

Energizing Growth with Clean Energy



Bhagyanagar Gas Ltd.

Annual Report | 2019-20



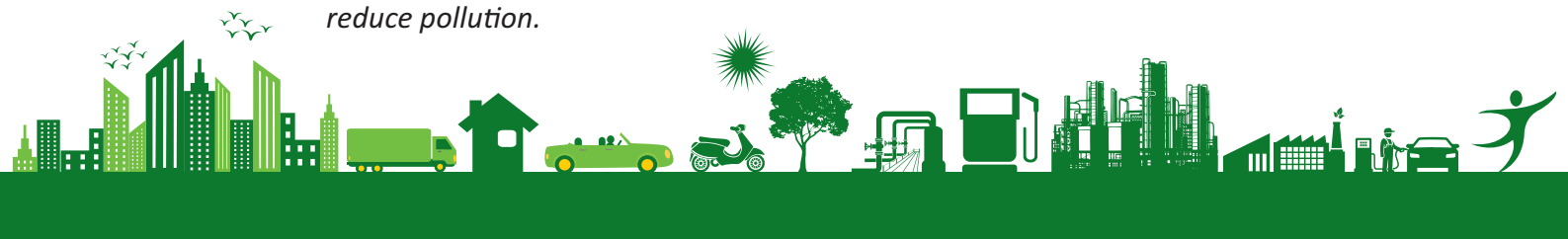
Vision

To make BGL an unparalleled natural gas distribution company, providing economically cheaper, eco-friendly alternative fuels to transport, domestic, commercial and industrial sectors with the objective of safeguarding the environment by bringing down pollution levels in the State of Telangana and Andhra Pradesh, India.



Mission

- *CNG & City Gas Distribution in various cities of Telangana and Andhra Pradesh. To start with Hyderabad-Secunderabad, Vijayawada and Kakinada.*
- *To provide safe, convenient and reliable gas supply to our customers in transport, domestic, commercial and industrial sectors.*
- *To facilitate conversions of commercial and private vehicles to CNG through external agencies by:*
 1. *Making available the quality CNG kits and*
 2. *Creating a network of workshops to undertake reliable and speedy conversion to CNG.*
- *Assist in technology development and use of eco-friendly appliances to small scale industries which are presently on conventional fuels.*
- *Promoting new technologies in Energy Sector to improve environment and reduce pollution.*





CORPORATE INFORMATION

PRESENT BOARD OF DIRECTORS



Shri Anjani Kumar Tiwari
Chairman



Shri Rajeev Garg
Managing Director



Shri Dilip Kumar Pattanaik
Director



Shri Sanjiv Gujral
Director Commercial cum C.F.O



Shri Rajesh Vedvyas
Independent Director

CORPORATE INFORMATION

PRESENT NOMINATION & REMUNERATION COMMITTEE MEMBERS

Shri Rajesh Vedvyas, Chairman
Shri A.K.Tiwari, Member
Shri Dilip Kumar Pattanaik, Member

PRESENT AUDIT COMMITTEE MEMBERS

Shri Rajesh Vedvyas, Chairman
Shri Rajeev Garg, Member
Shri Sanjiv Gujral, Member

PRESENT CSR COMMITTEE MEMBERS

Shri Rajesh Vedvyas, Chairman
Shri Rajeev Garg, Member
Shri Sanjiv Gujral, Member

COMPANY SECRETARY

Smt. Malleswari.G

STATUTORY AUDITORS

M/s Karra & Co.,
Chartered Accountants

INTERNAL AUDITORS

M/s T. Mohan & Associates.,
(formerly known as M/s Laksmi & Associates)
Chartered Accountants

COST AUDITORS

M/s Nageswara Rao & Co.,
Cost Accountants

TAX AUDITORS

M/s Karra & Co.,
Chartered Accountants

SECRETARIAL AUDITORS

M/s Nekkanti S.R.V.V.V.S.Narayana & Co.,
Company Secretaries

BANKERS

ICICI Bank Limited

REGISTERED OFFICE

Second Floor, Parisrama Bhawan, TSIDC
Building,

Basheer Bagh, Hyderabad - 500 004

Tel: 040 - 23245083/ Fax: 040 66565081

Website: www.bglgas.com

mail: corporatehqo@bglgas.com

REGISTRARS & SHARE TRANSFER AGENTS

K Fin TECHNOLOGIES PRIVATE LIMITED

Karvy Selenium Tower B, Plot no 31 & 32

Gachibowli, Financial District, Nanakramguda
Serilingampally, Hyderabad-500 032

Registered Office: Karvy House 46, Avenue 4,
Street No.1, Banjara Hills, Hyderabad - 500 034.



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CHAIRMAN MESSAGE

Dear Shareholders,

Your company is into its 17th year of its existence and the successful journey has been dedicated in achieving its main milestones of providing clean and environment friendly green fuel as an alternative to its customers. Today it is a matter of pride for all us to mention that the company is catering to the CNG needs of over 50,000 CNG vehicles, has provided PNG connection to 1.36 Lakh Domestic households and is servicing the fuel needs of 164 commercial & industrial customers in Hyderabad, Vijayawada and Kakinada.



The financial year 2019-20 was seen another year of continual growth in our performance. During the year, gross turnover grew by 19.35% to Rs.221.13 Crores from Rs.185.27 Crores in the previous year. Profit after Tax for 2019-20 was Rs 19.10 Crores as against Rs 19.23 Crores for 2018-19.

The city gas distribution (CGD) network i.e. PNG and CNG is growing at a rapid pace in the country. BGL remains enthused to capitalize on growing opportunities in this space by leveraging its expertise, financial strength and core capabilities to drive and sustain its growth. After the conclusion of the 9th and 10th rounds of bidding for CGD networks, natural gas coverage now extends to around 53% of the country's geographical area and covering around 70% of its population.

On the operation front, your Company made remarkable growth achieving its MoU Targets. Your company has augmented its infrastructure by adding 25 new CNG Stations taking the total number of CNG stations to 95 with total compression capacity of around 9.25 lakhs kg per day. During the year, your company provided a record number of 1,00,143 new PNG domestic connections, taking the total number to more than 1,36,953 connections. Total 39 new Commercial and Industrial consumers were added to increase total consumer base to 164.

Your Company has always accorded top most priority to Safety related issues. In recent past, the Company participated in the mock drill of disaster management exercise. Regular trainings are imparted to drivers, PNG customers, employees, contractual staff and other stakeholders on regular basis. It is a matter of pride that your Company has crossed 6,45,473 accident free man hours till 31st March, 2020.

Besides expansion, your Company is also focused on customer needs and is continuously making efforts to improve its services. BGL digitized its bill payment mechanism by introducing several online payment modes. Moreover, your Company has also introduced customer centric mobile application named "BGL Consumer Care" to provide user friendly experience to our customers.

Further, your Company has installed smart meters for domestic customers in Hyderabad, Vijayawada and Kakinada. These smart meters are intended to be the replacement for the traditional



form of gas meters. These automated meters provides readings directly to the server thereby digitizing the billing process which results in substantial reduction of customer complaints with respect to meter reading, etc.

In compliance with CSR policy, your Company has been actively participating in various CSR projects. During the year, your company has sponsored installation of Recycled Plastic Dustbins in collaboration with GHMC, KMC and VMC thereby contributing towards community as well environment. Being a socially responsible corporate, your company will continue to strengthen its CSR portfolio to create more value. Your Company has always given importance to its Human Capital and believes that the challenges of the future can be best met with competent and motivated Human Resources. With the expansion of the company, we have bridged the gap by recruiting additional manpower. The Company has been consistently putting its efforts to frame employee-oriented policies for the benefit and welfare of its employees. In this regard, the Company has taken various initiatives such as periodic revision in remuneration, arranging specialized training for the employees etc.

In consideration of all these aspects, we are confident about maintaining business momentum and delivering a strong performance in the coming years, with continuous expansion of our business in state of Andhra Pradesh and Telangana and increasing consumer base.

I take this opportunity to place on record my appreciation for the valuable contribution made by my colleague Directors on Board. On behalf of the Board and the Company as a whole, I sincerely acknowledge the support extended by Promoters GAIL (India) Limited and Hindustan Petroleum Corporation Limited.

I would like to thank Ministry of Petroleum & Natural Gas, Govt. of India, PNGRB, Govt. of Telangana & Govt. of Andhra Pradesh, all the authorities and agencies of PMC, Service providers, Financial Institutions and other stake holders for their unstinted support and co-operation for our aspiration to expand clean and green environment.

Finally, I would like to thank every member of BGL's family of Share owners, for the confidence and trust reposed in us. I am confident that with your excellent support, the company will achieve greater heights.

Regards,

Sd/-

A.K.Tiwari

Chairman

Bhagyanagar Gas Limited



MESSAGE FROM MANAGING DIRECTOR

Dear Shareholders,

Natural gas is the cleanest of all fossil fuels and used directly by energy consumers. Apart from its environmental benefits, the growing preference for Natural Gas is also stemming from it being a safe, convenient, reliable and affordable source of energy. Government's emphasis on creation of infrastructure along the entire gas value chain is also going to play an important role in making Natural Gas available across the length and breadth of the country. All these factors are contributing to make Natural Gas an excellent choice of energy for a better tomorrow. Our mission is to provide safe, efficient and reliable gas supply as a green fuel to our customers in the transport, domestic, commercial and industrial sector.

With the Government's stated objective to achieve high levels of economic growth in an environmentally benign manner, reliance on usage of Natural Gas is slated to rise and share of Natural Gas in India's total energy mix is expected to increase to 15% by 2030. Due to the above-mentioned benefits and scope for reaching out to vastly under penetrated areas, Natural Gas as a fuel stands to gain in the long term. Favourable regulatory environment, Government's initiatives to replace LPG connections with PNG in urban areas, increased availability of CNG filling facilities, replacement of polluting fuels with Natural Gas in industrial sector, are likely to fuel this momentum in the City Gas Distribution (CGD) sector. In keeping pace with such developments, CGD sector has emerged as a niche segment with the Petroleum and Natural Gas Regulatory Board (PNGRB) authorizing 228 Geographical Areas, spread over 406 districts with a potential to cover about 70% of the population of India and 53% of the country's area.

During FY 2019-20, we have connected 100,143 domestic households thereby taking the cumulative customer base to 136,953 households. We have also set up 25 new CNG stations in the FY 2019-20 making it a total of 95 operating stations in all GA's. Besides, we connected a total of 39 new industrial and commercial customers. This period also saw our Total Income grow by 20.15% in comparison to the previous year to reach a turnover of Rs. 22,542.63 lakhs.

From the very beginning of the financial year, we have embraced high aspirations, inculcated a great value system and pursued set goals with unwavering commitment. BGL is seen as a benchmark by its industry peers and though we share the industry space with other CGD companies but we truly stand out in terms of stakeholder commitment, customer outreach, operational efficiencies and most importantly our business practices and our value systems. This is a feat to be proud of, while there will be new challenges but the strong foundation that the Company has built will surely stand in good stead.



At BGL, we believe that the most important aspect of our success is our people. Our people are fundamental to our all-round performance and we try to nurture a workplace that is engaging, rewards performances, safe, inclusive and encourages expression of diverse views. I would like to take this opportunity to thank all the employees for their resilience, hard work and dedication in ensuring smooth operations at all times despite challenges.

I would also like to thank all our Stakeholders, Board, Promoters, Bankers and the Government of India for the support and assistance provided throughout our journey. We look forward to achieve greater heights with your continuous support.

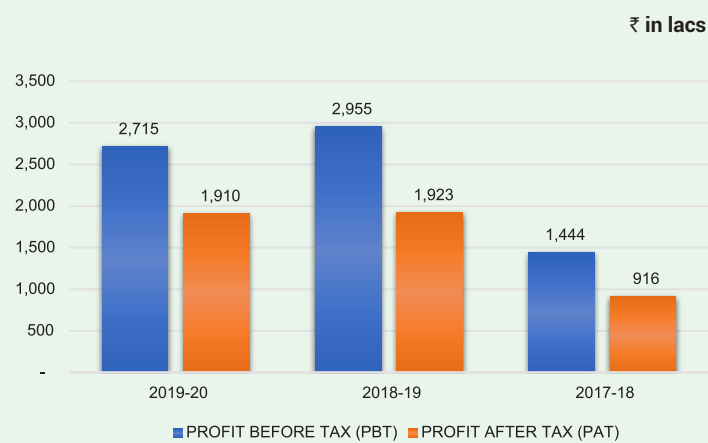
Regards,

Sd/-
Rajeev Garg
Managing Director
Bhagyanagar Gas Limited.

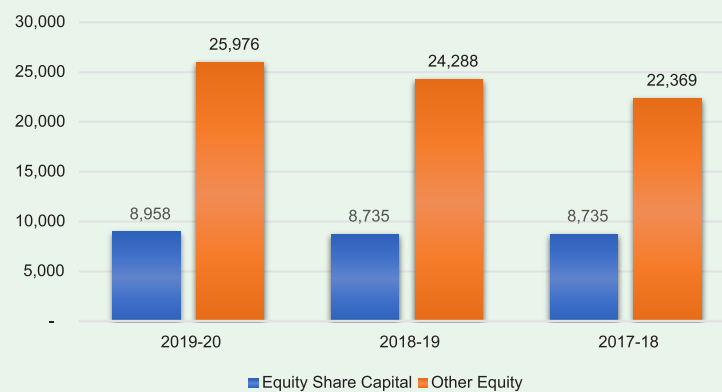


Financial Highlights

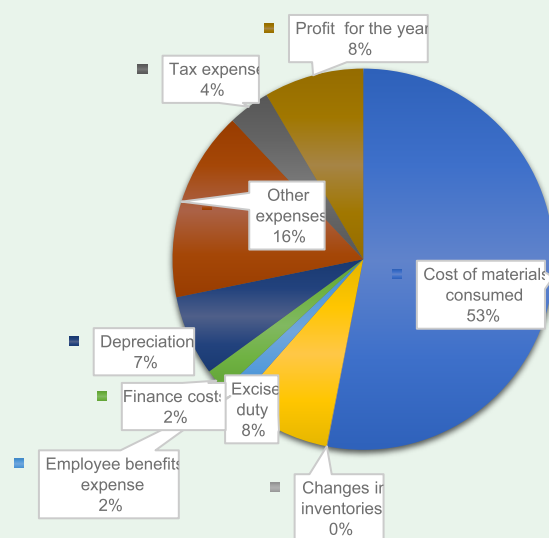
PROFITABILITY



SHAREHOLDER'S FUND



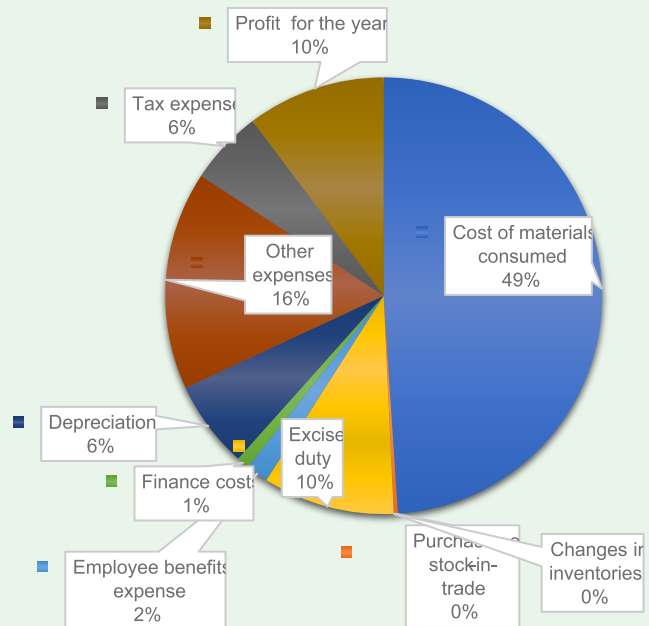
COST & PROFIT AS % REVENUE 2019-20



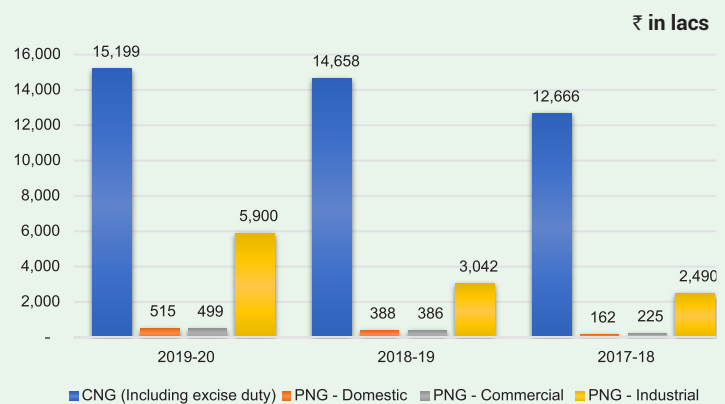


Financial Highlights

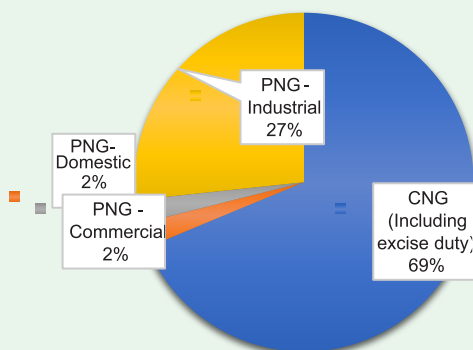
COST & PROFIT AS % REVENUE 2018-19



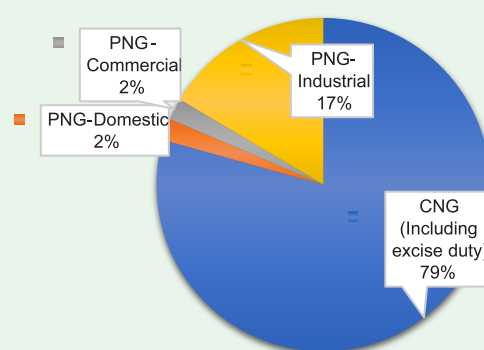
REVENUE FROM OPERATIONS



REVENUE MIX 2019-20



REVENUE MIX 2018-19





NOTICE OF 17th ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting of the Members of Bhagyanagar Gas Limited will be held through Video Conferencing/Other Audio Visual Means ('OAVM') facility on Tuesday 29th September 2020 at 11.00 A.M. at the Regd. Office of the company situated at Second Floor, Parisrama Bhawan, TSIDC Building, Basheer Bagh, Hyderabad – 500 004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 and Reports of Board of Directors' and Auditors' Report there on.
2. To declare Equity Final Dividend of Rs.0.20 per Equity Share on the paid up equity share capital of the Company for the financial year ended 31st March 2020.
3. To appoint a Director in Place of Shri. Dilip Kumar Pattanaik (07540032) who retires by rotation and being eligible, offers himself for re-appointment.
4. To authorize Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company to be appointed by Comptroller and Auditor General of India for the financial year 2020-21, in terms of the provisions of Section 142 of the Companies Act, 2013.

