87**

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

10 Inventories

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Natural gas	2.74	2.48	3.22
Stores and spares	53.80	58.11	50.93
Less: Provision for obsolete and slow moving stores and spares	(4.82)	(3.01)	(2.58)
	48.98	55.10	48.35
	51.72	**57.58**	**51.57**

11 Current financial assets - investments

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment in mutual funds (unquoted)	417.87	-	41.19
	417.87	**-**	**41.19**
Aggregate amount of carrying value of unquoted investment	**417.87**	-	**41.19**

11.1 Details of units and values

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) 252,818.872 units (31 March 2016: Nil, 1 April 2015: Nil) in Axis Liquid Fund	25.30	-	-
(b) 249,078.437 units (31 March 2016: Nil , 1 April 2015: Nil) in Baroda Treasury Advance Fund Plan B	25.13	-	-
(c) 249,979.634 units (31 March 2016: Nil , 1 April 2015: Nil) in BNP Paribas Overnight Fund	25.02	-	-
(d) 249,845.097 units (31 March 2016: Nil , 1 April 2015: Nil) in BOI Axa Liquid Fund	25.05	-	-
(e) 2,495,636.44 units (31 March 2016: Nil , 1 April 2015: Nil) in DHFL Pramerica Instacashplus Fund	25.03	-	-
(f) 25,044,657.7176 units (31 March 2016: Nil , 1 April 2015: Nil) in DHFL Premerica Ultra Short Term	25.09	-	-
(g) 26,298,863.362 units (31 March 2016: Nil , 1 April 2015: 25,950,180) in Franklin India Ultrashort Bond Fund	26.47	-	26.12
(h) 9,544,323.499 units (31 March 2016: Nil , 1 April 2015: Nil) in HSBC Cash Fund	9.55	-	-
(i) 1,897,890.244 units (31 March 2016: Nil , 1 April 2015: Nil) in ICICI Prudential Money Market Fund	19.01	-	-
(j) 2,50,074.521 units (31 March 2016: Nil , 1 April 2015: Nil) in IDFC Cash Fund	25.05	-	-
(k) 2,53,286.673 units (31 March 2016: Nil , 1 April 2015: Nil) in India Bulls Liquid Fund	25.36	-	-
(l) 24,018,714.701 units (31 March 2016: Nil , 1 April 2015: Nil) in JM High Liquidity Fund	25.05	-	-

11.1 Details of units and values (Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(m) 161,981.921 units (31 March 2016: Nil , 1 April 2015: Nil) in L & T Liquid Fund	16.41	-	-
(n) 180,494.622 units (31 March 2016: Nil , 1 April 2015: Nil) in LIC MF Liquid Fund	19.81	-	-
(o) 253,331.017 units (31 March 2016: Nil , 1 April 2015: Nil) in Mahindra Liquid Fund	25.34	-	-
(p) Nil units (31 March 2016: Nil , 1 April 2015: 100,558) in Reliance Liquidity Fund	-	-	10.06
(q) 149,548.628 units (31 March 2016: Nil , 1 April 2015: Nil) in SBI Magnum Insta Cash	25.05	-	-
(r) 24,797,037.101 units (31 March 2016: Nil , 1 April 2015: Nil) in Sundaram Money Fund	25.05	-	-
(s) Nil units (31 March 2016: Nil , 1 April 2015: 50,097) in Taurus Liquid Fund	-	-	5.01
(t) 233,152.224 units (31 March 2016: Nil , 1 April 2015: Nil) in UTI Floating Rate Fund	25.10	-	
Total	**417.87**	**-**	**41.19**

12 Trade receivables

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables	191.85	244.50	237.19
Receivables from related parties (refer note 42)	12.02	8.13	8.62
	203.87	252.63	245.81
Less: Allowance for expected credit losses	2.48	1.49	0.69
Total receivables	**201.39**	**251.14**	**245.12**

12.1 Break up of security details

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables			
i. Secured, considered good	44.83	35.74	40.41
ii. Unsecured, considered good	156.56	215.40	204.71
iii. Unsecured, considered doubtful	2.48	1.49	0.69
	203.87	**252.63**	**245.81**
Impairment allowances (allowances for expected credit losses)			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
Doubtful	(2.48)	(1.49)	(0.69)
Total trade receivables	**201.39**	**251.14**	**245.12**

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 2017

13 Cash and cash equivalents

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents			
i. Cash on hand	4.86	4.85	4.90
ii. Balances with banks in current accounts	22.07	22.11	44.87
iii. Balances with banks in fixed deposits with maturity of less than three months	98.64	426.31	180.92
	125.57	**453.27**	**230.69**

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

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Balances with banks in fixed deposits with maturity of more than three months	482.49	-	-
(b) Earmarked balances with banks in current accounts-Unpaid dividends	0.53	0.49	0.51
	483.02	**0.49**	**0.51**

15 Loans

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Security deposits			
- Considered good	2.49	1.91	2.49
- Considered doubtful	4.50	4.50	4.50
Less: Provision for expected credit losses	(4.50)	(4.50)	(4.50)
	2.49	**1.91**	**2.49**

15.1 Security deposits shown as loans to related parties comprise of :

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Security deposits with GAIL (India) Limited	0.51	0.51	0.11
(b) Security deposits with Bharat Petroleum Corporation Limited	0.01	0.01	0.04
(same are considered good)	**0.52**	**0.52**	**0.15**

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

16 Other current financial assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Unbilled revenue	16.34	15.09	16.10
(b) Interest accrued on fixed deposits	5.09	0.35	0.18
	21.43	**15.44**	**16.28**

17 Other current assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) CENVAT recoverable	14.62	20.55	25.98
(b) Prepaid expenses	10.18	9.74	7.86
(c) Employee advances	0.44	0.27	0.16
(d) Advances to vendors	0.01	0.01	0.02
(e) Advances to others	0.96	0.23	0.05
(f) Others	0.36	0.45	0.18
	26.57	**31.25**	**34.25**

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

18 Share capital

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)
(a) Authorised Equity shares of Rs. 10 each	**220,000,000**	**220.00**	**220,000,000**	**220.00**	**220,000,000**	**220.00**
(b) Issued, subscribed and fully paid up Equity shares of Rs. 10 each	**140,000,160**	**140.00**	**140,000,160**	**140.00**	**140,000,160**	**140.00**

18.1 Terms and rights attached to equity shares:

The Company has one class of equity shares having a par value of Rs. 10 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.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

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

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)
Shares outstanding at the beginning/ end of the year	140,000,160	140.00	140,000,160	140.00	140,000,160	140.00

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
(a) GAIL (India) Limited	31,500,000	22.50%	31,500,000	22.50%	31,500,000	22.50%
(b) Bharat Petroleum Corporation Limited	31,500,080	22.50%	31,500,080	22.50%	31,500,080	22.50%
(c) Life Insurance Corporation of India	-	-	-	-	11,165,980	7.98%

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.

18.5 During the current year the Company paid dividend of Rs. 6.00 per share per equity share for financial year 2015-16 amounting to Rs. 84 crores (excluding dividend distribution tax of Rs. 17.10 crores) [in financial year 2015-16 Rs. 6.00 per equity share for financial year 2014-15 amounting to Rs. 84 crores (excluding dividend distribution tax of Rs. 17.10 crores)].

Further the Board of Directors at its meeting held on 16 November, 2016 has approved an interim dividend of Rs. 3.50 per equity share amounting to Rs. 49 crores (excluding dividend distribution tax of Rs. 9.98 crores), which since has been paid till 31 March 2017.

19 Reserves and surplus

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016
(a) General reserve:		
Opening balance	303.50	261.88
Add: Transferred from surplus in statement of profit and loss	-	41.62
Closing balance	303.50	303.50

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016
(b) Retained earnings		
Opening balance	2,072.93	1,796.95
Profit for the year	571.07	419.05
Dividends distributed to equity shareholders (see note no: 18.5 above)	(133.00)	(84.00)
Dividend distribution tax on dividend paid on equity share capital (see note 18.5 above)	(27.08)	(17.10)
Transfer to general reserve	-	(41.62)
	2,483.92	2,073.28
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(0.86)	(0.35)
Closing balance	**2,483.06**	**2,072.93**
	2,786.56	**2,376.43**

20 Non current financial liabilities- borrowings

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured term loans from banks (amortised cost)	-	-	145.31
	-	**-**	**145.31**

20.1 Term loans from banks referred above were secured by charge on all the plant and machinery of the Company.

20.2 Loan amounting to Rs. 145.31 crores as at 1 April 2015 was payable in 32 quarterly installments (8 installments of Rs. 1.56 crores each, 11 installments of Rs. 4.69 crores each and 13 installments of Rs. 6.25 crores each). This loan carried an interest rate of 10.25% p.a.

21 Non-current employee benefit obligations

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefit obligations	20.34	14.52	11.28
	20.34	**14.52**	**11.28**

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

22 Deferred tax liabilities (net)

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Deferred tax liability on:			
Difference between book balance and tax balance of property, plant and equipment.	203.31	173.20	133.73
Others	0.53	0.53	-
(b) Deferred tax assets on:			
Provision for employee benefits	7.75	5.23	3.99
Provision for obsolete and slow moving stores and spares	2.06	1.04	0.89
Provision for expected credit loss on trade receivables and security deposits	2.41	2.07	1.78
Others	11.00	0.37	0.10
Total	**23.22**	**8.71**	**6.76**
	180.62	**165.02**	**126.97**

22.1 Movements in deferred tax liabilities and deferred tax assets

(Rs. in Crores)

Particulars	Property, plant and equipment	Gratuity and compensated absences	Other provisions
As at 01 April 2015	133.73	(3.99)	(2.77)
Charged/(credited) to the statement of profit or loss	39.47	(1.05)	(0.18)
(Credited) to other comprehensive income	-	(0.19)	-
As at 31 March 2016	**173.20**	**(5.23)**	**(2.95)**
Charged/(credited) to the statement of profit or loss	30.11	(2.04)	(11.99)
(Credited) to other comprehensive income	-	(0.48)	-
As at 31 March 2017	**203.31**	**(7.75)**	**(14.94)**

23 Current financial liabilities- Trade payables

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Total outstanding dues-other than acceptances			
(a) Trade payable *	173.24	69.79	42.00
(b) Trade payable to related parties (refer note 42)	100.76	91.47	114.92
	274.00	**161.26**	**156.92**

*includes amount due to micro enterprises and small enterprises (refer note 40)

24 Other current financial liabilities

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Security deposits from customers (refer note 38)	482.63	425.17	368.12
(b) Unclaimed dividends	0.53	0.49	0.51
(c) Security deposits from vendors	2.55	2.14	1.87
(d) Employee benefits payable	20.16	9.99	10.09
(e) Payable towards property, plant and equipment *	143.13	56.34	35.51
	649.00	**494.13**	**416.10**

*includes amount due to micro enterprises and small enterprises (refer note 40)

25 Current employee benefit obligations

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits	0.66	0.60	0.38
	0.66	**0.60**	**0.38**

26 Other current liabilities

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Excess payments received from customers	15.19	11.43	10.25
(b) Statutory dues payable	10.98	9.66	6.89
(c) Advance received for shifting of pipeline	8.78	8.20	7.98
	34.95	**29.29**	**25.12**

27 Current tax liabilities (net)

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for tax (net of advance tax)	-	-	3.53
	-	**-**	**3.53**

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

28 Revenue from operations

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Sale of natural gas (including excise duty)	4,205.43	4,052.14
(b) Other operating revenues	17.08	12.07
	4,222.51	**4,064.21**

29 Other income

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Interest income from banks	16.33	1.87
(b) Dividend income from :		
- Mutual fund investments	26.43	18.32
- Associates	19.30	5.72
(c) Liabilities/ provisions no longer required, written back	-	0.19
(d) Other non operating income	3.16	3.79
	65.22	**29.89**

30 Cost of natural gas

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Natural gas	2,083.98	2,275.37
	2,083.98	**2,275.37**

31 (Increase)/decrease in stock of natural gas

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Closing stock of natural gas	2.74	2.48
(b) Opening stock of natural gas	2.48	3.22
	(0.26)	**0.74**

32 Employee benefits expense

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Salaries and wages	82.29	71.21
(b) Contribution to provident fund and other funds	3.00	2.73
(c) Staff welfare expenses	6.42	4.42
	91.71	**78.36**

33 Finance cost

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Interest and finance charges on financial liabilities not at fair value through profit and loss	-	9.00
(b) Finance cost on defined benefit obligation	1.21	0.92
	1.21	**9.92**

34 Other expenses

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Operating expenses at CNG stations	107.55	97.19
(b) Facility charges	40.67	27.23
(c) Stores and spares consumed	25.73	26.99
(d) Power and fuel	149.09	147.10
(e) Rent	92.16	34.36
(f) Hire charges:		
- Vehicle	16.36	14.25
- Equipment	0.35	0.03
(g) Rates and taxes	1.75	1.83
(h) Repairs and maintenance:		
- Buildings	3.52	5.12
- Plant and equipment	144.22	114.72
(i) Security expenses	30.72	25.35
(j) Insurance	1.46	1.41
(k) Cash/cheque collection charges	5.59	4.21
(l) Legal and professional fees	9.87	6.27
(m) Auditor's remuneration (refer note 34.1)	0.57	0.42
(n) Travelling and conveyance	3.70	2.96
(o) Office maintenance	4.60	4.08
(p) Advertisement expenses	5.41	4.04
(q) Loss on fixed assets sold or discarded (net)	0.24	0.68
(r) Provision for expected credit loss/ bad debts written off	1.43	0.80
(s) Provision for obsolete and slow moving stores and spares	3.11	0.68
(t) Net loss on foreign currency transaction and translations	0.14	0.09
(u) Corporate social responsibility (CSR) activity expenses	6.52	4.43
(v) Take or pay charges (refer note 36(a))	-	14.03
(w) Miscellaneous expenses	20.84	18.31
	675.60	**556.58**

34.1 Payment to the statutory auditors as:

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Auditor	0.54	0.40
(b) For reimbursement of expenses	0.03	0.02
	0.57	**0.42**

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

35 Contingent liabilities

(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 Rs. 2.42 crores (previous year Rs. 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 Rs. 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 is pending with Central Excise and Service Tax Appellate Tribunal.

(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 assets pertaining to the CNG segment. The department has raised a demand of Rs. 2.51 crores and Rs. 2.01 crores for the assessment year 2013-14 and 2014-15 respectively including interest. Out of the said demand, Rs. 4.01 crores has been adjusted against the refund for the assessment year 2014-15 and demand order for the balance amount of Rs. 0.51 crores has been issued by the Department. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the decision of the Income - tax Department. The Company is of the view that such disallowance is not tenable and accordingly no provision has been made for the said demand. There was no such demand during previous year.

