



# NATURALLY SUSTAINABLE

Annual Report 2021-22



**Bhagyanagar Gas Limited**

a joint venture of





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# BOARD OF DIRECTORS



**Shri Rakesh Kumar Jain,**  
Chairman



**Shri Mukesh Kumar Tiwari,**  
Managing Director



**Shri Dilip Kumar Pattanaik,**  
Director



**Shri Rajesh Vedvyas,**  
Independent Director



**Smt. Y. Danuta,**  
Director Commercial



# CORPORATE INFORMATION

## Nomination & Remuneration Committee Members

Shri Rajesh Vedvyas, Chairman  
Shri Rakesh Kumar Jain, Member  
Shri Dilip Kumar Pattanaik, Member

## Audit Committee Members

Shri Rajesh Vedvyas, Chairman  
Shri Mukesh Kumar Tiwari, Member  
Smt.,Y.Danuta, Member

## CSR Committee Members

Shri Rajesh Vedvyas, Chairman  
Shri Mukesh Kumar Tiwari, Member  
Smt.,Y.Danuta, Member

## Company Secretary

Smt. Malleswari.G

## Statutory Auditors

M/s Anjaneyulu & Co., Chartered Accountants

## Internal Auditors

M/s Ramachandram & Co., Chartered Accountants

## Cost Auditors

M/s Nageswara Rao & Co., Cost Accountants

## Tax Auditors

M/s Anjaneyulu & Co., Chartered Accountants

## Secretarial Auditors

M/s Nekkanti S.R.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](http://www.bglgas.com);  
Email: [corporatehq@bglgas.com](mailto:corporatehq@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, Hyd-34

## CHAIRMAN'S MESSAGE



“

Your company is committed towards ensuring a cleaner and greener environment in its areas of operations. Your company's business is one of the fastest-growing segments in the gas sector driven by rapid industrialization, urbanization, and growing population.

”

### Dear Shareholders,

I welcome you all to the 19<sup>th</sup> Annual General Meeting of your company.

It gives me immense pleasure to share your company's robust performance for FY2021-22. Despite all odds and unfavorable economic conditions, your companies employees and contractors fearlessly ensured uninterrupted gas supply for transport, commercial & industrial as well as domestic customers, without compromising on safety.

During this financial year, your company's performance has significantly improved with CNG sales turnover up by 84% to Rs. 15,561.07 lakhs and PNG sales turnover up by 63% to Rs.13,882.96 lakhs as compared to previous financial year. Your company's overall revenue has increased by 73% compared to last year, Rs. 29,444.04 lakhs in 2021-22 as against Rs. 17,003.29 lakhs in 2020-21. PBT has shown an increase of 327% to Rs. 5,540.56 lakhs

in 2021-22 as compared to Rs.1,296.13 lakhs in 2020-21. The Profit after tax (PAT) has grown by 415% to Rs. 4,421.74 lakhs in 2021-22 as against Rs. 858.29 lakhs in 2020-21. The financial performance achieved is highest ever in terms of both Revenue and Profit.

Your company has increased its pipeline network (Steel and MDPE) from 2,328 kms to 2,580 kms during the financial year in the 3 GA to connect more areas for increasing the supplies across all business segments. The current year has witnessed a growth in Domestic gas connections, at the end of FY 2021-22, your company has reached to 2,70,328 households from 2,44,459 households. Total Nine (9) CNG stations are added in the financial year 2021-22 making total CNG station to 135 nos. The infrastructure added will lead to growth in Revenues.

### For Green and Cleaner Environment

Your company is committed towards ensuring a cleaner and greener environment in its areas of operations. Your company's business is one of the fastest-growing segments in the gas sector driven by rapid industrialization, urbanization, and growing population.

India is a signatory to the Paris Agreement and is committed to redefining its energy landscape and increasing the share of natural gas in its primary energy basket from the current 6.2% to 15% by 2030. Your company has been at the forefront of environmental sustainability through the implementation of various initiatives in the field of Compressed Bio Gas, energy efficiency, water conservation, waste management etc. Equal focus is thrust to the triple bottom line framework of financial, social and environmental capital towards greater business values.

### Our Operating Environment

The number of Compressed Natural Gas (CNG) stations in India have risen from around 900 in 2014 to 4500 currently and expected to increase to 6,000 - 6,500 in 2024. The massive roll out is expected to incentivize the market for CNG vehicles and will have an exponential impact on manufacturing, skill development and employment generation. The number of Piped Natural Gas (PNG) connections in India has also crossed 95 lakhs as compared to 24 lakhs in 2014. With thrust of Government of India for development of CGD network, it will support your company's future growth plans too.

## Our Strategies

The focus on city gas distribution bodes well for your Company. As you are aware, we are focused on the distribution and marketing of CNG and distribution of Piped Natural Gas (PNG) to Domestic, Commercial and Industrial Sectors in the states of Andhra Pradesh and Telangana. Today, it is a matter of pride for all us to mention that your Company is catering to the CNG needs by existing 135 nos of CNG stations and committed to increase the same to cater to the increasing number of vehicles. The commercial piped natural gas consumers have increased from 209 to 279 in 2021-22 and Industrial consumers have grown from 47 to 73 in number. This has helped in servicing the growing fuel needs of commercial & industrial customers in Hyderabad, Vijayawada and Kakinada.

As part of 100% digitization of payments to various stakeholders, the implementation of digital payment modes like BBPS, BHIM, UPI, PAYU, etc. for domestic PNG customers and the cashless modes are available for CNG users. Our online payment mode ensures utmost ease and flawlessness at the transaction level. Self-Billing for DPNG has also been introduced to facilitate the Customers.

Being a customer centric company, our team undertakes intensive planning and monitoring to reach to people and provide them with the convenience of natural gas. Connecting various households, industries and transport sectors with eco-friendly fuel and adding convenience and comfort to the lives of people across the nation has always been our mission.

Your Company, as a socially responsible corporate citizen, has been taking various CSR activities with focus on health, education, empowerment of women & underprivileged and skill development. During FY 2021-22, your company has contributed CSR funds of Rs. 46.44 lakhs by undertaking various CSR activities like health check-up camps for school children in Govt. Schools, critical eye surgeries for economically weaker sections of society, donation of medical equipment's, free meals to poor under 'Food for life' program by ISKON, contribution to PM Care Fund etc. Your company will continue to strengthen its CSR portfolio to create more value.

Your Company, being a strong believer of valuing its Human Recourse capital, prioritized the physical and mental health and safety of its employees. The Company recognizes and appreciates the contribution of all its

employees in its growth journey. Even the outsourced staff were nominated for training on motivational and positive thinking. Yoga is being encouraged right from the entry level officers. The Company has also associated itself with Quality Circle Forum of India and academia of CGD industry to emphasize the importance of maintaining high standards of quality, prompt delivery of products and services and importance of continuous learning. Several sports activities were also organized for employees and family for more cohesiveness and bonding amongst them.

## Outlook

The increase in gas price is posing a new challenge, however, year ahead looks promising and we are well-positioned for further growth. Moving ahead, your Company will continue to focus on increasing penetration in its existing geographical areas, developing CGD in new GAs, exploring further growth opportunities, and building strategic partnerships to further expand its footprints. In consideration of all these aspects, we are confident in maintaining the business momentum.

## Concluding Remarks

I take this opportunity in expressing my appreciation for the valuable contribution made by my colleagues Directors on Board. On behalf of the Board, I sincerely acknowledge the support extended by Promoters GAIL (India) Limited and Hindustan Petroleum Corporation Limited. I put my heartfelt appreciation for all BGL employees who took on a courageous responsibility and ensured energy supplies even during the worst COVID-19 situation

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

On behalf of the Board of Directors and the entire management team, I would like to thank all shareholders, customers and stakeholders for reposing their faith in your Company. I look forward to your continued support and patronage in times to come.

Thank You,

**Rakesh Kumar Jain**  
Chairman



## MESSAGE FROM MANAGING DIRECTOR



“

As part of the 100% digitization of payments to various stakeholders, the implementation of digital payment modes like BBPS, BHIM, UPI, PAYU, etc. for our valued customers”

### Dear Shareholders,

It's with great satisfaction and a positive outlook towards your company's till date performance, I am happy to share our operational and strategic initiatives which led to significant performance during the year.

As you are aware, Global events that unfolded during the previous year have the potential to alter the structural landscape of the energy sector and by all standards, the year gone by has been a challenging one for the energy and commodity sectors, which witnessed extreme volatility in prices. Adding to it, as COVID-19 restrictions are relaxed and economic activity is recovering, energy consumption is expanding sharply, putting available energy supplies under strain, and highlighting fragilities in the system. Your company has successfully steered its course during this demanding period, emerging only stronger and more resilient.

The current year has witnessed a growth in Domestic connections at the end of financial year 2021-22, your company has reached to 2,70,328 households. The

commercial connections have increased to 279 in 2021-22 vis-à-vis 209 in 2020-21 and Industrial connections have increased from 47 nos in 2020-21 to 73 no's in 2021-22.

It is a matter of pride for all of us to mention that your company is catering the CNG needs by increasing the CNG stations from 126 to 135 numbers in the 3 GA's.

As part of the 100% digitization of payments to various stakeholders, the implementation of digital payment modes like BBPS, BHIM, UPI, PAYU, etc. for our valued customers. Our online payment mode ensures utmost ease and flawlessness at the transaction level. Monetization of the infrastructure, created by the team under all previous Managements, has been the main thrust area for the current Management for future growth and financial progress of the company. In this direction, Domestic PNG billed customer base increased by 44% and sales volume in Domestic PNG segment increased by 71% over FY20-21. This resulted in an increase in revenue collection by over 32% in FY21-22. All this was done excluding the fact that there was an increase in providing Domestic PNG connections by ~11% over FY20-21. Using the same infrastructure, commercial category customer base increased by nearly 33% over FY 20-21. Sales volume from this segment increased by nearly 94%. All this effort in Commercial segment resulted in increasing of revenue by more than 200%. As regards progress in Industrial segment, customer base grew by over 55% over FY 20-21. Sales volume from this segment increased by nearly 14%. All this effort in this segment resulted in increasing of the revenue by nearly 69% over FY20-21. The focus was primarily on referral-based furthering of the business along with focused targeting of Pharma industry. Backbone for any CGD entity is the CNG segment. CNG dispensing stations grew by only 7% over FY 20-21. CNG volume grows by 83% over the FY20-21

India has made rapid strides in gas distribution buoyed by the rising awareness of the use of clean gas, various policy measures to promote natural gas and the Government of India's objective to transition to a gas-based economy in the near future. Reliance on the usage of Natural Gas is slated to rise and the share of Natural Gas in India's total energy mix is expected to increase to 15% by 2030. To make natural gas available to the public at large, the GoI has put a strong emphasis on the expansion of CGD network coverage across the

country to ensure the supply of cleaner fuel, PNG to households, industrial and commercial units, and as well as transportation fuel CNG to vehicles. Multiple CGD bidding rounds in the last couple of years have resulted in the expansion of CGD coverage and after completion of round 11A, 295 GA's spread over around 630 districts in 28 states/UTs would cover approx. 88% of country's area for development of CGD Network to provide access to natural gas to approx. 98% of the country's population.

Your Company Is focused on the distribution and marketing of CNG and distribution of Piped Natural Gas (PNG) to Domestic, Commercial and Industrial Sectors in the states of Andhra Pradesh and Telangana. Your company has been working tirelessly and increased its pipeline network (Steel and MDPE) from 2,328 kms to 2,580 kms over the financial years in the cities of its operation with them to connect more areas for increasing the supplies across all business segments.

Your Company has always been committed to the growth of a gas-based economy in India and India's vision of a greener and cleaner environment. As our country is moving towards an ambitious goal of achieving a carbon-neutral and self-reliant future, this project is a significant step in that direction.

Your Company believes in benefitting communities and protecting the environment which will ultimately determine the sustainability of continued progress. Your company has taken various steps to engage with stakeholder so that a vibrant and responsive ecosystem is created and jointly climate change issues can be addressed.

Going forward, your Company, Bhagyanagar Gas Limited, will likely to be benefitted by the renewed focus on natural gas, which would bring in fresh opportunities providing huge impetus to its growth.

I would like to thank all our shareholders, Promotes, Bankers, Government of India for the support and assistance provided throughout our journey. My heartfelt appreciation for all our employees who took on a courageous responsibility with a commitment to ensure energy and feedstock supplies even during the worst COVID-19 situation. They are the backbone of this Company and they have put their best effort day after day to transform your Company and make it more competitive.

Thank you for all the support in taking Your company to greater heights.