SPECIAL BUSINESS

5. Appointment of Shri Anjani Kumar Tiwari (07654612) as Director on the Board.

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as an Ordinary Resolution: -

"RESOLVED THAT, Shri Anjani Kumar Tiwari (07654612) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 7th May 2020 and in terms of section 161 of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting and is eligible for appointment in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. Re-appointment of Shri Rajesh vedvyas as an Independent Director:-

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution: -

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies



(Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Shri Rajesh Vedvyas (02283035), who holds office of Independent Director up to 11th June 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act, and in respect of whom the company has received a notice in writing from him, signifying his intention to propose him as a candidate for the office of the Director, be and is hereby re-appointed Shri Rajesh Vedvyas (02283035) as an Independent Director of the Company, not liable to retire by rotation, for a second term of three consecutive years commencing from 12th June 2020 upto 11th June 2023."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. Ratification of payment of Remuneration to Cost Auditor for the F.Y. 2019-20 :-

To consider, and if thought fit, to pass with or without modification(s), the following resolutions an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor(s) by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the F.Y. 2019-20 amounting to ₹60,000/- including applicable taxes and XBRL conversion charges be and is hereby ratified & confirmed."

8. Re- appointment of Shri Sanjiv Gujral (DIN 07808552) as Whole Time Director / Director Commercial for another period of one year.

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:-

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 198 and Schedule V and other applicable provisions if any of the Companies Act, 2013, consent of the Company be and is hereby accorded to appointment of Shri Sanjiv Gujral (DIN 07808552) as Whole Time Director designated him as Director Commercial cum C.F.O for a period of one year with effect from 29th April 2020 to 28th April 2021 on such terms and conditions as set out in the Explanatory Statement attached to this notice be and is hereby approved with the liberty to the Board of Directors to revise the terms and conditions of said appointment and/or remuneration, within the limits provided in the Companies Act, 2013"

By order of the Board
(Bhagyanagar Gas Limited)

Sd/-
Malleswari G
Company Secretary

Place: Hyderabad
Date: 02-09-2020





NOTES

1. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 read with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of the Special Business under Item No (s) 5 to 8 set out above is annexed hereto and forms part of the Notice. Information on all the Directors proposed to be appointed/re-appointed at the Meeting as required as per SS-2 is provided in the Notice.
2. In view of the MCA Circulars, no proxy shall be appointed by the members. However, corporate members are required to send to the Company, a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting through VC.
3. Members may note that the Board of Directors, in its meeting held on 22nd May 2020 has recommended a final dividend of 20 paise per share. The record date for the purpose of final dividend will be 24th September 2020.
4. Members holding shares in physical form are requested to consider converting their holding to dematerialized form.
5. In view of the COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditors' Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only to those members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent or the Depository Participants(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company.
6. The members who have not yet registered their e-mail ids with the company may contact Company Secretary on e-mail malleswari@bglgas.com for registering their e-mail ids.
7. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.



ANNEXURE TO THE NOTICE BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO SS-2 OF THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.

Item no.3 of the Notice Shri Dilip Kumar Pattanaik (07540032) information about the appointee:

Qualifications	Mechanical Engineering - (BTech).
Experience	37 Years.
Date of First Appointment	18 th April 2019 in BGL.
Relationship with Other Key Managerial Personnel (KMPs) and Directors	No relationship with other Key Managerial Personnel (KMPs) and Directors.
Shareholding in the Company	NIL.
Other Director ship in other Companies	HP OIL Gas Pvt Ltd , HPCL SHAPOORJI ENERGY PRIVATE LIMITED, GODAVARI GAS PRIVATE LIMITED
No.of meetings of the Board attended from 01-04-2019 to 31-03-2020 after the date of his appointment.	9

Your Directors recommend the resolution for approval of shareholders as an Ordinary Resolution



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 5:-

Shri Anjani Kumar Tiwari (07654612) was appointed as an additional Director by the Board of Directors w.e.f 7th May 2020 in accordance with the provisions of Section 161 of the Companies Act 2013 and the Articles of Association of the Company and he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, proposing the candidature of Shri Anjani Kumar Tiwari (07654612) for the office of Director.

Brief profile of Shri Anjani Kumar Tiwari. He is Director (Finance) of GAIL (India) Limited, a Maharatna PSU. He has rich and wide experience of over 38 years of working in various power, Oil & Gas and City Gas Distribution sectors.

Shri Tiwari has 25 year of extensive experience in GAIL across various business segments, in the areas of Project Finance, Corporate Finance, Taxation, Treasury, Corporate Accounts, Capital Budgeting, Finalization of EPC Contract, etc.

He has also steered prestigious project Jagdishpur - Haldia & Bokaro-Dhamra Pipeline, popularly known as Pradhan Mantri Urja Ganga.

Apart from GAIL, Shri Tiwari also holds the position of Director in GAIL Gas Ltd., Green Gas Ltd., Bhagyanagar Gas Ltd, GAIL Gas (USA) Inc., and GAIL Global (USA) LNG LLC and has ensured effective, sustainable, strategic and result oriented decision making in Board functioning.

Shri Tiwari was assigned the responsibility as Chief Financial Officer in Brahmaputra Cracker and Polymer Limited (BCPL), Assam during its formative years and was actively involved in Investment approval and Project financing of the Project.

Shri Anjani Kumar Tiwari (07654612) is interested in this Resolution mentioned at Item No. 5 of the Notice to the extent of his appointment as Director.

No other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolutions mentioned at Item No. 5 of the Notice.

Your Directors recommend the resolution for approval of shareholders as an Ordinary Resolution.

ITEM NO 6:

Shri Rajesh Vedvyas, was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 22nd September, 2017 for a period of three years to hold office from 12th June 2017 up to 11th June 2020 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.)



Nomination & Remuneration Committee and the Board has recommended for re-appointment of Shri Rajesh Vedvyas as an Independent Director on the Board of the Company, to hold office for the second term of three consecutive years commencing from 12th June 2020 to 11th June 2023 in accordance with the provisions of Section 149 and other applicable provisions if any of the Companies Act, 2013.

Shri Rajesh Vedvyas is Engineer in Electronics and Communication and possesses a rich and diverse experience over 37 years experience in Oil and Gas Industry. 26 years worked in GAIL in Various departments as Head of Unit/Project/Business of important projects in the midstream(Transmission Pipelines) and downstream(City gas Distribution), Head of Telecom the new Venture and Business Vertical, Regional Marketing Head in South(Hyderabad) of all businesses of GAIL, held important portfolio of international gas sourcing, Head of Joint Venture group in the GAIL's Corporate office and 3 years as Managing Director of Indraprastha Gas Limited (IGL), a billion dollar Private company based in national capital in field of city gas distribution & pioneer in CNG and 8 years in Indian Oil Corporation in Corporate Project planning and execution of telecom and SCADA projects along the Crude oil and product pipelines before superannuating Executive Director as Head-International Gas Sourcing & Head- Joint Ventures in GAIL.

Shri Rajesh Vedvyas also holds the position of Director in M/s Bagpat Green Energy Private Limited and M/s Indoruss Synergy Private Limited.

Shri Rajesh Vedvyas has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, Shri Rajesh Vedvyas fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. It would be in the interests of the Company to appoint Shri Rajesh Vedvyas, as an Independent Director of the Company for another term of Three Years.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the re-appointment of Shri Rajesh Vedvyas as an Independent Director is now being placed before the Members in the Annual General Meeting for their approval for another term of three years w.e.f 12th June 2020 to 11th June 2023.

Shri Rajesh Vedvyas is interested in this resolution to the extent of his appointment as a Director.

No other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolutions mentioned at Item No. 6 of the Notice.

Your Directors recommend the resolution for approval by the Shareholders as an Ordinary Resolution

ITEM NO. 7

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, consent of the shareholders taken in the 16th Annual





General Meeting, for authorizing the Board to approve the remuneration payable to the Cost Auditors for the financial year 2019-2020.

The Board, on the recommendation of the Audit Committee, has approved appointment and remuneration of M/s Nageswara Rao & Co, Cost Accountants, Hyderabad [bearing Firm Registration Number 000332] to conduct the audit of the cost records of the Company for the financial year 2019-20. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified the shareholders of the Company. Accordingly, the members are requested to ratify the remuneration as approved by the Board to the Cost Auditors for the FY 2019-20 for the services rendered by them.

None of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the item no 7

Accordingly, the Board of Directors recommends the resolution set out at Item no. 7 for your approval.

Your Directors recommend the resolution for approval of shareholders as an ordinary resolution.

ITEM NO. 8

Board of Directors have re-appointed Shri Sanjiv Gujral, nominee of HPCL, as Whole Time Director and designated him as Director Commercial cum C.F.O of Bhagyanagar Gas Limited for a period of one year with effect from 29th April 2020 to 28th April 2021 in pursuance of the provision of Section 196, 197, 198 and schedule V of the Companies Act, 2013.

Shri Sanjiv Gujral, is a Chartered Accountant. He has over 27 years of experience in various fields. He joined in HPCL in 1990 and handled various assignments during his tenure in HPCL with exposure of having worked at Budget & MIS at HPCL HQO, LPG Projects, Internal Audit, Zonal Finance and OCC/PPAC.

The terms and conditions of the appointment of Shri Sanjiv Gujral (Emp.No.31903770) of HPCL, who is on deputation to BGL appointed as Whole Time Director and Designated him as Director Commercial cum C.F.O are as under:-

PERIOD:

One year w.e.f., 29th April 2020 to 28th April 2021.

REMUNERATION:-

Basic Salary per month ₹2,20,060/-

In addition, he is entitled to variable D.A., Professional Pursuit Allowances, House maintenance/up keeping allowances and other allowances, as per rules of HPCL.

**Annual Increment** : As per rules of HPCL

In addition to salary, the following perquisites will be provided as per relevant applicable rules of HPCL:-

1	Housing	HRA/ Company Leased Accommodation as per applicable rules of HPCL
2	PF Contribution	Contribution to Provident Fund, Superannuation Benefit Fund Scheme in accordance with the Rules of HPCL.
3	Gratuity	Gratuity as per the applicable rules of HPCL
4	Conveyance	Car with driver at the place of posting, presently Hyderabad
5	Travel Expenses	Reimbursement of travelling incurred for the business of the Company.
6	Leave	Leave as per the Rules of HPCL
7	Other allowances, benefits and perquisites	Other allowances, benefits and perquisites etc. as per the Rules of HPCL

As per Section 197 (1) of the Companies Act, 2013 the total managerial remuneration payable by public company, to its directors, including Managing Director and Whole Time Director and its manager in respect of any financial year shall not exceed 11% of net profits of the Company.

However, as per Section 197(3) of the Companies Act, 2013 if any financial year, company has no profits or its profits are inadequate, managerial remuneration payable to managing director and whole time director shall be as per the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013.

Shri Sanjiv Gujral is interested in this resolution to the extent of his appointment as a Director. None of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the item no 8

Accordingly, the Board of Directors recommends the resolution set out at Item no. 8 for your approval.

Your Directors recommend the resolution for approval of shareholders as a Special Resolution.

By order of the Board
(Bhagyanagar Gas Limited)

Sd/-
Malleswari . G
Company Secretary

Place: Hyderabad
Date: 02-09-2020





All India GAIL -GROUP - CFO MEET 2020 (ORGANISED BY BGL)





DIRECTORS' REPORT

To
The Shareholders of Bhagyanagar Gas Limited

Your Directors have pleasure in presenting the Seventeenth Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2020 together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

PERFORMANCE DURING THE YEAR: -

A. During the year, segment wise sales turnover was: -

Product	For the year		% Growth (YoY)
	31-03-2020	31-03-2019	
Compressed Natural Gas (CNG)	15,198.68	14,657.78	3.69%
Piped Natural Gas (PNG)	6,914.32	3,816.13	81.19%
Auto Liquified Petroleum Gas (ALPG)	--	53.97	-100%
Total	22,113.01	18,527.88	19.35

(₹In Lakhs)

B. The Company's financials are summarized below: -

Particulars	For the year 31.03.2020	For the year 31.03.2019
Revenue from Operations	22,113.01	18,527.88
Other Income	429.62	233.82
Total Revenue	22,542.63	18,761.70
Cost of materials consumed/purchases/other expenses	17,501.82	14,106.68
Employee benefit expenses	347.87	309.11
Earnings Before Depreciation, Interest and Tax	4,692.94	4,345.91
Depreciation	1,539.16	1,215.50
Finance Cost	438.79	175.37
Profit before tax	2,714.99	2,955.04
Current Tax	585.21	633.19
Deferred Tax	219.45	399.33
Net Profit for the year after Tax	1,910.33	1,922.52



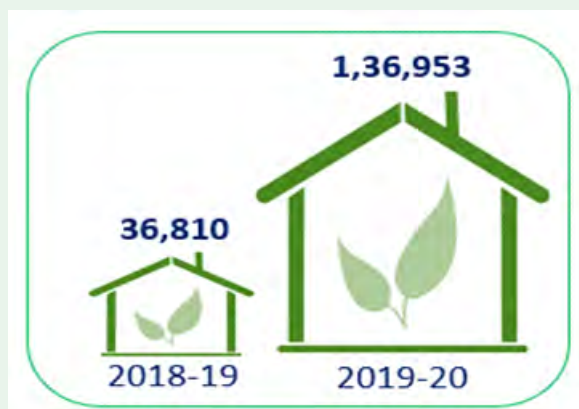


Achievements during the Year:

PNG Domestic Connections:

BGL is supplying PNG to domestic customers progressively in its authorized Geographical areas. BGL provided 1,00,143 connections in FY 2019-20 and reached 1,36,953 domestic connections as on March'2020

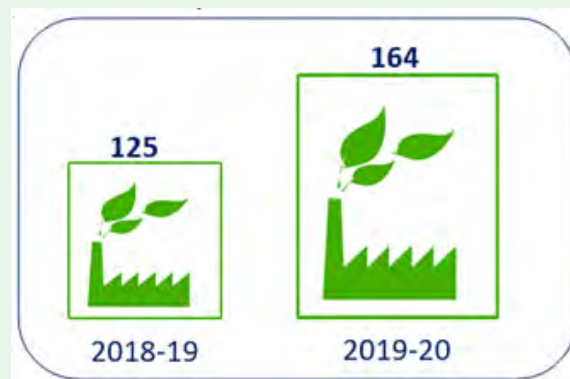
Description	GA	Numbers	
		2019-20	2018-19
PNG Connections - Domestic	Hyderabad	69073	10579
	Vijayawada	23117	5658
	Kakinada	44763	20573



BGL during FY 2019-20 launched various promotional schemes to encourage customers and increase PNG registrations from households across all GA's. Campaign were initiated using FM radio to create awareness on PNG during the financial year.

PNG I&C Customers:

PNG is gradually emerging as the preferred source of fuel for Industrial and commercial customers offering immense opportunities for growth and expansion. Natural Gas is gaining strength as preferred fuel when compared to the efficiency and eco sustainability of alternate conventional fuels. The average volume of industrial and commercial segments in FY 2019-20 is 53,977 SCMD.

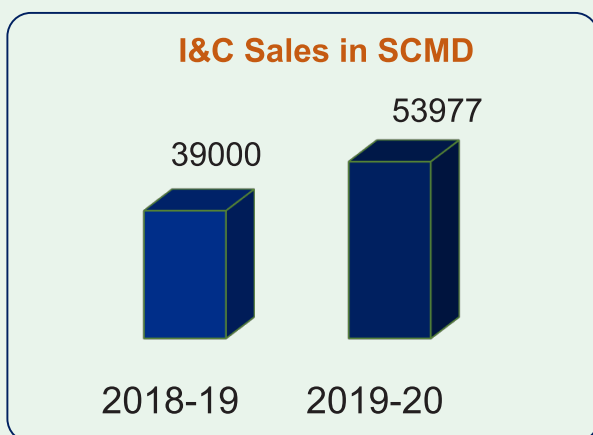


Description	Place	Numbers	
		2019- 20	2018- 19
CNG Stations	Hyderabad	62	45
	Vijayawada	23	19
	Kakinada	10	6

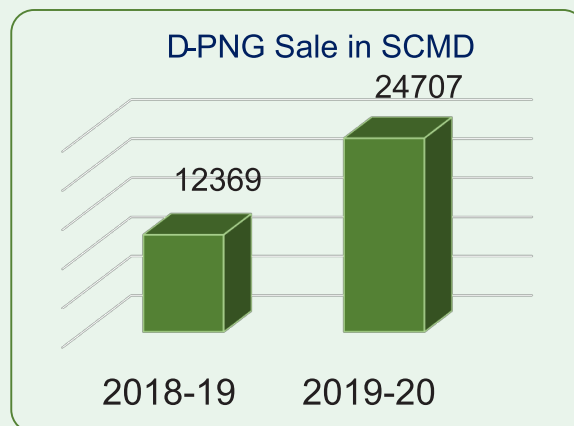
BGL has maintained focus on the PNG industrial and commercial segments as one of its potential growth drivers. Concentrated efforts have resulted in the growth on the total no. of Industrial and commercial customers from 125 nos. to 164 nos. in the financial year 2019-20.



Natural Gas Volumes:



The Industrial and commercial volumes have been ramped from 39,000 SCMD to 53,977 SCMD by commissioning of 39 units which include esteemed customer like M/s AGI Glaspac.

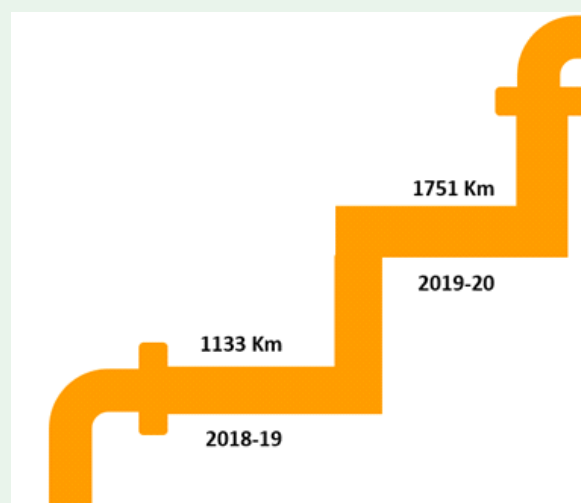


The addition of 1,00,143 domestic connections in FY 2019-20, BGL domestic sale has been increased by two-fold.