(c) Bank guarantees

The Company's total liability towards un-expired bank guarantees is Rs. 0.25 crores (Previous year Rs. 0.25 crores).

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

Delhi Development Authority (DDA) has raised a total demand of Rs. 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. The same was also reported in the previous year as a contingent liability. Further, DDA vide communication dated 29 August 2016 has revised the total demand to Rs. 330.73 crores for the period upto 31 March 2016.

The matter is pending in the Hon'ble High Court of Delhi and the Company is of the view that such demand is not tenable and accordingly no provision has been made for this demand raised by DDA till 31 March 2016 in the books of accounts.

(e) Apart from those disclosed above, the Company has certain litigations involving customers and 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.

36 (a) As per the terms of the gas supply agreement between the Company and GAIL (India) Limited 'GAIL', the Company had a minimum take or pay commitment to purchase natural gas quantities for the 12 months period ended on 31 December 2014. The Company had not purchased the minimum committed natural gas quantities. The Company had the right to purchase the short drawn quantities of natural gas in future periods. During the financial year 2015-16, the Company entered into a one-time settlement with GAIL under which the Company paid an amount of Rs. 14.03 crores to GAIL , as net settlement of its purchase obligation and surrender of its right to purchase the short drawn quantities of natural gas in future periods.

(b) The Company is in the process of re-negotiation of trade margin and facility charges payable to the Oil Marketing Companies (OMC) with effect from 1 April 2015 for sale of CNG from their respective outlets. Based on the current negotiations with the OMC, the management has estimated an amount of Rs. 31.51 crores pertaining to the said liability and has recorded the same in the books of accounts during the year.

(c) Bank guarantees

(i) During the year, the Company has been granted authorization for laying, building, operating and expanding CGD network in the geographical area of Rewari (Haryana) 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 submitted a performance bank guarantee of Rs. 1,052.36 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 Rs. 310.91 crores (previous year Rs. 390.17 crores) given in the ordinary course of business.

37 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 Rs. 241.45 crores (previous year Rs. 221.64 crores).

38 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.

39 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. 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 Rs. 12.17 crores (Previous year Rs. 11.45 crores)

b) Amount spent during the year on CSR (excluding 5% administrative expenses)

(Rs. 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	6.52	-	6.52

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

40 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:

(Rs. in Crores)

Particulars	**Year ended 31 March 2017**	**Year ended 31 March 2016**	**Year ended 1 April 2015**
(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 micro and small enterprises	28.16	12.39	8.28
Interest due on above	-	-	-
(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	-	-	-
(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	-	-	-

41 Employee benefits:

The following tables summarizes the components of net benefit expense recognized in the statement of profit and loss and the amount recognized in the balance sheet for the respective plans.

(Rs. in Crores)

	Gratuity benefits	
Particulars	**Year ended 31 March 2017**	**Year ended 31 March 2016**
Change in present value of the benefit obligations are as follows:		
Present value of obligations at the beginning of the year	6.19	4.66
Current service cost	0.92	0.69
Interest cost	0.49	0.37
Actuarial (gain)/loss on obligation	1.34	0.54
Benefits paid	(0.05)	(0.07)
Present value of obligation at the year end	**8.89**	**6.19**

41 Employee benefits (contd.)

(Rs. in Crores)

Particulars	Gratuity benefits Year ended 31 March 2017	Year ended 31 March 2016
Current portion of obligation as at the end of the year	0.20	0.19
Non-current portion of obligation as at the end of the year	8.69	6.00
Expenses recognised in the statement of profit and loss:		
Current service cost	0.92	0.69
Interest cost in benefit obligation	0.49	0.37
Total expense recognised in statement of profit and loss	**1.41**	**1.06**
Expense recognised in other comprehensive income		
Actuarial loss recognised during the year	1.34	0.54

Actuarial assumptions used

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate	7.54%	8.00%
Expected salary escalation rate	6.50%	5.70%

Demographic assumptions used

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Mortality table	IALM(2006-08)	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

(Rs. in Crores)

Experience adjustment:

	2017	2016	2015	2014	2013
Present value of defined benefit obligation	8.89	6.19	4.66	3.31	2.70
Experience (loss)/ gain on liability	(0.12)	0.96	0.02	(0.45)	(0.36)

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

41 Employee benefits (contd.):

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 at 31 March 2017.

(Rs. in Crores)

	As at 31 March 2017		As at 31 March 2016	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
(Decrease)/ increase in the defined benefit liability	(0.62)	0.68	(0.87)	0.96
Salary growth rate				
Increase/ (decrease) in the defined benefit liability	0.69	(0.63)	0.98	(0.90)

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 analyses 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.

42 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) Key managerial personnel (KMPs):

i.	Mr. Narendra Kumar	Managing Director (till 31 May 2016)
ii.	Mr. E.S. Ranganathan	Managing Director (with effect from 1 June 2016)
iii.	Mr. V. Nagarajan	Director Commercial

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

42 Related party disclosures (contd.):

Transactions / balances outstanding with related parties in the ordinary course of business:

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
GAIL (India) Limited		
Transactions during the year:		
Cost of natural gas (including VAT)	1,852.67	2,011.56
Transportation charges	16.48	11.28
Take or pay charges	-	14.03
Salaries, allowances and other related payments	1.00	1.07
Rent	1.46	1.39
Interest expenses	-	-
Reimbursement of expenses	0.04	0.05
Road restoration charges	0.36	0.06
Security deposit paid	-	0.41
Bonus (profit sharing)	0.15	0.15
Other expenses	0.03	0.02
Advance paid for hooking up of shippers facilities	4.03	-
Standby letter of credit/ bank guarantee issued/renewed	219.06	295.78
Dividend paid	29.93	18.90
Balance outstanding as at the year end:		
Trade payables	82.79	80.74
Security deposit paid	0.51	0.51
Bank guarantee outstanding at the year end	219.06	295.78
Advance paid for hooking up of shippers facilities	4.03	-
Bharat Petroleum Corporation Limited		
Transactions during the year:		
Sale of CNG (gross)	248.45	212.97
Salaries, allowances and other related payments	0.52	0.40
Reimbursement of electricity expenses	10.95	8.84
Facility charges	7.51	6.30
Purchases of natural gas	182.79	283.00
Purchases of lubricants	0.09	0.19
Security deposit adjusted	-	0.04
Bonus (profit sharing)	0.15	0.15
Other expenses	0.04	0.03
Standby letter of credit/ bank guarantee issued/renewed	19.73	19.73
Dividend paid	29.93	18.90

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

42 Related party disclosures (contd.):

Transactions / balances outstanding with related parties in the ordinary course of business:

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Balance outstanding as at the year end:		
Trade payables	12.01	8.67
Trade receivables	12.02	8.13
Security deposit paid	0.01	0.01
Bank guarantee outstanding at the year end	19.73	19.73
Central UP Gas Limited		
Transactions during the year:		
Dividend received	6.60	4.20
Sitting fees received	0.04	0.06
Maharashtra Natural Gas Limited		
Transactions during the year:		
Dividend received	12.70	1.52
Sitting fees received	0.01	0.02
GAIL Gas Limited		
Transactions during the year:		
Purchase of natural gas	95.24	3.41
Standby letter of credit/ bank guarantee issued/renewed	11.96	8.46
Balance outstanding as at the year end:		
Trade payables	5.96	2.06
Bank guarantee outstanding at the year end	8.46	8.46
Key managerial personnel: Direct reimbursements#		
Transactions during the year:		
Mr. Narendra Kumar	0.003	0.010
Mr. E.S. Ranganathan	0.008	-
Mr. V. Nagarajan	0.076	0.073

Direct reimbursements made as per terms of employment/entitlements

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

43 Income-tax expense

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Income-tax expense		
Current tax		
Current tax on profits for the year	273.54	181.17
Total current tax expense	273.54	181.17
Deferred tax		
(Increase) in deferred tax assets	(14.03)	(1.76)
Increase in deferred tax liabilities	30.11	40.00
Total deferred tax expense/(benefit)	16.08	38.24
Tax expense	**289.62**	**219.41**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income-tax expense	860.69	638.46
Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)	297.87	220.96
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of non deductible expenses	2.34	1.77
Effect of disallowances	2.76	1.01
Income exempt from tax	(15.83)	(8.32)
Effect of change in rate of tax	-	2.31
Others	2.48	1.68
Income-tax expense	**289.62**	**219.41**

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

44 Financial instruments by category

(Rs. in Crores)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Non current financial assets						
Loans	-	7.77	-	6.04	-	5.82
Balance with banks in fixed deposits (under lien against bank guarantee)	-	0.30	-	0.30	-	0.30
Current financial assets						
Investments	417.87	-	-	-	41.19	-
Trade receivable	-	201.39	-	251.14	-	245.12
Cash and cash equivalents	-	125.57	-	453.27	-	230.69
Bank balances other than cash and cash equivalents	-	483.02	-	0.49	-	0.51
Unbilled revenue	-	16.34	-	15.09	-	16.10
Interest accrued on fixed deposits	-	5.09	-	0.35	-	0.18
Security deposits with related parties and others	-	2.49	-	1.91	-	2.49
Total financial assets	**417.87**	**841.97**	**-**	**728.59**	**41.19**	**501.21**
Non current financial liabilities						
Non-current borrowings	-	-	-	-	-	145.31
Current financial liabilities						
Trade Payables	-	274.00	-	161.26	-	156.92
Security deposits from customers	-	482.63	-	425.17	-	368.12
Unclaimed dividends	-	0.53	-	0.49	-	0.51
Employee benefits payable	-	20.16	-	9.99	-	10.09
Payable towards property, plant and equipment	-	143.13	-	56.34	-	35.51
Security deposits from vendors	-	2.55	-	2.14	-	1.87
Total financial liabilities	**-**	**923.00**	**-**	**655.39**	**-**	**718.34**

Note :

Investments in associates as at the close of the year ended 31 March 2017, 31 March 2016 and 1 April 2015 are carried at cost, per the exemption availed by the Company. Hence the same has not been considered in the above table.

45 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 2017, 31 March 2016 and 1 April 2015.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 1 April 2015, 31 March 2016 and 31 March 2017 as follows:

	Level 1	Level 2	Level 3	Total
As at 1 April 2015				
Investment in mutual funds	41.19	-	-	41.19
Total	**41.19**	**-**	**-**	**41.19**
As at 31 March 2016				
Investment in mutual funds	-	-	-	-
Total	**-**	**-**	**-**	**-**
As at 31 March 2017				
Investment in mutual funds	417.87	-	-	417.87
Total	**417.87**	**-**	**-**	**417.87**

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.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

46 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 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 2017		As at 31 March 2016	
	FC	(Rs. in crores)	FC	(Rs. in crores)
USD	197,313	1.28	201,180	1.33
EURO	18,547	0.13	22,327	0.17
		1.41		**1.50**

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 **(Rs. in Crores)**

Exposure to credit risk	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Security deposits (non-current)	7.77	6.04	5.82
Balance with banks in fixed deposits (under lien against bank guarantee)	0.30	0.30	0.30
Cash and cash equivalents (except cash in hand)	120.71	448.42	225.79
Other bank balances	483.02	-	-
Unbilled revenue	16.34	15.09	16.10
Interest accrued on fixed deposits	5.09	0.35	0.18
Security deposits with related parties and others	2.49	1.91	2.49
	635.72	**472.11**	**250.68**

Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses

Trade receivables	203.87	252.63	245.81

46 Financial risk management (contd.)

An analysis of age of trade receivables at each statement of financial position date is summarized as follows:

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
upto 1 Year	197.16	247.72	242.69
upto 2 Year	3.02	2.81	1.92
upto 3 Year	1.86	1.08	0.56
upto 4 Year	0.88	0.51	0.31
upto 5 Year	0.46	0.25	0.14
More than 5 Year	0.49	0.26	0.19
	203.87	**252.63**	**245.81**

Expected credit loss

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
upto 1 Year	0%	0%	0%
upto 2 Year	6%	5%	5%
upto 3 Year	13%	9%	2%
upto 4 Year	35%	31%	32%
upto 5 Year	76%	69%	73%
More than 5 Year	100%	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 to 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 2017

46 Financial risk management (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 2017 **(Rs. in Crores)**

Particulars	**Less than 1 year**	**More than 1 year**	**Total**
Trade payables	274.00	-	**274.00**
Security deposits from customers	482.63	-	**482.63**
Unclaimed dividends	0.53	-	**0.53**
Employee benefits payable	20.16	-	**20.16**
Payable towards property, plant and equipment	143.13	-	**143.13**
Security deposits from vendors	2.55	-	**2.55**
	923.00	**-**	**923.00**

As at 31 March 2016 **(Rs. in Crores)**

Particulars	**Less than 1 year**	**More than 1 year**	**Total**
Trade payables	161.26	-	**161.26**
Security deposits from customers	425.17	-	**425.17**
Unclaimed dividends	0.49	-	**0.49**
Security deposits from vendors	2.14	-	**2.14**
Employee benefits payable	9.99	-	**9.99**
Payable towards property, plant and equipment	56.34		**56.34**
	655.39	**-**	**655.39**

(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 on long-term financing. 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 +/- 0.5% (2015-16: +/-0.5%). 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	**Profit for the year**		**Equity**	
	0.5%	**0.5%**	**0.5%**	**0.5%**
31 March 2017	**5.00**	**(5.00)**	**3.27**	**(3.27)**
31 March 2016	**2.13**	**(2.13)**	**1.39**	**(1.39)**

47 Capital management

The Company's capital management objectives are:
a) to ensure the Company's ability to continue as going concern; and
b) 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. 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.

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Borrowings	-	-	145.31
Less: Cash and cash equivalents	(125.57)	(453.27)	(230.69)
Borrowings (net of cash and cash equivalents)	**-**	**-**	**-**
Capital employed	2,926.56	2,516.43	2,198.83
Total capital employed	**2,926.56**	**2,516.43**	**2,198.83**
Gearing ratio	0%	0%	0%

48 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:

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Property, plant and equipment	277.03	317.71	164.37
	277.03	**317.71**	**164.37**

(b) Other commitments

The Company has entered into long-term agreements for purchase of natural gas upto maximum quantity of 0.58 million SCM/ day 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 said obligation.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

49 Earnings per share

Particulars	Units	Year ended 31 March 2017	Year ended 31 March 2016
Net profit attributable to shareholders	Rs. crores	571.07	419.05
Weighted average number of equity shares	No. in crores	14.00	14.00
Nominal value per share	Rs.	10.00	10.00
Basic earning per share of Rs. 10 each	Rs.	40.79	29.93

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.