Regards & Best Wishes

**Mukesh Kumar Tiwari**  
Managing Director

## ABOUT US

Bhagyanagar Gas Limited, a joint venture of GAIL (India) Limited, and HPCL was incorporated in August 2003 as a City Gas Distribution Company for distribution and marketing of CNG and distribution of Piped Natural Gas (PNG) to Domestic, Commercial and Industrial Sectors in the state of Andhra Pradesh.

Bhagyanagar Gas Limited is authorized by the Central Government to Lay, build, operate and expand city gas distribution project in Hyderabad, Vijayawada and Kakinada.

Bhagyanagar Gas Limited currently operates 79 daughter booster CNG retail stations, 20 CNG online stations and 36 daughter stations all over Hyderabad, Vijayawada & Kakinada.

Bhagyanagar Gas Limited will leave no stone unturned in creating the necessary facilities to

cater the demand of gas for transport, domestic, industrial & commercial customers in its area of operation.

Bhagyanagar Gas Limited is committed to the objective of safeguarding the environment by bringing down vehicular pollution levels and by providing convenient and safe fuel on the turn of the tap for Domestic, Commercial and Industrial Consumers at economic prices.







## 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 & Andhra Pradesh, India.

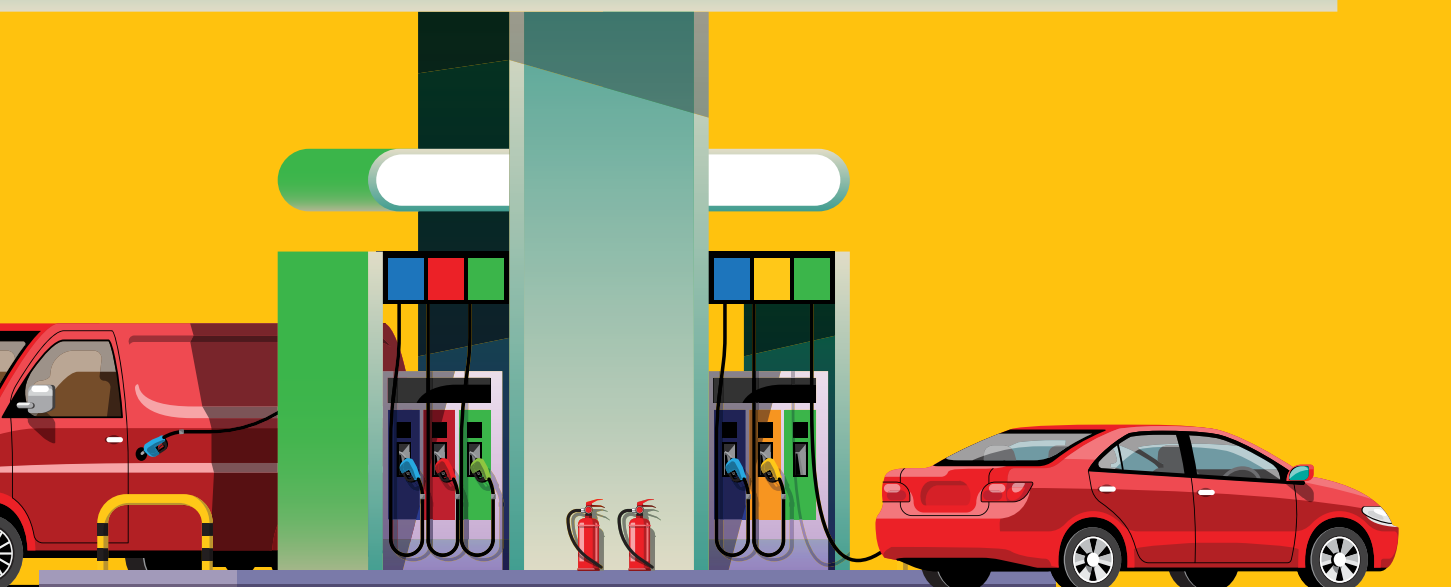


## Mission

To provide safe, convenient, reliable and timely 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:

- Making available the quality CNG kits and 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.



# OUR PRODUCTS

## Compressed Natural Gas ( CNG)

Compressed Natural Gas (CNG), is natural gas under pressure which remains clear, odourless, and non-corrosive. It is also a cheaper, greener, and more efficient alternative to the traditional petrol and diesel fuels for vehicles.

### Product attributes

#### Affordable

Fleet owners have reported reduction in operating costs of up to 60% as compared to Petrol Engines and 40% as compared to Diesel Engines.

#### Greener

CNG offers better ignition reduced emissions and thus becomes environment friendly. Compressed natural gas is the cleanest burning fuel operating today. CNG vehicles produce the fewest emissions of any motor fuel. Dedicated Natural Gas Vehicles (NGV) have little or no emissions during fuelling. CNG is more environment friendly since it produces 30% less carbon dioxide than gasoline and diesel. CNG has an octane number of 125 compared to gasoline which ranges from 92 to 95. This can result in improved overall engine performance and efficiency. CNG engines reduce noise pollution by

running smoother and quieter than gasoline or diesel engines.

#### Cleaner

Being the clearness burning fuel means less vehicle maintenance and longer engine life.

#### Safer

Surveys indicate that NGVs are as safe as or safer than those powered by other fuels. CNG cylinders are manufactured under very strict international standards and are subject to rigorous pressure and damage tests. CNG is lighter than air and if released, rises quickly and dissipates reducing the risk of ignition. Gasoline vapours are heavier than air and will stay closer to the ground which increases the risk of ignition. CNG has a higher ignition temperature than gasoline or diesel (540°C vs. 280°C and 210°C respectively). For this reason, CNG vehicles are the least likely to catch fire under any circumstance. CNG cylinders are equipped with safety devices which are designed to release the gas in the event of higher than normal pressure or temperature. In a collision, CNG cylinders are much less dangerous than a gasoline or diesel tank due to the extra robustness, structure, shape and location in the vehicle.



## Piped Natural gas (PNG)

PNG is used for Domestic, Commercial and Industrial Consumption. It is used as an alternative fuel to conventional fuels like LPG in domestic and commercial segments and LPG, Diesel, FO, Pet coke etc. in Industrial segments. PNG has several distinctions to its credit-of being a pollution free fuel, economical and safer fuel being few of them.

### Product attributes

#### Uninterrupted Supply

Being supplies through pipe lines PNG is a uninterrupted PNG is being supplied through pipe 24X 7. PNG offers the convenience of ensuring continuous and adequate supply of PNG at all times, without any problems of storing gas in cylinders.

#### Convenience

Since the supply of PNG is continuous, the domestic consumers is relieved from the task of booking LPG cylinder and waiting for the delivery man for delivery. Further there is no storage space required. In case of Commercial and Industrial consumption, the customer is relieved from storage space for the fuel and fuel

inventory management as they don't need to monitor the fuel stock and material handling.

#### Safety:

Natural Gas is a safe fuel. In case of leakage, NG being lighter than air, disperses in the air.

#### Economy

PNG is economical to LPG and any other liquid fuels. Further in the case of PNG, billing is normally after a cycle of fortnightly /monthly /quarterly after the use by the consumer whereas the consumers pay upfront for any other fuel used by them. Thus, there is savings on account of release of working capital for the commercial and industrial sector and deferment of expenses for the domestic sector.

#### Eco friendly fuel

PNG is one of the cleanest burning fuels, and helps improve the quality of air. When natural gas burns completely, it gives out carbon dioxide and water vapour. These are the very components that we give out while breathing! No spillage and pilferage.





# AN EVENTFULL YEAR







# KEY PERFORMANCE INDICATORS

## Total Revenue

(₹ in lakhs)



## EBDIT

(₹ in lakhs)



## Profit Before Tax

(₹ in lakhs)

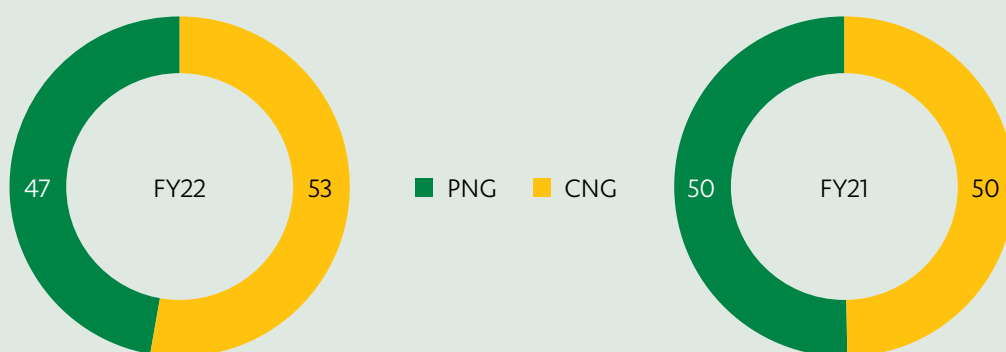


## Profit After Tax

(₹ in lakhs)



## Revenue Breakup (%)



## CNG Stations



## PNG Industrial Connections



## PNG Commercial Connection





# NOTICE

**NOTICE** is hereby given that 19<sup>th</sup> Annual General Meeting of the Members of Bhagyanagar Gas Limited will be held on Monday, 26<sup>th</sup> September 2022, at 3.30 P.M at the Regd. Office of the company situated at Second Floor, Parisrama Bhawan, TSIDC Building, Basheer Bagh, Hyderabad – 500 004 through Video Conferencing/ Other Audio-Visual Means ('OAVM') to transact the following business (es): -

## **ORDINARY BUSINESS :-**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2022 and Reports of Board of Directors' and Auditors' Report there on and to pass the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022 and the report of the Board of Directors and Auditors Report there on be and is hereby received, considered and adopted."

2. To appoint a Director in place of Shri Dilip Kumar Pattanaik (DIN 07540032) who retires by rotation, and being eligible, offers himself for re-appointment and to pass the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** Shri Dilip Kumar Pattanaik (DIN 07540032) be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

3. To authorize the Board of Directors of the Company to fix the remuneration to Statutory Auditors of the Company to be appointed by Comptroller and Auditor General of India for the financial year 2022-23 and to pass the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to fix the remuneration of Statutory Auditors of the Company to be appointed by Comptroller and Auditor General of India for the financial year 2022-23."

## **SPECIAL BUSINESS: -**

4. **Appointment of Shri Rakesh Kumar Jain (DIN 08788595) as Director on the Board :-**

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

**"RESOLVED THAT,** Shri Rakesh Kumar Jain (DIN 08788595) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 19<sup>th</sup> January 2022 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."

5. **Appointment of Shri Mukesh Kumar Tiwari (DIN 09387787) as Director on the Board :-**

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

**"RESOLVED THAT,** Shri Mukesh Kumar Tiwari (DIN 09387787) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 3<sup>rd</sup> November 2021 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. **Appointment of Shri Mukesh Kumar Tiwari (DIN 09387787) as Managing Director on the Board :-**

To consider and if thought fit, to pass with or without modification(s), the following resolution 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 the appointment of **Shri Mukesh Kumar Tiwari (DIN 09387787)** as Managing Director for a period of three years with effect from 3<sup>rd</sup> November 2021 to 2<sup>nd</sup> November 2024 on such terms and conditions as set out in the Explanatory Statement attached to this notice.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board

of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

**7. Re-appointment of Shri Sanjiv Gujral (DIN 07808552) as Whole Time Director / Director Commercial from 26<sup>th</sup> April 2022 to 17<sup>th</sup> June 2022 :-**

To consider, and if thought fit, to pass with or without modification(s), the following resolution 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 with effect from 26<sup>th</sup> April 2022 to 17<sup>th</sup> June 2022 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”

**8. Appointment of Smt. Y. Danuta (DIN 09628925) as Director on the Board: -**

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

“**RESOLVED THAT**, Smt. Y. Danuta (DIN 09628925) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 18<sup>th</sup> June 2022 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 her intention to propose her 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.”

**9. Appointment of Smt. Y. Danuta (DIN 09628925) as Whole Time Director / Director Commercial from 18<sup>th</sup> June 2022 to 17<sup>th</sup> June 2025.**

To consider, and if thought fit, to pass with or without modification(s), the following resolution 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 the appointment of **Smt. Y. Danuta (DIN 09628925) as Whole Time Director / Director Commercial** for a period of three years with effect from **18<sup>th</sup> June 2022 to 17<sup>th</sup> June 2025** on such terms and conditions as set out in the Explanatory Statement attached to this notice.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

**10. Ratification of payment of Remuneration to Cost Auditor for the F.Y. 2021-2022 :-**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as 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. 2021-22 amounting to Rs. 60,000/ (including XBRL conversion charges) plus applicable taxes (including XBRL conversion charges) be and is hereby ratified & confirmed.”