Pipeline Length (Steel & MDPE):

BGL has increased its pipeline network (Steel and MDPE) from 1133 kms to 1751 kms over the financial year's in the cities of its operation with the aim to connect more areas for increasing the supplies across all business segments.

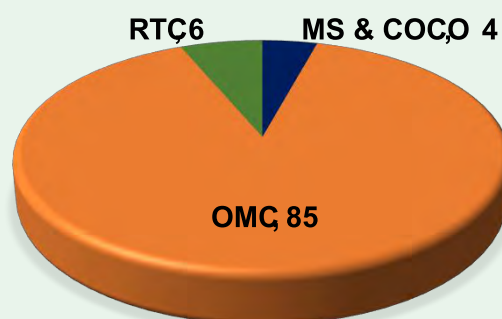
Geographical Area	Steel & MDPE in Km.
	2019- 20
Hyderabad	610
Vijayawada	317
Kakinada	824



CNG Stations:

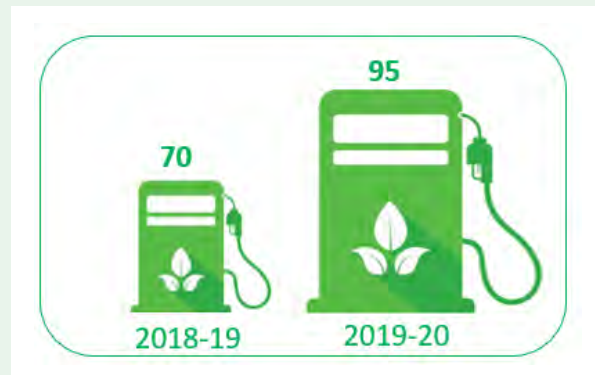
CNG as an alternate fuel concept has gained acceptance gradually with over 51,300 vehicles (autos, cars and buses) operating on CNG. The average sales volumes of CNG in Hyderabad, Vijayawada and Kakinada has been 77,841 Kgs/day during 2019-20.

BGL has commissioned 25 CNG stations in Hyderabad, Vijayawada and Kakinada in FY 2019-20 to cater the CNG supplies.





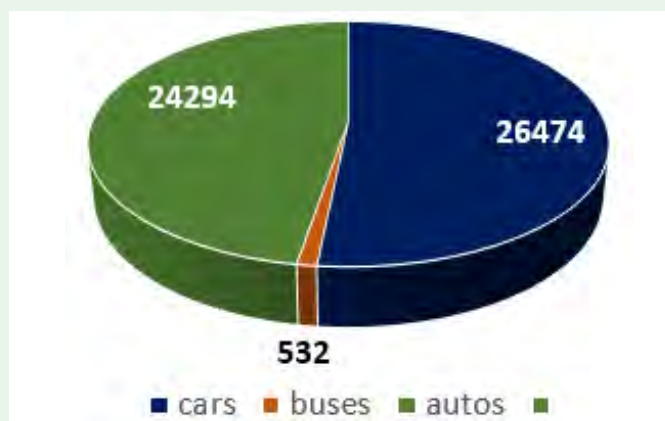
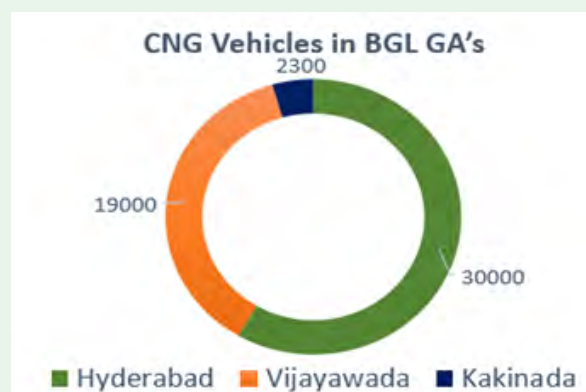
Description	Place	Numbers	
		2019-20	2018-19
CNG Stations	Hyderabad	62	45
	Vijayawada	23	19
	Kakinada	10	6



Road transport Corporation (RTC) is operating 330 buses in Vijayawada on CNG and 130 RTC buses are running on CNG in Hyderabad.

Uber has launched 357 CNG cabs and 2486 CNG autos in FY 2019-20 in Hyderabad. BGL has launched a program to encourage new Uber drivers to opt for CNG vehicles by issuing discount coupons.

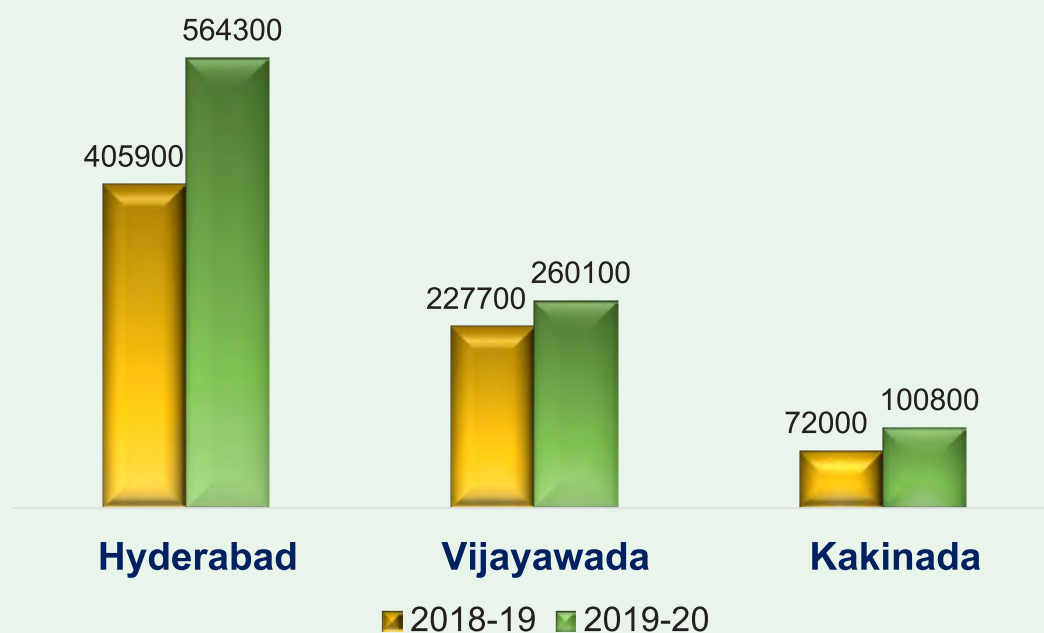
The highest ever CNG sale in FY 2019-20 is 88,226 kg/day.



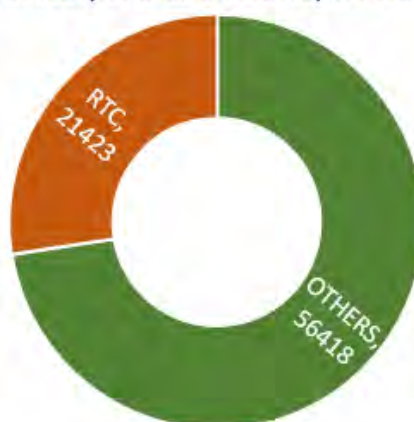


Compression Capacity

Compression capacity in Kg/24 hours operation.



CNG SALE (RTC & OTHERS) IN KG/DAY.





INFORMATION TECHNOLOGY/AUTOMATION

- Your company has undertaken major automation initiatives of its operations. Smart metering system has been introduced thereby digitizing the billing process. IT platform has been developed for self billing and also 'BGL consumer App' has been developed.
- 100% digitization of payments to vendors and service providers.
- Implementation of digital payment modes like BBPS, BHIM, UPI, PAYU, etc. for domestic PNG customers. Also, cashless modes are available for CNG users. Our online payment mode ensures utmost ease and flawlessness at the transaction level.
- The company is also implementing SAP B1 to streamline and optimize its business operations.



FUTURE OUTLOOK:

Your Company has been expanding its business in the existing areas of operation. In the existing areas, there are growth drivers, primarily in the industrial segment of Hyderabad, apart from other business segments across the authorized GA's which shall continue to increase the sales volume of the Company.

Continued classification of CGD (CNG & D-PNG), as the priority sector, would continue to be the reason for increasing share of CGD in the total gas consumption.

It is expected that the existing level of price differential will continue to drive conversion of petrol driven vehicles to CNG mode. It is expected that with increase of CNG footprints across India, the car manufacturers would aggressively launch and market CNG variants.

Your company is also exploring various model i.e. CBG and Mobile refueling unit to increase the footprint of CNG dispensing within its GAs. Efforts are also being made to involve land owners to participate as dealer and partake the economic benefits of this new age fuel which is going to be the sunrise industry in Southern India.

HUMAN RESOURCES

Your Company has always given importance to its Human Capital and believes that the challenges of the future can be best met with competent and motivated Human Resources. With the current growing opportunities in CGD, we had some impact on attrition and few employees left the company. The gap has been bridged by recruiting additional manpower. Company has also conducted Campus recruitments and has recruited Graduate Engineer Trainees this year.

The benefit and welfare of the employees is a priority at BGL. There has been an upward revision in the Group Medical Insurance Policy, wherein parents of employees have been included and it has been converted into a Floater Policy.

The Salary revision has also taken place in this year to bring it at par with the industry.

Various celebrations are being organized for employees and their families to improve employee engagement.

HR has ensured harmonious relations within the employees and also with other stakeholders and there has been no IR issues this year.



SHARE CAPITAL: -

The Authorised Share Capital of your company as on 31st March 2020 is ₹100 Crores, consisting of ₹10 Crores equity share of face value of ₹10/- each and the paid-up capital of the Company is ₹89.58 crores.

BORROWING & DEBT SERVICING: -

Company has been sanctioned Fund Based limits of INR 432 Crores and Non-Fund based limits of ₹65 Crores from ICICI Bank and closed the existing term loan accounts with Consortium bankers i.e., Canara Bank (Lead Banker) and Corporation Bank and filed the relevant forms with the Ministry of Corporate Affairs.

LEGAL ENTITY IDENTIFIER NUMBER: -

As per the instructions of RBI, it is mandatory for corporate borrowers having aggregate fund-based and non-fund-based exposure of Rs.5 crore and above from any bank to obtain Legal Entity Identifier (LEI). Based on the instruction BHAGYANAGAR GAS LIMITED obtained the LEI number: 335800G4BLDD9GWGPW20.

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES: -

During the year under review, your Company did not have any subsidiary, associate and joint venture companies.

DIVIDEND: -

For the Financial Year 2019-20 the Board of Directors of your Company recommended for payment of the final equity dividend of ₹0.20 paise per equity share i.e., 2% on the equity share of ₹10/- each on the Paid up Equity Share Capital of the Company amounting to ₹1,79,15,892/- which is 9.38% of PAT.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY: -

There have been no material changes and commitments which could affect the company's financial position between the end of the financial year of the Company and date of this report. There has been no change in the business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT: -

During the year under review, there were no significant and/or material orders passed by any Regulator/ Court/ Tribunals which could impact the going concern status of your Company and its operations in future.



PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES: -

The details of transactions/contracts/arrangements entered by the Company with related party (ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in **Annexure- I** and forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES: -

The Company has not provided any loans, not given any guarantees or not provided any security or not made any investment as per Section 186 of the Companies Act, 2013.

BOARD OF DIRECTORS: -

As per the provisions of Section 152 of the Companies Act, 2013, Shri Dilip Kumar Pattanaik (DIN: 07540032) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri A.K. Tiwari (DIN 07654612) was appointed as an additional director of the Company with effect from 7th May 2020 to hold office up to the date of ensuing Annual General Meeting.

Shri A.K. Tripathi (DIN 08531893) ceased to be a Director on the Board with effect from 7th May 2020 on account of withdrawal of nomination by parent company i.e., GAIL.

The Company has received notice as per section 160 of the Companies Act, 2013 from one of the shareholders proposing the candidature of Shri A.K. Tiwari (DIN 07654612) for appointing him as Director at the ensuing Annual General Meeting.

Shri Rajesh Vedvyas (DIN: 02283035) is appointed as an Independent Director for another term of three years w.e.f. 12th June 2020 to 11th June 2023 subject to the approval of shareholders and he is not liable to retire by rotation.

BOARD MEETINGS: -

Pursuant to the provisions of Section 173 of the Companies Act, 2013 and rules made thereunder, every Company shall hold a minimum of four meetings of its Board of Directors every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. During the financial year 2019-20, the Board of Directors met Ten (10) times in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.



S.no	Name of the Director	Executive/Non-Executive/Independent	No.of Meetings Held in their period	No.of Meetings Attended
1	Shri Dilip Kumar Pattanaik	Chairman as Non-Executive Director	10	9
2	Shri Rajeev Garg	Managing Director as Executive Director	9	9
3	Shri S.V.Prasad	Managing Director as Executive Director	1	1
4	Shri S.Bairagi	Non-Executive Director	4	3
5	Shri A.K.Tripathi	Non-Executive Director	6	6
6	Shri Sanjiv Gujral	Director (Commercial) as Executive Director	10	10
7	Shri Rajesh Vedvyas	Independent Director	10	10

- ✓ Shri Rajeev Garg appointed as Managing Director w.e.f 9th May 2019
- ✓ Shri S.V.Prasad ceased to be director with effect from 8th May 2019
- ✓ Shri Dilip Kumar Pattanaik appointed as Director w.e.f 18th April 2019
- ✓ Shri A.K.Tripathi appointed as Director w.e.f 8th August 2019
- ✓ Shri S. Bairagi ceased as Director w.e.f 8th August 2019
- ✓ Shri A.K.Tripathi Ceased as Director w.e.f 7th May 2020
- ✓ Shri A.K.Tiwari appointed as Director w.e.f 7th May 2020

AUDIT COMMITTEE: -

Audit Committee of the members of the Board of Directors met Seven (7) times during the financial year from 01.04.2019 to 31.03.2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder:-

The Composition of Audit Committee from 01-04-2019 to 31-03-2020 is as follows:-

1. Shri Rajesh Vedvyas - Chairman
2. Shri Rajeev Garg - Member
3. Shri Sanjiv Gujral - Member



NOMINATION & REMUNERATION COMMITTEE: -

Nomination & Remuneration Committee of the members of the Board of Directors met three (3) times during the financial year 2019-2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The Composition of Nomination and Remuneration Committee from 01-04-2019 to 31-03-2020 is as follows:-

- | | | | | |
|----|------|-----------------------|---|----------|
| 1. | Shri | Rajesh Ved Vyas | - | Chairman |
| 2. | Shri | Dilip Kumar Pattanaik | - | Member |
| 3. | Shri | AK Tripathi | - | Member |

MANAGERIAL REMUNERATION AND SITTING FEES: -

The Managing Director and Director (Commercial) are nominated by GAIL (India) Ltd. and Hindustan Petroleum Corporation Ltd. respectively and the terms and conditions of their appointment including remuneration are advised by their parent organizations. The Independent Directors are paid sitting fees of ₹15,000/- per Board Meeting and ₹10,000/- per Committee Meeting for attending the meetings. Total sitting fees paid during the financial year under review were ₹2,70,000/-.

AUDITORS: -

STATUTORY AUDITORS:-

The Statutory Auditors of your company are appointed by the Comptroller & Auditor General of India (CAG). Accordingly M/s. KARRA & CO., Chartered Accountants was appointed as the Statutory Auditors of your Company for the financial year 2019-2020.

The Auditors' Report of your Company's Annual Accounts for the financial year ending 31st March, 2020 and CAG Report thereon forms part of the Annual Report. There has been no Qualifications, reservations, adverse remarks in the Auditors' Report & the points referred in the Auditors' Report are self-explanatory.

SECRETARIAL AUDITORS :-

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed M/s. Nekkanti S.R.V.V.S Narayana & Co, Company Secretaries to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report does contain an observation that: (a) Transfer of one equity share in physical mode which is not in compliance with the Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014. (b) The Company has not spent the total amount, which is required to be spent as per the provisions of Section 135 of the Companies Act, 2013.





Explanations by Management to the above observations in the Secretarial Auditor Report:-

- (a) One of the shareholder who is holding the single share on nomination basis, retired from HPCL and that single share is not possible to transfer to another nominee shareholder on demat mode. Due to this reason the said single share was transferred on physical mode, not with an intention to violate the provisions of the Companies Act, 2013, which is presently held in demat mode only.
- (b) Total amount to be spent under CSR for the financial year 2019-20 is ₹41.57 Lakhs. During the year your company spent ₹25 Lakhs. HR department is in the process of identifying the proper projects within the locations where company's operations are being carried on for spending the remaining amount of ₹16.57 Lakhs.

COST AUDITORS:-

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors appointed M/s. Nageswara Rao & Co, Cost Accountants, Hyderabad, as the Cost Auditors of the Company for the financial year 2019-20.

COST RECORDS:-

The Company is required to maintain Cost records as specified under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained and the relevant forms filed with the Ministry of Corporate Affairs.

INTERNAL AUDITORS:-

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors appointed M/s. C. Lakshmi & Associates., Chartered Accountants, Hyderabad as the Internal Auditors of the Company for the financial year 2019-20 and name of the firm has been subsequently changed from M/s. Lakshmi & Associates., Chartered Accountants, Hyderabad to M/s. T. Mohan & Associates., Chartered Accountants, Hyderabad.

INTERNAL FINANCIAL CONTROLS:-

Your Company has adequate Internal Financial Controls in place commensurate with the nature of the Company's business and size and complexity of its operations and has been operating satisfactorily.

As part of this exercise, the design of internal controls, and its operating effectiveness is tested by independent experts. Based on the review carried out, independent experts have confirmed that they are satisfied with the effectiveness and adequacy of Internal Controls over Financial Reporting.



PARTICULARS OF DEPOSITS:-

During the year under review, your company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as of the Balance sheet Date.

OTHER DISCLOSURES: -

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

EXTRACT OF ANNUAL RETURN:-

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2020 made under the provisions of Section 92(3) of the Act is attached as Annexure –III which forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO: -

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc., are furnished in Annexure-IV which forms part of this Report.