50 First-time adoption of Ind AS

Transition to Ind AS

These standalone financial statements, for the year ended 31 March 2017, are the first financial statements prepared by the Company in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP standalone financial statements, including the balance sheet as at 1 April 2015 and the standalone financial statements as at and for the year ended 31 March 2016.

The Company has applied Ind AS 101 in preparing these first standalone financial statements. The effect of transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes accompanying the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions:

A1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A1.2 Leases

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.

A.2 Ind AS mandatory exceptions:

A2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except as explained in note 8 and 9 below.

A2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively, for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively, from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101, First time adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

B.1 Effect of Ind AS adoption on the balance sheet as at 1 April 2015

(Rs. in Crores)

Particulars	Note	Previous GAAP*	Adjustments	Amount under Ind AS
Assets				
Non-current assets				
a) Property, plant and equipment	3, 5, 6, 8, 9, 11	1,950.45	6.75	1,957.20
b) Capital work-in-progress	5,6	254.10	(28.30)	225.80
c) Intangible assets		5.36	-	5.36
d) Financial assets				
(i) Investments		249.67	-	249.67
(ii) Loans		5.82	-	5.82
(iii) Other financial assets		0.30	-	0.30
e) Income-tax assets (net)		4.32	-	4.32
f) Other non-current assets	6	2.35	11.52	13.87
Total non-current assets		**2,472.37**	**(10.03)**	**2,462.34**
Current assets				
a) Inventories	5	40.89	10.68	51.57
b) Financial assets				
(i) Investments		41.19	-	41.19
(ii) Trade receivables	7	245.44	(0.32)	245.12
(iii) Cash and cash equivalents		230.69	-	230.69
(iv) Bank balances other than (iii) above		0.51	-	0.51
(v) Loans		2.49	-	2.49
(vi) Other financial assets		16.28		16.28
c) Other current assets	3,6	33.93	0.32	34.25
Total current assets		**611.42**	**10.68**	**622.10**
Total assets		**3,083.79**	**0.65**	**3,084.44**
Equity and liabilities				
Equity				
a) Equity share capital		140.00	-	140.00
b) Other equity				
- Reserves and surplus	1, 3, 5, 7, 8, 9, 10	1,958.13	100.70	2,058.83
Total equity		**2,098.13**	**100.70**	**2,198.83**
Liabilities				
Non-current liabilities				
a) Financial liabilities				
(i) Borrowings		145.31	-	145.31
b) Employee benefit obligations		11.28	-	11.28
c) Deferred tax liabilities (net)	10	127.18	(0.21)	126.97
Total non-current liabilities		**283.77**	**(0.21)**	**283.56**
Current liabilities				
a) Financial liabilities				
(i) Trade payables		156.92	-	156.92
(ii) Other financial liabilities		416.10	-	416.10
b) Employee benefit obligations		0.38	-	0.38
c) Other current liabilities	11	23.86	1.26	25.12
(d) Short-term provisions	1	101.10	(101.10)	-
(e) Current tax liabilities (net)		3.53	-	3.53
Total current liabilities		**701.89**	**(99.84)**	**602.05**
Total liabilities		**985.66**	**(100.05)**	**885.61**
Total equity and liabilities		**3,083.79**	**0.65**	**3,084.44**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

B.2 Effect of Ind AS adoption on the balance sheet as at 31 March 2016

(Rs. in Crores)

Particulars	Note	Previous GAAP*	Adjustments	Amount under Ind AS
Assets				
Non-current assets				
a) Property, plant and equipment	3, 4, 5, 6, 8, 9, 11	1,993.87	9.54	2,003.41
b) Capital work-in-progress	5,6	294.85	(27.93)	266.92
c) Intangible assets		15.78	-	15.78
d) Financial assets				
(i) Investments		259.17	-	259.17
(ii) Loans		6.04	-	6.04
(iii) Other financial assets		0.30	-	0.30
e) Income-tax assets (net)		7.12	-	7.12
f) Other non-current assets	6	0.04	11.39	11.43
Total non-current assets		**2,577.17**	**(7.00)**	**2,570.17**
Current assets				
a) Inventories	5	47.17	10.41	57.58
b) Financial assets				
(i) Trade receivables	7	251.46	(0.32)	251.14
(ii) Cash and cash equivalents		453.27	-	453.27
(iii) Bank balances other than (iii) above		0.49	-	0.49
(iv) Loans		1.91	-	1.91
(v) Other financial assets		15.44	-	15.44
c) Other current assets	3,6,8	30.66	0.59	31.25
Total current assets		**800.40**	**10.68**	**811.08**
Total assets		**3,377.57**	**3.68**	**3,381.25**
Equity and liabilities				
Equity				
a) Equity share capital		140.00	-	140.00
b) Other equity				
- Reserves and surplus	1, 3, 4, 5, 7, 8, 9, 10	2,273.23	103.20	2,376.43
Total equity		**2,413.23**	**103.20**	**2,516.43**
Liabilities				
Non-current liabilities				
a) Employee benefit obligations		14.52	-	14.52
b) Deferred tax liabilities (net)	10	164.70	0.32	165.02
Total non-current liabilities		**179.22**	**0.32**	**179.54**
Current liabilities				
a) Financial liabilities				
(i) Trade payables		161.26	-	161.26
(ii) Other financial liabilities		494.13	-	494.13
b) Employee benefit obligations		0.60	-	0.60
c) Other current liabilities	11	28.03	1.26	29.29
d) Short-term provisions	1	101.10	(101.10)	-
Total current liabilities		**785.12**	**(99.84)**	**685.28**
Total liabilities		**964.34**	**(99.52)**	**864.82**
Total equity and liabilities		**3,377.57**	**3.68**	**3,381.25**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

B.3 Reconciliation of total comprehensive income for the year ended 31 March 2016

(Rs. in Crores)

Particulars	Note	Previous GAAP*	Adjustments	Amount under Ind AS
Revenue from operations		4,064.21	-	4,064.21
		4,064.21		**4,064.21**
Other income		29.89	-	29.89
Total revenue		**4,094.10**	**-**	**4,094.10**
Expenses:				
(a) Cost of natural gas		2,275.37	-	2,275.37
(b) Decrease/(Increase) in natural gas stock		0.74	-	0.74
(c) Excise duty		378.42	-	378.42
(d) Employee benefits expense	2,3	78.66	(0.30)	78.36
(e) Finance costs	3	9.97	(0.05)	9.92
(f) Depreciation and amortisation expense	3, 4, 5, 8, 9	157.66	(1.41)	156.25
(g) Other expenses	4,5,8	558.39	(1.81)	556.58
Total expenses		**3,459.21**	**(3.57)**	**3,455.64**
Profit before tax		**634.89**	**3.57**	**638.46**
Income tax expense:				
(a) Current tax expense		181.17	-	181.17
(b) Deferred tax	2, 10	37.52	0.72	38.24
Net tax expenses		**218.69**	**0.72**	**219.41**
Profit for the year		416.20	2.85	419.05
Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss				
(i) Remeasurement of post employment benefit obligations	2	-	(0.54)	(0.54)
(ii) Income tax relating to these items	2		0.19	0.19
Total comprehensive income for the year attributable to the owners of the Company		**416.20**	**2.50**	**418.70**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.4 Reconciliation of total equity as at 31 March 2016 and 01 April 2015

(Rs. in Crores)

Particulars	Note	As at 31 March 2016	As at 01 April 2015
Total equity (shareholder's fund) as per previous GAAP		2,273.23	1,958.13
Adjustments:			
Proposed dividend	1	101.10	101.10
Derecognition of vehicles	3	(0.16)	(0.02)
Capitalisation of overhauling cost	4	1.81	-
Capitalisation of spares	5	(3.87)	(4.82)
Provision based on expected credit loss	7	(0.32)	(0.32)
Deferred tax impact on above	10	(0.32)	0.21
Total adjustments		**98.24**	**96.15**
Total equity as per Ind AS		2,371.47	2,054.28
Rectification of depreciation charged in earlier years	8	3.35	3.12
Rectification of useful life of the building	9	1.61	1.43
Total equity as per Ind AS		**2,376.43**	**2,058.83**

B.5 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

(Rs. in Crores)

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	661.48	(7.99)	653.49
Net cash flow from investing activities	(183.44)	8.88	(174.56)
Net cash flow from financial activities	(255.46)	(0.89)	(256.35)
Net increase/(decrease) in cash and cash equivalents	**222.58**	**-**	**222.58**
Cash and cash equivalents as at 1 April 2015	230.69		230.69
Cash and cash equivalents as at 31 March 2016	**453.27**		**453.27**

C. Notes to first time adoption:

Note 1: Proposed dividend

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (along with dividend distribution tax) of Rs. 101.10 crores as at 31 March 2016 (1 April 2015 - Rs. 101.10 crores) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 2: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. This has resulted in decrease in employee benefit expenses by Rs. 0.54 crores and increase in deferred tax expense by Rs. 0.19 crores. As a result of this change, the profit for the year ended 31 March 2016 increased by Rs. 0.35 crores. There is no impact on the total equity as at 31 March 2016.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

Note 3: Vehicle lease

As per the HR policy of the Company, vehicles have been taken on lease by the Company and provided to some of the officers in the General Manager and above category. The lease rent is paid by the Company and transportation allowance of the employees is reduced to that extent. As per previous GAAP, these vehicles taken on lease has been considered as Finance Lease and capitalized in books and depreciated as per Companies Act, 2013. However, as per Ind AS 16 it is treated as operating lease since to qualify as finance lease, there should be transfer of all risk and rewards incidental to ownership to the lessee and the control over the asset should be with the Company. This has resulted in decrease in property, plant and equipment by Rs. 0.20 crores, increase in other current assets by Rs. 0.18 crores and decrease in retained earnings by Rs. 0.02 crores as on the date of transition. Further, as at 31 March 2016, this has resulted in a cumulative decrease in property, plant and equipment by Rs. 0.60 crores, increase in other current assets by Rs. 0.44 crores with corresponding decrease of Rs. 0.16 crores in retained earnings. Also, during FY 2015-16, finance charges on these vehicles amounting to Rs. 0.05 which was earlier charged to finance cost now has been charged to employee benefit expenses. Further depreciation for the year 2015-16 is reduced by Rs. 0.05 crores and employee benefit expense increased by Rs. 0.19 crores.

Note 4: Overhauling costs

The expenses incurred on scheduled repairs are termed as overhauling expenses. As per previous GAAP, the overhauling cost was charged to revenue and accordingly till FY 2015-16, the amount incurred on overhauling cost was shown as part of stores and spares consumption. However, as per provision of Ind AS 16, the overhauling cost needs to capitalized separately from the main asset and amortized over the remaining useful life of main asset or next overhauling due whichever is earlier. This has resulted in increase in property, plant and equipment by Rs. 1.81 crores with corresponding equivalent positive retained earnings for the year ended 31 March 2016. For the year 2015-16, this has resulted in increase in depreciation by Rs. 0.26 crores and decrease in other expense by Rs. 2.07 crores.

Note 5: Capitalisation of spares

As per previous GAAP, the stores and spares held for the purpose of repairs of the machine was shown as the part of the inventory in the balance sheet under the heading “Inventory” as current assets and same is shown as expense at the time of the consumption. As per Ind AS 16, the stores and spares having useful life of more than one year are classified as property, plant and equipment and depreciated over the remaining useful life of the asset or life of spare whichever is earlier and the balance spares including consumables are treated as inventory and charged as expense in the statement of profit and loss at the time of consumption. This has resulted in increase in property, plant and equipment by Rs. 3.69 crores, decrease in capital work in progress by Rs. 19.19 crores and increase in inventory by Rs. 10.68 crores with a decrease of Rs. 4.82 crores in retained earnings as on the date of transition. Further, as at 31 March 2016, this has resulted in cumulative increase in property, plant and equipment by Rs. 4.54 crores, decrease in capital work in progress by Rs. 18.82 crores, increase in inventory by Rs. 10.41 crores with a decrease of Rs. 3.87 crores in retained earnings. For the year 2015-16, this has resulted in decrease in depreciation by Rs. 1.08 crores and increase in other expenses by Rs. 0.13 crores.

Note 6: Reclassification from finance lease to operating lease

As per previous GAAP, the leasehold lands taken by the Company from various government authorities for the lease period of 90 years were considered as finance lease and hence were capitalized and depreciated over the period of lease. As per Ind AS 17 since there is no substantial transfer of the risks and rewards incidental to ownership and the company not having the option to purchase/renew the agreement for further period after 90 years, hence as on the date of transition the lands which do not meet the above criteria for being classified as finance lease have been reclassified as operating lease and accordingly there have been shown as prepaid lease rent in books of accounts. This has resulted in decrease in property, plant and equipment by Rs. 2.55 crores, decrease in capital work in progress by Rs. 9.11 crores, increase in other non current assets by Rs. 11.52 crores, increase in other current assets by Rs. 0.14 crores as on the date of transition. Futher as at 31 March 2016, this has resulted in cumulative decrease in property, plant and equipment by Rs. 2.55 crores, decrease in capital work in progress by Rs. 9.11 crores, increase in other non current assets by Rs. 11.39 crores, increase in other current assets by Rs. 0.27 crores.

Note 7: Provision based on expected credit loss method

Incremental provision for doubtful debts amounting to Rs. 0.32 crores has been created based on expected credit loss method as on the date of transition. This has resulted in decrease in trade receivables by Rs. 0.32 crores and corresponding equivalent decrease in retained earnings as on the date of transition. Further as at 31 March 2016, this has resulted in cumulative decrease in trade receivables by Rs. 0.32 crores and corresponding decrease of Rs. 0.32 crores in retained earnings.

Note 8: Rectification of depreciation charged in earlier years

Certain leasehold lands were depreciated considering a shorter lease period under previous GAAP. This has now been rectified on transition to Ind-AS. This has resulted in increase in property, plant and equipment by Rs. 3.12 crores with corresponding equivalent increase in retained earnings as on the date of transition. Further as at 31 March 2016, this has resulted in cumulative increase in property, plant and equipment by Rs. 3.47 crores and decrease in other current assets by Rs. 0.12 crores with corresponding increase of Rs. 3.35 crores in the retained earnings. For the year 2015-16, this has resulted in decrease in depreciation by Rs. 0.36 crores and increase in other expense by Rs. 0.13 crores.

Note 9: Rectification of useful life of the building

One building was depreciated considering a useful life of 30 years. On transition to Ind-AS, its useful life is correctly taken as 60 years. This has resulted in increase in property, plant and equipment by Rs. 1.43 crores with corresponding increase of Rs. 1.43 crores in retained earnings as on the date of transition. Further as at 31 March 2016, this has resulted in cumulative increase in property, plant and equipment by Rs. 1.61 crores with corresponding equivalent increase in retained earnings. For the year 2015-16, this has resulted in decrease in depreciation by Rs. 0.18 crores.