**By order of the Board  
For Bhagyanagar Gas Limited**

**Place: Hyderabad  
Date : 30-08-2022**

**Registered Office**  
Parisrama Bhavan,  
2<sup>nd</sup> Floor, TSIDC Building,  
Basheer Bagh,  
Hyderabad -500 004

**Sd/-  
Malleswari G  
Company Secretary**

## 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 4 to 10 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 continuing COVID 19 pandemic, the Ministry of Corporate Affairs vide its Circular No.14/2020 dated 8th April, 2020, Circular No 17/2020 dated 13th April, 2020, Circular No 20 /2020 dated 5<sup>th</sup> May, 2020, Circular No 02/2021 dated 13<sup>th</sup> January 2021, Circular No 19/2021 dated 8<sup>th</sup> December 2021, Circular No 21/2021 dated 14<sup>th</sup> December 2021 and Circular No 02/2022 dated 5<sup>th</sup> May 2022 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings/ Allowed to hold Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio Visual Means (OAVM). In compliance with the provisions of the Companies Act, 2013(the Act) and MCA circulars, the AGM of the company is being conducted through VC/OAVM.
3. Corporate members are required to send to the Company, a certified copy of the Board Resolution/ Authorised nomination Letter pursuant to section 113 of the Companies Act 2013, through e-mail at malleswari @bglgas.com or by post addressing to Company Secretary.
4. Members holding shares in physical form are requested to consider converting their holding to dematerialized form.
5. 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.
6. The facility of joining the e-AGM through VC/ OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM.
7. 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.
8. 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.
9. In Compliance with the aforesaid MCA circulars, Notice of the AGM along with the Annual Report 2021-22 being sent through electronic mode to those Members whose e mail addresses are registered with the Company/ Depositories. Member may note that the notice and Annual Report 2021-22 will also be available on the Company's website [www.bglgas.com](http://www.bglgas.com)
10. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this notice.

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

**Item no.2 of the Notice Shri Dilip Kumar Pattanaik (07540032) information about the appointee:-**

Qualifications	Mechanical Engineering (B-Tech).
Experience	37 Years.
Date of First Appointment	18 <sup>th</sup> 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	1. HPOIL Gas Private Limited 2. HPCL Lng Limited 3. Aavantika Gas Limited 4. GSPL India Gas net Limited 5. GSPL India Transco Limited 6. Godavari Gas Private Limited
No.of meetings of the Board attended from 01-04-2021 to 31-03-2022 after from the date of his appointment.	8 (Eight)

**Item no.4 of the Notice Shri Rakesh Kumar Jain (08788595) information about the appointee: -**

Qualifications	Cost Accountant
Experience	33 Years
Date of First Appointment in BGL	19-01-2022
Relationship with Other Key Managerial Personnel (KMPs) and Directors	No relationship with other Key Managerial Personnel (KMPs) and Directors
Shareholding in the Company (BGL).	NIL
Other Director ship in other Companies	GAIL (India) Limited - Director -Finance GAIL Global (USA) Inc. - Director GAIL Global (USA) LNG LLC - Director GAIL Gas Limited - Director Indraprastha Gas Limited - Director Bengal Gas Company Limited - Chairman
No.of meetings of the Board attended from 01-04-2021 to 31-03-2022 after from the date of his appointment.	1 (One)

**Item no. 5 & 6 of the Notice Shri Mukesh Kumar Tiwari (09387787) information about the appointee: -**

Qualifications	BE (Electrical); Executive Development program from IIM, Lucknow & FMS, New Delhi and Senior Management Program from IIM, Bangalore.
Experience	30 Years.
Date of First Appointment in BGL	3 <sup>rd</sup> November 2021
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	NIL
No.of meetings of the Board attended from 01-04-2021 to 31-03-2022 after from the date of his appointment.	2 (Two)



**Item no. 7 of the Notice Shri Sanjiv Gujral (DIN 07808552) information about the appointee: -**

Qualifications	Chartered Accountant
Experience	31 Years
Date of First Appointment in BGL	29-04-2017
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	NIL
No. of meetings of the Board attended from 01-04-2021 to 31-03-2022 after from the date of his appointment.	9 (Nine)

**Item no. 8 & 9 of the Notice Yeleswarapu Danuta (DIN 09628925) information about the appointee: -**

Qualifications	Cost Accountant
Experience	26Years.
Date of First Appointment in BGL	18-06-2022
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	NIL
No. of meetings of the Board attended from 01-04-2021 to 31-03-2022 after from the date of his appointment.	NIL Yeleswarapu Danuta (DIN 09628925) appointed on 18 <sup>th</sup> June 2022

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO 4:-**

Shri Rakesh Kumar Jain (**DIN 08788595**) was appointed as an additional Director by the Board of Directors w.e.f 19<sup>th</sup> January 2022 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.

In this regard, the Company has received request in writing from a shareholder of the company proposing his candidature for appointment as Director of the Company.

Shri Rakesh Kumar Jain is a Cost and Management Accountant by profession, Shri Jain joined GAIL in 1992 as a Management Trainee and has been part of growth trajectory of GAIL. Prior to his appointment as Director (Finance) in GAIL, Shri Jian held in the position of Executive Director (Finance & Accounts) in GAIL .

As Executive Director (Finance & Accounts), he headed Corporate Finance and Treasury section in large mobilisation of funds from domestic and international markets and took investment decisions in large infrastructure projects. He was also actively involved in Investor relations and interactions with Analysts

fraternity. Shri Jain has worked in the areas of Corporate Finance and Treasury including Forex Risk Management, Capital Budgeting, Corporate Budgets, Corporate Accounts, Finalization of Long-Term international LNG and Gas Agreements, Pricing, Liquefaction and Regasification Terminal Service Agreement, Mergers & Acquisitions, Taxation, Regulatory aspects etc.

Besides serving a long tenure at GAIL, he was on deputation to Petroleum and Natural Gas Regulatory Board (PNGRB), as Jt. Director (Commercial and Finance). During his stint at PNGRB, he was actively engaged in the review of tariff regulations, conceptualization of unified tariff, authorization of CGD 9<sup>th</sup> & 10<sup>th</sup> bidding rounds, finance functions etc. He has also worked in almost all business verticals of GAIL including GAIL's largest Petrochemical plant at Pata.

Shri Rakesh Kumar Jain (**DIN 08788595**) is interested in this Resolution mentioned at Item No. 4 of the Notice to the extent of his appointment as Director.

Other than Shri Rakesh Kumar Jain (**DIN 08788595**) no other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

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

#### **ITEM NO. 5 & 6:-**

As per the recommendations of “Nomination and Remuneration Committee” Board of Directors have appointed Shri Mukesh Kumar Tiwari, nominee of GAIL, as Managing Director of Bhagyanagar Gas Limited for a period of three years with effect from 3<sup>rd</sup> November 2021 to 2<sup>nd</sup> November 2024 in pursuance of Article 31 of the Articles of Association of the Company and the provision of Section 196, 197, 198 and schedule V of the Companies Act, 2013.

In this regard, the Company has received request in writing from a shareholder of the company proposing his candidature for appointment as Director of the Company.

Shri Mukesh Kumar Tiwari has graduated in B.E. (Electrical) Motilal Nehru National Institute of Technology, Allahabad. He has done Executive Development program from IIM, Lucknow & FMS, New Delhi and Senior Management Program from IIM, Bangalore.

He started his career with GAIL (India) Limited, a Maharatna PSU under Ministry of Petroleum & Natural Gas, Govt. of India in the year 1991. Shri Mukesh Kumar Tiwari has rich experience of over 30 years in handling multifarious assignments in the natural gas sector covering diverse functions like, Corporate Governance, Project Development and Construction in Pipeline, Heat Recovery Steam Generators, Renewable Energy Field as well as Operation & Maintenance of Natural Gas Pipeline, Gas Processing Plant and compressor stations.

In India, Shri Mukesh Kumar Tiwari has led GAIL's forays into the wind energy generation and has also steered GAIL's initiatives in Natural Gas Pipeline Projects ranging from 4" to 48" Cross-country pipeline/ LMC. He had handled GAIL's Gas processing complexes at Vijaypur & vaghodia. In his previous assignments he was heading the RPNHQ Gujarat (Regional Pipeline Head Quarter) at Vadodara. This office was responsible for O&M of more than 1500KM Natural Gas pipeline, handling the gas of more than 70 MMSCMD comprising compressor station, GPU (Gas Processing Unit) at vaghodia and more than 175 installations all across state of Gujarat. During his tenure at RPNHQ Gujarat he has successfully completed pipeline replacement project worth Rs.

700 Cr. by laying the new lines more than 400KM and established the integrity of pipeline by conversion of non piggable to piggable lines of 200KM (thereby establishing the integrity through ILI), in addition to this Hydrotested more than 31 pipelines and integrity establishment of the assets.

He is having the acumen for team building, thereby challenging the departmental silos for smooth execution for achieving this he has initiated PEHAL and Saptahiki programs (A scrum initiative where every process owner was allowed to assign themselves a weekly program on common platform and its status be discussed in the weekend program) the case study of this has been awarded “Par-Excellence” by QCFI. For his various initiatives he has been accoladed various awards e.g., “Stellar contribution” by Baroda Management association, certificate of appreciation by Faculty of social work by MSU Baroda, IIMT studies limited of United Kingdom. His efforts have been recognized by FSSE. He was panelist in various technical seminars for e.g., National Conference on Recent Advances & Material Sciences organized by MSU Vadodara.

He has chaired the session on performance assessment of flow measurement on control systems organized by FCRI, Palghat. He has travelled for various performance assessments of various Oil & Gas installations in India & abroad. Shri Mukesh Kumar Tiwari is an effective communicator with leadership, Interpersonal, analytical and problem-solving skills.

The terms and conditions of the appointment of Shri Mukesh Kumar Tiwari who is on deputation to BGL are as under: -

#### **PERIOD:-**

Period of appointment is 3 years w.e.f 3<sup>rd</sup> November 2021 to 2<sup>nd</sup> November 2024

#### **REMUNERATION:-**

Basic pay per month **Rs. 2,26,030/-** In addition to that he is entitled to variable D.A., Tution Fee, perf rel pay (PRP), Professional updation allowance, LTC, Catering Exp., Reimbursement of House upkeep allowance, Domestic Help allowance, HRA, Holiday Home, Educational Scholarship and other allowances as per rules of GAIL.

Annual Increment as per rules of GAIL

In addition to salary, perquisites will be provided as per relevant applicable rules of GAIL.

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

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 manger 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 and its manager shall be as per the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013.

Shri Mukesh Kumar Tiwari, is interested in this Resolutions mentioned at Item No. 5 & 6 of the Notice to the extent of his appointment as Director.

Other than Shri Mukesh Kumar Tiwari, no other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolutions mentioned at Item No. 5 & 6 of the Notice.

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

#### **ITEM NO. 7:-**

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 from 26<sup>th</sup> April 2022 to 17<sup>th</sup> June 2022 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 31 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:-**

26<sup>th</sup> April 2022 to 17<sup>th</sup> June 2022

#### **REMUNERATION:-**

Basic Salary per month Rs. 2,46,670 /-

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 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 a **Special Resolution**.

#### **ITEM NO 8 & 9:-**

Board of Directors have appointed Smt., Yeleswarapu Danuta (DIN 09628925) nominee of HPCL, as Whole Time Director and designated her as Director Commercial cum C.F.O of Bhagyanagar Gas Limited for a period of three years with effect from 18<sup>th</sup> June 2022 to 17<sup>th</sup> June 2025 in pursuance of the provision of Section 196, 197, 198 and schedule V of the Companies Act, 2013 .

Smt., Yeleswarapu Danuta, is a Cost Accountant with 26 years of experience in various fields. She joined HPCL in 1996 and has handled various assignments during her tenure with HPCL with exposure of having worked in HPCL HQO, Mumbai Refinery, North & South-central zonal office and Internal Audit.

The terms and conditions of the appointment of Smt. Yeleswarapu Danuta (Emp.No of HPCL.31913350) who is on deputation to BGL appointed as Whole Time Director and Designated her as Director Commercial cum C.F.O are as under:-

#### **PERIOD:-**

Three years w.e.f., 18<sup>th</sup> June 2022 to 17<sup>th</sup> June 2025.