RISK MANAGEMENT POLICY OF BGL:-

Bhagyanagar Gas Limited, a joint venture of GAIL (India) Limited, and HPCL, was incorporated as a City Gas Distribution company for distribution and marketing of Compressed Natural Gas (CNG) and distribution of Piped Natural Gas (PNG) to Domestic, Commercial and Industrial Sectors in the states of Telangana and Andhra Pradesh. BGL is authorized by the Central Government to Lay, build, operate and expand city gas distribution project in Hyderabad, Vijayawada and Kakinada. Risk is inherent to all businesses and the key to success is to anticipate, take and manage the right risks. In today's VUCA (Volatile, Uncertain, Complex and Ambiguous) world, the external and internal environment is changing at an ever increasing pace and which, in turn, requires businesses to not only manage the existing risks but anticipate emerging risks and deploy mitigating strategies on a continuous basis. It is imperative for businesses to design a robust enterprise risk management framework to identify all existing and emerging risks, minimize the impact and seize the opportunities created by these continuously evolving changes. Your Company has formulated and approved the Risk Management Policy. Your Company has put in place the mechanism to inform the Board Members about the risk assessment and minimization procedures, and periodical review to ensure that executive management controls risks by means of a properly identified framework.



CORPORATE SOCIAL RESPONSIBILITY:-

Corporate Social Responsibility Committee met two times during the financial year from 01.04.2019 to 31.03.2020 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The Composition of CSR Committee from 01-04-2019 to 31-03-2020 is as follows:-

- | | | |
|----|-----------------------|------------|
| 1. | Shri. Rajesh Ved Vyas | - Chairman |
| 2. | Shri Rajeev Garg | - Member |
| 3. | Shri Sanjiv Gujral | - Member |

Your Company being a responsible corporate entity has been continuously contributing in social developments. In the year 2019-20 Rs. 25 Lakhs were spent under CSR and the Annual Report of Corporate Social Responsibility Activities is attached as Annexure -V

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE: -

Your Company has in place a policy on Prevention, Prohibition and redressal of Sexual Harassment of Women at work place in line with the requirements of the Sexual Harassment of Woman at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Compliance Committee has been set up to redress complaints received regarding Sexual Harassment. During the Year 2019-20, no complaints were received.

HSE (HEALTH, SAFETY AND ENVIRONMENT):-

Your Company is focused on improvement of harmony with environment through sustainable development. And your company believes that safety of its workforce and all its stake holders is of critical importance to its functioning and success. It has incorporated all the necessary measures to promote the highest level of Safety, Health, And Environment (HSE) and loss control in all areas of implementation of the CGD projects distribution through CGD network and CNG systems installed within and outside the city boundary and the supply of PNG to various customers with clear emphasis on improving the environment for sustainable development. Various measures and best practices have been put in place to avoid injuries accidents or any other untoward incidents. Leads / Major initiatives taken to ensure the safety in our CGD Network are :-

- Safety Awareness Training programs conducted to the Domestic, Commercial and Industrial Customers.
- Classroom teachings and screening of videos on Emergency Response Plan to Technicians and Filler Boys at Mother Stations.
- Conducting Dial before dig campaign along with Municipal Authorities to reduce the third-party pipeline damages.
- Conducting external training programs once in a year to the contract workers installing PNG connections.



- Conducting St. Johns Ambulance First Aid training to employees once in a year.
- Conducting Monthly Safety Review Meeting with LMC Contractors to ensure safe work practices at project sites.
- Close monitoring of health status of employees in view of COVID – 19 and precautionary measures are being propagated to all employees on day to day basis through email/ other modes of communications.
- Thermal Screening of employees is made mandatory before entering in our work premises/ offices of all GA's
- Carried out the Internal Safety Audit and External T4S audit as per the PNGRB guidelines.
- Carried out HAZOP, QRA and ERDMP studies for our CGD Network.

Safe Man hours of your company for the Financial Year 2019-2020

S.NO	LOCATION	BGL (Safe Man Hours)	OUTSOURCED (Safe Man Hours)
1.	HYDERABAD	85016	276685
2.	VIJAYAWADA	17004	169808
3.	KAKINADA	10208	86752
	TOTAL MAN HOURS	112228	533245



Steel Pipeline Rerouting inspection by Shri. Rajeev Garg, Managing Director



Surprise site visits during steel and MDPE pipe laying works to verify the site safety aspects.



Fire House training



Mock Drill fire at cascades



PARTICULARS OF EMPLOYEES: -

During the year under review, there were no employees in receipt of remuneration exceeding the limits prescribed under Rule 5 (2) of (Companies Appointment & Remuneration of Managerial Personnel) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT: -

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2020, the Board of Directors hereby confirms that:-

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) The directors had selected such accounting policies and applied them consistently 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 and loss of the company for that period.
- c) The directors had 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.
- d) The directors had prepared the annual accounts on a going concern basis and
- e) 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.

ACKNOWLEDGEMENTS AND APPRECIATION: -

Your Directors take this opportunity to thank the Government of India, Ministry of Petroleum and Natural Gas, State Govt. of Andhra Pradesh and Telangana, Petroleum Natural Gas Regulatory Board, customers, shareholders, suppliers, bankers, promoters, financial institutions, employees for their consistent support and encouragement to the Company.

On behalf of the Board of Director
Bhagyanagar Gas Limited

Date: 02.09.2020
Place: Hyderabad

Sd/-
Rajeev Garg
Managing Director

Sd/-
Sanjiv Gujral
Director Commercial



ANNEXURE- I

Form No.AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:-

Name(s) of the related party and nature of relationship	NIL
Nature of contracts/arrangements/transactions	
Duration of the contracts / arrangements/transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date(s) of approval by the Board	
Amount paid as advances, if any	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

**2. Details of material contracts or arrangement or transactions at arm's length basis:-**

BGL is purchasing Natural Gas from GAIL and selling CNG to HPCL in the normal course of Business. BGL has entered an agreement with GAIL and HPCL and at arm's length basis.

The following transactions were entered with related parties.

(₹ In Lacs)

Name of the Related Party	HPCL For the year 2019-20	GAIL For the year 2019-20
Nature of transaction:		
Purchases - Natural Gas	NIL	10,607.41
Sales – CNG	7,434.92	-
Manpower Cost of Employees on deputation	239.23	358.74
LC with GAIL	NIL	2,931.74
NG Compression Service	-	144.99



NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries

Flat No. 407 & 408, Malik Chambers,
Hyderguda, Hyderabad - 500 029,
Andhra Pradesh, India.
Desk : +91-40-23 26 40 83
Fax : +91-40-23 26 40 83
Handheld : +91-94 40 14 13 68
E-mail : nekkanti@nekkanti.in

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To
The Members,
Bhagyanagar Gas Limited
Parishram Bhawan,
Basheerbagh, Hyderabad
Telangana – 500004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Bhagyanagar 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 M/s. Bhagyanagar 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 31st March, 2020 ("Audit Period") 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 M/s. Bhagyanagar Gas Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (not applicable to the Company during the Audit Period being an Unlisted Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;





- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit Period as the Company had no Foreign Direct Investment and Overseas Direct Investment and has not raised External Commercial Borrowings);
- (v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations and Guidelines prescribed thereunder; (not applicable to the Company during the Audit period being an Unlisted Company);
- (vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - (a) The Petroleum and Natural Gas Regulatory Board Act, 2006 (hereinafter called the 'PNGRB Act').
 - (b) The Legal Metrology Act, 2009 and rules made thereunder
 - (c) The Explosives Act, 1884; and Rules 2008
 - (d) The Petroleum Act, 1934
 - (e) Gas Cylinder Rules, 2004.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings
- ii) Listing Agreement entered into by the Company with Recognized Stock Exchange (Not applicable to the Company during the Audit Period).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the following:-

- (a) Transfer of one equity share in physical mode which is not in compliance with the Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company has not spent the total amount, which is required to be spent as per the provisions of Section 135 of the Companies Act, 2013

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 at least seven days 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.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that, as per the explanations given to us and the representations made by the Management and relied upon by us, 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 were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

For NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries

(NEKKANTI S.R.V.V.S. NARAYANA)

Proprietor

M.No.F7157, C.P.No.7839

Date : 21st July, 2020
Place : Hyderabad
UDIN : F007157B000480927



Note:

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

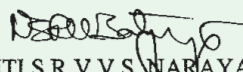
To
The Members,
Bhagyanagar Gas Limited
Parishram Bhawan,
Basheerbagh, Hyderabad
TG-500004

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

1. Maintenance of secretarial records 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. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries

Date : 21st July, 2020
Place : Hyderabad


(NEKKANTI S.R.V.V.S. NARAYANA)
Proprietor
M.No.F7157, C.P.No.7839





ANNEXURE- 3

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U40200TG2003PLC041566
Registration Date	:	22-08-2003
Name of the Company	:	BHAGYANAGAR GAS LIMITED
Company Category	:	COMPANY LIMITED BY SHARES
Company Sub- Category	:	INDIAN NON-GOVERNMENT COMPANY
Address of the Registered office and contact details	:	PARISHRAM BHAVAN, APIDC BUILDING, BASHEER BAGH, HYDERABAD-04
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	KFin Technologies Pvt. Ltd. Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Ph.+91 40 67161603/04

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing the 5% of 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	Income from CNG and PNG	40200	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	GAIL (INDIA) LIMITED	L40200DL1984 GOI018976	Associate Company	48.73%	Section 2(6)
2	HPCL	L23201MH1952 GOI008858	Associate Company	48.73%	Section 2(6)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):-

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				%Change +/- during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	%
b) Central Govt Companies	4,36,49,997	0	4,36,49,997	49.97%	4,36,49,997	0	4,36,49,997	48.73%	-1.24%
GAIL (INDIA) LIMITED	4,36,49,997	0	4,36,49,997	49.97%	4,36,49,997	0	4,36,49,997	48.73%	1.24%
HPCL									
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any others	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):	8,72,99,984	0	8,72,99,984	99.94%	8,72,99,984	0	8,72,99,984	97.46%	-2.48
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0

e) Any other	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	0	0	0	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8,72,99,984	0	8,72,99,984	99.94%	8,72,99,984			8,72,99,984		8,72,99,984	100%	-2.48
B. Public Shareholding												
(1) Institutions	0	0	0	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0	0	0	0
d) State Govt(s) APIIC	0	0	0	0	2230961	0	48500	0	2230961	2.49%	+2.49	
e)Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0
f)Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0	0	0	0
Others (specify) Kakinada Sea Port Limited	0	48500	48500	0.06%	0	48500	48500	0	48500	0.05%	-0.01%	
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0	0	0	0
(2)Non-Institutions	0	0	0	0	0	0	0	0	0	0	0	0
a) Bodies Corp.	0	0	0	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0	0	0	0
c) Others(specify) Individuals	3	3	6	0	3	3	3	0	6	0	0	0
Sub-total(B)(2):	0	0	0	0	0	0	0	0	0	0	0	0
Total Public Shareholding	0	0	0	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	8,72,99,997	48,503	8,73,48,500	100%	8,72,99,997	48,503	8,73,48,500	100%	8,73,48,500	100%	-	



ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	GAIL (INDIA) LIMITED	4,36,49,997	48.73%	0	4,36,49,997	48.73%	0	0
2	HPCL	4,36,49,997	48.73%	0	4,36,49,997	48.73%	0	0
	Total	8,72,99,994	97.46%	0	8,72,99,994	97.46%	0	0

CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):-

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1	GAIL (INDIA) LIMITED	4,36,49,997	49.97%	4,36,49,997	48.73%
2	HPCL	4,36,49,997	49.97%	4,36,49,997	48.73%
	Total	8,72,99,994	99.94%	8,72,99,994	97.46%
	At the End of the year	8,72,99,994	99.94%	8,72,99,994	97.46%



iii. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Top 10 Shareholders				
	At the beginning of the year				
	Kakinada Seaports Limited	48500	0.06%	48500	0.06%
	APIIC	0	0	0	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	0	0	0	
	APIIC (Allotment)	0	0	2230961	2.49%
	At the End of the year (or on the date of separation, if separated during the year)	-	-		
	Kakinada Seaports Limited			48500	0.05%
	APIIC	0		2230961	2.49



iv. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Directors and KMP				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,508,542,903	NIL	NIL	1,508,542,903
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	423,980	NIL	NIL	423,980
Total (i+ii+iii)	1,508,966,883	NIL	NIL	1,508,966,883
Change in Indebtedness during the financial year				
Addition	1,350,000,000	NIL	NIL	1,350,000,000
Reduction	58,966,883	NIL	NIL	58,966,883
Net Change	1,291,033,117	NIL	NIL	1,291,033,117
Indebtedness at the end of the financial year				
Principal Amount	2,800,000,000	NIL	NIL	2,800,000,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	653,580	NIL	NIL	653,580
Total (i+ii+iii)	2,800,653,580	NIL	NIL	2,800,653,580




VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:-					
Sl. No.	Particulars of Remuneration	Name of MD/ WTD			Total Amount (Rs)
		Managing Director			
1	Gross salary	Shri S.V. Prasad	Shri Rajeev Garg	Shri Sanjiv Gujral	
		(01-04-2019 To 08-05-2019)	(09-5-2019 to 31-03-2020)	(01-4-2019 to 31-03-2020)	(01-4-2019 to 31-03-2020)
		INR (Rs)	INR (Rs)	INR (Rs)	INR (Rs)
a	Salary and allowances	10,12,531	98,49,715	90,94,169	1,99,56,415
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
5	-others, specify	0	0	0	0
Total		10,12,531	98,49,715	90,94,169	1,99,56,415



B. REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
		Shri Dilip Kumar Pattanaik 18-04-2019 To 31-03-2020	Shri A.K.Tripathi 08-08-2019 to 31-03-2020	Shri S. Bairagi 01-04-2019 to 07-08-2019	Shri Rajesh Vedvyas 01-04-2019 to 31-03-2020	
		(Non-executive Director)	(Non-executive Director)	(Non-executive Director)	(Independent Director)	
	1. Independent Directors					
	Fee for attending board / committee meetings					
	Commission					
	Others, please specify					
	Total	0	0	0	2,70,000	2,70,000
@ Excluding the arrangement of Flight Tickets for attending the Board /Committee Meetings / arrangement of Transport / Hotel accommodation.						
	2. Other Non-Executive Directors	0	0	0	0	0
	Fee for attending board/ committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0





@ Excluding the arrangement of Flight Tickets for attending the Board /Committee Meetings.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	C.T.C	0	12,00,000/-	0	12,00,000/-
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please Specify	0	0	0	0
	Total	0	12,00,000/-	0	12,00,000/-

(a) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
B. DIRECTORS					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
C. OTHER OFFICERS IN DEFAULT					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0

**ANNEXURE 4****DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT 2013 READ WITH
RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014****(A) Conservation of energy:**

Efforts are being made for energy conservation by installing VFD's for Electrical motors being used as a prime mover to CNG Booster compressors. Also Oil pumps (Kawasaki-make) were replaced with M/s. Veljan Oil pump in SOPAN make booster compressors make's 50% energy consumption. the details relating to energy consumption in Mother Station and energy consumption per unit of production is given below:

Power & Fuel Consumption:

Particulars	2019-20	2018-19
i) Electricity purchased		
Units consumed (kVAh)	3,39,332	2,92,149
Total Amount in ₹	43,70,334	39,65,578
Rate / Unit (₹ kVAh)	12.88	13.57
Demand load charges in ₹	18,34,954	17,86,080
ii) Natural gas as fuel (kg.) consumed	11,25,222	12,37,534

Consumption per MT of production:

Particulars	2019-20	2018-19
CNG Production (Total/MT)	28,868.17	29,952.08
Electric Driven Production (MT)	1,138.29	949.48
Gas Driven Production (MT)	27,729.88	29,002.60
Electricity Consumed (in kVAh)	298.11	307.69
Natural Gas as fuel (in kg.)	40.58	42.67

(B) Technology absorption:

Efforts made towards technology absorption	2019-20	2018-19
Benefits derived like product improvement, cost reduction, product development or import substitution	NIL	NIL
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):		
Details of technology imported	NIL	NIL
Year of import		
Whether the technology has been fully absorbed	NIL	NIL
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof		
Expenditure incurred on Research and Development		





(C) Foreign exchange earnings and Outgo:

	2019-20	2018-2019
	Amount in ₹	Amount in ₹
Actual Foreign Exchange earnings	NIL	NIL
Actual Foreign Exchange outgo	NIL	NIL

**ANNEXURE 5****DISCLOSURE PURSUANT TO SECTION 134(3)(O) OF THE COMPANIES ACT 2013 READ WITH
RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:-**

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and reference to the weblink: www.bglgas.com to the CSR Policy and projects or Programmes:-

BGL Recognises its responsibility toward the Community and has contributed over the years towards the goal of achieving sustainable development. As per Companies Act, 2013 we have our CSR Policy and guidelines in place and the highlights of the same are as below:

- In every financial year, 2% of the Average net profits of the Company made during the immediately 3 financial years will be earmarked for undertaking CSR activities.
- We have CSR Committee of the Board headed by Independent Director and HR -Head monitors the CSR Proposals and spent amount periodically submit the reports to CSR Committee and Board.
- The company takes the CSR Projects only the areas specified in the Schedule VII of the Companies Act 2013 and which were covered in the Company CSR policy

2. Composition of CSR Committee: The CSR Committee of the Board Comprises:-

(from 01-4-2019 to 31-03-2020)

- : Shri Rajesh Vedvyas, Independent Director
- Shri Rajeev Garg, Managing Director
- Shri Sanjiv Gujral, Director Commercial

3. Avg. Net profit of the Company

for the last 3 financial years : ₹2078.49 Lacs

4. Prescribed CSR expenditure : ₹41.57 Lacs

(2% of the amount as in item no 3 above)

5. Details of CSR spent during the financial year

a) Total amount spent for the financial year : ₹25 Lacs

b) Total amount unspent if any : ₹16.57 lacs

c) Manner in which the amount spent during the financial year -

As a part of CSR initiatives for the FY 2019-20, HR Department had made efforts, to identify and receive proposals which are covered under CSR Programme. BGL received a CSR proposal from the Dy. Director, UB, SLPZ, GHMC, Hyderabad to contribute recycled plastic dustbins for placing at various locations of Hyderabad. Based on the request of the CSR Committee, BGL Board approved an amount of Rs.15 lakhs for supply and installation of these Recycled plastic Dustbins at locations advised by Greater Hyderabad Municipal Corporation. The total number of Recycled Plastic Dustbins set up at Hyderabad was 191. On similar lines, proposals were also received from Vijayawada Municipal Corporation and Kakinada Municipal Corporation for setting up similar bins at



Vijayawada and Kakinada. 52 dustbins were installed at Vijayawada and identical number was installed at Kakinada. The total cost of supply and installation of bins at Vijayawada and Kakinada was ₹10 lakhs.