Note 10: Deferred tax

Deferred tax assets of Rs. 0.21 crores have been created for Ind-AS transition adjustment as on the date of transition with equivalent increase in retained earnings. Further, deferred tax liability Rs. 0.53 crores has been created on account of above adjustments as on 31 March 2016, net impact being increase in deferred tax liabilities by Rs. 0.32 crores with corresponding equivalent decrease in retained earnings as on 31 March 2016. For the year 2015-16, this has resulted increase in deferred tax expense by Rs. 0.53 crores.

Note 11: Perpetual lease

Stamp duty charges on the perpetual land lease were inadvertently not accrued in the previous GAAP. The same has been rectified and accounted for. This has resulted in increase in property, plant and equipment by Rs. 1.26 crores and corresponding increase in other current liabilities as on the date of transition and as at 31 March 2016. This has not resulted in any impact on retained earnings.

Note 12: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Standalone Summary of Significant Accounting Policies and other Explanatory Information

for the year ended 31 March 2017

51 Details of specified bank notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 is as under:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016 (refer Note (a) below)	47,629,000	548,221	48,177,221
(+) Permitted receipts	1,017,333,500	988,548,688	2,005,882,188
(-) Permitted payments	-	1,051,852	1,051,852
(-) Amount deposited in banks	1,064,962,500	951,793,590	2,016,756,090
Closing cash in hand as on 30 December 2016	-	36,251,467	36,251,467

Note

a) Balance of SBNs as on 8 November 2016 includes cash in hand on account of cash sales at stations.

b) During the period 8 November 2016 to 15 December 2016, vide certain notifications issued by the Ministry of Finance, the Company was allowed to accept the demonetised Rs. 1000 and Rs. 500 notes as legal tender. The daily collections at the CNG stations are deposited in the bank. The Company has received details of Rs. 1,000 and Rs. 500 notes (Specified Bank Notes) deposited from the bank and has considered amount collected as equivalent to the amount deposited. The Company, however, does not maintain independent records of denomination of currency in its books of accounts.

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.

53 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2017 and the date of authorisation of the Company's standalone financial statements. However, the Board of Directors have recommended a final dividend of 50% i.e. Rs. 5.00 (previous year Rs. 6.00) on equity shares of Rs. 10 each for the year ended 31 March 2017, subject to approval of shareholders at the ensuing annual general meeting.

54 The standalone financial statements for the year ended 31 March 2017 (including comparatives) were approved by the Board of Directors on 27 May 2017.

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 27 May 2017

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDRAPRASTHA GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2017.

The preparation of financial statements of Indraprastha Gas Limited for the year ended 31 March 2017 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(7) 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 27 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Indraprastha Gas Lmited for the year ended 31 March 2017. 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 and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and behalf of the
Comptroller and Auditor General of India

Sd/-
(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II
New Delhi

Place: New Delhi
Date: 01.08.2017

Independent Auditor's Report

To
The Members of
Indraprastha Gas Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Indraprastha Gas Limited (the 'Company') and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2017, 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.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Company including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('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 the assets of the Company and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Company, its associates as at 31 March 2017 and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. The consolidated financial statements also include the Company's share of net profit (including other comprehensive income) of Rs. 62.33 crores for the year ended 31 March 2017, 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, is 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 matters with respect to our reliance on the work done by and the reports of the other auditors.

10. The comparative consolidated financial information for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 prepared in accordance with Ind AS included in the consolidated financial statements, are based on the previously issued statutory consolidated financial statements for the year ended 31 March 2016 and 31 March 2015 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the Deloitte Haskins & Sells whose reports dated 13 May 2016 and 28 May 2015 respectively expressed unmodified opinion on those consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. 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 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) 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 other statutory auditors of its associate companies, none of the directors of the Company and its associate companies, are disqualified as on 31 March 2017 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 over financial reporting of the Company, and its associate companies and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

    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 Auditor's) 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 35 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;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate companies covered under the Act during the year ended 31 March 2017; and

(iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Company and its associate companies. We have relied on details provided by the banks, as described in Note 51 (a), for the purpose of testing certain details of the disclosure pertaining to the Company. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per **Neeraj Goel**
Partner
Membership No.: 99514

Place: New Delhi
Date: 27 May 2017`

Annexure A to the Independent Auditor's Report

Independent Auditor's report on the Internal Financial Controls 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 the Indraprastha Gas Limited (the 'Company') and its associates, as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company and its associates companies, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Company and its associates 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 (the '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 the company's 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Company and its associates companies based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 IFCoFR of the Company and its associates companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 and its associates companies, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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. We did not audit the IFCoFR insofar as it relates two associate companies, in respect of which, the Company's share of net profit (including other comprehensive income) of Rs. 62.33 crores for the year ended 31 March 2017 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Company and its associate companies, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid associates companies, is solely based on the corresponding reports of the auditors of such companies. Our opinion is 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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
per **Neeraj Goel**
Partner
Membership No.: 99514

Place: New Delhi
Date: 27 May 2017`

Consolidated Balance Sheet as at 31 March 2017

(Rs. in Crores)

		Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
A	**Assets**				
1	**Non-current assets**				
	a) Property, plant and equipment	4	2,103.18	2,003.41	1,957.20
	b) Capital work-in-progress	4	351.79	266.92	225.80
	c) Intangible assets	4	13.97	15.78	5.36
	d) Investments accounted for using the equity method	5	366.06	326.96	269.72
	e) Financial assets				
	(i) Loans	6	7.77	6.04	5.82
	(ii) Other financial assets	7	0.30	0.30	0.30
	f) Income-tax assets (net)	8	1.82	7.12	4.32
	g) Other non-current assets	9	18.07	11.43	13.87
	Total non-current assets		**2,862.96**	**2,637.96**	**2,482.39**
2	**Current assets**				
	a) Inventories	10	51.72	57.58	51.57
	b) Financial assets				
	(i) Investments	11	417.87	-	41.19
	(ii) Trade receivables	12	201.39	251.14	245.12
	(iii) Cash and cash equivalents	13	125.57	453.27	230.69
	(iv) Bank balances other than (iii) above	14	483.02	0.49	0.51
	(v) Loans	15	2.49	1.91	2.49
	(vi) Other financial assets	16	21.43	15.44	16.28
	c) Other current assets	17	26.57	31.25	34.25
	Total current assets		**1,330.06**	**811.08**	**622.10**
	Total assets		**4,193.02**	**3,449.04**	**3,104.49**
B	**Equity and liabilities**				
1	**Equity**				
	a) Equity share capital	18	140.00	140.00	140.00
	b) Other equity				
	- Reserves and surplus	19	2,871.69	2,430.42	2,074.80
	Total equity		**3,011.69**	**2,570.42**	**2,214.80**
2	**Liabilities**				
	Non-current liabilities				
	a) Financial liabilities				
	(i) Borrowings	20	-	-	145.31
	b) Employee benefit obligations	21	20.34	14.52	11.28
	c) Deferred tax liabilities (net)	22	202.38	178.82	131.05
	Total non-current liabilities		**222.72**	**193.34**	**287.64**
	Current liabilities				
	a) Financial liabilities				
	(i) Trade payables	23	274.00	161.26	156.92
	(ii) Other financial liabilities	24	649.00	494.13	416.10
	b) Employee benefit obligations	25	0.66	0.60	0.38
	c) Other current liabilities	26	34.95	29.29	25.12
	d) Current tax liabilities (net)	27	-	-	3.53
	Total current liabilities		**958.61**	**685.28**	**602.05**
	Total liabilities		**1,181.33**	**878.62**	**889.69**
	Total equity and liabilities		**4,193.02**	**3,449.04**	**3,104.49**

See accompanying notes forming part of the consolidated financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 27 May 2017

Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(Rs. in Crores)

		Note	Year ended 31 March 2017	Year ended 31 March 2016
1	Revenue from operations	28	4,222.51	4,064.21
2	Other income	29	45.92	24.17
3	Total income (1 + 2)		**4,268.43**	**4,088.38**
4	Expenses:			
	(a) Cost of natural gas	30	2,083.98	2,275.37
	(b) (Increase)/decrease in stock of natural gas	31	(0.26)	0.74
	(c) Excise duty		407.73	378.42
	(d) Employee benefits expense	32	91.71	78.36
	(e) Finance costs	33	1.21	9.92
	(f) Depreciation and amortisation expense	4	167.07	156.25
	(g) Other expenses	34	675.60	556.58
	Total expenses		**3,427.04**	**3,455.64**
5	Profit before tax and share of profit of associates (3 - 4)		841.39	632.74
6	Share of profit of associates		62.53	54.27
7	Profit before tax (5 + 6)		903.92	687.01
8	Tax expense:	43		
	(a) Current tax		273.54	181.17
	(b) Deferred tax		24.04	47.96
	Total tax expenses		297.58	229.13
9	Profit for the year (7-8)		**606.34**	**457.88**
10	Other comprehensive income			
	(a) Items that will not be reclassified to profit or loss			
	(i) Remeasurement of post employment benefit obligations		(1.34)	(0.54)
	(ii)Share of other comprehensive income of associates		(0.30)	0.08
	(iii) Income-tax relating to remeasurement of post employment benefit obligations		0.48	0.19
	(iv) Income-tax relating to share of other comprehensive income of associates		0.10	(0.03)
	Other comprehensive income, net of tax		(1.06)	(0.30)
11	Total comprehensive income for the year (9+10)		**605.28**	**457.58**
12	Earnings per equity share: (face value of Rs. 10 per share)			
	Basic/diluted earnings per share (in Rs.)		43.31	32.71

See accompanying notes forming part of the consolidated financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 27 May 2017

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

I) Equity share capital

Particulars	Note	Number in crores	Rs. in crores
Balance as at 1 April 2015	18	14.00	140.00
Changes in equity share capital during the year		-	-
Balance as at 31 March 2016	18	**14.00**	**140.00**
Changes in equity share capital during the year		-	-
Balance as at 31 March 2017	18	**14.00**	**140.00**

II) Other equity

(Rs. in Crores)

		Reserves and surplus		Other reserves	
Particulars	**Note**	**General reserve**	**Retained earnings**	**Remeasurement of employee benefits**	**Total**
Balance as at 1 April 2015	50 B.4	261.88	1,812.92	-	2,074.80
Dividends paid (including dividend distribution tax)		-	(101.10)	-	(101.10)
Transactions with owners in their capacity as owners		-	(101.10)	-	(101.10)
Profit for the year		-	457.88	-	457.88
Other comprehensive income		-	-	(0.30)	(0.30)
Transfer from retained earnings to general reserve		41.62	(41.62)	-	-
Corporate dividend tax of associates		-	(0.86)	-	(0.86)
Balance as at 31 March 2016	50 B.4	**303.50**	**2,127.22**	**(0.30)**	**2,430.42**
Dividends paid (including dividend distribution tax)		-	(160.08)	-	(160.08)
Transactions with owners in their capacity as owners		-	(160.08)	-	(160.08)
Profit for the year		-	606.34	-	606.34
Other comprehensive income		-	-	(1.06)	(1.06)
Corporate dividend tax of associates		-	(3.93)	-	(3.93)
Balance as at 31 March 2017		**303.50**	**2,569.55**	**(1.36)**	**2,871.69**

See accompanying notes forming part of the Consolidated financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner

Place: New Delhi
Date: 27 May 2017

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2017

(Rs. in Crores)

		Year ended 31 March 2017	Year ended 31 March 2016
A.	**Cash flow from operating activities:**		
	Profit before tax	903.92	687.01
	Adjustments for:		
-	Depreciation and amortisation for the year	167.07	156.25
-	Loss on property, plant and equipment sold or discarded (net)	0.24	0.68
-	Provision for expected credit losses/ Bad debts written off	1.43	0.80
-	Provision for obsolete and slow moving stores and spares	3.11	0.68
-	Finance cost	1.21	9.92
-	Interest income on term deposits with banks	(16.33)	(1.87)
-	Dividend income from mutual fund investments	(26.43)	(18.32)
-	Liabilities/provisions no longer required, written back	-	(0.19)
-	Share of profit of associates	(62.53)	(54.27)
	Operating profit before working capital changes	971.69	780.69
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
-	Non current financial assets- Loans	(1.73)	(0.22)
-	Other non-current assets	0.14	0.14
-	Inventories	4.06	(6.02)
-	Trade receivables	48.32	(6.82)
-	Other current assets	4.68	3.00
-	Current financials assets	(0.58)	0.58
-	Other current financial assets	(1.25)	1.01
	Adjustments for increase in operating liabilities:		
-	Trade payables	112.74	4.35
-	Other current financial liabilities	68.11	57.20
-	Employee benefit obligations	5.02	3.11
-	Other current liabilities	5.07	3.95
	Cash generated from operations	1,216.27	840.97
	Net income-tax paid (net of refund)	(268.72)	(187.48)
	Net cash flow from operating activities (A)	**947.55**	**653.49**
B.	**Cash flow from investing activities:**		
-	Payment for purchase of property, plant and equipment including capital advances and payable towards property, plant and equipment	(271.41)	(232.02)
-	Purchase of long-term investment	-	(9.50)
-	Proceeds from sale of property, plant and equipment	0.54	0.03
-	Investment in bank deposits with maturity more than three months	(482.49)	-
-	Investment in mutual funds	(4,814.20)	(4,055.46)
-	Proceeds from sale of mutual funds	4,396.33	4,096.65
-	Income received on term deposits with banks	11.58	1.70
-	Income received from mutual fund investments	26.43	18.32
-	Dividend received	19.30	5.72
	Net cash flow used in investing activities (B)	**(1,113.92)**	**(174.56)**

Consolidated cash flow statement for the year ended 31 March 2017 (contd..)

(Rs. in Crores)

		Year ended 31 March 2017	Year ended 31 March 2016
C.	**Cash flow from financing activities:**		
	- Repayment of long-term borrowings	-	(145.31)
	- Finance costs	(1.21)	(9.92)
	- Dividend and dividend distribution tax paid	(160.12)	(101.12)
	Net cash flow used in financing activities (C)	**(161.33)**	**(256.35)**
D.	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(327.70)	222.58
E.	Cash and cash equivalents as at the beginning of the year	453.27	230.69
F.	**Cash and cash equivalents as at the end of the year**	**125.57**	**453.27**

See accompanying notes forming part of the consolidated financial statements (1- 54)

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants

Sd/-
Neeraj Goel
Partner

Place: New Delhi
Date: 27 May 2017

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
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 2017

1 Company overview

Indraprastha Gas Limited (the "Company") was incorporated on 23 December 1998 under the Companies Act, 1956. The Company is listed on the Bombay Stock Exchange (BSE) and the 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.