#### **REMUNERATION:-**

Basic Salary per month Rs. 1,93,180/-

In addition, she is entitled to variable D.A., Fitness Allowances, Educational and Hostel Allowances, Professional Pursuit Allowances and other allowances as per rules of HPCL.

Annual Increment as per rules of HPCL from time to time.



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.

Smt., Yeleswarapu Danuta (DIN 09628925) is interested in this resolution to the extent of her appointment .

None of the Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the item no 8 & 9

Accordingly, the Board of Directors recommends the resolution set out at Item no.8 & 9 for your approval.

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

#### **ITEM NO. 10:-**

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 18<sup>th</sup> Annual General Meeting, for authorizing the Board to approve the remuneration payable to the Cost Auditors for the financial year 2021-2022

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 2021-22.

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 by 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 2021-22 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 10

Accordingly, the Board of Directors recommends the resolution set out at Item no. 10 for your approval.

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

**By order of the Board  
(Bhagyanagar Gas Limited)**

**Sd/-**

**Malleswari. G  
Company Secretary**

**Place: Hyderabad  
Date : 30-08-2022**

# DIRECTORS' REPORT

To

## The Shareholders of Bhagyanagar Gas Limited

Your directors have pleasure in presenting the 19th Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 2022 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: -

(Rs. in Lakhs)

Product	For the year	
	31-03-2022	31-03-2021
Compressed Natural Gas (CNG)	15,561.07	8,479.81
Piped Natural Gas (PNG)	13,882.96	8,523.98
<b>Total</b>	<b>29,444.04</b>	<b>17,003.29</b>

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

(Rs. in Lakhs)

Particulars	For the year 31.03.2022	For the year 31.03.2021
<b>Revenue from Operations</b>	<b>29,444.04</b>	<b>17,003.29</b>
Other Income	344.66	315.20
<b>Total Revenue</b>	<b>29,788.70</b>	<b>17,318.49</b>
Cost of materials consumed/purchases/other expenses	18,668.05	12,591.34
Employee benefit expenses	443.16	439.25
<b>Earnings Before Depreciation, Interest and Tax</b>	<b>10,677.49</b>	<b>4,287.90</b>
Depreciation	2,462.96	1,959.15
Finance Cost	2,673.97	1,032.62
<b>Profit before tax</b>	<b>5,540.56</b>	<b>1,296.13</b>
Current Tax	971.13	122.41
Deferred Tax	147.70	315.43
<b>Net Profit for the year after Tax</b>	<b>4,421.74</b>	<b>858.29</b>



## ACHIEVEMENTS DURING THE YEAR:-

BGL is committed towards ensuring a cleaner and greener environment in its allocated GA's. In this endeavor, BGL has progressed by leaps and bounds across all its business segments. This progress was achieved by your company in spite of the impact of the continuation of COVID 19 Pandemic.

### PNG DOMESTIC CONNECTIONS:-

BGL is committed towards ensuring a cleaner and greener environment in its allocated GA's.

Description	GA	Numbers	
		2020-21	2021-22
PNG	Hyderabad	1,43,248	1,60,234
Connections-	Vijayawada	43,124	48,658
Domestic	Kakinada	58,087	61,436
	Total	2,44,459	2,70,328

### Cumulative Domestic Connections

2020-21



2,44,459 nos.

2021-22



2,70,328 nos.

### PNG I&C CUSTOMERS:-

During the financial year your company continued its thrust on the Commercial and Industrial Segment which is one of the potential growth areas in coming years.

### Cumulative Commercial Connections

2020-21



209 nos.

2021-22



279 nos.

### Cumulative Industrial Connections

2020-21



47 nos.

2021-22



73 nos.

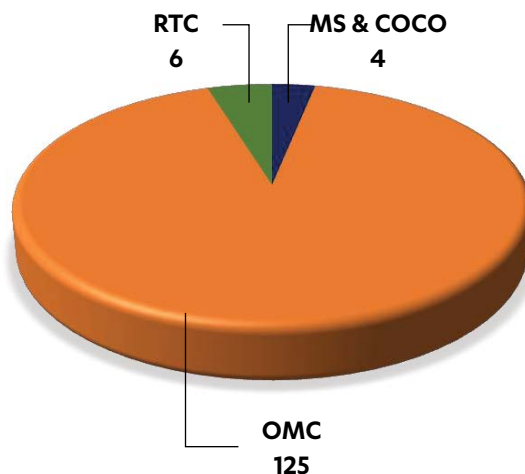
### CNG STATIONS:-

Continuing the Journey, the acceptance of CNG as a fuel has been increasing across all GA's in spite of setback COVID -19 struggles. The main driver for this growth has been the economic advantage over other competitive fuels. Your Company has commissioned 9 CNG stations in Hyderabad, Vijayawada and Kakinada in FY 2021-22 to cater to the CNG supplies.

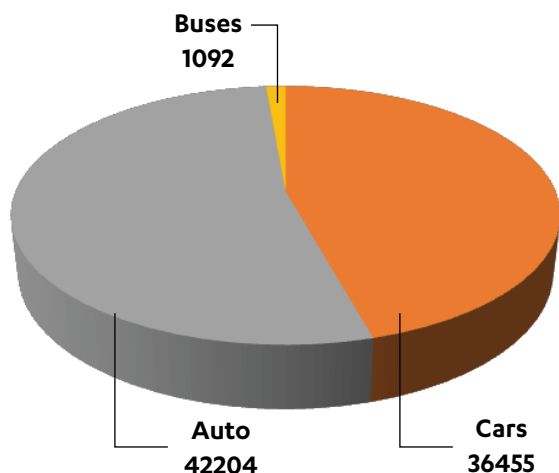
"Saksham" long campaign of Petroleum Conservation Research Association (PCRA) is an effort in the directions of conserving fossil fuels and adopting Green & Clean Energy. During the "SAKSHAM", M/s.Bhagyanagar Gas Limited has conducted the vehicle rally at our BGL COCO Saroornagar with the participation of all the Oil Marketing Companies .

Description	Place	Cumulative Numbers	
		2020- 21	2021- 22
	Hyderabad	84	88
CNG Stations	Vijayawada	30	34
	Kakinada	12	13
	Total	126	135

### CNG Stations in BGL's GAs



### CNG Vehicle Polpulation Count in BGL GA's



### Cumulative CNG Stations

2020-21



126 nos.

2021-22

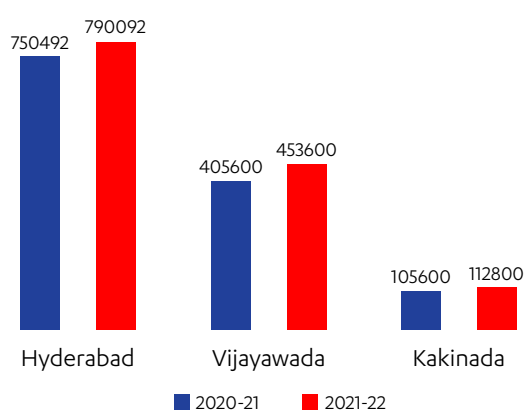


135 nos.

### COMPRESSION CAPACITY:-

Compression Capacity for the year 2021-22 given below:-

### Compression capacity in Kg/24 hours operation

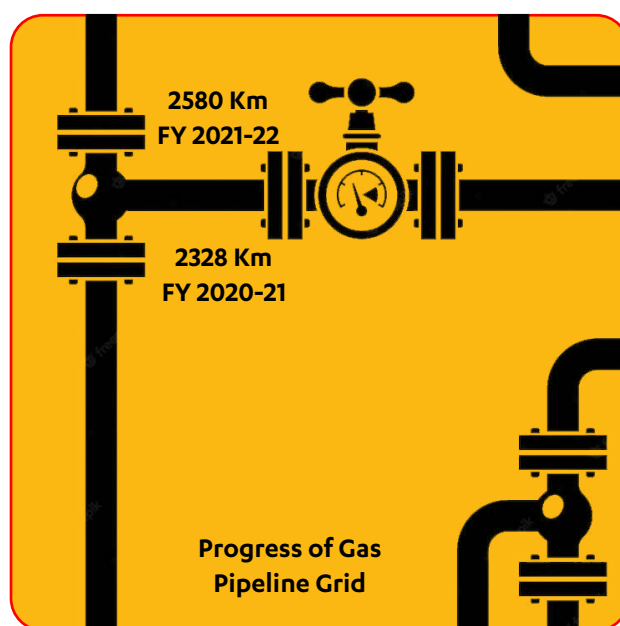


BGL has increased its pipeline network (Steel and MDPE) from 2,328 kms to 2,580 kms over the financial years in the cities of its operation with them to connect more areas for increasing the supplies across all business segments.

### Pipeline Length (Steel & MDPE):-

Steel & MD PE laid as on FY 21-22		
Geographical Area	Steel in Km.	MDPE in Km.
Hyderabad	85.91	916.14
Vijayawada	48.15	483.71
Kakinada	46.13	1000.30

### PIPELINE LENGTH (STEEL & MDPE):-



### HUMAN RESOURCES:-

Your Company believes that its employees are the base of a strong and long-running organization. Employees run the organization, no matter what level. Employees are the ones who give their heart and soul to an organization. Similar to how parents raise their children, employees nurture their organization with their values and endless efforts to take it to the top.

Accordingly, the Company has been concentrating on training activities that improve their mental and physical health. Even the outsourced staff is nominated for training on motivational and positive thinking from the Brahmakumaris. Yoga is being encouraged right from the entry level officers. The Company has also associated itself with Quality Circle Forum of India and academia of CGD industry to emphasize the importance of maintaining high standards of quality, prompt delivery of products and services and importance of continuous learning.

We have conducted campus interviews and recruited fresh engineering and management students from several reputed colleges. Induction Training has been imparted so that they are ready to contribute to the existing workforce.



Employees and their families have united and celebrated on several occasions, thereby increasing the bonding between the BGL family. Sports teaches us lot of values which are required in our daily lives. It teaches us how to react to the ups and downs of life. All employees and outsourced staff participated in a friendly cricket tournament arranged by the Company, where better performers were rewarded and the others were encouraged.

In CGD industry, safety is of paramount importance. Safety is a way of life at BGL. Safety week, is organized wherein all employees and stakeholders are involved. Safety drills are regularly organized and involvement of the local authorities are also ensured in training of our people.

Lastly, BGL realizes that Social Responsibility is the duty of every individual or company towards the society and environment. Accordingly, during this year, it has associated itself with M/s L V Prasad Eye Institute to conduct critical eye surgeries to economically weaker section of the society and donation of critical medical equipment. Through an NGO, several free medical camps were conducted in Government Schools located at our three GAs at Hyderabad, Vijayawada and Kakinada. 9000 free meals were distributed through ISKCON, an Organisation known for its philanthropic activities.

#### **INFORMATION TECHNOLOGY/AUTOMATION:-**

- BGL is developing a customer centric focus and offers customers satisfying service each and every time through innovation, faster decisions, new business models and flexibilities. Our team undertakes intensive planning and monitoring to reach to people and provide them the convenience of natural gas. Connecting various households, industries and transport sector with the eco- friendly fuel and adding convenience and comfort in the lives of people across the nation has always been our mission.
- BGL is committed to build and maintain a customer friendly approach in its operations and systems. Company has undertaken several IT initiatives to simplify processes and to ensure unmatched customer service experience and thus bring greater efficiency. Initiatives like online registration, payment, Smart meters to automatically record the consumption of natural gas, mobile application, Customer Relationship Management (CRM) etc have streamlined the

operations and propagated the customer-oriented approach of the organization. Company also ensures after sales services and is well equipped with 24x7 toll free customer care centre for resolving queries.

- 100% digitization of payments to vendors and service providers. During lockdown, Vendors, Contractors, etc. bills were paid smoothly through digital mode.
- 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.
- Despite restrictions imposed on account of COVID-19 outbreak and nationwide lockdown, your Company managed uninterrupted and safe operations of CNG & PNG to industries and domestic consumers and ensured the availability of Natural Gas.

#### **SHARE CAPITAL:-**

The Authorised Share Capital of your company as on 31<sup>st</sup> March 2022 is Rs. 100 Crores, consisting of Rs. 10 Crores equity share of face value of Rs. 10/- each and the paid-up capital of the Company is Rs. 89.58 crores.

#### **BORROWING & DEBT SERVICING:-**

Company has been sanctioned a term loan of Rs. 400 Cr from ICICI Bank for Phase I project expansion in 2017, which has been completely utilized. The Company had been sanctioned a fresh term loan of Rs. 250 Crores from ICICI Bank towards the Phase II of project expansion. Company also availed Non-Fund Based limit of Rs. 65 crores from ICICI Bank towards working capital and LC/ BG Requirement.