RECYCLED PLASTIC DUSTBIN INSTALLED AT HYDERABAD/VIJAYAWADA AND KAKINADA LOCATION:



6. In case the company has failed to spend the 2% of the average net profits of the last 3 years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report :- During the year we have spent Rs. 25 Lacs , HR department unable to identify the proper projects for spending the remaining CSR Amount.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy , is in compliance with CSR Objectives and policy of the Company.
8. The Implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company

Place : Hyderabad
Date: 24-08-2020

Sd/-
SANJIV GUJRAL
(DIRECTOR-COMMERCIAL cum CFO)

Sd/-
MOOKERJEE INDRAJIT
(HEAD-HR)



Commercial Operation of CNG Station in M/s. JMR Filling Station. Hyderabad





KARRA & CO.
Chartered Accountants

REVISED INDEPENDENT AUDITOR'S REPORT

(ISSUED CONSEQUENT TO PROVISIONAL COMMENTS BY DEPUTY DIRECTOR CAG, VIDE LETTER NO. DGCA/HYD/A/C DESK/BGL/2019-20/L.16/58 DATED 16.07.20) and it supersedes our Independent Auditor's Report dated 22.05.2020).

TO THE MEMBERS OF BHAGYANAGAR GAS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **BHAGYANAGAR GAS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flow for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us :
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - The Company has made provision, as required under the applicable law of accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - There has been no delay in transferring amounts required to be transferred to the Investor Education and Provident Fund by the Company.
- h) As required under section 143(5) of the Companies Act, 2013, being the directions issued by the Comptroller and Auditor General for the year ended March 31, 2020, we report that:
- The company is having existing system of accounting under Tally ERP through which all the accounting transactions are taken place. However, the material/inventory management is separately tracked and accounted in tally. The company has started the process for the development of the system based on CGD Industry customization. Billing and collection software development has been taken up by the company for resolving issues to process all the accounting transactions through IT systems and the same will be integrated to SAP in future period.
 - There is no case of restructuring of existing loan, waiver / write-off of debts/loans/interest etc.
 - As per information, explanation and records produced for verification, there are no funds received/receivable for any specific schemes from central government/state agencies.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Karra & Co.
Chartered Accountants
FRN:001749S

K. Sathyan

K. Sathyanarayanan
Partner Mem.No.210737
UDIN : 20210737AAAABY7627

K. SATHIYANARAYANAN
Mem. No. 210737
Partner: KARRA & CO.
Chartered Accountants
"Anugraha"
28, Murray's Gate Road,
Alwarpet, Chennai - 600 018.

Place: Chennai Date:
20-07-2020



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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **BHAGYANAGAR GAS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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

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

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Karra & Co.
Chartered Accountants
FRN:001749S

K. Sathyan

K. Sathyanarayanan
Partner Mem.No.210737
UDIN : 20210737AAAABY7627
Place: Chennai Date:
20-07-2020

K. SATHIYANARAYANAN
Mem. No. 210737
Partner: KARRA & CO.
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ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **BHAGYANAGAR GAS LIMITED** of even date).

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management to cover all the assets every year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Refer Note, 14E forming part of the financial statements for the physical verification of fixed assets during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for leasehold lands at APIIC Industrial Park, Kondapally, Vijayawada admeasuring 4450.34 Sq.Mtrs and 1200 Sq.Mtrs and freehold lands acquired bearing Survey No.125/126,1266 and 24B, which are under the possession of the company, pending documentation, having carrying value of Rs.429.24 lakhs as at March 31,2020. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no discrepancies noticed on verification of physical stock with the stock as per the books.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of Companies Act 2013. Thus, paragraph 3 (iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans to directors or made investments, provided any guarantees and securities as applicable under the provisions of Section 185 & 186 of the Companies Act, 2013 and therefore the provisions of Clause 3(iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the services of the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules,2014 as amended, prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, investor education and protection fund, Income Tax, Sales Tax, Value added Tax, Wealth Tax, Goods and Services Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31ST March,2020.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income tax ,wealth tax , service tax , customs duty ,Excise Duty, GST and Cess as at 31ST March,2020 which has not been deposited on account of a dispute except as under:

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Sl. No.	Name of the Statute	Nature of Dues	Amount involved in INR	Claim Period	Forum where the dispute is pending
(i)	Income Tax Act, 1961	Income tax assessment dues	23,40,958	FY 2007-08 (AY 2008-09)	Honourable High Court, Andhra Pradesh and Telangana.
(ii)	Income Tax Act, 1961	Income tax assessment dues	96,85,624	FY 2008-09 (AY 2009-10)	Honourable High Court, Andhra Pradesh and Telangana.
(iii)	Sales Tax Act	VAT	16,72,950	FY 2014-15	Sales Tax Appellate Tribunal of A.P, Vizag
(iv)	Central Excise and Service Tax	Excise Duty	43,78,922	FY 2005-06 to 2009-10	CESTAT, Hyderabad
(v)	Central Excise and Service Tax	Excise Duty	9,19,985	FY 2009-10 to 2010-11	CESTAT, Hyderabad
(vi)	Central Excise and Service Tax	Excise Duty	7,67,312	FY 2010-11 to 2011-12	CESTAT, Hyderabad

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SL No.	Name of the Statute	Nature of Dues	Amount involved in INR	Claim Period	Forum where the dispute is pending
(vii)	Central Excise and Service Tax	Excise Duty	74,34,414	FY 2011-12 to 2015-16	CESTAT, Hyderabad
(viii)	Central Excise and Service Tax	Excise Duty	17,13,264	FY 2015-16 and FY 2016-17	CESTAT, Hyderabad
(ix)	Central Excise and Service Tax	Excise Duty	18,61,911	FY 2017-18	Office of the Assistant Commissioner of Central Tax, Amavarathi Division
(x)	Central Excise and Service Tax	Excise Duty	15,52,671	FY 2018-19	Office of the Deputy Commissioner of Central Tax, Amavarathi Division
(xi)	Central Excise and Service Tax	Excise Duty	26,80,938	FY 2011-12 to 2014-15	CESTAT, Hyderabad
(xii)	Central Excise and Service Tax	Excise Duty	21,23,457	FY 2014-15 to 2015-16	CESTAT, Hyderabad
(xiii)	Central Excise and Service Tax	Excise Duty	29,22,891	FY 2015-16 to 2017-18	CESTAT, Hyderabad
(xiv)	Central Excise and Service Tax	Excise Duty	50,664	FY 2014-15	Commissioner of Customs, Excise and Service Tax (Appeals), Guntur
(xv)	Central Excise and Service Tax	Excise Duty	83,00,478	FY 2011-12 to 2013-14	CESTAT, Hyderabad
(xvi)	Central Excise and Service Tax	Excise Duty	38,44,249	FY 2017-18 to 2018-19	Office of the Assistant Commissioner of Central Excise & Service Tax, Medchal Commissionerate

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- (viii) According to the information and explanations given to us and the records of the company examined by us, the company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date. The Company has not issued any debentures.
- (ix) On the basis of our review of utilization of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the company has been utilized for the purpose of which they were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid /provided for Managerial Remuneration in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Companies Act 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors, or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Karra & Co.

Chartered Accountants

FRN:001749S

K. Sathyanarayanan

Partner Mem.No.210737

UDIN : 20210737AAAABY7627

Place: Chennai

Date: 20-07-2020

K. SATHIYANARAYANAN
Mem. No. 210737
Partner: KARRA & CO.
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**Shri Rajeev Garg, MD, BGL meeting with Dr. (Smt) TAMILISAI Sundararajan,
Hon'ble Governor of Telangana .**



PNG Gas supply inaugurated by MD, BGL in ALWAL at Hyderabad





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BHAGYANAGAR GAS LIMITED			
BALANCE SHEET AS AT 31ST MARCH 2020			
		Rs. in Lacs	
		AUDITED	AUDITED
Particulars	Note No.	31st March 2020	31st March 2019
Assets			
(1) Non-current assets			
Property, plant and equipment	14	43,295.90	32,881.36
Capital work-in-progress	14	23,405.49	15,389.31
Financial assets			
Other financial assets	15	1,552.36	1,080.71
Other tax assets (Net)	16	98.33	36.82
Other non-current assets	17	479.30	711.23
Total non-current assets		68,831.38	50,099.42
(2) Current assets			
Inventories	18	225.65	209.05
Financial assets			
(i) Trade receivables	19	1,356.12	1,274.77
(ii) Cash and cash equivalents	20	1,560.32	1,594.28
(iii) Other bank balances	21	165.19	202.72
(iv) Other financial assets	22	13.05	43.82
Other current assets	23	188.07	908.38
Total current assets		3,508.39	4,233.03
Total assets		72,339.77	54,332.45
Equity and liabilities			
Equity			
Equity share capital	24	8,957.95	8,734.85
Other equity			
(i) Share application pending allotment	25	208.87	431.97
(ii) Retained earnings		8,837.89	6,927.02
(iii) Share Premium		16,929.40	16,929.40
Total equity		34,934.11	33,023.23
Liabilities			
(1) Non-current liabilities			
Financial liabilities			
Borrowings	26	28,000.00	14,500.00
Provisions	27	112.47	48.37
Deferred tax liabilities (Net)	28	1,703.61	1,483.94
Total non-current liabilities		29,816.08	16,032.31
(2) Current liabilities			
Financial liabilities			
(i) Borrowings	26		
(ii) Trade payables			
A. Total Outstanding dues of micro enterprises and small enterprises: and	29	243.10	88.41
B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.		721.14	944.57
(iii) Other financial liabilities			
A. Total Outstanding dues of micro enterprises and small enterprises: and	30	737.65	424.18
B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.		4,225.45	3,397.16
Other current liabilities	31	1,641.03	399.02
Provisions	32	21.22	23.57
Total current liabilities		7,589.58	5,276.91
Total liabilities		37,405.66	21,309.22
Total equity and liabilities		72,339.77	54,332.45

Accompanying notes form integral part of the financial statement.

As per our report on standalone financial statements attached

For Karra & Co.,
Chartered Accountants
FR No: 001749S

K. Sathiyarayan

K.Sathiyarayan
Partner
Membership No.: 210737

For and on behalf of Bhagyanagar Gas Limited

Sanjiv Gujral

Sanjiv Gujral
Director - Commercial cum-CFO
DIN No.: 07808552

Rajeev Garg

Rajeev Garg
Managing Director
DIN No.: 07674683

Place: Hyderabad
Date: 22nd May 2020



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BHAGYANAGAR GAS LIMITED						
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020						
		Rs. in Lacs				
Particulars	Note No.	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED
		Quarter Ended	Quarter Ended	Quarter Ended	Year Ended	Year Ended
		31st March 2020	31st December 2019	31st March 2019	31st March 2020	31st March 2019
I Revenue from operations	4	5,342.03	5,628.54	4,970.05	22,113.01	18,527.88
II Other income	5	245.91	88.54	113.44	429.62	233.82
III Total income		5,587.95	5,717.08	5,083.48	22,542.63	18,761.70
IV Expenses						
Cost of materials consumed	6	2,702.92	3,012.31	2,448.30	11,967.48	9,189.44
Purchases of stock-in-trade	7	-	-	0.20	-	53.97
Changes in inventories	8	(8.06)	(4.26)	(2.96)	(12.37)	(2.55)
Excise duty		436.93	491.00	482.15	1,896.31	1,829.16
Employee benefits expense	9	85.50	111.63	112.05	347.87	309.11
Finance costs	10	154.87	119.58	52.57	438.79	175.37
Depreciation	11	415.61	389.90	327.04	1,539.16	1,215.50
Other expenses	12	985.85	965.24	1,003.53	3,650.39	3,036.66
Total expenses		4,773.61	5,085.40	4,422.89	19,827.64	15,806.66
V Profit before income tax		814.33	631.68	660.59	2,714.99	2,955.04
VI Tax expense						
Current tax		173.35	145.29	165.12	585.21	633.19
Deferred tax		99.23	12.89	167.06	219.45	399.33
Income tax expense	13	272.58	158.18	332.18	804.66	1,032.52
VII Profit for the year		541.75	473.50	328.41	1,910.33	1,922.52
VIII Other comprehensive income						
Items that will not be reclassified to profit or loss						
Measurements of defined benefit liability (asset)	33	4.73	0.42	4.23	(0.77)	4.23
Income tax relating to items that will not be reclassified to profit or loss		(1.38)	(0.12)	(1.23)	0.22	(1.23)
Other Comprehensive Income for the year, net of income tax		3.35	0.30	3.00	(0.54)	3.00
IX Total Comprehensive Income for the year		538.39	473.20	325.41	1,910.87	1,919.52
X Earnings Per Share						
(1) Basic		0.60	0.54	0.37	2.13	2.20
(2) Diluted		0.58	0.52	0.35	2.06	2.08

Accompanying notes form integral part of the financial statement.

As per our report on standalone financial statements attached

For Karra & Co.,
Chartered Accountants
FR No: 001749S

K. Sathiyarayanan
K. Sathiyarayanan
Partner
Membership No.: 210737

SATHIYANARAYANAN
Mem. No. 210737
Partner: KARRA & CO.
Chartered Accountants
"Anugraha"
78, Murray's Gate Road,
Alwarpet, Chennai - 600 018



For and on behalf of Bhagyanagar Gas Limited

Sanjiv Gujral
Director - Commercial-cum-CEO
DIN No.: 07808552



G. Malleswari
Company Secretary
Membership No. F6574

Rajeev Garg
Managing Director
DIN No.: 07674683

Place: Hyderabad
Date: 22nd May 2020



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BHAGYANAGAR GAS LIMITED				
STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH 2020				
Rs. in Lacs				
A. Equity share capital				
Particulars	Note			
Balance as at 1st April 2019			8,734.85	
Changes in equity share capital during the period	24		223.10	
Balance as at 31st March 2020			8,957.95	
B. Other equity				
Particulars		Reserves and surplus		Total other equity
		Share application pending	Retained earnings	Share Premium
Balance at 1st April 2018		431.97	5,007.50	16,929.40
Total comprehensive income for the year				
Profit for the year			1,922.52	1,922.52
Other Comprehensive Income for the year, net of income tax			(3.00)	(3.00)
Balance as at 31st March 2019		431.97	6,927.02	16,929.40
Balance at 1st April 2019		431.97	6,927.02	16,929.40
Total comprehensive income for the period				
Profit for the Period			1,910.33	1,910.33
Other Comprehensive Income for the Period, net of income tax			0.54	0.54
Changes during the period towards issue of equity shares		(223.10)		(223.10)
Balance as at 31st March 2020		208.87	8,837.89	16,929.40
				25,976.16

As per our report on standalone financial statements attached

For Karra & Co.,
Chartered Accountants
FR No: 001749S

K. Sathya
K. Sathya Narayanan
Partner
Membership No.: 210737

Place: Hyderabad
Date: 22nd May 2020

For and on behalf of Bhagyanagar Gas Limited

K. SATHYANARAYANAN
Mem. No. 210737
Partner: KARRA & CO.
Chartered Accountants
"Anugraha"
28, Murray's Gate Road,
Alwarpet, Chennai - 600 016.

Sanjiv
Sanjiv Gujral
Director - Commercial-cum CFO
DIN No.: 07808552

G. Malleswari
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Company Secretary
Membership No.: F6574

Rajeev Garg
Rajeev Garg
Managing Director
DIN No.: 07674683





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BHAGYANAGAR GAS LIMITED		
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020		
	Rs. in Lacs	
Particulars	31st March 2020	31st March 2019
Cash flow from operating activities		
Profit for the year	1,910.87	1,919.52
Adjustments for		
Depreciation of property, plant and equipment	1,539.16	1,215.50
Gain on sale of property, plant and equipment	-	-
Current year provision related to post-employment defined benefit plans	15.35	9.24
Current year provision related to compensated absences	(8.01)	11.09
Amortisation of processing fee relating to term loans	-	-
Net foreign exchange differences	19.22	14.59
Finance income	(92.29)	(138.59)
Finance costs	1,616.47	942.71
	5,000.78	3,974.05
Working capital adjustments		
Decrease / (increase) in inventories	(16.60)	(60.17)
Increase in trade receivables	(81.35)	(360.42)
Decrease / (increase) in other financial assets- non current	(471.65)	(971.89)
(Increase) / decrease in other financial assets- current	30.78	17.49
(Increase) / decrease in other current assets	720.31	(535.39)
Decrease in proceeds from other non-current assets	231.93	303.22
(Increase) / decrease in other bank balances	37.54	1,323.33
Increase in trade payables	(68.74)	(204.33)
Increase in other financial liabilities- current	1,141.76	422.01
Increase other current liabilities	1,242.00	77.62
Increase in other non-current liabilities	(19.22)	(14.59)
(Decrease) / increase in provisions- non current	64.10	14.34
Decrease in provisions- current	(9.70)	(11.82)
	2,801.17	(0.60)
Income tax paid	158.16	467.26
Net cash flows from operating activities	7,960.10	4,440.71
Cash flow from investing activities		
Payment for property, plant and equipment	(11,953.70)	(8,365.61)
Proceeds from capital work-in-progress	(8,016.18)	(3,264.81)
Interest received	92.29	138.59
Net cash flows from investing activities	(19,877.60)	(11,491.83)
Cash flow from financing activities		
Increase in share capital	(0.00)	-
Increase / (decrease) in borrowings	13,500.00	9,414.57
Finance charges paid	(1,616.47)	(942.71)
Net cash flows from financing activities	11,883.53	8,471.86
Net increase / (decrease) in cash and cash equivalents	(33.96)	1,420.74
Cash and cash equivalents at the beginning of the year	1,594.28	173.54
Cash and cash equivalents at the end of the year	1,560.32	1,594.28

Note : The Cash flow from operating activities is prepared following Indirect Method.
As per our report on standalone financial statements attached

For Karra & Co.,
Chartered Accountants
FR No: 001749S

K. Sathya Narayanan
Partner
Membership No.: 210737

For and on behalf of Bhagyanagar Gas Limited
K. Sathya Narayanan
FR No: 210737
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G. Malleswari
Company Secretary
Membership No. F6574

Rajeev Garg
Managing Director
DIN No.: 07674683

Place: Hyderabad
Date: 22nd May 2020



BHAGYANAGAR GAS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31st MARCH 2020.

1. Reporting Entity

Bhagyanagar Gas Limited (the "Company") is a company domiciled in India with registered office, in Hyderabad, Telangana.