The Company has two associates namely Central UP 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 Standard (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

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payments.' The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 102: The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Company has not issued any share options plans, hence this amendment will have no effect on the Company's consolidated financial statements.

3 Significant accounting policies and other explanatory information

3.1 Statement of compliance with Indian Accounting Standards (Ind AS)

The consolidated 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. Accordingly, the consolidated financial statements for the year ended 31 March 2017 are the Company's first Ind AS consolidated financial statements. For periods up to and including the year ended 31 March 2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Refer note 50 for the explanation of transition from Indian GAAP to Ind AS.

The consolidated financial statements of Indraprastha Gas Limited as at and for the year ended 31 March 2017 (including comparatives) were approved and authorised for issue by the Board of Directors on 27 May 2017 (refer note 54).

3.2 Overall considerations and first time adoption of Ind AS

The consolidated financial statements have been prepared 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, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

In accordance with Ind AS 101, the Company presents three balance sheets, two statement of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented, in its first Ind AS consolidated financial statements. In future periods, Ind AS 1 requires two comparative periods to be presented for the balance sheet only in certain circumstances.

3.3 Basis of consolidation

The Company consolidates the standalone financial statements of the Company along its associates as mentioned below:

a) Central UP 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.

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 3.19 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) Sales of goods

Revenue on sale of natural gas is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risks and rewards of ownership have been transferred to the buyer. Revenue includes excise duty but excludes central sales tax and value added tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

(ii) Interest and dividends

Interest income and expenses are 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 natural gas

Inventory 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. 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 2017

(ii) Inventory of stores and spares

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

3.8 Foreign currency transactions and translations

i. Initial recognition

The Company's consolidated financial statements are presented in 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

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 the 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.

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

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', 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 retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised 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 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.

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. 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 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013, 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.

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

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

Cost associated with lease hold land is depreciated over the period of lease.

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

Intangible assets	
- Computer software and licenses	5 years

3.15 (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. 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.

vi. 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) Intangible assets

Intangible assets comprise computer software/license.

(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 includes capital inventory.

(d) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment as at 1April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

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 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 or loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period 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 or loss per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period 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, 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 and contingencies

A provision is recognised in the consolidated financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes unless the outflow of resources is considered to be remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

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

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

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.

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.

(ii) 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 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 46 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 assert. 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

A. 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 consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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 the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions 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 the consolidated financial statements.

(iii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological 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 uses 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 45).

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

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

(Rs. in Crores)

	Property, plant and equipment							Total	Intangible	Capital
Particulars	**Freehold land**	**Land on perpetual lease**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Vehicles**	**Data processing equipment**		**Computer software/ license**	**work-in-progress**
Deemed cost as at 1 April 2015	19.92	16.98	294.09	1,610.25	10.06	1.16	4.74	**1,957.20**	5.36	225.80
Additions	-	-	13.82	179.02	1.02	6.29	1.15	**201.30**	12.29	233.97
Disposal/transfer of assets	-	-	1.19	27.14	0.04	-	0.36	**28.73**	-	192.85
Balance as at 31 March 2016	**19.92**	**16.98**	**306.72**	**1,762.13**	**11.04**	**7.45**	**5.53**	**2,129.77**	**17.65**	**266.92**
Additions	-	-	41.55	217.11	2.19	0.20	1.98	**263.03**	2.78	343.53
Disposal/transfer of assets	-	-	0.09	12.05	0.14	-	1.33	**13.61**	-	258.66
Balance as at 31 March 2017	19.92	**16.98**	**348.18**	**1,967.19**	**13.09**	**7.65**	**6.18**	**2,379.19**	**20.43**	**351.79**
Accumulated depreciation and amortisation										
Depreciation and amortisation charge for the year	-	-	15.73	134.83	1.68	0.51	1.63	**154.38**	1.87	
Disposal/transfer of assets	-	-	0.64	27.01	0.01	-	0.36	**28.02**	-	-
Balance as at 31 March 2016	**-**	**-**	**15.09**	**107.82**	**1.67**	**0.51**	**1.27**	**126.36**	**1.87**	**-**
Depreciation and amortisation charge for the year	-	-	16.40	141.75	1.71	1.03	1.59	**162.48**	4.59	
Disposal/transfer of assets	-	-	0.04	11.48	0.09	-	1.22	**12.83**	-	-
Balance as at 31 March 2017	**-**	**-**	**31.45**	**238.09**	**3.29**	**1.54**	**1.64**	**276.01**	**6.46**	**-**
Net block as at 31 March 2016	**19.92**	**16.98**	**291.63**	**1,654.31**	**9.37**	**6.94**	**4.26**	**2,003.41**	**15.78**	**266.92**
Net block as at 31 March 2017	**19.92**	**16.98**	**316.73**	**1,729.10**	**9.80**	**6.11**	**4.54**	**2,103.18**	**13.97**	**351.79**

4.1 Gross block of leasehold land includes land amounting to Rs. 16.98 crores (previous year: Rs. 16.98 crores) obtained on lease from local authorities under licensing arrangement and pending execution of the related lease agreements.

4.2 Buildings include buildings which have been constructed on land acquired on lease from various Government Authorities. (refer note 37)

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

5 Investments accounted for using the equity method

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investments in equity instruments (at cost)			
Trade (unquoted)			
Investments in associates:			
(a) 30,000,000 (31 March 2016: 30,000,000, 1 April 2015 : 30,000,000) equity shares of Rs. 10 each fully paid up in Central UP Gas Limited.	114.96	98.72	87.28
(b) 50,000,000 (31 March 2016: 50,000,000, 1 April 2015 : 47,500,000) equity shares of Rs. 10 each fully paid up in Maharashtra Natural Gas Limited	251.10	228.24	182.44
	366.06	**326.96**	**269.72**

Summarised aggregated financial information of the Company's share in these associates:

5.1 Central UP Gas Limited (Incorporated in India)

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non current assets	153.06	135.69	127.42
Current assets	101.50	76.37	54.33
Non current liabilities	(12.59)	(10.85)	(8.82)
Current liabilities	(34.80)	(26.53)	(21.32)
Net assets	207.17	174.68	151.61
Proportion of the Company's ownership	50%	50%	50%
Company's share of net assets	103.58	87.34	75.80
Add: Goodwill	11.38	11.38	11.38
Add: Impact of Ind AS on Central UP Gas Limited	-	-	0.10
Carrying amount of interest in associates	**114.96**	**98.72**	**87.28**

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Revenue	240.61	221.29
Profit	48.49	32.87
Other comprehensive income	(0.12)	0.12
Total comprehensive income	48.37	32.99
Company's share of profit	24.25	16.44
Company's share of other comprehensive income	(0.06)	0.06
Company's share of total comprehensive income	**24.19**	**16.50**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

5.2 Maharashtra Natural Gas Limited (Incorporated in India) **(Rs. in Crores)**

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non current assets	650.00	555.32	344.79
Current assets	99.92	93.55	103.72
Non current liabilities	(283.03)	(237.85)	(134.39)
Current liabilities	(134.68)	(124.51)	(104.56)
Net assets	332.21	286.51	209.56
Proportion of the Company's ownership	50%	50%	50%
Company's share of net assets	166.11	143.25	104.78
Add: Goodwill	81.32	81.32	74.32
Add: Impact of change in accounting policy	1.82	1.82	1.82
Add: Preacquistion dividend	1.52	1.52	1.52
Add: Corporate dividend tax on preacquistion dividend	0.33	0.33	-
Carrying amount of interest in associates	**251.10**	**228.24**	**182.44**

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Revenue	535.83	507.84
Profit	76.56	75.66
Other comprehensive income	(0.28)	(0.01)
Total comprehensive income	76.28	75.65
Company's share of profit	38.28	37.83
Company's share of other comprehensive income	(0.14)	(0.01)
Company's share of total comprehensive income	**38.14**	**37.82**

6 Loans

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(Unsecured and considered good)			
Security deposits	7.77	6.04	5.82
	7.77	**6.04**	**5.82**

7 Other financial assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balance with banks in fixed deposits (under lien against bank guarantee)	0.30	0.30	0.30
	0.30	**0.30**	**0.30**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

8 Income-tax assets (net)

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance tax (net of provisions)	1.82	7.12	4.32
	1.82	**7.12**	**4.32**

9 Other non-current assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital advances	6.82	0.04	2.35
Prepaid expenses	11.25	11.39	11.52
	18.07	**11.43**	**13.87**

10 Inventories

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Natural gas	2.74	2.48	3.22
Stores and spares	53.80	58.11	50.93
Less: Provision for obsolete and slow moving stores and spares	(4.82)	(3.01)	(2.58)
	48.98	55.10	48.35
	51.72	**57.58**	**51.57**

11 Current financial assets - investments

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment in mutual funds (unquoted)	417.87	-	41.19
	417.87	**-**	**41.19**
Aggregate amount of carrying value of unquoted investment	**417.87**	-	**41.19**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

11.1 Details of units and values

(Rs. in Crores)

	Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a)	252,818.872 units (31 March 2016: Nil, 1 April 2015: Nil) in Axis Liquid Fund	25.30	-	-
(b)	249,078.437 units (31 March 2016: Nil , 1 April 2015: Nil) in Baroda Treasury Advance Fund Plan B	25.13	-	-
(c)	249,979.634 units (31 March 2016: Nil , 1 April 2015: Nil) in BNP Paribas Overnight Fund	25.02	-	-
(d)	249,845.097 units (31 March 2016: Nil , 1 April 2015: Nil) in BOI Axa Liquid Fund	25.05	-	-
(e)	2,495,636.44 units (31 March 2016: Nil , 1 April 2015: Nil) in DHFL Pramerica Instacashplus Fund	25.03	-	-
(f)	25,044,657.7176 units (31 March 2016: Nil , 1 April 2015: Nil) in DHFL Premerica Ultra Short Term	25.09	-	-
(g)	26,298,863.362 units (31 March 2016: Nil , 1 April 2015: 25,950,180) in Franklin India Ultrashort Bond Fund	26.47	-	26.12
(h)	9,544,323.499 units (31 March 2016: Nil , 1 April 2015: Nil) in HSBC Cash Fund	9.55	-	-
(i)	1,897,890.244 units (31 March 2016: Nil , 1 April 2015: Nil) in ICICI Prudential Money Market Fund	19.01	-	-
(j)	2,50,074.521 units (31 March 2016: Nil , 1 April 2015: Nil) in IDFC Cash Fund	25.05	-	-
(k)	2,53,286.673 units (31 March 2016: Nil , 1 April 2015: Nil) in India Bulls Liquid Fund	25.36	-	-
(l)	24,018,714.701 units (31 March 2016: Nil , 1 April 2015: Nil) in JM High Liquidity Fund	25.05	-	-
(m)	161,981.921 units (31 March 2016: Nil , 1 April 2015: Nil) in L & T Liquid Fund	16.41	-	-
(n)	180,494.622 units (31 March 2016: Nil , 1 April 2015: Nil) in LIC MF Liquid Fund	19.81	-	-
(o)	253,331.017 units (31 March 2016: Nil , 1 April 2015: Nil) in Mahindra Liquid Fund	25.34	-	-
(p)	Nil units (31 March 2016: Nil , 1 April 2015: 100,558) in Reliance Liquidity Fund	-	-	10.06
(q)	149,548.628 units (31 March 2016: Nil , 1 April 2015: Nil) in SBI Magnum Insta Cash	25.05	-	-
(r)	24,797,037.101 units (31 March 2016: Nil , 1 April 2015: Nil) in Sundaram Money Fund	25.05	-	-
(s)	Nil units (31 March 2016: Nil , 1 April 2015: 50,097) in Taurus Liquid Fund	-	-	5.01
(t)	233,152.224 units (31 March 2016: Nil , 1 April 2015: Nil) in UTI Floating Rate Fund	25.10	-	
	Total	**417.87**	**-**	**41.19**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

12 Trade receivables

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables	191.85	244.50	237.19
Receivables from related parties (refer note 42)	12.02	8.13	8.62
	203.87	252.63	245.81
Less: Allowance for expected credit losses	2.48	1.49	0.69
Total receivables	**201.39**	**251.14**	**245.12**

12.1 Break up of security details

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables			
i. Secured, considered good	44.83	35.74	40.41
ii. Unsecured, considered good	156.56	215.40	204.71
iii. Unsecured, considered doubtful	2.48	1.49	0.69
	203.87	252.63	245.81
Impairment allowances (allowances for expected credit losses)			
Secured, considered good	-	-	-
Unsecured, considered good	-	-	-
Doubtful	(2.48)	(1.49)	(0.69)
Total trade receivables	**201.39**	**251.14**	**245.12**

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

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents			
i. Cash on hand	4.86	4.85	4.90
ii. Balances with banks in current accounts	22.07	22.11	44.87
iii. Balances with banks in fixed deposits with maturity of less than three months	98.64	426.31	180.92
	125.57	**453.27**	**230.69**

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

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

14 Bank balances other than cash and cash equivalents

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Balances with banks in fixed deposits with maturity of more than three months	482.49	-	-
(b) Earmarked balances with banks in current accounts- Unpaid dividends	0.53	0.49	0.51
	483.02	**0.49**	**0.51**

15 Loans

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Security deposits			
- Considered good	2.49	1.91	2.49
- Considered doubtful	4.50	4.50	4.50
Less: Provision for expected credit losses	(4.50)	(4.50)	(4.50)
	2.49	**1.91**	**2.49**

15.1 Security deposits shown as loans to related parties comprise of :

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Security deposits with GAIL (India) Limited	0.51	0.51	0.11
(b) Security deposits with Bharat Petroleum Corporation Limited (same are considered good)	0.01	0.01	0.04
	0.52	0.52	0.15

16 Other current financial assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Unbilled revenue	16.34	15.09	16.10
(b) Interest accrued on fixed deposits	5.09	0.35	0.18
	21.43	**15.44**	**16.28**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

17 Other current assets

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) CENVAT recoverable	14.62	20.55	25.98
(b) Prepaid expenses	10.18	9.74	7.86
(c) Employee advances	0.44	0.27	0.16
(d) Advances to vendors	0.01	0.01	0.02
(e) Advances to others	0.96	0.23	0.05
(f) Others	0.36	0.45	0.18
	26.57	**31.25**	**34.25**

18 Share capital

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)
(a) Authorised Equity shares of Rs. 10 each	**220,000,000**	**220.00**	**220,000,000**	**220.00**	**220,000,000**	**220.00**
(b) Issued, subscribed and fully paid up Equity shares of Rs. 10 each	**140,000,160**	**140.00**	**140,000,160**	**140.00**	**140,000,160**	**140.00**

18.1 Terms and rights attached to equity shares:

The Company has one class of equity shares having a par value of Rs. 10 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 at the beginning and at the end of the year:

(Rs. in Crores)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)	Number of shares	(Rs. in crores)
	140,000,160	140.00	140,000,160	140.00	140,000,160	140.00

18.3 Details of shares held by each shareholder holding more than 5% shares: **(Rs. in Crores)**

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
(a) GAIL (India) Limited	31,500,000	22.50%	31,500,000	22.50%	31,500,000	22.50%
(b) Bharat Petroleum Corporation Limited	31,500,080	22.50%	31,500,080	22.50%	31,500,080	22.50%
(c) Life Insurance Corporation of India	-	-	-	-	11,165,980	7.98%

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.