#### **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 2021-22 the Board of Directors of your Company not recommended any dividend.

**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 (07540032) liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

**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 2021-22, the Board of Directors met nine (9) 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 A.K.Tiwari	Chairman & Non-Executive Director	7	7
2	Shri E. Ranganathan	Chairman & Non-Executive Director	1	1
3	Shri Rakesh Kumar Jain	Chairman & Non-Executive Director	1	1
4	Shri Rajeev Garg	Executive Director designated as Managing Director	6	6
5	Shri Mukesh Kumar Tiwari	Executive Director designated as Managing Director	3	2
6	Shri Dilip Kumar Pattanaik	Non- Executive Director	9	8
7.	Shri Rajesh Vedvyas	Independent Director	9	8
8	Shri Sanjiv Gujral	Executive Director designated as Director Commercial.	9	9

**AUDIT COMMITTEE:-**

Audit Committee of the members of the Board of Directors met Six (6) times during the financial year from 01.04.2021 to 31.03.2022 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder: -

The Composition of Audit Committee is as follows:-

- |     |   |   |          |
|-----|---|---|----------|
| 1.  | Shri Rajesh Vedvyas                         | - | Chairman |
| 2.* | Shri Rajeev Garg / Shri Mukesh Kumar Tiwari | - | Member   |
| 3.  | Shri Sanjiv Gujral                          | - | Member   |

\*1/4/2021 to 2/11/2021 Shri Rajeev Garg is the Member and w.e.f. 3/11/2021 to 31/3/2022 Shri Mukesh Kumar Tiwari is the Member

### **NOMINATION & REMUNERATION COMMITTEE:-**

Nomination & Remuneration Committee of the members of the Board of Directors met three (3) times during the financial year from 01.04.2021 to 31.03.2022 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder: -

The Composition of Nomination and Remuneration Committee from 01-04-2021 to 31-03-2022 is as follows:-

- |                               |            |
|-------------------------------|------------|
| 1. Shri Rajesh Vedvyas        | - Chairman |
| 2. Shri A.K.Tiwari            | - Member   |
| 3. Shri Dilip Kumar Pattanaik | - 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 Rs. 20,000/- per Board Meeting and Rs. 15,000/- per Committee Meeting for attending the meetings. Total sitting fees paid/ payable during the financial year under review were Rs. 3,45,000/- before deducting TDS.

### **AUDITORS:-**

#### **STATUTORY AUDITORS:-**

The Statutory Auditors of your company are appointed by the Comptroller & Auditor General of India (CAG). Accordingly, M/s. ANJANEYULU & CO., Chartered Accountants was appointed as the Statutory Auditors of your Company for the financial year 2021-2022.

The Auditors' Report of your Company's Annual Accounts for the financial year ending 31st March, 2022 .The report is enclosed with the financial statements in this annual report , which is self explanatory.

#### **SECRETARIAL AUDITORS:-**

The Board of Directors appointed M/s. Nekkanti S.R.V.V.S Narayana & Co, Company Secretaries, as the Secretarial Auditors for the financial year 2021-22 and their report is given as Annexure -2

#### **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 2021-22.

#### **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 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. Ramachandram & Co., Chartered Accountants, Hyderabad as the Internal Auditors of the Company for the financial year 2021-22

### **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 i.e. 31/03/2022.

### **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 31<sup>st</sup> March 2022 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 IN 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 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 risk by means of a properly identified framework.

## CORPORATE SOCIAL RESPONSIBILITY:-

Corporate Social Responsibility Committee met two (2) times during the financial year from 01.04.2021 to 31.03.2022 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The Composition of CSR Committee is as follows: -

1. Shri. Rajesh Vedvyas - Chairman
- 2.\* Shri Rajeev Garg / Shri Mukesh Kumar - Member  
Tiwari
3. Shri Sanjiv Gujral - Member

Your Company being a responsible corporate entity has been continuously contributing in social developments. In the year 2021-22 Rs. 29.37 Lakhs were spent under CSR and for the remaining balance provision was created towards unspent amount of Rs. 17.07 Lakhs relating to the financial year 2021-22 which shall be transferred to the funds Specified in Schedule VII of the of the Companies Act 2013 before 30-09-2022.

\*1/4/2021 to 2/11/2021 Shri Rajeev Garg is the Member and w.e.f. 3/11/2021 to 31/3/2022 Shri Mukesh Kumar Tiwari is the Member

## 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 address complaints received regarding Sexual Harassment. During the Year 2021-22, no complaints were received.

## HSE (HEALTH, SAFETY AND ENVIRONMENT):-

Your Company believes that safety of its workforce and all its stakeholders is of critical importance to its functioning and success. It has incorporated all the necessary measures to promote the highest level of Safety, Health, Environment and loss control in all areas of implementation of the CGD projects, natural gas transmission, 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. Your Company is committed to promote globally comparable levels of HSE management in the areas of its business. A number of initiatives have been taken to ensure safety of both people and equipment. The ability to share knowledge across organizational boundaries is a key aspect of a sound HSE culture. Your Company held several knowledge sharing and training sessions to create awareness on all critical issues related to health and safety during work and beyond. Your Company is complying with all relevant statutory rules and regulations including PNGRB regulations on safety, occupational health and environment in order to achieve utmost safety in all its working and business activities.

Your Company has always accorded top most priority to Safety. It has made concerted efforts to maintain a good safety culture and highest safety standards. Regular trainings are imparted to drivers, PNG customers, employees, contractual staff and other stakeholders. For BGL, safety comes first, for all its stakeholders.

Your Company believes that safety of its workforce and all its stakeholders 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 the 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 other untoward incidents. Leads / Major initiatives taken to ensure the safety.

#### **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 31<sup>st</sup> March, 2022 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) They have 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) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) They have prepared the annual accounts on a going concern basis and

- e) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

#### **COVID -19:-**

The COVID -19 pandemic is a world wide crisis and has meant that the economies will have to operate along side the disease. CNG and PNG commercial Sales were adversely impacted during COVID-19 lockdown.

The Company strictly followed the guidelines issued by local, state and central governments and also went beyond to protect the health and well being of its workforce and ensured minimum disruption to its customers. The Company provided support to its employees and their families to undergo vaccination.

#### **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**

Sd/-  
**Mukesh Kumar Tiwari**  
Managing Director  
(DIN:09387787)

Sd/-  
**Y. Danuta**  
Director Commercial  
(DIN: 09628925)

Date: 30.08.2022  
Place: Hyderabad

# 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 Rs. Lakhs)

Name of the Related Party	HPCL For the year 2021-2022	GAIL For the year 2021-22
Nature of transaction:		
Purchases - Natural Gas	NIL	12,150.32
Sales – CNG	8,972.25	-
Manpower Cost of Employees on deputation	298.49	428.07
LC with GAIL	NIL	3,852.76
NG Compression Service	-	58.73

## ANNEXURE - 2

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[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 **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 my opinion thereon.

Based on our verification of the 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 31<sup>st</sup> March, 2022 (“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 the Company for the financial year ended on 31<sup>st</sup> March, 2022 and made available to us, 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;



[www.nekkanti.in](http://www.nekkanti.in)



- (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) Other laws applicable specifically to the Company, namely:
  - (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 Secretarial Standards issued by The Institute of Company Secretaries of India.

We report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines Standards mentioned above.

We further report that:

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion, 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**

ICSI Unique Code: S2009AP122301



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

Proprietor

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

ICSI UDIN: **F007157D000678157**

Date : 25<sup>th</sup> July, 2022

Place : Hyderabad



**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  
Telangana-500004

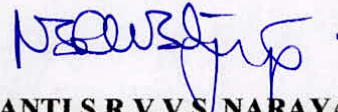
Our report of even date is to be read along with this letter:

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**

ICSI Unique Code: S2009AP122301



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

Proprietor

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

ICSI UDIN: F007157D000678157

Date : 25<sup>th</sup> July, 2022

Place : Hyderabad



# ANNEXURE - 3

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March 2022

[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, +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	3520	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 (01.04.2021)				No. of Shares held at the end of the year (31.03.2022)				%Change +/- during the year
		De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual along GAIL/HPCL	4	2	6	0	5	1	6	0	%
b)	Central Govt Companies									
	GAIL (INDIA) LIMITED	4,36,49,997	0	4,36,49,997	48.73%	4,36,49,997	0	4,36,49,997	48.73%	0%
	HPCL	4,36,49,997	0	4,36,49,997	48.73%	4,36,49,997	0	4,36,49,997	48.73%	0%
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 (Joint Names)	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):		8,72,99,998	2	8,73,00,000	97.46%	8,72,99,999	1	8,73,00,000	97.46%	0%
(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
Sub-total (A)(2):		0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)		8,72,99,998	2	8,73,00,000	97.46%	8,72,99,999	1	8,73,00,000	97.46%	0%
(1)+(A)(2)										



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2021)				No. of Shares held at the end of the year (31.03.2022)				%Change +/-during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
(1) Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s) APIIC	22,30,961	0	22,30,961	2.49%	22,30,961	0	22,30,961	2.49%	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
Others (specify) Kakinada Sea Port Limited	0	48,500	48,500	0.05%	0	48,500	48,500	0.05%	0%
<b>Sub-total (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2) Non-Institutions	0	0	0	0	0	0	0	0	0
a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	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
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0	0	0	0	0	0
c) Others(specify) Individuals	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>8,95,30,959</b>	<b>48,502</b>	<b>8,95,79,461</b>	<b>100%</b>	<b>8,95,30,960</b>	<b>48,502</b>	<b>8,95,79,461</b>	<b>100%</b>	<b>-</b>

ii. **SHAREHOLDING OF PROMOTERS:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	Individual 3 Shareholders Jointly with GAIL	3	0	0	3	0	0	0
3	HPCL	4,36,49,997	48.73%	0	4,36,49,997	48.73%	0	0
4	Individual 3 Shareholders Jointly with HPCL	3	0	0	3	0	0	0
<b>Total</b>		<b>8,73,00,000</b>	<b>97.46%</b>	<b>0</b>	<b>8,73,00,000</b>	<b>97.46%</b>	<b>0</b>	<b>0</b>

**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	8,73,00,000	97.46%	8,73,00,000	97.46%
	Increase/ Decrease in no.of shareholdings	-	-	-	-
	At the End of the year	-	-	8,73,00,000	97.46%

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

Sl. No.	For each of the Top 10 Shareholders	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				
	Kakinada Seaports Limited	48,500	0.05%	48,500	0.05%
	APIIC	22,30,961	2.49%	22,30,961	2.49%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)				
	Kakinada Seaports Limited	-	-	48,500	0.05%
	APIIC			22,30,961	2.49%

iv. **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl. No.	For each of the Directors and KMP	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	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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,90,00,00,000	NIL	NIL	4,90,00,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	9,35,474	NIL	NIL	9,35,474
<b>Total (i+ii+iii)</b>	<b>4,90,09,35,474</b>	<b>NIL</b>	<b>NIL</b>	<b>4,90,09,35,474</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	90,11,02,407	NIL	NIL	90,11,02,407
• Reduction	25,09,35,474	NIL	NIL	25,09,35,474
<b>Net Change</b>	<b>65,01,66,933</b>	<b>NIL</b>	<b>NIL</b>	<b>65,01,66,933</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,55,00,00,000	NIL	NIL	5,55,00,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	11,02,407	NIL	NIL	11,02,407
<b>Total (i+ii+iii)</b>	<b>5,55,11,02,407</b>	<b>NIL</b>	<b>NIL</b>	<b>5,55,11,02,407</b>

## VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

		<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager: -</b>			
Sl. No.	Particulars of Remuneration	Name of MD/ WTD			Total Amount (Rs.)
		Managing Director	Managing Director	Director Commercial cum C.F.O	
1	Gross salary	Shri Rajeev Garg	Shri Mukesh Kumar Tiwari	Shri Sanjiv Gujral	
		(01-04-2021 to 31-03-2022)*			INR (Rs.)
2	Salary and allowances, Car Hire Charges, Driver Salary & fuel charges & other expenses etc.,	69,26,141	76,34,678	1,16,17,480	2, 61,78 ,299
2	Stock Option	0		0	0
3	Sweat Equity	0		0	0
4	Commission	0		0	0
	- as % of profit	0		0	0
5	-others, specify	0		0	0
<b>Total</b>		<b>69,26,141</b>	<b>76,34,678</b>	<b>1,16,17,480</b>	<b>2, 61,78 ,299</b>