BGL was promoted as a joint venture company between Hindustan Petroleum Corporation Limited ('HPCL'), and GAIL (India) Limited ('GAIL') to carry on all or any business of storage, supply, sale, distribution and marketing of CNG and Auto LPG as fuels for vehicles, Piped Natural Gas for domestic/commercial/industrial purposes in the states of Telangana and Andhra Pradesh (erstwhile State of Andhra Pradesh).

2. Basis of preparation of financial statements

(a) Statement of compliance

- i) These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and Amendments thereof and other relevant provisions of the Act.
- ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- iii) The financial statements were authorised for issue by the Board of Directors on 22nd May 2020.

(b) Functional and presentation currency

- i) These financial statements are presented in INR, which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest lakhs.



**(c) Use of estimates and judgements**

- i) The preparation of the financial statements in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- ii) Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.
- iii) Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the notes: Note 33 – Measurement of defined benefit obligations.
- iv) **Impact of Covid-19- Estimation of uncertainties relating to the global health pandemic from COVID-19:** The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Fixed Assets, Inventories, receivables and other Current Assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

3. Significant accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet as at 1st April 2015 for the purposes of the transition to Ind ASs, unless otherwise indicated.

(a) Inventories

- i) Inventories are measured at the lower of cost and net realisable value.
- ii) The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.
- iii) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.





(b) Income Tax

- i) Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of profit and loss except relating to items recognised directly in equity or in other comprehensive income.
- ii) Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- iii) Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
- iv) Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.
- v) Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.
- vi) A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Property, Plant and Equipment

• **Recognition and measurement**

- i) Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2015, the date of transition.
- ii) Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and borrowing costs on qualifying assets.
- iii) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as



- iv) the assets are substantially ready for the intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss. Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs. All other borrowing costs are recognised as expenses in the period in which it is incurred.
- v) When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.
- vi) Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.
- vii) Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of profit and loss.
- viii) The capital work in progress includes material in transit / value of materials / equipment etc. received at site for use in the projects.
- ix) The related expenditure incurred during the year, which is attributable to acquisition / construction of fixed assets/projects, is capitalized at the time of commissioning of such assets.

- **Subsequent Costs**

- i) The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

- **Depreciation**

- i) Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.
- ii) Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.
- iii) The estimated useful lives for the current and comparative periods are determined with reference to Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate





(e) Revenue

• **Goods Sold**

- i) Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 Revenue from Contracts with Customers

- ii) Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue, Ind AS 11 – Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

- iii) The Company has completed its evaluation of the possible impact of Ind AS. The impact of the adoption of the new standard does not have a material impact on its retained earnings and to its net income.
- iv) Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.
- v) Under Ind AS 18, revenue is recognised when risk and rewards of the underlying goods or services is transferred to the customer. Under Ind AS 115, revenue is recognised when control of the underlying goods or services is transferred to the customer. For the Company, the timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale, which generally coincides with the delivery of goods to the customers

which result in transfer of control, there by the new standard does not have a material impact on its retained earnings and to its net income.



- **Others**

- i) Insurance claims are accounted for on the basis of claims admitted/settled by the insurers.

(f) Employee Benefits

- **Defined contribution plans**

- i) A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value

- **Defined Benefit Plans**

- i) A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method.
- ii) To the extent that the benefits vest immediately, the expense is recognised immediately in the statement of profit and loss. The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

- **Other long-term employee benefits**

- i) The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains/ losses are recognised in the statement of profit and loss in the period in which they arise.



▪ **Short term employee benefits**

- i) Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(g) Foreign currency

- i) Transactions in foreign currencies are translated to functional currencies of Company at exchange rates at the dates of the transactions.
- ii) Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has applied as they are effective for annual periods beginning on or after April 1, 2018:
 - iii) The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.
 - iv) Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.
 - v) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.
 - vi) Foreign currency differences arising on retranslation are recognised in the statement of profit and loss.
 - vii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction



**(h) Provisions and contingent liabilities**

- i) A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details of contingent liabilities are set out in Note 38.

(i) Impairment

- **Financial assets (including receivables)**

- i) A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.
- ii) Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.
- iii) In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables
- iv) The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables
- v) ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected in a separate line in the statement of profit and loss as an impairment gain or loss.

- **Non-Financial Assets**

- i) The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each year at the same time.
- ii) The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").





- iii) The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.
- iv) An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.
- v) An impairment loss in respect of assets, impairment losses recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Financial Instruments

• **Financial Assets**

- i) The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised at fair value initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.
- ii) Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss.
- iii) The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
- iv) They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.
- v) The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.





■ Financial Liabilities

- i) The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.
- ii) Classification as debt or equity:
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.
Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.
- iii) The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.
- iv) Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
- v) The Company has the following financial liabilities:

Loans and borrowings and trade and other payables: Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(k) Share Capital

- i) Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(l) Finance Income and Finance Costs

- i) Finance income comprises interest income on funds invested, dividend income. Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method.
- ii) Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit and loss using the effective interest method.



(m) Earnings per share

- i) The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.
- ii) Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.
- iii) Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise of shares to be issued to APIIC as a consideration for land given to the Company.

(n) Non-Current Assets Held for Sale

- i) Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the statement of profit and loss. Gains are not recognised in excess of any cumulative impairment loss.

(o) Government Grants

- i) Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has applied as they are effective for annual periods beginning on or after April 1, 2018:
- ii) By virtue of these amendments to Ind AS 20 - Government Grants - Option has been given to the companies to present the Government grant related to assets by deducting the grant from the carrying amount of the asset, prior to the amendment, Ind AS 20 requires the Government grant related to assets shall be presented by setting up the grant as deferred income and the said amendment is effective from 01.04.2018. There is no impact on the financials of the company.

**(p) Cash Flow Statement**

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Cash and cash equivalents: The cash and cash equivalents are held with public sector banks and leading private sector Bank.

As per Ind-AS-7, An entity shall report cash flows from operating activities using either:

(a) the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or

(b) the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

In the preparation of Cash Flow Statement, Indirect Method for working out the cash flows from operating activities is being followed.

(q) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(r) Recent accounting pronouncements applicable from 1st April 2019

- i) **Ind AS 116 Leases:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17



The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company has opted modified retrospective approach for accounting of leases during transition phase. Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company has adopted Ind AS 116 Leases with a modified retrospective approach effective April 01, 2019. This standard sets out the principles for recognition, measurement, presentation and disclosure of leases. Ind AS 116 requires lessee to recognize asset and liabilities for all the leases and correspondingly recognizes depreciation and interest cost instead of rent expenses as hitherto done under erstwhile standard on leases. (Refer Note 37).

- ii) **Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.





Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

- iii) **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements. The Company does not have any impact on account of this amendment.

- iv) **Amendment to Ind AS 12 – Income taxes:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020					
Rs. in Laacs					
4 Revenue from operations (including excise duty)	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Sale of CNG	3,496.19	3,934.81	3,866.68	15,198.68	14,657.78
Sale of ALPG	-	-	0.20	-	53.97
Sale of PNG	1,845.84	1,693.73	1,103.16	6,914.32	3,816.13
	5,342.03	5,628.54	4,970.05	22,113.01	18,527.88
5 Other income	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Interest on fixed deposits	31.36	31.67	80.40	90.83	129.11
Interest - others	2.13	-0.79	3.19	1.45	9.48
Interest on income tax refund	-	-	-	-	-
Miscellaneous income	2.94	5.80	-48.41	23.45	16.96
Service Income from Compression of NG to CNG	44.12	51.85	78.26	148.52	78.26
Creditors Writtenoff	165.37	-	-	165.37	-
	245.91	88.54	113.44	429.62	233.82
6 Cost of materials consumed	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Opening stock (natural gas)	27.35	31.20	31.72	33.60	28.73
Add: Purchases*	2,462.90	2,748.80	2,202.06	10,959.41	8,202.57
Add: Product transshipment charges	243.90	259.65	248.12	1,005.69	991.75
	2,734.14	3,039.65	2,481.91	11,998.70	9,223.05
Less: Closing stock (natural gas)	(31.22)	(27.35)	(33.60)	(31.22)	(33.60)
	2,702.92	3,012.31	2,448.30	11,967.48	9,189.44
Note: Includes gas transportation, CST@ 2%, positive and negative imbalances charges.					
7 Purchases of stock-in-trade	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Purchases of ALPG**	-	-	0.20	-	53.97
	-	-	0.20	-	53.97
Note: Includes inter state sales tax paid on purchases of ALPG					
8 Changes in inventories	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Opening stock	19.38	15.12	12.12	15.08	12.53
Closing stock	(27.45)	(19.38)	(15.08)	(27.45)	(15.08)
	(8.06)	(4.26)	(2.96)	(12.37)	(2.55)
9 Employee benefits expense	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Salary, wages and bonus	65.34	92.28	84.99	305.47	267.74
Contribution to provident fund	8.10	-	4.63	16.32	14.56
Expenses related to post-employment defined benefit plans	7.30	0.88	9.24	15.35	9.24
Expenses related to compensated absences	5.02	8.25	11.09	-8.01	11.09
Staff welfare expenses	-0.25	10.23	2.10	18.75	6.48
	85.50	111.63	112.05	347.87	309.11
10 Finance costs	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Interest on borrowings	-	-	-	-	-
- Banks	479.07	427.87	307.89	1,616.47	942.71
- Others	-	-	-	-	-
- Prepayment charges on term loan	-	-	-	-	-
Interest expense on financial liabilities (amortised)	479.07	427.87	307.89	1,616.47	942.71
Interest apportioned to fixed assets and capital work-in-progress	(324.15)	(308.49)	(262.11)	(1,178.24)	(774.14)
Interest on Income Tax	-	-	6.80	-	6.80
Lease Finance Charges	-0.04	0.20	-	0.57	-
	154.87	119.58	52.57	438.79	175.37
11 Depreciation	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Depreciation on property, plant and equipment	412.97	388.75	327.04	1,533.07	1,215.50
Amortisation of ROU Leased Asset	2.63	1.15	-	6.09	-
	415.61	389.90	327.04	1,539.16	1,215.50



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12 Other expenses	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Advertisement	12.72	13.08	0.34	35.05	4.32
Business promotion	16.21	6.79	-	32.93	34.03
Vehicle hire and running expenses	21.44	16.92	19.16	72.86	53.93
Power & fuel	115.16	133.39	118.44	486.04	440.95
Insurance	7.32	4.99	6.01	24.29	22.26
Technical assistances services	170.12	181.39	137.12	639.21	520.10
Postage & courier	0.73	0.79	0.93	2.71	3.03
Printing & stationery	2.78	3.81	4.41	12.74	13.49
Rent, rates & taxes	48.71	14.22	62.59	166.28	159.02
Repairs & maintenance - buildings	2.94	0.57	25.58	5.12	29.91
Repairs & maintenance - others	5.19	5.46	12.70	17.95	22.00
Repairs & maintenance - plant & machinery	281.20	361.81	282.65	1,198.41	967.47
Security services	25.57	35.52	5.14	114.64	88.65
Telephone charges	6.56	5.44	5.16	19.60	16.51
Travelling expenses	17.24	8.24	8.68	49.85	32.69
Professional charges	21.27	9.29	20.87	36.39	42.04
Training cum conference	0.44	-	0.76	3.81	4.78
Audit fees (refer note 12(a) below)	4.60	0.59	0.37	6.37	4.60
Bank charges	-3.12	16.55	9.63	28.52	29.10
Foreign exchange fluctuation	13.47	2.08	-0.54	19.22	14.59
Hook-up charges PIL - Hyderabad	65.08	65.08	65.08	260.31	260.31
Railway way leave charges	9.54	9.54	9.43	38.15	37.72
NHAI way leave charges	-	-	0.71	-	2.85
Corporate social responsibility expenses (refer note 12(b) below)	24.88	-	-	24.88	-
General expenses	3.53	1.51	2.68	9.43	5.16
Directors fees	0.71	-	0.85	2.97	3.45
PNG DMA Service charges	100.19	56.30	183.27	296.75	183.27
Office Maintenance Expenses	11.26	11.53	11.50	44.47	30.39
Provision for Bad and doubtful debts	0.12	0.37	10.02	1.45	10.02
	985.85	965.24	1,003.53	3,650.39	3,036.66
(a) Audit fees	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
As auditor					
Statutory audit	1.50	0.50	0.75	3.00	3.00
Tax audit	0.40	-	0.23	0.40	0.90
Other Services	2.00	-	-0.38	2.00	-
Taxes	0.70	0.09	-0.12	0.97	0.70
	4.60	0.59	0.48	6.37	4.60
(b) Corporate social responsibility	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
(a) Amount required to be spent by the company during the year	10.39	10.39	6.51	41.57	26.03
(b) Amount spent during the year (in cash)					
(i) Construction/ acquisition of any asset	24.88	-	-	24.88	-
(ii) On purposes other than (i) above	24.88	-	-	24.88	-
	24.88	-	-	24.88	-
Note: Rs. 41.57 Laacs is 2 % of Average Net Profit (PBT) of the last three immediately preceeding financial years and Rs. 24.88 Laacs had been expended during the year FY1920					
13 Income tax expense	Quarter Ended 31st March 2020	Quarter Ended 31st December 2019	Quarter Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
A. Amounts recognised in profit and loss					
Current tax					
Current period (a)	173.35	145.29	165.12	585.21	630.25
Adjustments in respect of current income tax of previous year (b)	-	-	-	-	2.94
Deferred tax					
Attributable to					
Relating to origination and reversal of temporary differences (c)	99.23	12.89	167.06	219.45	399.33
Income tax expense (a+b+c)	272.58	158.18	332.18	804.66	1,032.52
B. Income tax recognised in other comprehensive income					
Net loss/ (gain) on re-measurement of defined benefit plans	-1.38	-0.12	-1.23	0.22	-1.23
Income tax charges to other comprehensive income	-1.38	-0.12	-1.23	0.22	-1.23
				31st March 2020	31st March 2019
C. Reconciliation of effective tax rate					
Profit before tax				2,715.76	2,950.81
Effective tax rate				21.55%	21.55%
Computed effective tax expense (MAT)				585.21	635.86
Effect of tax deductible expense				-	(5.61)
Changes in estimates related to prior periods				-	2.94
Movement in deferred tax liability (including MAT credit entitlements)				219.67	398.10
Income tax expense charged to SoPL and OCI				804.89	1,031.29
Income tax expense charged to SoPL and OCI				29.64%	34.95%





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14. Property, plant and equipment												
A. Reconciliation of carrying amount												
Particulars	Freehold land	Factory building	Buildings	Roads and culverts	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equipment	Computers	Total (A)	Capital work-in-progress (B)	Total (A+B)
1. Cost or deemed cost (gross carrying amount)												
Balance at 1st April 2018	642.29	793.44	139.73	17.19	26,219.55	403.29	33.16	22.83		28,271.48	12,124.50	40,395.98
Additions			56.65		8,136.44	21.72	85.82	65.73		8,366.36	11,631.17	19,997.54
Disposals / Capitalised							(0.76)			(0.76)	(8,366.36)	
Balance at 31 March 2019	642.29	793.44	196.38	17.19	34,355.99	425.01	118.22	88.56	-	36,837.08	15,389.31	52,226.39
Balance at 1st April 2019	642.29	793.44	196.38	17.19	34,355.99	425.01	118.22	27.23	61.33	36,637.08	15,389.31	52,026.39
Additions									5.59	11,947.61	19,963.80	31,911.41
Disposals / Capitalised					11,823.51	95.66	5.71	17.14		-	(11,947.51)	(1,947.61)
Balance at 31 March 2020	642.29	793.44	196.38	17.19	46,179.50	520.67	123.93	44.37	66.92	48,584.69	23,406.49	71,990.18
2. Accumulated depreciation												
Balance at 1 April 2018		90.70	10.44	13.04	2,267.96	132.42	13.85	11.83		2,540.24		2,540.24
Depreciation for the year		30.23	3.49	0.24	1,102.09	52.13	14.34	12.97		1,215.50		1,215.50
Disposals							(0.01)			(0.01)		(0.01)
Balance at 31 March 2019		120.93	13.93	13.27	3,370.05	184.55	28.18	24.81		3,755.72		3,755.72
Balance at 1 April 2019		120.93	13.93	13.27	3,370.05	184.55	28.18	14.06	10.72	3,755.72		3,755.72
Depreciation for the year		30.23	5.37	0.24	1,399.09	54.82	13.91	8.22	21.19	1,533.07		1,533.07
Disposals												
Balance at 31 March 2020		151.16	19.30	13.51	4,769.14	239.38	42.09	22.30	31.92	5,288.79		5,288.79
3. Carrying amounts (net)												
At 31 March 2019	642.29	672.51	182.45	3.92	30,985.94	240.46	90.04	63.75	-	32,881.36	15,389.31	48,270.67
At 31 March 2020	642.29	642.28	177.09	3.68	41,410.36	281.30	81.84	22.07	35.01	43,295.90	23,406.49	66,701.39
B. Capital work-in-progress												
1. The capital work in progress includes payments made to contractors for execution of projects, material in transit / value of materials / equipment / etc. received at site for use in the projects. Besides, it also includes borrowing cost allocated to qualifying assets' projects.												
C. Security												
1. The charge has been created in favour of ICICI Bank towards term loans granted.												
D. Sale deed in respect of the following land has not yet been executed												
1. Land at mother station, Shamirpet, Hyderabad admeasuring 2.18 acres allotted by APIC INR 218 lakhs.												
2. Land at mother station, R.R. Dist. Hyderabad admeasuring 160 Sq. Mtrs allotted by APIC INR 10.80 lakhs.												
3. Land at mother station, Sarpavaram, Vakkapudi, Kakinda admeasuring 1.50 acres allotted by APIC INR 145.68 lakhs.												
E. Physical Verification of Assets												
1. The Physical Verification of the Assets is being carried out every year so as to complete the verification process of the entire assets within a period of 2 years to ensure that the assets are secured and property maintained from time to time.												
2. The Physical Verification of assets has been conducted for the financial year FY1819, however for the Financial Year 1920 the same is under process and shall be completed once the Lockdown on account of Covid-19 is removed.												
3. The Company is having complete control over the entire fixed assets and the fixed assets are continuously being used for distribution of Gas.												
F. Details of other lands owned												
1. Land at Proddur, Medchal Mandal, RR District admeasuring (Ac.4.23.31 Guntas) INR 248.65 lakhs.												
2. Land at Gossiguda, Medchal Mandal, RR District admeasuring 225 Sq.mtrs INR 19.14 lakhs.												