18.5 During the current year the Company paid dividend of Rs. 6.00 per share per equity share for financial year 2015-16 amounting to Rs. 84 crores (excluding dividend distribution tax of Rs. 17.10 crores) [in financial year 2015-16 Rs. 6.00 per equity share for financial year 2014-15 amounting to Rs. 84 crores (excluding dividend distribution tax of Rs. 17.10 crores)].

Further the Board of Directors at its meeting held on 16 November, 2016 has approved an interim dividend of Rs. 3.50 per equity share amounting to Rs. 49 crores (excluding dividend distribution tax of Rs. 9.98 crores), which since has been paid till 31 March 2017.

19 Reserves and surplus

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016
(a) General reserve:		
Opening balance	303.50	261.88
Add: Transferred from surplus in statement of profit and loss	-	41.62
Closing balance	**303.50**	**303.50**
(b) Retained earnings		
Opening balance	2,126.92	1,812.92
Profit for the year	606.34	457.88
Dividends distributed to equity shareholders (see note no: 18.5 above)	(133.00)	(84.00)
Dividend distribution tax on dividend paid on equity share capital (see note 18.5 above)	(27.08)	(17.10)
Transfer to general reserve	-	(41.62)
Corporate dividend tax of associates	(3.93)	(0.86)
	2,569.25	2,127.22
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(1.06)	(0.30)
Closing balance	**2,568.19**	**2,126.92**
	2,871.69	**2,430.42**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

20 Non current financial liabilities- borrowings

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured term loans from banks (amortised cost)	-	-	145.31
	-	**-**	**145.31**

20.1 Term loans from banks referred above were secured by charge on all the plant and machinery of the Company.

20.2 Loan amounting to Rs. 145.31 crores as at 1 April 2015 was payable in 32 quarterly instalments (8 instalments of Rs. 1.56 crores each, 11 instalments of Rs. 4.69 crores each and 13 instalments of Rs. 6.25 crores each). This loan carried an interest rate of 10.25% p.a.

21 Non-current employee benefit obligations

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefit obligations	20.34	14.52	11.28
	20.34	**14.52**	**11.28**

22 Deferred tax liabilities (net)

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Deferred tax liability on:			
Difference between book balance and tax balance of property, plant and equipment.	203.31	173.20	133.73
Undistributed profit of associates	21.76	13.80	4.08
Others	0.53	0.53	-
(b) Deferred tax assets on:			
Provision for employee benefits	7.75	5.23	3.99
Provision for obsolete and slow moving stores and spares	2.06	1.04	0.89
Provision for expected credit loss on trade receivables and security deposits	2.41	2.07	1.78
Others	11.00	0.37	0.10
Total	23.22	8.71	6.76
	202.38	**178.82**	**131.05**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

22.1 Movements in deferred tax liabilities and deferred tax assets

(Rs. in Crores)

Particulars	Property, plant and equipment	Gratuity and compensated absences	Others
As at 01 April 2015	133.73	(3.99)	1.31
Charged/(credited) to the statement of profit or loss	39.47	(1.05)	9.54
(Credited) to other comprehensive income	-	(0.19)	-
As at 31 March 2016	173.20	(5.23)	10.85
Charged/(credited) to the statement of profit or loss	30.11	(2.04)	(4.03)
(Credited) to other comprehensive income	-	(0.48)	-
As at 31 March 2017	**203.31**	**(7.75)**	**6.82**

23 Current financial liabilities- Trade payables

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Total outstanding dues-other than acceptances			
(a) Trade payable *	173.24	69.79	42.00
(b) Trade payable to related parties (refer note 42)	100.76	91.47	114.92
	274.00	**161.26**	**156.92**

*includes amount due to micro enterprises and small enterprises (refer note 40)

24 Other current financial liabilities

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Security deposits from customers (refer note 38)	482.63	425.17	368.12
(b) Unclaimed dividends	0.53	0.49	0.51
(c) Security deposits from vendors	2.55	2.14	1.87
(d) Employee benefits payable	20.16	9.99	10.09
(e) Payable towards property, plant and equipment *	143.13	56.34	35.51
	649.00	**494.13**	**416.10**

*includes amount due to micro enterprises and small enterprises (refer note 40)

25 Current employee benefit obligations

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits	0.66	0.60	0.38
	0.66	**0.60**	**0.38**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

26 Other current liabilities

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
(a) Excess payments received from customers	15.19	11.43	10.25
(b) Statutory dues payable	10.98	9.66	6.89
(c) Advance received for shifting of pipeline	8.78	8.20	7.98
	34.95	**29.29**	**25.12**

27 Current tax liabilities (net)

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for tax (net of advance tax)	-	-	3.53
	-	**-**	**3.53**

28 Revenue from operations

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Sale of natural gas (including excise duty)	4,205.43	4,052.14
(b) Other operating revenues	17.08	12.07
	4,222.51	**4,064.21**

29 Other income

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Interest income from banks	16.33	1.87
(b) Dividend income from :		
- Mutual fund investments	26.43	18.32
(c) Liabilities/ provisions no longer required, written back	-	0.19
(d) Other non operating income	3.16	3.79
	45.92	**24.17**

30 Cost of natural gas

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Natural gas	2,083.98	2,275.37
	2,083.98	**2,275.37**

31 (Increase)/decrease in stock of natural gas

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Closing stock of natural gas	2.74	2.48
(b) Opening stock of natural gas	2.48	3.22
	(0.26)	**0.74**

32 Employee benefits expense

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Salaries and wages	82.29	71.21
(b) Contribution to provident fund and other funds	3.00	2.73
(c) Staff welfare expenses	6.42	4.42
	91.71	**78.36**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

33 Finance cost

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Interest and finance charges on financial liabilities not at fair value through profit and loss	-	9.00
(b) Finance cost on defined benefit obligation	1.21	0.92
	1.21	**9.92**

34 Other expenses

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Operating expenses at CNG stations	107.55	97.19
(b) Facility charges	40.67	27.23
(c) Stores and spares consumed	25.73	26.99
(d) Power and fuel	149.09	147.10
(e) Rent	92.16	34.36
(f) Hire charges:		
- Vehicle	16.36	14.25
- Equipment	0.35	0.03
(g) Rates and taxes	1.75	1.83
(h) Repairs and maintenance:		
- Buildings	3.52	5.12
- Plant and equipment	144.22	114.72
(i) Security expenses	30.72	25.35
(j) Insurance	1.46	1.41
(k) Cash/cheque collection charges	5.59	4.21
(l) Legal and professional fees	9.87	6.27
(m) Auditor's remuneration (refer note 34.1)	0.57	0.42
(n) Travelling and conveyance	3.70	2.96
(o) Office maintenance	4.60	4.08
(p) Advertisement expenses	5.41	4.04
(q) Loss on fixed assets sold or discarded (net)	0.24	0.68
(r) Provision for expected credit loss/ bad debts written off	1.43	0.80
(s) Provision for obsolete and slow moving stores and spares	3.11	0.68
(t) Net loss on foreign currency transaction and translations	0.14	0.09
(u) Corporate social responsibility (CSR) activity expenses	6.52	4.43
(v) Take or pay charges (refer note 36(a))	-	14.03
(w) Miscellaneous expenses	20.84	18.31
	675.60	**556.58**

34.1 Payment to the statutory auditors as: **(Rs. in Crores)**

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Auditor	0.54	0.40
(b) For reimbursement of expenses	0.03	0.02
	0.57	**0.42**

35 Contingent liabilities

(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 Rs. 2.42 crores (previous year Rs. 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 Rs. 2.42 crores (excluding interest) (previous year Rs. 2.42 crores) 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 is pending with Central Excise and Service Tax Appellate Tribunal.

(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 assets pertaining to the CNG segment. The department has raised a demand of Rs. 2.51 crores and Rs. 2.01 crores for the assessment year 2013-14 and 2014-15 respectively including interest. Out of the said demand, Rs. 4.01 crores has been adjusted against the refund for the assessment year 2014-15 and demand order for the balance amount of Rs. 0.51 crores has been issued by the Department. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the decision of the Income - tax Department. The Company is of the view that such disallowance is not tenable and accordingly no provision has been made for the said demand. There was no such demand during previous year.

(c) Bank guarantees

The Company's total liability towards un-expired bank guarantees is Rs. 0.25 crores (Previous year Rs. 0.25 crores).

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

Delhi Development Authority (DDA) has raised a total demand of Rs. 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. The same was also reported in the previous year as a contingent liability. Further, DDA vide communication dated 29 August 2016 has

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

revised the total demand to Rs. 330.73 crores for the period upto 31 March 2016.

The matter is pending in the Hon'ble High Court of Delhi and the Company is of the view that such demand is not tenable and accordingly no provision has been made for this demand raised by DDA till 31 March 2016 in the books of accounts.

(e) Apart from those disclosed above, the Company has certain litigations involving customers and 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 UP Gas Limited is Rs. 13.39 crores (previous year Rs. 15.55 crores).

The Company's share in contingent liabilities of its associate, Maharashtra Natural Gas Limited is Rs. 25.17 crores (previous year Rs. 38.10 crores)

36 (a) As per the terms of the gas supply agreement between the Company and GAIL (India) Limited 'GAIL', the Company had a minimum take or pay commitment to purchase natural gas quantities for the 12 months period ended on 31 December 2014. The Company had not purchased the minimum committed natural gas quantities. The Company had the right to purchase the short drawn quantities of natural gas in future periods. During the financial year 2015-16, the Company entered into a one-time settlement with GAIL under which the Company paid an amount of Rs. 14.03 crores to GAIL , as net settlement of its purchase obligation and surrender of its right to purchase the short drawn quantities of natural gas in future periods.

(b) The Company is in the process of re-negotiation of trade margin and facility charges payable to the Oil Marketing Companies (OMC) with effect from 1 April 2015 for sale of CNG from their respective outlets. Based on the current negotiations with the OMC, the management has estimated an amount of Rs. 31.51 crores pertaining to the said liability and has recorded the same in the books of accounts during the year.

(c) Bank guarantees

(i) During the year, the Company has been granted authorization for laying, building, operating and expanding CGD network in the geographical area of Rewari (Haryana) 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 submitted a performance bank guarantee of Rs. 1,052.36 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 Rs. 310.91 crores (previous year Rs. 390.17 crores) given in the ordinary course of business.

37 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 Rs. 241.45 crores (previous year Rs. 221.64 crores).

38 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.

39 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. 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 Rs. 12.17 crores (Previous year Rs. 11.45 crores)

b) Amount spent during the year on CSR (excluding 5% administrative expenses)

(Rs. 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	6.52	-	6.52

40 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:

(Rs. in Crores)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016	Year ended 1 April 2015
(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 micro and small enterprises	28.16	12.39	8.28
	Interest due on above	-	-	-
(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	-	-	-
(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	-	-	-

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

41 Employee benefits:

The following tables summarizes the components of net benefit expense recognized in the consolidated statement of profit and loss and the amount recognized in the consolidated balance sheet for the respective plans.

(Rs. in Crores)

Particulars	Gratuity benefits	
	Year ended 31 March 2017	Year ended 31 March 2016
Change in present value of the benefit obligations are as follows:		
Present value of obligations at the beginning of the year	6.19	4.66
Current service cost	0.92	0.69
Interest cost	0.49	0.37
Actuarial (gain)/loss on obligation	1.34	0.54
Benefits paid	(0.05)	(0.07)
Present value of obligation at the year end	8.89	6.19
Current portion of obligation as at the end of the year	0.20	0.19
Non-current portion of obligation as at the end of the year	8.69	6.00
Expenses recognised in the statement of profit and loss:		
Current service cost	0.92	0.69
Interest cost in benefit obligation	0.49	0.37
Total expense recognised in statement of profit and loss	**1.41**	**1.06**
Expense recognised in other comprehensive income		
Actuarial loss recognised during the year	1.34	0.54

Actuarial assumptions used

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Discount rate	7.54%	8.00%
Expected salary escalation rate	6.50%	5.70%

Demographic assumptions used

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Mortality table	IALM(2006-08)	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

41 Employee benefits (contd.)

(Rs. in Crores)

Experience adjustment:

Particulars	2017	2016	2015	2014	2013
Present value of defined benefit obligation	8.89	6.19	4.66	3.31	2.70
Experience (loss)/ gain on liability	(0.12)	0.96	0.02	(0.45)	(0.36)

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 at 31 March 2017.

(Rs. in Crores)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate				
(Decrease)/ increase in the defined benefit liability	(0.62)	0.68	(0.87)	0.96
Salary growth rate				
Increase/ (decrease) in the defined benefit liability	0.69	(0.63)	0.98	(0.90)

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 analyses 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.