**B. REMUNERATION TO OTHER DIRECTORS**

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors				Total Amount (Rs.)
		Shri A.K.Tiwari (Chairman Non-Executive Director) (01-04-2021 to 01-12-2021)	Shri Ranganathan (Chairman Non-Executive Director) (01-12-2021 to 19-01-22)	Shri R.K.Jain (Chairman Non-Executive Director) (19-01-2022 to 31-03-2022)	Shri Dilip Kumar Pattanaik (Non-executive Director) (01-04-2021 to 31-03-2022)	
		NIL	NIL	NIL	NIL	NIL

**A. REMUNERATION TO OTHER DIRECTORS**

Sl. No.	Name of Independent Director	01-04-2021 to 31-03-2022)	Total Amount (Rs.)
1	Shri Rajesh Vedvyas, Sitting Fees for attending the Board Meetings, Audit Committee Meetings, NRC & CSR committee meetings.	3,45,000/-	3,45,000/-

**B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Particulars of Remuneration	
		Company Secretary	Total
1	COST TO THE COMPANY INCLUDING PLP, BONUS ETC., (01-04-2021 TO 31-03-2022)	15,00,000	15,00,000
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others, specify	0	0
5	Others, please Specify	0	0
<b>Total</b>		<b>15,00,000</b>	<b>15,00,000</b>

**(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)
<b>A. COMPANY</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>B. DIRECTORS</b>					
Penalty	0	0	0	0	0
Punishment	0	0	0	0	0
Compounding	0	0	0	0	0
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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:-

All the energy conservation measures have been included in the plant design of CNG Mother Station as well the Daughter stations commissioned in Vijayawada, Kakinada and Hyderabad. The details relating to energy consumption in Mother Station and energy consumption per unit of production is given below:

##### **Power & Fuel Consumption:-**

Particulars	2021 - 22	2020 - 21
i) Electricity purchased		
Units Consumed (KWH)	2,13,918	2,64,807
Total Amount in Rs.	36,09,882	22,60,418
Rate/Unit (Rs.KWH)	16.88	8.54
Demand Load Charges in Rs.	18,48,979	18,50,849
ii) Natural gas as fuel (kg.) consumed	12,28,262	7,25,350

##### **Consumption per MT of production: -**

Particulars	2021 - 22	2020 - 21
CNG Production (Total/MT)	26,815.78	17,736.15
Electric Driven Production (MT)	614.96	732.98
Gas Driven Production (MT)	12,864.72	14,124.39
Electric Driven Production (MT)-Otherthan MS	3,302.16	2,878.78
Gas Driven Production (MT)-OLS	10,033.94	-
Electricity Consumed (in kVAh)/MT	347.86	361.27
Natural Gas as fuel (in kg.)	53.64	51.35

#### (B) Technology absorption:-

Efforts made towards technology absorption	NIL
Benefits derived like product improvement, cost reduction, product development or import substitution	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
• Year of import	NIL
• Whether the technology has been fully absorbed	NIL
• If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
Expenditure incurred on Research and Development	NIL

#### (C) Foreign exchange earnings and outgo: -

	2021-22	2020-21
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	NIL	NIL
Actual Foreign Exchange outgo	NIL	NIL

# ANNEXURE -5

## FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

### 1. Brief outline on CSR Policy of the Company.

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](http://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:

Sl. No.	Name of Director Designation /	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Rajeev Garg/ Shri Mukesh Kumar Tiwari	Managing Director	2	2
2	Shri Rajesh Vedvyas	Independent Director	2	2
3	Shri Sanjiv Gujral	Director Commercial cum CFO	2	2

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - [www.bglgas.com](http://www.bglgas.com).
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be setoff for the financial year, if any (in Rs.)
1	2020-21	NIL	NIL

6. Last three years Average net profit of the company as per section 135(5) - Rs. 2322.05Lakhs

### 7.

(a)	Two percent of average net profit of the company as per section 135(5)	Rs. 46.44 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
(c)	Amount required to be set off for the financial year	NIL
(d)	Total CSR obligation for the financial year (7a+7b-7c).	Rs. 46.44Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 35(5).		
	Amount.	Date of transfer	Name of the Fund	Amount. (In Lakhs)	Date of transfer.
Rs 29.37 Lakhs	NIL	NIL	Fund specified under Schedule VII of the Companies Act, 2013	17.07 Lakhs	Will transfer on or before 30 <sup>th</sup> September 2022

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the Project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Reg No.

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Reg No.
1	Health Check-up programme for school children at identified Govt. schools at Hyderabad and Vijayawada	VII (i)	Yes	Telangana & Andhra Pradesh	Hyderabad & Vijayawada	Rs. 2.98 Lakhs	Yes	-	-
2	Health Check-up programme for school children at identified O2nos. Govt. schools at Kakinada	VII (i)	Yes	Andhra Pradesh	Kakinada	Rs. 2.99 Lakhs	Yes	-	-



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Reg No.
3	L V Prasad Eye Institute (50 nos. Eye Surgeries for Chronic Eye Conditions (Non-cataract) @ Rs. 15000/- per surgery	VII (i)	Yes	Telangana	Hyderabad	Rs. 7.50 Lakhs	No	LV Prasad Eye Institute	CSR00001698
4	L V Prasad Eye Institute Donation of Auto Refractor at their Institute @ Vijayawada	VII (i)	Yes	Telangana	Vijayawada	Rs. 3.90 Lakhs	No	LV Prasad Eye Institute	CSR00001698
5	ISKCON "Food for Life"- 20000 meals @ Rs. 60/- per meal	VII (i)	Yes	Telangana	Hyderabad	Rs. 12.00 Lakhs	No	SKCON	CSR00005241
(d) Amount spent in Administrative Overheads									NIL
(e) Amount spent on Impact Assessment, if applicable									NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)									Rs 29.37Lakhs

(g) Excess amount for set off, if any

Sl. No	Particular	Amount (in Rs.)
1	Two percent of average net profit of the company as per section 135(5)	Rs 46.44Lakhs
2	Total amount spent for the Financial Year	Rs 29.37 Lakhs
3	Excess amount spent for the financial year [(ii)-(i)]	NIL
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years w.e.f 2020-21:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding Financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	

NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was Commenced.	Project Duration.	Total amount allocated for the project (In Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing.

NIL

<b>10</b>	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year <b>(asset-wise details)</b> .							NIL
(a)	Date of creation or acquisition of the capital asset(s).							NIL
(b)	Amount of CSR spent for creation or acquisition of capital asset.							NIL
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.							NIL
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).							NIL

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

During the year we have spent Rs. 29.37 Lakhs, HR department unable to identify the proper /eligible projects for spending the remaining CSR Amount of Rs. 17.07 Lakhs. " Provision was created towards unspent amount of Rs. 17.07 lakhs relating to the financial year 2021-22 which shall be Transfered to the funds specified I Schedule VII of the Companies Act , 2013 before 30<sup>th</sup> September 2022.

Sd/-

**SANJIV GUJRAL**  
(DIRECTOR -COMMERCIAL cum CFO)

Sd/-

**MOOKERJEE INDRAJIT**  
(HEAD -HR)

Date: 28.04.2022

Place: Hyderabad

# INDEPENDENT AUDITOR'S REPORT

## 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, 2022, 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, 2022, 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.

#### Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our thereon, and we do not provide a separate opinion on these matters.

#### Emphasis of Matter

Note No.45 – Impact of Covid-19 – Estimation of uncertainties relating to the global health pandemic from Covid-19 and the assessment made by the management on its business and financials for the year ended March 31, 2022, which is highly dependent on circumstances as they evolve in the subsequent periods.

Our opinion on the Statement is not modified in respect of these matters.

#### 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 is responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive



Income, Statement of Changes in Equity and the Statement of Cash 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), Rules, 2014 in our opinion and to the best of our information and according to the explanation given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements
  - (ii) 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.
  - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Provident Fund by the Company

- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The company has not declared nor proposed or paid any dividends during the year and therefore compliance under section 123 of the act is not applicable to 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 31st, 2022, we enclosed herewith a statement in Annexure "C".

**For Anjaneyulu & Co.**  
Chartered Accountants  
FRN: 000180S

Sd/-

**D.V.Anjaneyulu**  
Partner

Mem.No: 021036

UDIN : 22021036AIDDNB4330

**Place:** Hyderabad

**Date:**28/04/2022

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of BHAGYANAGAR GAS LIMITED of even date).

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (B) The Company has no intangible assets as per the information and explanation given to us and hence the provision of clause 3(i)(a)B of the Order are not applicable to the Company.
- (b) The fixed assets are physically verified by the Management to cover all the assets in every two years, 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 explanation given to us and on the basis of our examination of the records of company, the title deeds of immovable properties, as disclosed in Note-14 on fixed assets to the financial statements, are held in the name of the company, except as mentioned hereunder:

Description of property	Gross Carrying Value ( in Lakh of rupee)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reasons for not being held in name of company
Land in Survey No 1266 at mother station, shameerpet, Hyderabad admeasuring 2.18 acres allotted by APIIC	218.00	APIIC	No	Since 2010	Registration is pending due to procedural delays
Land in Survey No. 125/126 at Medchal Village, R.R.Dist, Hyderabad admeasuring 180 Sq. Mtrs allotted by APIIC	10.80	APIIC	No	Since 2010	Registration is pending due to procedural delays
Land in survey No. 24-B at Mother station, Sarpavaram, Vaklapudi, Kakinada admeasuring 1.50 acres allotted by APIIC	145.68	APIIC	No	Since 2009	Registration is pending due to procedural delays

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.

- (d) The company has not revalued any of these properties; Plant & Machinery or intangible assets during the year as per the information and explanation provided to us.
- (e) The company is not holding any benami property as per information and explanation provided to us and hence no proceeding have been initiated or are pending against the company benami transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) According to the information and explanation 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 discrepancies noticed on verification of physical stock with the stock as per books, which have been properly dealt with in the books of accounts.
- (b) According to the information and explanations given to us, the company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets during the year, and hence the clause 3(ii)b of the order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties, 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, 2022 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 as 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 Goods and Service Tax, Provident Fund, employees' state insurance, Income Tax, Sales Tax, service Tax, duty of customs, duty of excise, Value added Tax, Cess and any other statutory dues to 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 31<sup>st</sup> March, 2022.
- (b) According to the information and explanations given to us and the records of the company examined by us, the information on the amounts as at 31<sup>st</sup> March, 2022 which has not been deposited on account of a dispute are as under:

S. No	Name of the Statute	Nature of Due	Amount Involved	Claim Period	Forum where dispute is pending
1	Central Excise and Service Tax	Excise Duty	4,378,922	FY 2005-06 to FY 2009 -10	CESTAT, Hyderabad
2	Central Excise and Service Tax	Excise Duty	919,985	FY 2009-10 to FY 2010 -11	CESTAT, Hyderabad
3	Central Excise and Service Tax	Excise Duty	767,312	FY 2010 -11 to FY 2011-12	CESTAT, Hyderabad
4	Central Excise and Service Tax	Excise Duty	7,434,414	FY 2011-12 to FY 2015-16	CESTAT, Hyderabad
5	Central Excise and Service Tax	Excise Duty	1,713,264	FY 2015-16 to DY 2016-17	CESTAT, Hyderabad
6	Central Excise and Service Tax	Excise Duty	1,861,911	FY 2017-18	Office of the Assistant Commissioner of Central Tax, Amavarathi Division
7	Central Excise and Service Tax	Excise Duty	1,552,671	FY 18-19	Office of the Deputy Commissioner of Central Tax, Amavarathi Division
8	Central Excise and Service Tax	Excise Duty	1,482,023	FY 2019-20	Office of the Deputy Commissioner of Central Tax, Amavarathi CGST Divisional Office
9	Central Excise and Service Tax	Excise Duty	2,680,398	FY 2011-12 to FY 2014-15	CESTAT, Hyderabad
10	Central Excise and Service Tax	Excise Duty	2,123,457	FY 2014-15 to FY 2015-16	CESTAT, Hyderabad
11	Central Excise and Service Tax	Excise Duty	2,922,891	FY 2015-16 to FY 2017-18	CESTAT, Hyderabad



S. No	Name of the Statute	Nature of Due	Amount Involved	Claim Period	Forum where dispute is pending
12	Central Excise and Service Tax	Excise Duty	50,664	FY 2014-15	Commissioner of Customs, Central Excise & Service Tax (Appeals), Guntur
13	Central Excise and Service Tax	Excise Duty	8,300,478	FY 2011-12 to FY 2013-14	CESTAT, Hyderabad
14	Central Excise and Service Tax	Excise Duty	3,844,249	FY 2017-18 to FY 2018-19	Office of Commissioner (Appeals) GST, Customs & Central Excise, Basheerbagh, Hyderabad
15	Central Excise and Service Tax	Excise Duty	3,247,941	FY 2019-20	Office of the Deputy Commissioner of Central Tax, Central Excise and Service Tax
16	Income Tax ACT 1961	Income Tax Assessment Dues	2,340,958	FY 2007-08	The High Court of A.P. and Telangana
17	Income Tax ACT 1961	Income Tax Assessment Dues	9,685,624	FY 2008-09	The High Court of A.P. and Telangana
18	Sales Tax Act	VAT	1,672,950	FY 2014-15	AP VAT Tribunal, Vizag

(viii) According to the information and explanations given to us and the records of the company examined by us, there are no transactions recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) hence the provisions of Clause 3(viii) of the Order is not applicable.