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		As at	As at
		31st March 2020	31st March 2019
15	Other financial assets		
	PIL-Security deposit	14.10	11.10
	Electricity deposits	36.06	35.48
	Others	47.67	34.12
	Deposits with banks maturity beyond 12 months *	1,454.53	1,000.00
		1,552.36	1,080.71
PIL: Pipeline Infrastructure Limited			
*Deposits with banks maturity beyond 12 months-This includes Debt Service Reserve Deposit of Rs. 4.3 Crores with ICICI Bank and also Rs. 10.13 Crores with Canara Bank towards BG Security			
16	Other tax assets (Net)	As at	As at
		31st March 2020	31st March 2019
	Advance income tax	1,578.85	945.92
	TDS	45.19	31.39
	Less: Provision for taxation	(1,525.71)	(940.50)
		98.33	36.82
17	Other non-current assets	As at	As at
		31st March 2020	31st March 2019
	PIL hook-up charges	270.42	530.73
	Railway way leave charges	85.05	123.20
	Leased land with APIIC	54.96	57.31
	ROU Assets net of Amortisation	68.87	
		479.30	711.23
APIIC: Andhra Pradesh Industrial Investment Corporation			
PIL: Pipeline Infrastructure Limited			
18	Inventories	As at	As at
		31st March 2020	31st March 2019
	Raw material (natural gas in pipeline)	31.22	33.60
	Finished goods	27.45	13.38
	Stores and spares	166.99	162.07
		225.65	209.05
Note: Inventories are valued at Cost or NRV which ever is lower			
19	Trade receivables	As at	As at
		31st March 2020	31st March 2019
	(a) Trade Receivables considered good - Secured	1,011.08	970.58
	(b) Trade Receivables considered good - Unsecured	345.04	304.19
	(c) Trade Receivables which have significant increase in Credit Risk	96.27	94.82
	(d) Trade Receivables - credit impaired	96.27	94.82
	Less: Provision for Bad and Doubtful Debts	1,356.12	1,274.77
Note: Provision is made as per ECL model for dues as mentioned below:			
	Upto 3 Years	-	-
	Above 3 Years	100%	100%
20	Cash and cash equivalents	As at	As at
		31st March 2020	31st March 2019
	(i) Bank balances		
	Current accounts	1,557.49	594.38
	Deposits with maturity less than 3 months	-	996.36
	(ii) Cheques, drafts on hand	-	0.03
	(iii) Cash on hand	2.83	3.51
		1,560.32	1,594.28
21	Other bank balances	As at	As at
		31st March 2020	31st March 2019
	Deposits with banks with maturity beyond 3 months but less than 12 months*	165.19	202.72
		165.19	202.72
*FDs with maturity more than 3 months and less than 12 months held as margin money against the Guarantees and LC's issued by the company.			





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		As at	As at
		31st March 2020	31st March 2019
22	Other financial assets		
	Interest accrued on deposits	13.05	43.82
		13.05	43.82
23	Other current assets		
	(A) Advance other than capital advances		
	(a) Advances to suppliers	4.95	3.90
	(b) Pre-paid expenses	55.25	34.82
	(c) Other advances	0.29	0.57
	(B) Others		
	(a) VAT, CENVAT, GST and others	127.58	869.09
		188.07	908.38
24	Equity share capital		
	(i) Authorised capital		
	100,000,000 Equity shares of INR 10/- each	10,000.00	10,000.00
	Previous year 100,000,000 Equity shares of INR 10/- each		
	(ii) Issued capital		
	9,23,48,500 Equity shares of INR 10/- each	9,234.85	9,234.85
	Previous year 9,23,48,500 Equity shares of INR 10/- each		
	(iii) Subscribed and paid up		
	8,95,79,461 Equity shares of INR 10/- each	8,957.95	8,734.85
	Previous year 8,73,48,500 Equity shares of INR 10/- each		
	(iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
		As at	As at
		31st March 2020	31st March 2019
	Number of shares in lakhs		
	Shares outstanding at the beginning of the year	873.49	873.49
	Add: Issued and allotted during the year	22.31	
	Shares outstanding at the end of the year	895.79	873.49
	(v) Rights, preferences and restrictions attached to the equity shares:		
	(a) The Company has only one class of equity shares having par value of INR 10 each. Each shareholder is eligible for one vote per share held.		
	(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.		
	(c) Apart from the rights, restrictions and preferences prescribed by the Companies Act, 2013 and the Articles of Association of the company, the Shareholders' agreement also elaborately deal with the above. In brief the above referred documents provide for restrictions:		
	<input type="checkbox"/> On transfer of shares to outsiders		
	<input type="checkbox"/> On transfer of shares to the existing shareholders		
	<input type="checkbox"/> For issue of fresh equity or transfer of shares to outsiders		
	<input type="checkbox"/> Restriction on voting rights		
	<input type="checkbox"/> Appointment of directors, etc.		
	(vi) The details of shareholders holding more than 5% shares in the Company:		
		As at	As at
		31st March 2020	31st March 2019
	(a) Equity Shares		
	GAIL (India) Limited :		
	Number of equity shares in lakhs	436.50	436.50
	% of holding	48.73%	49.97%
	Hindustan Petroleum Corporation Limited		
	Number of equity shares in lakhs	436.50	436.50
	% of holding	48.73%	49.97%
	(vii) At the 11th Annual General Meeting of the company held on August 20, 2014, consent of the Company was accorded to the Board to create, offer, issue and allot, from time to time, one or more tranches, up to an aggregate of 5 crores equity shares of face value of INR 10 each at a price of INR 10 per equity share aggregating to INR 50 crore on a preferential basis. Accordingly 2,24,87,500 shares each were issued and allotted to GAIL and HPCL. Allotment of shares to APIIC is pending for transfer of title to the parcels of land allotted by them to the company. Aggrieved by the above decision of the Company, Kakinada Seaports Ltd., one of the shareholders approached the Company Law Board (CLB), Chennai Bench, seeking various reliefs including stay of the aforesaid issue and allotment of shares which was dismissed by CLB the same on 14th September 2014 in favour of the company. Against this dismissal order, the aggrieved shareholder has filed an appeal in the High Court of Judicature in Hyderabad and also an application, inter alia, seeking stay of allotment of said shares. The High Court has admitted the Appeal, it has not granted any stay against the order of the CLB. The matter is sub-judice.		
	(viii) At the 88th Board Meeting of the company held on 4th December 2017, pursuant to the provisions of Section 62(1)(a) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the consent of the Board of Directors is given for issue of 4,23,23,500 equity shares at Rs.50/- per share of an aggregate value of Rs. 211,61,75,000/- on rights basis to the existing members of the company in proportion to their current shareholding as on 25th November 2017. Consequently during January 2018, the rights issue of equity shares has been completed.		



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		As at	As at
		31st March 2020	31st March 2019
25	Share based payments		
	Share application money (Other than cash consideration)	208.87	431.97
	Share Premium	16,929.40	16,929.40
	(Equity Settled share based payment arrangements)		
<p>As per GO 234 dated 30th Oct 2009, APIIC would be contributing 5% of the equity in the form of cash or land. For this purpose, at the 16th Annual General Meeting of the company held on September 26th, 2019, consent of the shareholders was once again given to the Board to create, offer, issue and allot, from time to time, equity shares on a preferential basis to APIIC and/or its successor in terms of the A.P. Reorganisation Act, 2014. The company has reserved 50,00,000 shares of INR 10/- to be allotted to APIIC and/or its successor in the year 2014. In anticipation, APIIC has already allotted land at three places in the GAs of Hyderabad (Telangana), Vijayawada (Andhra Pradesh) and Kakinada (Andhra Pradesh) and the company has taken possession. The total consideration of land allotted from APIIC is INR 4,51,96,880. The Company has paid INR 20,00,000 upfront. Pending of procedural formalities of documentation and the bifurcation of assets and liabilities between Telangana and Andhra Pradesh state in terms of A.P. Reorganisation Act, 2014, the balance amount of INR 4,31,96,880 has been shown as Share Application (Other than Cash Consideration). The said amount would be adjusted against the subscription for shares. Out of this company had allotted 22,30,961 equity shares @ Rs 10 Per Share to APIIC on 5th December 2019.</p>			
26	Borrowings	As at	As at
		31st March 2020	31st March 2019
	A. Non-current borrowings		
	Term loans from banks (secured)	28,000.00	14,500.00
	Total Non Current borrowings	28,000.00	14,500.00
	B. Current borrowings		
	Term loans from banks (secured)*	-	585.43
	Sub total	-	585.43
	Amount included under other financial liabilities	-	(585.43)
	Total current borrowings	-	-
	* current portion of long term borrowings		
	C. Terms and repayment schedule	As at	As at
	Terms and conditions of outstanding borrowings are as follows:	31st March 2020	31st March 2019
	I. Secured bank loan in INR		
	ICICI BANK	28,000.00	15,085.43
	- Effective Interest rate 8.60 %	28,000.00	15,085.43
	Total borrowings		
<p>2. Term loan for Rs. 400 Crores had been sanctioned by ICICI Bank out of which around Rs. 145 Crores had been drawn as on March 2019, and Rs. 135 Crores had been drawn at an Average MCLR rate of 8.6 % p.a during FY 2020. The initial Door-to-Door tenor of the facility shall be 12 years comprising of construction period of 2 years, Moratorium period of 2 years and repayment period of 8 years.</p>			
	D. Security for bank loans		
	The Rupee Term Loan facility and all amounts in respect thereof from ICICI Bank shall be secured by:		
	a) first pari-passu charge on the fixed assets (movable and immovable) and current assets of the company, both present and future		
	b) First pari-passu charge on the Trust and Retention Accounts.		
	c) First pari-passu charge on the intangible assets including Goodwill, by way of hypothecation on all the plant and machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets including but not limited to the goodwill, uncalled capital and all other movable assets, both present and future, in relation to the project.		
27	Provisions	As at	As at
		31st March 2020	31st March 2019
	(a) Provision related to post-employment defined benefit plans	44.49	41.72
	(b) Provision related to compensated absences	14.19	6.65
	(c) Lease Liabilities	53.78	
		112.47	48.37
28	Deferred tax liabilities (Net)	As at	As at
		31st March 2020	31st March 2019
	(i) Deferred tax assets		
	Indexation of freehold land	64.23	41.52
	Provision related to post-employment defined benefit plans	12.97	12.18
	Provision related to compensated absences	4.59	8.77
	Un absorbed depreciation	-	-
	Unused Tax Credits	2,563.65	1,982.04
	Others	33.49	33.07
	Sub total (A)	2,678.94	2,077.58
	(ii) Deferred tax liabilities		
	Tangible assets	4,382.56	3,509.78
	Others	-	51.75
	Sub total (B)	4,382.56	3,561.52
	(iii) Deferred tax liabilities (Net) B-A	1,703.61	1,483.94





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	As at	As at
	31st March 2020	31st March 2019
29 Trade payables		
Trade payables to related parties	345.34	482.85
Other trade payables	243.10	88.41
(A) Micro enterprises and small enterprises	375.80	461.72
(B) Creditors other than micro enterprises and small enterprises	964.24	1,032.98
30 Other financial liabilities		
(i) Current maturities of long-term debt		
(a) Term loans from banks, secured	-	585.43
(ii) Others -		
(a) Retention money	52.96	69.44
(b) EMD / security deposits	547.98	330.10
(c) Creditors for capital goods		
(A) Micro enterprises and small enterprises	737.65	424.18
(B) Creditors other than micro enterprises and small enterprises	2,791.74	1,864.48
(d) PNG customer deposits	832.76	547.70
	4,963.10	3,821.34
31 Other current liabilities		
Statutory liabilities	234.66	251.46
Accruals	1,394.22	114.63
Other liabilities	12.15	32.93
	1,641.03	399.02
32 Provisions		
(a) Provision related to post-employment defined benefit plans	0.06	0.10
(b) Provision related to compensated absences	1.58	23.47
(c) Lease Liabilities	19.58	
	21.22	23.57
33 Assets and Liabilities relating to employee benefits		
A. Gratuity		
1. Changes in Present Value of Obligations (PVO)		
PVO at beginning of period	41.81	28.34
Interest cost	2.75	2.19
Current service cost	12.60	7.04
Past Service Cost-(non vested benefits)	-	-
Past Service Cost-(vested benefits)	-	-
Benefits paid	(11.84)	-
Actuarial (gain)/loss on obligation	(0.77)	4.23
PVO at end of period	44.55	41.81
2. Interest expenses		
Interest cost	2.75	2.19
3. Fair value of plan assets		
Fair value of plan assets at the beginning	-	-
Interest income	-	-
4. Net liability		
PVO at beginning of period	41.81	28.34
Fair value of the assets at beginning report	41.81	28.34
Net liability	-	-
5. Net interest		
Interest expenses	2.75	2.19
Interest income	-	-
Net interest	2.75	2.19
6. Actual return on plan assets		
Less Interest income included above	-	-
Return on plan assets excluding interest income	-	-
7. Actuarial (gain)/loss on obligation		
Due to demographic assumption	-	-
Due to financial assumption	7.18	0.75
Due to experience	(7.94)	3.48
Total actuarial (gain)/loss	(0.77)	4.23
8. Fair value of plan assets		
Opening fair value of plan asset	-	-
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excl. interest income	-	-
Interest income	-	-
Contributions by employer	-	-
Contributions by employee	-	-
Benefits paid	-	-
Fair value of plan assets at end	-	-



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9. Past service cost recognised		-				
Past service cost- (non vested benefits)		-				
Past service cost -(vested benefits)		-				
Average remaining future service till vesting of the benefit		-				
Recognised past service cost- non vested benefits		-				
Recognised past service cost- vested benefits		-				
Unrecognised past service cost- non vested benefits		-				
10. Amounts to be recognized in the balance sheet and statement of Profit & loss account						
PVO at end of period	44.55	41.81				
Fair value of plan assets at end of period	-	-				
Funded status	(44.55)	(41.81)				
Net asset/(liability) recognized in the balance sheet	(44.55)	(41.81)				
11. Expense recognized in the statement of profit & loss account						
Current service cost	12.60	7.04				
Net interest	2.75	2.19				
Past service cost- (non vested benefits)	-	-				
Past service cost -(vested benefits)	-	-				
Curtailment effect	-	-				
Settlement effect	-	-				
Expense recognized in the statement of profit & loss account	15.35	9.24				
12. Other Comprehensive Income (OCI)						
Actuarial (gain)/loss recognized for the period	(0.77)	4.23				
Asset limit effect	-	-				
Return on plan assets excluding net interest	-	-				
Unrecognized actuarial (gain)/loss from previous period	-	-				
Total actuarial (gain)/loss recognized in (OCI)	(0.77)	4.23				
13. Movements in the liability recognized in balance Sheet						
Opening net liability	41.81	28.34				
Adjustment to opening balance	-	-				
Expenses as above	15.35	9.24				
Contribution paid	-	-				
Other comprehensive income	(0.77)	4.23				
Closing net liability	44.55	41.81				
14. Schedule III of The Companies Act 2013						
Current liability	0.06	0.10				
Non-current liability	44.49	41.72				
	-	-				
15. Projected service cost 31 March 2020		9.32				
	Target Allocation %	Target Allocation %				
16. Asset Information						
Cash and cash equivalents		-				
Gratuity fund (LIC)		-				
Debt security - government bond		-				
Equity securities - corporate debt securities		-				
Other insurance contracts		-				
Property		-				
Total itemized assets		0%				
17. Assumptions as at reporting date	31-Mar-20	31-Mar-19				
Mortality		IALM (2006-08) Uff				
Interest / discount rate	6.77%	7.65%				
Rate of increase in compensation	10.00%	10.00%				
Annual increase in healthcare costs		-				
Future changes in maximum state healthcare benefits		-				
Expected average remaining service	28.80	23.31				
Employee attrition rate(past service (PS))		PS: 1 to 5 : 4% PS: 5 to 42 : 0%				
18. Sensitivity analysis						
Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below						
Scenario	DBO	Percentage Change				
Under Base Scenario	44,55,242	0.0%				
Salary Escalation - Up by 1 %	53,81,398	20.8%				
Salary Escalation - Down by 1 %	37,10,225	-16.7%				
Withdrawal Rates - Up by 1%	41,97,716	-5.8%				
Withdrawal Rates - Down by 1%	44,55,242	0.0%				
Discount Rates - Up by 1%	36,50,875	-18.1%				
Discount Rates - Down by 1%	54,82,985	23.1%				
19. Expected Payout						
Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo six to ten years
Payouts	5,832	6,997	8,406	10,103	12,139	9,49,831
20. Asset Liability Comparisons						
Year	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
PVO at end of period	18,30,952	20,30,673	25,46,361	28,34,406	41,81,383	44,55,242
Plan Assets						
Surplus / (Deficit)	-18,30,952	-20,30,673	-25,46,361	-28,34,406	-41,81,383	-44,55,242
Experience adjustments on plan assets						



	As at 31st March 2020	As at 31st March 2019
B. Leave Encashment		
1. Changes in present value of obligations		
PVO at beginning of period	6.74	5.86
Interest cost	0.27	0.39
Current service cost	11.25	11.15
Benefits paid	(6.34)	(1.71)
Actuarial (gain)/loss on obligation	3.85	(8.95)
PVO at end of period	15.77	6.74
2. Interest expenses		
Interest cost	0.27	0.39
3. Fair value of plan assets		
Fair value of plan assets at the beginning	-	-
Interest income	-	-
4. Net liability		
PVO at beginning of period	6.74	5.86
Fair value of the assets at beginning report	6.74	5.86
Net liability	-	-
5. Net interest		
Interest expense	0.27	0.39
Interest income	-	-
Net interest	0.27	0.39
6. Actual return on plan assets		
Less Interest income included above	-	-
Return on plan assets excluding interest income	-	-
7. Actuarial (gain)/loss on obligation		
Due to demographic assumption	-	-
Due to financial assumption	1.02	0.11
Due to experience	2.83	(9.06)
Total actuarial (gain)/loss	3.85	(8.95)
8. Fair value of plan assets		
Opening fair value of plan asset	-	-
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excl. interest income	-	-
Interest income	-	-
Contributions by employer	6.34	1.71
Contributions by employee	-	-
Benefits paid	-6.34	(1.71)
Fair value of plan assets at end	-	-
9. Past service cost recognised		
Past service cost- (non vested benefits)	-	-
Past service cost -(vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised past service cost- non vested benefits	-	-
Recognised past service cost- vested benefits	-	-
Unrecognised past service cost- non vested benefits	-	-
10. Amounts to be recognized in the balance sheet and statement of profit & loss account		
Fair value of plan assets at end of period	15.77	6.74
Funded status	-	-
Net asset/(liability) recognized in the balance sheet	(15.77)	(6.74)
11. Expense recognized in the statement of profit & loss account		
Current service cost	11.25	11.15
Net interest	0.27	0.39
Past service cost- (non vested benefits)	-	-
Past service cost -(vested benefits)	-	-
Curtailment effect	-	-
Settlement effect	-	-
Actuarial (gain)/loss recognized for the period	3.85	(8.95)
Expense recognized in the statement of profit & loss account	15.37	2.59