42 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

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

42 Related party disclosures (contd.):

(c) Entities controlled by a major shareholder

i. GAIL Gas Limited (controlled by GAIL (India) Limited

(d) Key managerial personnel (KMPs):

i.	Mr. Narendra Kumar	Managing Director (till 31 May 2016)
ii.	Mr. E.S. Ranganathan	Managing Director (with effect from 1 June 2016)
iii.	Mr. V. Nagarajan	Director Commercial

Transactions / balances outstanding with related parties in the ordinary course of business:

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
GAIL (India) Limited		
Transactions during the year:		
Cost of natural gas (including VAT)	1,852.67	2,011.56
Transportation charges	16.48	11.28
Take or pay charges	-	14.03
Salaries, allowances and other related payments	1.00	1.07
Rent	1.46	1.39
Interest expenses	-	-
Reimbursement of expenses	0.04	0.05
Road restoration charges	0.36	0.06
Security deposit paid	-	0.41
Bonus (profit sharing)	0.15	0.15
Other expenses	0.03	0.02
Advance paid for hooking up of shippers facilities	4.03	-
Standby letter of credit/ bank guarantee issued/renewed	219.06	295.78
Dividend paid	29.93	18.90
Balance outstanding as at the year end:		
Trade payables	82.79	80.74
Security deposit paid	0.51	0.51
Bank guarantee outstanding at the year end	219.06	295.78
Advance paid for hooking up of shippers facilities	4.03	-
Bharat Petroleum Corporation Limited		
Transactions during the year:		
Sale of CNG (gross)	248.45	212.97
Salaries, allowances and other related payments	0.52	0.40
Reimbursement of electricity expenses	10.95	8.84
Facility charges	7.51	6.30
Purchases of natural gas	182.79	283.00
Purchases of lubricants	0.09	0.19

42 Related party disclosures (contd.):

Transactions / balances outstanding with related parties in the ordinary course of business:

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Security deposit adjusted	-	0.04
Bonus (profit sharing)	0.15	0.15
Other expenses	0.04	0.03
Standby letter of credit/ bank guarantee issued/renewed	19.73	19.73
Dividend paid	29.93	18.90
Balance outstanding as at the year end:		
Trade payables	12.01	8.67
Trade receivables	12.02	8.13
Security deposit paid	0.01	0.01
Bank guarantee outstanding at the year end	19.73	19.73
Central UP Gas Limited		
Transactions during the year:		
Sitting fees received	0.04	0.06
Maharashtra Natural Gas Limited		
Transactions during the year:		
Sitting fees received	0.01	0.02
GAIL Gas Limited		
Transactions during the year:		
Purchase of natural gas	95.24	3.41
Standby letter of credit/ bank guarantee issued/renewed	11.96	8.46
Balance outstanding as at the year end:		
Trade payables	5.96	2.06
Bank guarantee outstanding at the year end	8.46	8.46
Key managerial personnel: Direct reimbursements#		
Transactions during the year:		
Mr. Narendra Kumar	0.003	0.010
Mr. E.S. Ranganathan	0.008	-
Mr. V. Nagarajan	0.076	0.073

Direct reimbursements made as per terms of employment/entitlements

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

43 Income-tax expense

(Rs. in Crores)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(a) Income-tax expense		
Current tax		
Current tax on profits for the year	273.54	181.17
Total current tax expense	273.54	181.17
Deferred tax		
(Increase) in deferred tax assets	(14.03)	(1.76)
Increase in deferred tax liabilities	38.07	49.72
Total deferred tax expense/(benefit)	24.04	47.96
Tax expense	**297.58**	**229.13**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income-tax expense	841.39	632.74
Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)	291.18	218.98
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of non deductible expenses	2.34	1.77
Effect of disallowances	2.76	1.01
Income exempt from tax	(9.15)	(8.32)
Effect of change in rate of tax	-	2.31
Share in profit of associates not taxable	7.96	9.72
Others	2.49	3.66
Income-tax expense	**297.58**	**229.13**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

44 Financial instruments by category

(Rs. in Crores)

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Non current financial assets						
Loans	-	7.77	-	6.04	-	5.82
Balance with banks in fixed deposits	-	0.30	-	0.30	-	0.30
(under lien against bank guarantee)						
Current financial assets						
Investments	417.87	-	-	-	41.19	-
Trade receivable	-	201.39	-	251.14	-	245.12
Cash and cash equivalents	-	125.57	-	453.27	-	230.69
Bank balances other than cash and cash equivalents	-	483.02	-	0.49	-	0.51
Unbilled revenue	-	16.34	-	15.09	-	16.10
Interest accrued on fixed deposits	-	5.09	-	0.35	-	0.18
Security deposits with related parties and others	-	2.49	-	1.91	-	2.49
Total financial assets	**417.87**	**841.97**	**-**	**728.59**	**41.19**	**501.21**
Non current financial liabilities						
Non-current borrowings	-	-	-	-	-	145.31
Current financial liabilities						
Trade Payables	-	274.00	-	161.26	-	156.92
Security deposits from customers	-	482.63	-	425.17	-	368.12
Unclaimed dividends	-	0.53	-	0.49	-	0.51
Employee benefits payable	-	20.16	-	9.99	-	10.09
Payable towards property, plant and equipment	-	143.13	-	56.34	-	35.51
Security deposits from vendors	-	2.55	-	2.14	-	1.87
Total financial liabilities	**-**	**923.00**	**-**	**655.39**	**-**	**718.34**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

45 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 2017, 31 March 2016 and 1 April 2015.

The financial assets measured at fair value in the statement of financial position are grouped into the fair value hierarchy as on 1 April 2015, 31 March 2016 and 31 March 2017 as follows:

	Level 1	Level 2	Level 3	Total
As at 1 April 2015				
Investment in mutual funds	41.19	-	-	41.19
Total	**41.19**	**-**	**-**	**41.19**
As at 31 March 2016				
Investment in mutual funds	-	-	-	-
Total	**-**	**-**	**-**	**-**
As at 31 March 2017				
Investment in mutual funds	417.87	-	-	417.87
Total	**417.87**	**-**	**-**	**417.87**

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 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.

46 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'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 2017		As at 31 March 2016	
	FC	(Rs. in crores)	FC	(Rs. in crores)
USD	197,313	1.28	201,180	1.33
EURO	18,547	0.13	22,327	0.17
		1.41		**1.50**

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 **(Rs. in Crores)**

Exposure to credit risk	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Security deposits (non-current)	7.77	6.04	5.82
Balance with banks in fixed deposits (under lien against bank guarantee)	0.30	0.30	0.30
Cash and cash equivalents (except cash in hand)	120.71	448.42	225.79
Other bank balances	483.02	-	-
Unbilled revenue	16.34	15.09	16.10
Interest accrued on fixed deposits	5.09	0.35	0.18
Security deposits with related parties and others	2.49	1.91	2.49
	635.72	**472.11**	**250.68**

Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses

Trade receivables	203.87	252.63	245.81

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

46 Financial risk managemen (contd.)

An analysis of age of trade receivables at each statement of financial position date is summarized as follows:

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
upto 1 Year	197.16	247.72	242.69
upto 2 Year	3.02	2.81	1.92
upto 3 Year	1.86	1.08	0.56
upto 4 Year	0.88	0.51	0.31
upto 5 Year	0.46	0.25	0.14
More than 5 Year	0.49	0.26	0.19
	203.87	**252.63**	**245.81**

Expected credit loss

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
upto 1 Year	0.03%	0.03%	0.02%
upto 2 Year	5.85%	4.77%	4.78%
upto 3 Year	13.03%	9.08%	1.75%
upto 4 Year	35.26%	30.70%	31.95%
upto 5 Year	75.59%	69.30%	73.46%
More than 5 Year	100.00%	100.00%	100.00%

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 to 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:

46 Financial risk managemen (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 2017 **(Rs. in Crores)**

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	274.00	-	**274.00**
Security deposits from customers	482.63	-	**482.63**
Unclaimed dividends	0.53	-	**0.53**
Employee benefits payable	20.16	-	**20.16**
Payable towards property, plant and equipment	143.13	-	**143.13**
Security deposits from vendors	2.55	-	**2.55**
	923.00	**-**	**923.00**

As at 31 March 2016 **(Rs. in Crores)**

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	161.26	-	**161.26**
Security deposits from customers	425.17	-	**425.17**
Unclaimed dividends	0.49	-	**0.49**
Security deposits from vendors	2.14	-	**2.14**
Employee benefits payable	9.99	-	**9.99**
Payable towards property, plant and equipment	56.34		**56.34**
	655.39	**-**	**655.39**

(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 on long-term financing. 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 +/- 0.5% (2015-16: +/-0.5%). 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	Profit for the year		Equity	
	0.5%	**0.5%**	**0.5%**	**0.5%**
31 March 2017	**5.00**	**(5.00)**	**3.27**	**(3.27)**
31 March 2016	**2.13**	**(2.13)**	**1.39**	**(1.39)**

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

47 Capital management

The Company's capital management objectives are:

a) to ensure the Company's ability to continue as going concern; and

b) 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. 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.

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Borrowings	-	-	145.31
Less: Cash and cash equivalents	(125.57)	(453.27)	(230.69)
Borrowings (net of cash and cash equivalents)	-	-	-
Capital employed	3,011.69	2,570.42	2,214.80
Total capital employed	**3,011.69**	**2,570.42**	**2,214.80**
Gearing ratio	0%	0%	0%

48 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:

(Rs. in Crores)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Property, plant and equipment	277.03	317.71	164.37
	277.03	**317.71**	**164.37**

(b) Other commitments

The Company has entered into long-term agreements for purchase of natural gas upto maximum quantity of 0.58 million SCM/ day 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 said obligation.

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

49 Earnings per share

Particulars	Units	Year ended 31 March 2017	Year ended 31 March 2016
Net profit attributable to shareholders	Rs. crores	606.34	457.88
Weighted average number of equity shares	No. in crores	14.00	14.00
Nominal value per share	Rs.	10.00	10.00
Basic earning per share of Rs. 10 each	Rs.	43.31	32.71

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.

50 First-time adoption of Ind AS

Transition to Ind AS

These consolidated financial statements, for the year ended 31 March 2017, are the first financial statements prepared by the Company in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP consolidated financial statements, including the balance sheet as at 1 April 2015 and the consolidated financial statements as at and for the year ended 31 March 2016.

The Company has applied Ind AS 101 in preparing these first consolidated financial statements. The effect of transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes accompanying the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions:

A1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A1.2 Leases

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as at the date of transition.

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

A.2 Ind AS mandatory exceptions:

A2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except as explained in note 8 and 9 below.

A2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively, for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively, from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101, First time adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

B.1 Effect of Ind AS adoption on the balance sheet as at 1 April 2015

(Rs. in Crores)

Particulars	Note	Previous GAAP*	Adjustments	Amount under Ind AS
Assets				
Non-current assets				
a) Property, plant and equipment	3, 5, 6, 8, 9, 11	1,950.45	6.75	1,957.20
b) Capital work-in-progress	5, 6	254.10	(28.30)	225.80
c) Intangible assets		5.36	-	5.36
d) Investments accounted for using the equity method	13	266.94	2.78	269.72
e) Financial assets				
(i) Loans		5.82	-	5.82
(ii) Other financial assets		0.30	-	0.30
f) Income-tax assets (net)		4.32	-	4.32
g) Other non-current assets	6	2.35	11.52	13.87
Total non-current assets		**2,489.64**	**(7.25)**	**2,482.39**
Current assets				
a) Inventories	5	40.89	10.68	51.57
b) Financial assets				
(i) Investments		41.19	-	41.19
(ii) Trade receivables	7	245.44	(0.32)	245.12
(iii) Cash and cash equivalents		230.69	-	230.69
(iv) Bank balances other than (iii) above		0.51	-	0.51
(v) Loans		2.49	-	2.49
(vi) Other financial assets		16.28		16.28
c) Other current assets	3,6	33.93	0.32	34.25
Total current assets		**611.42**	**10.68**	**622.10**
Total assets		**3,101.06**	**3.43**	**3,104.49**
Equity and liabilities				
Equity				
a) Equity share capital		140.00	-	140.00
b) Other equity				
- Reserves and surplus	1, 3, 5, 7, 8, 9, 10, 13	1,975.40	99.40	2,074.80
Total equity		**2,115.40**	**99.40**	**2,214.80**
Liabilities				
Non-current liabilities				
a) Financial liabilities				
(i) Borrowings		145.31	-	145.31
b) Employee benefit obligations		11.28	-	11.28
c) Deferred tax liabilities (net)	10	127.18	3.87	131.05
Total non-current liabilities		**283.77**	**3.87**	**287.64**
Current liabilities				
a) Financial liabilities				
(i) Trade payables		156.92	-	156.92
(ii) Other financial liabilities		416.10	-	416.10
b) Employee benefit obligations		0.38	-	0.38
c) Other current liabilities	11	23.86	1.26	25.12
d) Short-term provisions	1	101.10	(101.10)	-
e) Current tax liabilities (net)		3.53	-	3.53
Total current liabilities		**701.89**	**(99.84)**	**602.05**
Total liabilities		**985.66**	**(95.97)**	**889.69**
Total equity and liabilities		**3,101.06**	**3.43**	**3,104.49**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

B.2 Effect of Ind AS adoption on the balance sheet as at 31 March 2016

(Rs. in Crores)

Particulars	Note	Previous GAAP*	Adjustments	Amount under Ind AS
Assets				
Non-current assets				
a) Property, plant and equipment	3, 4, 5, 6, 8, 9, 11	1,993.87	9.54	2,003.41
b) Capital work-in-progress	5, 6	294.85	(27.93)	266.92
c) Intangible assets		15.78	-	15.78
d) Investments accounted for using the equity method	13	323.51	3.45	326.96
e) Financial assets				
(i) Loans		6.04	-	6.04
(ii) Other financial assets		0.30	-	0.30
f) Income-tax assets (net)		7.12	-	7.12
g) Other non-current assets	6	0.04	11.39	11.43
Total non-current assets		**2,641.51**	**(3.55)**	**2,637.96**
Current assets				
a) Inventories	5	47.17	10.41	57.58
b) Financial assets				
(i) Trade receivables	7	251.46	(0.32)	251.14
(ii) Cash and cash equivalents		453.27	-	453.27
(iii) Bank balances other than (iii) above		0.49	-	0.49
(iv) Loans		1.91	-	1.91
(v) Other financial assets		15.44	-	15.44
c) Other current assets	3,6,8	30.66	0.59	31.25
Total current assets		**800.40**	**10.68**	**811.08**
Total assets		**3,441.91**	**7.13**	**3,449.04**
Equity and liabilities				
Equity				
a) Equity share capital		140.00	-	140.00
b) Other equity				
- Reserves and surplus	1, 3, 4, 5, 7, 8, 9, 10, 13	2,337.57	92.85	2,430.42
Total equity		**2,477.57**	**92.85**	**2,570.42**
Liabilities				
Non-current liabilities				
a) Employee benefit obligations		14.52	-	14.52
b) Deferred tax liabilities (net)	10	164.70	14.12	178.82
Total non-current liabilities		**179.22**	**14.12**	**193.34**
Current liabilities				
a) Financial liabilities				
(i) Trade payables		161.26	-	161.26
(ii) Other financial liabilities		494.13	-	494.13
b) Employee benefit obligations		0.60	-	0.60
c) Other current liabilities	11	28.03	1.26	29.29
d) Short-term provisions	1	101.10	(101.10)	-
Total current liabilities		**785.12**	**(99.84)**	**685.28**
Total liabilities		**964.34**	**(85.72)**	**878.62**
Total equity and liabilities		**3,441.91**	**7.13**	**3,449.04**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

B.3 Reconciliation of total comprehensive income for the year ended 31 March 2016

(Rs. in Crores)