(ix) (a) 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.

(b) According to the information and explanations given to us, the company has not declared wilful defaulter by any bank or financial institution or other lender.

(c) 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 applied for the purpose of which they were obtained.

(d) According to the information and explanations given to us, the company has not raised funds on short term basis. Hence utilisations of amounts of the same for long term purposes do not arise.

(e) According to the information and explanations given to us, the company has no subsidiaries, associates or joint ventures and hence the

clause 3(ix)e is not applicable.

(f) According to the information and explanations given to us, As the company has no subsidiaries, associates or joint ventures and hence the clause 3(ix)f is not applicable.

(x) (a) According to the information and explanation given to us, the company has not raised any monies by way of initial public offer or further public offer(including debt instruments) during the year and hence the clause of 3(x)a is not applicable.

(b) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the clause 3(x)b is not applicable.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the company have been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government.

(c) According to the information and explanation given to us, the company has not received any whistle-blower complaints during the year and

hence the consideration of the same do not arise.

(xii) The Company is not a Nidhi Company and hence reporting under clauses a,b,c of paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) In our Opinion and according to the explanations given to us, the company is in compliance with sec 177 and 188 of Companies Act 2013, where applicable for all the transactions with the related parties and the details of related party transactions have been disclosed in the Financials statements as required by the applicable Indian Accounting Standards.

(xiv)(a) To the best of our knowledge and according to the information given to us, the company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under the audit were considered by us while framing our report.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors 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)(a) 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.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities and hence provisions of Clause 3(xvi)b of the Order are not applicable to the Company.

(c) According to the information and explanation given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the provisions of Clause 3(xvi)c of the Order are not applicable to the Company.

(d) According to the information and explanation given to us, the Company has no Group more than One CIC and hence the indications of number of CIC which are part of the group do not arise.

(xvii) To the best of our knowledge and according to

the information given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year and hence there are no amounts of cash losses to be reported.

(xviii) To the best of our knowledge and according to the information given to us, there has been no resignation of Statutory Auditors during the year and hence the provisions of Clause 3(xvii) of the Order are not applicable to the Company.

(xix) According to the information and explanation given to us, and on the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, it is our opinion no material uncertainty exist as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

(xx)(a) According to the information and explanation given to us, the company has yet to transfer the unspent amount to a Fund specified in Schedule VII to the Companies Act (Corporate Social Responsibility Expenditure) within a period of six months of the expiry of the financial year in compliance with the sub-section (5) of section 135 of Company Act.

(b) There is no amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, which needs to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the Company Act.

(xxi) As the company is Standalone and has no subsidiaries, associates or joint ventures and hence the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

**For Anjaneyulu & Co.**  
Chartered Accountants  
FRN: 000180S

Sd/-  
**D.V.Anjaneyulu**  
Partner

**Place:** Hyderabad  
**Date:** 28/04/2022

Mem.No.021036  
UDIN : 22021036AIDDNB4330

## **ANNEXURE “B” 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, 2022 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

### **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, 2022, 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 Anjaneyulu & Co.**  
Chartered Accountants  
FRN: 000180S

Sd/-

**D.V.Anjaneyulu**  
Partner

**Place:** Hyderabad  
**Date:** 28/04/2022

Mem.No.021036  
UDIN : 22021036AIDDNB4330



## ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

**Observations on the directions issued by the Comptroller and Audit General of India under section 143(5) of the companies Act, 2013.**

	PARTICULARS	OBSERVATIONS
1	Whether the Company has system in place to process all accounting transactions through IT System. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implication , if any may be stated.	Yes.  The Company is having existing system of accounting under Tally ERP through which all the accounting transactions are accounted. However, the Material/ Inventory management is separately tracked and accounted in Tally. The Company has started the development of SAP System based on CGD Industry customization. Development of Billing and collection software has been taken up by the Company to resolve all the issues in the accounting transactions through IT systems and the same will be integrated to SAP in future period.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	No.  There is no case of restructuring of existing loan, waiver/write-off of debts/loans/interest etc, except repayment schedule had been extended by 17 months by the ICICI Bank for the term loan of Rs. 400 Crores availed from them.
3	Whether fund received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	No.  As per information, explanation and records produced for verification, there are no funds received/receivable for any specific schemes from central government/ state agencies.

**For Anjaneyulu & Co.**

Chartered Accountants

FRN: 000180S

Sd/-

**D.V.Anjaneyulu**

Partner

Mem.No.021036

UDIN : 22021036AIDDNB4330

**Place:** Hyderabad

**Date:** 28/04/2022

To  
The Members of  
**BHAGYANAGAR GAS LIMITED,  
HYDERABAD.**

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 31<sup>st</sup> March, 2022 we have enclosed a statement in Annexure "C" to our Independent Auditors' Report dated 28/04/2022.

However, subsequently we are in receipt of additional specific direction from Comptroller and Auditor General with respect to your company vide letter no. DGCA/A/C Desk/2021-22/3.13/394 dated 03/06/2022 for the FY 2021-22 and report accordingly as under.

	PARTICULARS	OBSERVATIONS
4	Examine and Comment on the financial impact on Property, Plant and Equipment with respect to assets which have a different useful life than those prescribed by schedule II of Companies Act, 2013. Examine whether the difference in depreciation is due to difference in residual value assessed by the Company. Details of such internal/external technical assessment, if any may be verified and reported.	During the course of our audit, it is noticed that company has adopted the useful life as prescribed by schedule II of Companies Act, 2013 and no differences were observed by us. However, the company has consistently been providing depreciation without assessing any residual value for its assets. We were informed by the management that during FY 2022-23, they are taking necessary steps for technical assessment of the residual value of its assets.

**For Anjaneyulu & Co.**

Chartered Accountants

FRN: 000180S

Sd/-

**D.V.Anjaneyulu**

Partner

Mem.No.021036

UDIN : 22021036AIDDNB4330

**Place:** Hyderabad

**Date:** 09/06/2022

**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 2022**

The preparation of financial statements of Bhagyanagar Gas Limited for the year ended 31 March 2022 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 Audit Report dated 28 April 2022.

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 2022 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.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory 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*  
12/08/2022  
(M.S. Subrahmanyam)  
Director General of Commercial Audit  
Hyderabad

**Place: Hyderabad  
Date: 12 August 2022**

# BALANCE SHEET AS AT 31ST MARCH 2022

Rs. in Lakhs

Particulars	Note No.	AUDITED	
		31st March 2022	31st March 2021
<b>Assets</b>			
<b>(1) Non-current assets</b>			
Property, plant and equipment	14	61,676.42	56,735.49
Capital work-in-progress	14	39,474.25	33,596.54
Financial assets			
Other financial assets	15	2,089.55	1,881.33
Other tax assets (Net)	16	108.05	305.41
Other non-current assets	17	267.77	361.51
<b>Total non-current assets</b>		<b>103,616.04</b>	<b>92,880.28</b>
<b>(2) Current assets</b>			
Inventories	18	223.57	200.64
Financial assets			
(i) Trade receivables	19	3,651.54	2,535.25
(ii) Cash and cash equivalents	20	1,402.93	1,419.50
(iii) Other bank balances	21	178.56	170.25
(iv) Other financial assets	22	17.32	20.23
Other current assets	23	378.26	258.75
<b>Total current assets</b>		<b>5,852.19</b>	<b>4,604.63</b>
<b>Total assets</b>		<b>109,468.23</b>	<b>97,484.91</b>
Equity and liabilities			
Equity			
Equity share capital	24	8,957.95	8,957.95
Other equity			
(i) Share application pending allotment	25	208.87	208.87
(ii) Retained earnings		13,949.88	9,515.62
(iii) Share Premium		16,929.40	16,929.40
<b>Total equity</b>		<b>40,046.10</b>	<b>35,611.84</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
Financial liabilities			
(i) Lease Liabilities	26a	14.42	35.46
(ii) Borrowings	26b	55,500.00	44,000.00
Provisions	27	85.53	87.03
Deferred tax liabilities (Net)	28	2,171.34	2,018.50
<b>Total non-current liabilities</b>		<b>57,771.28</b>	<b>46,140.98</b>
<b>(2) Current liabilities</b>			
Financial liabilities			
(i) Lease Liabilities	26a	38.90	18.32
(ii) Borrowings	26b	-	5,000.00
(iii) Trade payables	29		
A. Total Outstanding dues of micro enterprises and small enterprises: and		106.85	89.56
B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.		1,860.06	813.22
(iii) Other financial liabilities	30		
A. Total Outstanding dues of micro enterprises and small enterprises: and		85.31	1,054.20
B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.		6,099.37	6,031.38
Other current liabilities	31	3,455.52	2,722.64
Provisions	32	4.83	2.76
<b>Total current liabilities</b>		<b>11,650.85</b>	<b>15,732.08</b>
<b>Total liabilities</b>		<b>69,422.13</b>	<b>61,873.06</b>
<b>Total equity and liabilities</b>		<b>109,468.23</b>	<b>97,484.91</b>

Accompanying notes form integral part of the financial statements.  
As per our report on standalone financial statements attached

**For Anjaneyulu & Co.,**  
Chartered Accountants  
FR No: 0001805

Sd/-  
**D.V. Anjaneyulu**  
Partner  
Membership No.: 021036

Place: Hyderabad  
Date: 28th April 2022

**For and on behalf of Bhagyanagar Gas Limited**

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

Sd/-  
**Mukesh Kumar Tiwari**  
Managing Director  
DIN No.: 09387787

Sd/-  
**G. Malleswari**  
Company Secretary  
Membership No. F6574

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. in Lakhs

Particulars	Note No.	AUDITED Year Ended	
		31st March 2022	31st March 2021
<b>I</b> Revenue from operations	4	29,444.04	17,003.29
<b>II</b> Other income	5	344.66	315.20
<b>III Total income</b>		<b>29,788.70</b>	<b>17,318.49</b>
<b>IV Expenses</b>			
Cost of materials consumed	6	13,362.26	8,097.89
Changes in inventories	8	12.68	(9.32)
Excise duty		1,938.75	1,063.87
Employee benefits expense	9	443.16	439.25
Finance costs	10	2,673.97	1,032.62
Depreciation	11	2,462.96	1,959.15
Other expenses	12	3,354.36	3,438.90
<b>Total expenses</b>		<b>24,248.12</b>	<b>16,022.36</b>
<b>V Profit before income tax</b>		<b>5,540.57</b>	<b>1,296.13</b>
<b>VI Tax expense</b>			
Current tax		971.13	122.41
Deferred tax		147.70	315.43
<b>Income tax expense</b>	13	<b>1,118.83</b>	<b>437.84</b>
<b>VII Profit for the year</b>		<b>4,421.74</b>	<b>858.29</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Measurements of defined benefit liability (asset)	33	(17.65)	1.93
Income tax relating to items that will not be reclassified to profit or loss		5.14	(0.54)
Other Comprehensive Income for the year, net of income tax		<b>(12.51)</b>	<b>1.39</b>
<b>IX Total Comprehensive Income for the year</b>		<b>4,434.26</b>	<b>856.90</b>
<b>X Earnings Per Share</b>			
(1) Basic		4.95	0.96
(2) Diluted		4.80	0.93

Accompanying notes form integral part of the financial statements.