12. Other Comprehensive Income (OCI)		
Actuarial (Gain) / Loss recognised for the period		
Asset limit effect		
Return on Plan Assets excluding net interest		
Unrecognised Actuarial (Gain) / Loss from previous period		
Total Actuarial (Gain) / Loss recognised in (OCI)		
13. Movements in the liability recognized in balance sheet		
Opening net liability	6.74	5.86
Adjustment to opening balance		-
Expenses as above	15.37	2.59
Contribution paid	(6.34)	(1.71)
Closing net liability	15.77	6.74
14. Schedule III of The Companies Act 2013		
Current liability	1.58	23.47
Non-current liability	14.19	6.65
15. Short term compensated absence liability		
Valuation date	31-Mar-20	31-Mar-19
No of days	452.00	1,325.00
Amount *	1.58	23.38
16. Projected service cost 31 March 2020		18.97
17. Asset information		
Cash and cash equivalents		
Leave encashment scheme		
Debt security - government bond		
Equity securities - corporate debt securities		
Other insurance contracts		
Property		
Total itemized assets		
18. Assumptions		
Mortality		IALM (2006-08)
Interest / discount rate	6.77%	Ult. 7.66%
Rate of increase in compensation	10.00%	10.00%
Annual increase in healthcare costs		
Future changes in maximum state healthcare benefits		
Expected average remaining service	28.80	23.31
Employee attrition rate(past service (PS))		PS: 1 to 5 : 4% PS: 5 to 42 : 0%

19. Sensitivity analysis

Discount Rate, Salary Escalation Rate and Attrition Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Scenario	DBO	Percentage Change
Under Base Scenario	15,77,402	0.0%
Salary Escalation - Up by 1 %	17,11,041	8.5%
Salary Escalation - Down by 1 %	14,58,787	-7.5%
Attrition Rates - Up by 1%	15,55,885	-1.4%
Attrition Rates - Down by 1%	15,77,402	0.0%
Discount Rates - Up by 1%	14,63,665	-7.2%
Discount Rates - Down by 1%	17,08,349	8.3%

20. Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to Ten Years
Payouts	1,58,147.00	1,53,685.00	1,48,964.00	1,44,381.00	1,39,930.00	7,30,018.00
21. Asset Liability Comparisons						
Year	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
PVO at end of period	17,53,651.00	6,36,990.00	-6,12,368.00	5,86,371.00	6,74,409.00	15,77,402.00
Plan Assets						
Surplus / (Deficit)	-17,53,651.00	-6,36,990.00	-6,12,368.00	-5,86,371.00	-6,74,409.00	-15,77,402.00
Experience adjustments on plan assets						





34 Capital Management

1. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

2. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position

3. The Company's adjusted net debt to equity ratio is as follows:

	As at 31st March 2020	As at 31st March 2019
Total Liabilities	37,405.66	21,309.22
Less: Cash and Cash Equivalents	1,560.32	1,594.28
Adjusted Net Debt	35,845.35	19,714.94
Total Equity	34,934.11	33,023.23
Adjusted Net Debt to Equity Ratio	1.03	0.60

35 Financial instruments

1. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st March 2020

	Carrying Amount			Fair Value		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value	-	-	-		-	
Financial assets not measured at fair value						
Security deposits	1,552.36	-	1,552.36		-	
Accrued interest	13.05	-	13.05		-	
Trade receivables	1,356.12	-	1,356.12		-	
Cash and cash equivalents	1,560.32	-	1,560.32		-	
	4,481.84	-	4,481.84		-	
Financial liabilities not measured at fair value						
Secured bank loans	-	28,000.00	28,000.00		28,000.00	
Loans from related parties	-	-	-		-	
Trade payables	-	964.24	964.24		-	
Capital creditors	-	3,529.39	3,529.39		-	
Security deposits received	-	1,380.74	1,380.74		-	
Accrued interest	-	-	-		-	
Retention money	-	52.96	52.96		-	
	-	33,927.34	33,927.34		28,000.00	

31st March 2019

	Carrying Amount			Fair Value		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value	-	-	-		-	
Financial assets not measured at fair value						
Security deposits	1,080.71	-	1,080.71		-	
Accrued interest	43.82	-	43.82		-	
Trade receivables	1,274.77	-	1,274.77		-	
Cash and cash equivalents	1,594.28	-	1,594.28		-	
	3,993.58	-	3,993.58		-	
Financial liabilities not measured at fair value						
Secured bank loans	-	15,085.43	15,085.43		15,085.43	
Loans from related parties	-	-	-		-	
Trade payables	-	1,032.98	1,032.98		-	
Capital creditors	-	-	-		-	
Security deposits received	-	877.81	877.81		-	
Accrued interest	-	-	-		-	
Retention money	-	69.44	69.44		-	
	-	17,065.66	17,065.66		15,085.43	

**36 Financial risk management****1. Overview**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

• Credit risk

1. Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amounts of financial assets represents the maximum credit exposure.

2. Trade and other receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major part of the revenue is contributed by either through cash sales or sales to government owned oil marketing companies like HPCL, IOCL and State transport corporation of A.P. and Telangana with a credit period ranging from 3 days to 25 days. Provision for expected losses towards receivables as per Expected Credit Loss Model were considered to the tune of INR 1.45 Lacs for the Financial Year 2019-20 towards receivables from APSRTC and other Debtors.

3. The Board has established Credit Policy under which each customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The summary of the company's product wise Credit Period is tabulated below:

1. Compressed Natural Gas (CNG)

(a) Oil Marketing Companies like HPCL, IC 15 Days from the Invoice Receipt date

(b) Road Transport Corporation like APSR Weekly Advance, followed by 25 Days for monthly Settlement upon receipt of Invoice

(c) Others Cash and Carry Basis

2. Piped Natural Gas (Domestic) 21 Days from the Invoice date

3. Piped Natural Gas (Industrial) 3 Days from the Invoice Receipt date

4. Piped Natural Gas (Commercial) 7 Days from the Invoice Receipt date

4. Cash and cash equivalents: The company held cash and cash equivalents of INR 1560.33 as at 31 March 2020 and INR 1594.28 lakhs as at 31 March 2019. The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

• Liquidity risk

1. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

2. The company aims to maintain the level of its cash and cash equivalents and investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. This excludes potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

3. Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date

31st March 2020

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings- secured	28,000.00			1,750.00	10,500.00	15,750.00
Borrowings- un-secured	-					
Trade payables	964.24	964.24				
Other financial liabilities	4,963.10	600.94	4,362.16	1,750.00	10,500.00	15,750.00
	33,927.34	1,565.18	4,362.16	1,750.00	10,500.00	15,750.00

31st March 2019

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings- secured	15,085.43	585.43	-	-	5,437.50	9,062.50
Borrowings- un-secured	-					
Trade payables	1,032.98	1,032.98				
Other financial liabilities	3,215.91	399.55	2,816.36	-	-	-
	19,354.32	2,017.95	2,836.36	-	5,437.50	9,062.50

• Market Risk

1. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

2. Currency Risk: The company does not have significant exposure in currency other than INR.

3. Interest rate Risk: The company manages its credit risk by entering into borrowing arrangements which are fixed/ floating and investing in fixed interest instruments.

Sensitivity analysis:

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by INR 187.76 Lakhs (31st March 2019: INR 93.88 Lakhs). This analysis assumes that all other variables remain constant.

	100 bp increase		100 bp decrease	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Interest on Secured Bank Loan- Variable	187.76	93.88	-187.76	-93.88
Cash flow sensitivity	-187.76	-93.88	187.76	93.88

• Operational Risk

1. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

2. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

3. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

• Requirements for appropriate segregation of duties, including the independent authorization of transactions;

4. Compliance with Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Board of the Company.





37 Operating leases

Assets taken on lease primarily consist of leased land taken for the purpose of setting up retail outlets, Pressure Reduction Skid (PRS), warehouse, lease hold land allotted by APHC in Vijayawada and properties for use by the Company. These lease arrangements are normally renewed on expiry of the term.

The adoption of the standard Ind AS 116 Leases with a modified retrospective approach on transition date (1-4-2019) resulted in increase in Right of use assets and lease liabilities by Rs. 68,87,498 and Rs 73,35,864, decrease in other expenses by Rs. 6,52,464, increase in depreciation and finance cost by Rs 6,09,148 and Rs 56,761 respectively and increase in profit by Rs. 17,446 for the year ended 31st March 2020.

38 Contingent liabilities and commitments

1. Contingent liabilities not provided for-

	As at 31st March 2020	As at 31st March 2019
A. In respect of the following disputed demands / claims which are under		
i. A.P. Value Added Tax- Restriction of TTC	16.73	16.73
ii. Central Excise- Valuation of excisable goods (CNG) and restriction of	385.51	279.46
iii. Andhra Pradesh State Road Transport Corporation- Claims against	72.22	72.22
iv. In respect of appeals filed against the company towards Income Tax-	120.27	120.27
v. GAIL - Towards Excess usage of APM Gas	17.14	180.45
B. Guarantees given		
i. PNGRB- VJA, HYD and KKD- BG's issued for operating CGD business	1550.00	1550.00
ii. Vijayawada Municipal Corporation- Performance BG for Pipe line laying in Vijayawada	5.23	5.23
iii. National Highways Authority of India	0.06	4.72
iv. Hyderabad Road Development Corporation Ltd. (HRDCL)		50.00
v. Others- Performance BG for Pipe line laying in Vijayawada		3.00
C. Letter of Credit issue to		
Gas Authority of India Ltd.	2931.74	2579.45
East West Pipeline Ltd	101.25	36.70

2. Commitments

i) The company is required to complete minimum residential connections for piped gas under the terms of contract awarded by PNGRB. Failing to complete the minimum number of connections would make the Company liable for penal consequences, against which the company has submitted bank guarantees to PNGRB. The company has received notices for delays in minimum installations. The charges for not completing minimum number of connections cannot be measured at this stage and also the Company has represented the matter to the concerned authorities as the delay is on account of various factors most of them being beyond the control of the company.

ii) In respect of City Gas Distribution activities in Kakinada, PNGRB in May, 2013, invoked the PBG and claimed Rs. 1,33,54,500/- for non-achievement of milestones as set out in the authorization. Challenging this, Writ Petition was filed immediately in the High Court of Andhra Pradesh, which has granted stay. The matter is sub judice.

iii) BGL has suo moto filed writ petitions in November 2015 before the Hon'ble High Court of A.P. and Telangana against PNGRB to stay any invocation of PBGs amounting to Rs. 10,00,00,000 and Rs 4,00,00,000 issued to them for the GAs of Hyderabad and Vijayawada, respectively, on the grounds of force majeure conditions for non-performance. Interim stay has been granted and the matter is sub judice.

iv) BGL has entered into agreements with APSRTC (Valid for the successor TSRTC) for supply of CNG of varying quantities to their buses operating out of Vidhyadharapuram, Governorpet-II and Ibrahimpatnam depots in Vijayawada as also to Medhal, Hakimpet and Cantonment depots operating in Hyderabad.

3. Estimated amount of Contracts remaining to be executed on Capital Account not provided for:

	As at 31st March 2020	As at 31st March 2019
Estimated amount of Contracts remaining to be executed on Capital	29,754.87	17,643.32

39 Related parties

A. Parent and ultimate controlling party

Bhagyanagar Gas Limited ("BGL" for short) is promoted as a Joint Venture company of GAIL (India) Limited and Hindustan Petroleum Corporation Limited (HPCL). The promoters GAIL and HPCL each holds 48.73% of equity share capital in BGL as on reporting date. Hence, treated as Related Parties of BGL.

B. Transactions with key management personnel

Managing Director and Director-Commercial are on deputation from GAIL/HPCL. The amount mentioned below represents remuneration paid by GAIL/HPCL and debited to the company. The salary includes salary, employer's contribution to PF, LTA, bonus, medical benefits, gratuity & leave encashment.. All amounts mentioned below are inclusive of service tax or GST. The MD, DC and Company Secretary are regarded as Key Management Personnel in terms of Companies Act, 2013.

Particulars	As at 31st March 2020	As at 31st March 2019
1. Salary & Allowances	197.23	206.69
2. Transport cost (car)	14.33	8.16
	211.56	214.85

C. Transactions with related parties other than KMPs

	HPCL Joint Venture	GAIL Joint Venture	HPCL Joint Venture	GAIL Joint Venture
1. Name of the Related Party				
2. Nature of Relationship				
3. Nature of transaction:				
	31st March 2020		31st March 2019	
(i) Purchases				
(a) Auto LPG			63.45	-
(b) Natural Gas		10,607.41	-	8,220.32
(ii) Sales - CNG	7,434.92		6,812.53	
(iii) Inland Letter of Credit		2,931.74		2,579.45
(iv) Interest on Bridge Loan				
(iv) Manpower Cost- Deputation	239.23	358.74	271.43	319.79
(v) NG Compression Service		144.99		78.26
Outstanding (Payables) / Receivables	115.51	-318.14	323.08	-431.31



40 Earnings per share

A. Basic Earnings Per Share

The calculation of basic earnings per share at 31 March 2020 was based on the profit attributable to ordinary shareholders of INR 1910.87 Lakhs (2019: INR 1919.52 Lakhs), and a weighted average number of ordinary shares outstanding of 898.61 lakhs (2019: 873.49 lakhs).

	31st March 2020	31st December 2019	31st March 2019	31st March 2020	31st March 2019
1. Profit attributable to ordinary shareholders	538.39	473.20	325.41	1,910.87	1,919.52
2. Weighted average number of ordinary shares for the year	898.61	874.12	873.49	898.61	873.49
3. Basic EPS	0.60	0.54	0.37	2.13	2.20

B. Diluted Earnings Per Share

The calculation of diluted earnings per share at 31 March 2020 was based on profit attributable to ordinary shareholders of INR 1910.87 lakhs (2019: INR 1919.52 lakhs), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 926.30 lakhs (2019: 923.49 lakhs)

	31st March 2020	31st December 2019	31st March 2019	31st March 2020	31st March 2019
1. Profit attributable to ordinary shareholders	538.39	473.20	325.41	1,910.87	1,919.52
2. Weighted average number of ordinary shares (diluted) for the year	926.30	901.81	923.49	926.30	923.49
3. Diluted EPS	0.58	0.52	0.35	2.06	2.08

C. Weighted average number of ordinary shares (diluted)

	31st March 2020	31st December 2019	31st March 2019	31st March 2020	31st March 2019
Weighted average number of ordinary shares (basic)	898.61	874.12	873.49	898.61	873.49
Effect of shares to be issued to APHC for purchase of land	27.69	27.69	50.00	27.69	50.00
	926.30	901.81	923.49	926.30	923.49

41 Long term contracts and derivatives contract in any financial years

The company has long term contracts for supply of gas. There are no foreseeable losses on such contracts. The company does not have any derivatives contract.

42 Subsequent events

There were no subsequent events post the year end.

43 Operating Segments

The company is engaged in the business of gaseous fuel. This being a single segment no separate figures are given

44 Previous year figures have been regrouped and / or rearranged wherever necessary to confirm with current year groupings

45 Impact of Covid-19

Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Fixed Assets, Inventories, receivables and other Current Assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

For Karra & Co.,
Chartered Accountants
FR No: 001749S

K. Sathiyarayan
Partner
Membership No.: 210737

K. SATHIYANARAYANAN

Mem. No. 210737

For and on behalf of Bhagyanagar Gas Limited

Partner: KARRA & CO.

Chartered Accountants

"Anugraha"

28, Murray's Gate Rd.,

Alwarpet, Chennai - 600 018

Sanjiv Garg

Director - Commercial-cum-CFO

DIN No.: 07808552



G. Malleswari
Company Secretary
Membership No. F6574

Place: Hyderabad
Date: 22nd May 2020



Rajeev Garg
Managing Director
DIN No.: 07674683





**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF BHAGYANAGAR GAS LIMITED FOR THE YEAR ENDED 31
MARCH 2020**

The preparation of financial statements of Bhagyanagar Gas Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are 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 Revised Audit Report dated 20 July 2020 which supersedes their earlier Audit Report dated 22 May 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bhagyanagar Gas Limited for the year ended 31 March 2020 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

In view of the revision made in the Statutory Auditors' Report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors' Report under Section 143(6)(b) of the Act.

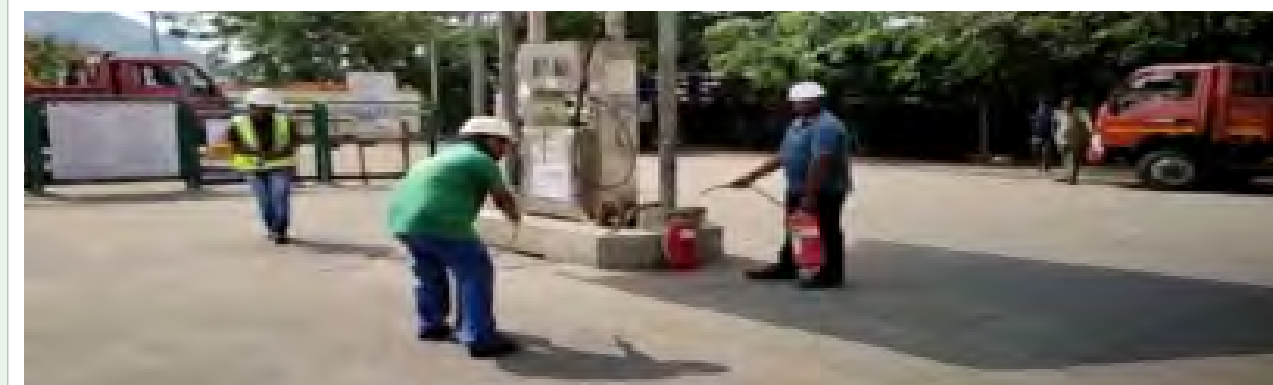
**For and on behalf of the
Comptroller and Auditor General of India**

**(M. S. Subrahmanyam)
Director General of Commercial
Hyderabad**

**Place: Hyderabad
Date: 01 September 2020**



SAFETY DAY - SAFETY FIRST





SAFETY DAY - SAFETY FIRST







Bhagyanagar Gas Ltd.

(A Joint Venture of GAIL (India) Ltd. & HPCL)

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