Particulars	Note	Previous GAAP*	Adjustments	Amount under Ind AS
Revenue from operations		4,064.21	-	4,064.21
		4,064.21		**4,064.21**
Other income		24.17		24.17
Total revenue		**4,088.38**	**-**	**4,088.38**
Expenses:				
a) Cost of natural gas		2,275.37	-	2,275.37
b) Decrease/(Increase) in natural gas stock		0.74	-	0.74
c) Excise duty		378.42	-	378.42
d) Employee benefits expense	2,3	78.66	(0.30)	78.36
e) Finance costs	3	9.97	(0.05)	9.92
f) Depreciation and amortisation expense	3, 4, 5, 8, 9	157.66	(1.41)	156.25
g) Other expenses	4,5,8	558.39	(1.81)	556.58
Total expenses		**3,459.21**	**(3.57)**	**3,455.64**
Profit before tax		**629.17**	**3.57**	**632.74**
Share of net profit of associates accounted for using the equity method		**53.65**	**0.62**	**54.27**
Income tax expense:				
a) Current tax expense		181.17	-	181.17
b) Deferred tax	2, 10	37.52	10.44	47.96
Net tax expenses		**218.69**	**10.44**	**229.13**
Profit for the year		464.13	(6.25)	457.88
Other Comprehensive Income				
a) Items that will not be reclassified to profit or loss				
(i) Remeasurement of post employment benefit obligations	2	-	(0.54)	(0.54)
(ii) Share of other comprehensive income of associated accounted for using the equity method			0.08	0.08
(iii) Income tax relating to remeasurement of post employment benefit obligations	2		0.19	0.19
(iv) Income-tax relating to share of other comprehensive income of associated accounted for using the equity method			(0.03)	(0.03)
Total comprehensive income for the year attributable to the owners of the Company		**464.13**		**457.58**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

B.4 Reconciliation of total equity as at 31 March 2016 and 01 April 2015

(Rs. in Crores)

Particulars	Note	As at 31 March 2016	As at 01 April 2015
Total equity (shareholder's fund) as per previous GAAP		2,337.57	1,975.40
Adjustments:			
Proposed dividend	1	101.10	101.10
Derecognition of vehicles	3	(0.16)	(0.02)
Capitalisation of overhauling cost	4	1.81	-
Capitalisation of spares	5	(3.87)	(4.82)
Provision based on expected credit loss	7	(0.32)	(0.32)
Deferred tax impact on above	10	(0.32)	0.21
Deferred tax on undistributed profits of associates	10	(13.80)	(4.08)
Ind AS adjustments of associates		3.45	2.78
Total adjustments		**87.89**	**94.85**
Total equity as per Ind AS		2,425.46	2,070.25
Rectification of depreciation charged in earlier years	8	3.35	3.12
Rectification of useful life of the building	9	1.61	1.43
Total equity as per Ind AS		**2,430.42**	**2,074.80**

B.5 Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

(Rs. in Crores)

Particulars	Previous GAAP*	Adjustments	Amount under Ind AS
Net cash flow from operating activities	661.48	(7.99)	653.49
Net cash flow from investing activities	(183.44)	8.88	(174.56)
Net cash flow from financial activities	(255.46)	(0.89)	(256.35)
Net increase/(decrease) in cash and cash equivalents	**222.58**	**-**	**222.58**
Cash and cash equivalents as at 1 April 2015	230.69		230.69
Cash and cash equivalents as at 31 March 2016	**453.27**		**453.27**

C. Notes to first time adoption:

Note 1: Proposed dividend

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (along with dividend distribution tax) of Rs. 101.10 crores as at 31 March 2016 (1 April 2015 - Rs. 101.10 crores) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 2: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. This has resulted in decrease in employee benefit expenses by Rs. 0.54 crores and increase in deferred tax expense by Rs. 0.19 crores. As a result of this change, the profit for the year ended 31 March 2016 increased by Rs. 0.35 crores. There is no impact on the total equity as at 31 March 2016.

Note 3: Vehicle lease

As per the HR policy of the Company, vehicles have been taken on lease by the Company and provided to some of the officers in the General Manager and above category. The lease rent is paid by the Company and transportation allowance of the employees is reduced to that extent. As per previous GAAP, these vehicles taken on lease has been considered as Finance Lease and capitalized in books and depreciated as per Companies Act, 2013. However, as per Ind AS 16 it is treated as operating lease since to qualify as finance lease, there should be transfer of all risk and rewards incidental to ownership to the lessee and the control over the asset should be with the Company. This has resulted in decrease in property, plant and equipment by Rs. 0.20 crores, increase in other current assets by Rs. 0.18 crores and decrease in retained earnings by Rs. 0.02 crores as on the date of transition. Further, as at 31 March 2016, this has resulted in a cumulative decrease in property, plant and equipment by Rs. 0.60 crores, increase in other current assets by Rs. 0.44 crores with corresponding decrease of Rs. 0.16 crores in retained earnings. Also, during FY 2015-16, finance charges on these vehicles amounting to Rs. 0.05 which was earlier charged to finance cost now has been charged to employee benefit expenses. Further depreciation for the year 2015-16 is reduced by Rs. 0.05 crores and employee benefit expense increased by Rs. 0.19 crores.

Note 4: Overhauling costs

The expenses incurred on scheduled repairs are termed as overhauling expenses. As per previous GAAP, the overhauling cost was charged to revenue and accordingly till FY 2015-16, the amount incurred on overhauling cost was shown as part of stores and spares consumption. However, as per provision of Ind AS 16, the overhauling cost needs to capitalized separately from the main asset and amortized over the remaining useful life of main asset or next overhauling due whichever is earlier. This has resulted in increase in property, plant and equipment by Rs. 1.81 crores with corresponding equivalent positive retained earnings for the year ended 31 March 2016. For the year 2015-16, this has resulted in increase in depreciation by Rs. 0.26 crores and decrease in other expense by Rs. 2.07 crores.

Note 5: Capitalisation of spares

As per previous GAAP, the stores and spares held for the purpose of repairs of the machine was shown as the part of the inventory in the balance sheet under the heading “Inventory” as current assets and same is shown as expense at the time of the consumption.

As per Ind AS 16, the stores and spares having useful life of more than one year are classified as property, plant and equipment and depreciated over the remaining useful life of the asset or life of spare whichever is earlier and the balance spares including consumables are treated as inventory and charged as expense in the statement of profit and loss at the time of consumption. This has resulted in increase in property, plant and equipment by Rs. 3.69 crores, decrease in capital work in progress by Rs. 19.19 crores and increase in inventory by Rs. 10.68 crores with a decrease of Rs. 4.82 crores in retained earnings as on the date of transition. Further, as at 31 March 2016, this has resulted in cumulative increase in property, plant and equipment by Rs. 4.54 crores, decrease in capital work in progress by Rs. 18.82 crores, increase in inventory by Rs. 10.41 crores with corresponding decrease of Rs. 3.87 crores in retained earnings. For the year 2015-16, this has resulted in decrease in depreciation by Rs. 1.08 crores and increase in other expenses by Rs. 0.13 crores.

Note 6: Reclassification from finance lease to operating lease

As per previous GAAP, the leasehold lands taken by the Company from various government authorities for the lease period of 90 years were considered as finance lease and hence were capitalized and depreciated over the period of lease. As per Ind AS 17 since there is no substantial transfer of the risks and rewards incidental to ownership and the company not having the option to purchase/renew the agreement for further period after 90 years, hence as on the date of transition the lands which do not meet the above criteria for being classified as finance lease have been reclassified as operating lease and accordingly there have been shown

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

as prepaid lease rent in books of accounts. This has resulted in decrease in property, plant and equipment by Rs. 2.55 crores, decrease in capital work in progress by Rs. 9.11 crores, increase in other non current assets by Rs. 11.52 crores, increase in other current assets by Rs. 0.14 crores as on the date of transition.Futher as at 31 March 2016, this has resulted in cumulative decrease in property, plant and equipment by Rs. 2.55 crores, decrease in capital work in progress by Rs. 9.11 crores, increase in other non current assets by Rs. 11.39 crores and increase in other current assets by Rs. 0.27 crores.

Note 7: Provision based on expected credit loss method

Incremental provision for doubtful debts amounting to Rs. 0.32 crores has been created based on expected credit loss method as on the date of transition. This has resulted in decrease in trade receivables by Rs. 0.32 crores and corresponding equivalent decrease in retained earnings as on the date of transition. Further as at 31 March 2016, this has resulted in cumulative decrease in trade receivables by Rs. 0.32 crores and corresponding decrease of Rs. 0.32 crores in retained earnings.

Note 8: Rectification of depreciation charged in earlier years

Certain leasehold lands were depreciated considering a shorter lease period under previous GAAP. This has now been rectified on transition to Ind-AS. This has resulted in increase in property, plant and equipment by Rs. 3.12 crores with corresponding equivalent increase in retained earnings as on the date of transition. Further as at 31 March 2016, this has resulted in cumulative increase in property, plant and equipment by Rs. 3.47 crores and decrease in other current assets by Rs. 0.12 crores with corresponding increase of Rs. 3.35 crores in the retained earnings. For the year 2015-16, this has resulted in decrease in depreciation by Rs. 0.36 crores and increase in other expense by Rs. 0.13 crores.

Note 9: Rectification of useful life of the building

One building was depreciated considering a useful life of 30 years. On transition to Ind-AS, its useful life is correctly taken as 60 years.This has resulted in increase in property, plant and equipment by Rs. 1.43 crores with corresponding increase of Rs. 1.43 crores in retained earnings as on the date of transition. Further as at 31 March 2016, this has resulted in cumulative increase in property, plant and equipment by Rs. 1.61 crores with corresponding equivalent increase in retained earnings. For the year 2015-16, this has resulted in decrease in depreciation by Rs. 0.18 crores.

Note 10: Deferred tax

Deferred tax assets of Rs. 0.21 crores have been created for Ind-AS transition adjustment as on the date of transition with equivalent increase in retained earnings. Further, deferred tax liability Rs. 0.53 crores has been created on account of above adjustments as on 31 March 2016, net impact being increase in deferred tax liabilities by Rs. 0.32 crores with corresponding equivalent decrease in retained earnings as on 31 March 2016. For the year 2015-16, this has resulted increase in deferred tax expense by Rs. 0.53 crores. Under Ind AS, deferred tax liability is also recognised on undistributed profit of associates. Accordingly, deferred tax liability amounting to Rs. 4.08 crores was recognised with corresponding decrease in retained earnings as on the date of transition. Similarly, during the year 2015-16, deferred tax liability amounting to Rs. 9.72 crores was recognised. This has resulted in increase in deferred tax expense by Rs. 13.80 crores with corresponding decrease in retained earnings as on 31 March 2016.

Note 11: Perpetual lease

Stamp duty charges on the perpetual land lease were inadvertently not accrued in the previous GAAP. The same has been rectified and accounted for. This has resulted in increase in property, plant and equipment by Rs. 1.26 crores and corresponding increase in other current liabilities as on the date of transition and as at 31 March 2016. This has not resulted in any impact on retained earnings.

Note 12: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 13: Investment accounted for using equity method

As required under Ind AS 28 Investments in Associates and Joint Ventures, the Company has accounted for Interest in associates as at transition date by equity method. Further, adjustment to the effect of Ind AS in associates accounts have been given in Consolidated accounts as at transition date. Ind-AS adjustments of associates amounts to Rs. 2.78 crore as a result of which Investment in associates accounted for using equity method is increased by Rs. 2.78 crores with corresponding increase in retained earnings as on the date of transition. Futher, during the year 2015-16 Ind AS adjustments of associates amounts to Rs. 0.67 crores as a result of which consolidated profit of the year 2015-16 is increased by this amount. As at 31 March 2016, Investment in associates accounted for using equity method is cumulatively increased by Rs. 3.45 crores with corresponding increase in retained earnings.

51 (a) Details of specified bank notes (SBN) held and transacted by the Company during the period 8 November 2016 to 30 December 2016 is as under:

Rs.

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016 (refer Note (I) below)	47,629,000	548,221	48,177,221
(+) Permitted receipts	1,017,333,500	988,548,688	2,005,882,188
(-) Permitted payments	-	1,051,852	1,051,852
(-) Amount deposited in banks	1,064,962,500	951,793,590	2,016,756,090
Closing cash in hand as on 30 December 2016	-	36,251,467	36,251,467

Note

I) Balance of SBNs as on 8 November 2016 includes cash in hand on account of cash sales at stations.

II) During the period 8 November 2016 to 15 December 2016, vide certain notifications issued by the Ministry of Finance, the Company was allowed to accept the demonetised Rs. 1000 and Rs. 500 notes as legal tender. The daily collections at the CNG stations are deposited in the bank. The Company has received details of Rs. 1,000 and Rs. 500 notes (Specified Bank Notes) deposited from the bank and has considered amount collected as equivalent to the amount deposited. The Company, however, does not maintain independent records of denomination of currency in its books of accounts.

(b) Details of specified bank notes (SBN) held and transacted by associate Companies during the period 8 November 2016 to 30 December 2016 is as under

Rs.

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	3,145,000	1,037,790	4,182,790
(+) Permitted receipts	92,992,000	101,075,460	194,067,460
(-) Permitted payments			-
(-) Amount deposited in banks	96,137,000	98,632,710	194,769,710
Closing cash in hand as on 30 December 2016	-	3,480,540	3,480,540

Consolidated Summary of Significant Accounting Policies and other Explanatory Information for the year ended 31 March 2017

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.

53 Post reporting date events

No adjusting or significant non-adjusting events have occurred between 31 March 2017 and the date of authorisation of the Company's consolidated financial statements. However, the Board of Directors have recommended a final dividend of 50% i.e. Rs. 5.00 (previous year Rs. 6.00) on equity shares of Rs. 10 each for the year ended 31 March 2017, subject to approval of shareholders at the ensuing annual general meeting.

54 The consolidated financial statements for the year ended 31 March 2017 (including comparatives) were approved by the Board of Directors on 27 May 2017.

For and on behalf of the Board of Directors

Sd/-
E. S. Ranganathan
Managing Director
(DIN 07417640)

Sd/-
V. Nagarajan
Director (Commercial)
(DIN 06971361)

Sd/-
Rajesh Agrawal
Chief Financial Officer

Sd/-
S.K. Jain
Company Secretary

Place: New Delhi
Date: 27 May 2017

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 2017.

The preparation of financial statements of Indraprastha Gas Limited for the year ended 31 March 2017 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(7) read with section 129(4) of the Act are 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 27 May 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) read with section 129(4) of the Act of the consolidated financial statements of Indraprastha Gas Lmited for the year ended 31 March 2017. We conducted supplementary audit of the financial statements of Maharashtra Natural Gas Limited (Associates) but did not conduct supplementary audit of the financial statements of Central UP Gas Limited (Associates) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to the inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and behalf of the
Comptroller and Auditor General of India

Sd/-
(Nandana Munshi)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-II
New Delhi

Place: New Delhi
Date: 01.08.2017

DISCLAIMER

INDRAPRASTHA GAS LIMITED
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New Delhi - 110022
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