As per our report on standalone financial statements attached

**For Anjaneyulu & Co.,**  
Chartered Accountants  
FR No: 000180S

Sd/-  
**D.V. Anjaneyulu**  
Partner  
Membership No.: 021036

Place: Hyderabad  
Date: 28th April 2022

**For and on behalf of Bhagyanagar Gas Limited**

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

Sd/-  
**Mukesh Kumar Tiwari**  
Managing Director  
DIN No.: 09387787

Sd/-  
**G. Malleswari**  
Company Secretary  
Membership No. F6574



# STATEMENT OF CHANGES IN EQUITY AS ON 31ST MARCH 2022

## A. Equity share capital

Rs. in Lakhs

Particulars	Note	
Balance as at 1st April 2021		8,957.95
Changes in equity share capital during the period	24	
Balance as at 31st March 2022		8,957.95

## B. Other equity

Rs. in Lakhs

Particulars	Reserves and surplus		Share Premium	Total other equity
	Share application pending allotment	Retained earnings		
Balance at 1st April 2020	208.87	8,837.89	16,929.40	25,976.16
Total comprehensive income for the period				
Profit for the Period		858.29		858.29
Other Comprehensive Income for the Period, net of income tax		(1.39)		(1.39)
Dividend		(179.16)		(179.16)
<b>Balance as at 31st March 2021</b>	<b>208.87</b>	<b>9,515.62</b>	<b>16,929.40</b>	<b>26,653.90</b>
Balance at 1st April 2021	208.87	9,515.62	16,929.40	26,653.90
Total comprehensive income for the period				
Profit for the Period	-	4,421.74		4,421.74
Other Comprehensive Income for the Period, net of income tax	-	12.51		12.51
Changes during the period towards issue of equity shares	-	-		-
Dividend	-	-		-
<b>Balance as at 31st March 2022</b>	<b>208.87</b>	<b>13,949.88</b>	<b>16,929.40</b>	<b>31,088.15</b>

As per our report on standalone financial statements attached

### For Anjaneyulu & Co.,

Chartered Accountants  
FR No: 000180S

Sd/-

**D.V. Anjaneyulu**

Partner

Membership No.: 021036

Place: Hyderabad

Date: 28th April 2022

### For and on behalf of Bhagyanagar Gas Limited

Sd/-

**Sanjiv Gujral**

Director - Commercial-cum-CFO

DIN No.: 07808552

Sd/-

**Mukesh Kumar Tiwari**

Managing Director

DIN No.: 09387787

Sd/-

**G. Malleswari**

Company Secretary

Membership No. F6574

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2022

Rs. in Lakhs

Particulars	31st March 2022	31st March 2021
<b>Cash flow from operating activities</b>		
<b>Profit for the year</b>	4,434.26	856.90
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	2,462.96	1,959.15
Gain on sale of property, plant and equipment	-	-
Current year provision related to post-employment defined benefit plans	15.19	18.45
Current year provision related to compensated absences	10.25	12.43
Amortisation of processing fee relating to term loans	-	-
Net foreign exchange differences	3.04	(2.45)
Finance income	(74.98)	(92.91)
Finance costs	3,969.41	2,869.93
	<b>10,820.12</b>	<b>5,621.50</b>
<b>Working capital adjustments</b>		
Decrease / (increase) in inventories	(22.93)	25.01
Increase in trade receivables	(1,116.29)	(1,179.13)
Decrease / (increase) in other financial assets- non current	(208.22)	(328.97)
(Increase) / decrease in other financial assets- current	2.91	(7.19)
(Increase) / decrease in other current assets	(119.50)	(70.68)
Decrease in proceeds from other non-current assets	93.73	117.79
(Increase) / decrease in other bank balances	(8.31)	(5.07)
Increase in trade payables	1,064.13	(61.46)
Increase in other financial liabilities- current	(900.90)	2,122.49
Increase in Lease liabilities- current	20.58	-
Increase in Lease liabilities- Non Current	(21.04)	-
Increase other current liabilities	732.89	1,081.61
Increase in other non-current liabilities	(3.04)	2.45
(Decrease)/ increase in provisions- non current	(1.50)	10.02
Decrease in provisions- current	(23.37)	(31.02)
	<b>(510.86)</b>	<b>1,675.84</b>
<b>Income tax paid</b>	350.20	107.80
<b>Net cash flows from operating activities</b>	<b>10,659.46</b>	<b>7,405.15</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment	(7,403.89)	(15,398.74)
Payment to PPE/CWIP	(5,877.71)	(10,191.05)
Interest received	74.98	92.91
	<b>(13,206.62)</b>	<b>(25,496.88)</b>
<b>Cash flow from financing activities</b>		
Increase in share capital	-	-
Increase / (decrease) in borrowings	6,500.00	21,000.00
Finance charges paid	(3,969.41)	(2,869.93)
Dividend Declared	-	(179.16)
	<b>2,530.59</b>	<b>17,950.91</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(16.57)</b>	<b>(140.82)</b>
Cash and cash equivalents at the beginning of the year	1,419.50	1,560.32
Cash and cash equivalents at the end of the year	1,402.93	1,419.50

Note : The Cash flow from operating activities is prepared following Indirect Method.

As per our report on standalone financial statements attached

**For Anjaneyulu & Co.,**  
Chartered Accountants  
FR No: 0001805

Sd/-  
**D.V. Anjaneyulu**  
Partner  
Membership No.: 021036

Place: Hyderabad  
Date: 28th April 2022

**For and on behalf of Bhagyanagar Gas Limited**

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

Sd/-  
**Mukesh Kumar Tiwari**  
Managing Director  
DIN No.: 09387787

Sd/-  
**G. Malleswari**  
Company Secretary  
Membership No. F6574

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

## 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 28th April 2022.

### (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.
- iv) With regard to O&M stores and spares, provision towards impairment of non-moving stores and spares is considered based on ageing of the items by applying a percentage loss beginning with 2% for age over 2 Years and up to 32% for item over 6 Years of age and later based on the internal assessment of usage of the items the provision may be revisited.

#### (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 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.
- iv) 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.
- v) 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.
- vi) 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.
- vii) The capital work in progress includes material in transit / value of materials / equipment etc. received at site for use in the projects.
- viii) 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. 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. As per the existing practice, the organisation is depreciating 100% of the value of the asset over its useful life.

**(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) 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.
- iv) 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.

- **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) 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.
- iii) 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.
- iv) Foreign currency differences arising on retranslation are recognised in the statement of profit and loss.
- v) 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 re measurement are recognised in the statement of profit and loss. Gains are not recognised in excess of any cumulative impairment loss.

**(o) 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.

**(p) 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.

**(q) Ind AS 116 Leases:**

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 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. The Company has elected certain available practical expedients on transition.

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 17, 26a and 37).

**(r) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2022

## 4 Revenue from operations (including excise duty)

Rs. in Lakhs

	Year Ended	
	31st March 2022	31st March 2021
Sale of CNG	15,561.07	8,479.31
Sale of ALPG		
Sale of PNG	13,882.96	8,523.98
	<b>29,444.04</b>	<b>17,003.29</b>

## 5. Other income

	Year Ended	
	31st March 2022	31st March 2021
Interest on fixed deposits	73.20	89.65
Interest - others	1.79	3.26
Interest on income tax refund	7.98	-
Miscellaneous income	138.73	73.69
Other Income from PNG		
Service Income from Compression of NG to CNG	122.97	148.60
	<b>344.66</b>	<b>315.20</b>

## 6. Cost of materials consumed

	Year Ended	
	31st March 2022	31st March 2021
Opening stock (natural gas)	19.81	31.22
<b>Add:</b> Purchases*	12,434.73	7,227.43
<b>Add:</b> Product transshipment charges	960.16	859.05
	13,414.70	8,117.70
<b>Less:</b> Closing stock (natural gas)	(52.44)	(19.81)
	<b>13,362.26</b>	<b>8,097.89</b>

Note: Includes gas transportation, CST@ 2%, positive and negative imbalances charges.

## 8. Changes in inventories

	Year Ended	
	31st March 2022	31st March 2021
Opening stock	36.76	27.45
Closing stock	(24.09)	(36.76)
	<b>12.68</b>	<b>(9.32)</b>

## 9. Employee benefits expense

Rs. in Lakhs

	Year Ended	
	31st March 2022	31st March 2021
Salary, wages and bonus	366.52	359.31
Contribution to provident fund	19.27	19.22
Expenses related to post-employment defined benefit plans	15.19	18.45
Expenses related to compensated absences	10.25	12.43
Staff welfare expenses	31.92	29.83
	<b>443.16</b>	<b>439.25</b>

## 10. Finance costs

	Year Ended	
	31st March 2022	31st March 2021
Interest on borrowings		
- Banks	3,969.41	2,869.93
- Others	-	-
- Prepayment charges on term loan	-	-
Interest expense on financial liabilities (amortised)	-	-
	<b>3,969.41</b>	<b>2,869.93</b>
Interest apportioned to fixed assets and capital work-in-progress	(1,296.27)	(1,837.39)
Interest on Income Tax	-	-
Lease Finance Charges	0.83	0.08
	<b>2,673.97</b>	<b>1,032.62</b>

## 11. Depreciation

	Year Ended	
	31st March 2022	31st March 2021
Depreciation on property, plant and equipment	2,435.22	1,956.11
Amortisation of ROU Leased Asset	27.74	3.05
	<b>2,462.96</b>	<b>1,959.15</b>

## 12 Other expenses

Rs. in Lakhs

	Year Ended	
	31st March 2022	31st March 2021
Advertisement	19.27	9.35
Business promotion	17.46	10.22
Vehicle hire and running expenses	76.41	74.13
Power & fuel	436.79	363.36
Insurance	95.21	45.45
Technical assistances services	752.90	732.47
Postage & courier	3.02	2.71
Printing & stationery	16.72	15.73
Rent, rates & taxes	134.93	143.08
Repairs & maintenance - buildings	1.56	0.70
Repairs & maintenance - others	34.94	38.41
Repairs & maintenance - plant & machinery	1,111.65	1,151.22
Security services	142.25	125.93
Telephone charges	17.55	20.81
Travelling expenses	28.91	24.22
Professional charges	35.06	21.39
Training cum conference	10.95	4.87
Audit fees (refer note 12(a) below)	6.04	5.78
Bank charges	50.43	35.91
Foreign exchange fluctuation	3.04	(2.45)
Hook-up charges PIL - Hyderabad	35.39	235.03
Railway way leave charges	39.09	38.61
Corporate social responsibility expenses (refer note 12(b) below)	46.44	47.43
General expenses	11.69	22.64
Directors fees	4.15	4.37
PNG DMA Service charges	164.06	227.86
Office Maintenance Expenses	52.75	30.62
Provision for Bad and doubtful debts	5.67	9.08
	<b>3,354.36</b>	<b>3,438.90</b>

### 12 (a) Audit fees

	Year Ended	
	31st March 2022	31st March 2021
As auditor		
Statutory audit	3.15	3.00
Tax audit	0.42	0.40
Other Services	1.55	1.50
Taxes	0.92	0.88
	<b>6.04</b>	<b>5.78</b>

## 12 (b) Corporate social responsibility

Rs. in Lakhs

	Year Ended	
	31st March 2022	31st March 2021
(a) Amount required to be spent by the company during the year	46.44	47.43
(b) Amount spent during the year (in cash)		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	29.38	11.30
(c) Amount unspent Provided	17.06	36.13
(d) Nature of CSR Activities		
	<b>46.44</b>	<b>47.43</b>

Note: 46.44 Lakhs is 2 % of Average Net Profit (PBT) of the last three immediately preceeding financial years

## 13 Income tax expense

	Year Ended	
	31st March 2022	31st March 2021
<b>A. Amounts recognised in profit and loss</b>		
Current tax		
Current period (a)	971.13	228.84
Adjustments in respect of current income tax of previous year (b)	-	(106.42)
Deferred tax		
Attributable to		
Relating to origination and reversal of temporary differences (c)	147.70	315.43
Income tax expense (a+b+c)	<b>1,118.83</b>	<b>437.84</b>

	Year Ended	
	31st March 2022	31st March 2021
<b>B. Income tax recognised in other comprehensive income</b>		
Net loss/ (gain) on re-measurement of defined benefit plans	5.14	-0.54
Income tax charges to other comprehensive income	<b>5.14</b>	<b>-0.54</b>

	Year Ended	
	31st March 2022	31st March 2021
<b>C. Reconciliation of effective tax rate</b>		
Profit before tax	5,558.22	1,294.19
Effective tax rate	17.47%	17.47%
Computed effective tax expense (MAT)	971.13	226.12
Effect of Ind AS adjustments	-	2.71
Changes in estimates related to prior periods	-	-106.42
Movement in deferred tax liability (including MAT credit entitlements)	152.84	314.88
Income tax expense charged to SoPL and OCI	<b>1,123.97</b>	<b>437.30</b>
Income tax expense charged to SoPL and OCI	<b>20.22%</b>	<b>33.79%</b>



## 14 Property, plant and equipment

### A. Reconciliation of carrying amount

Rs. in Lakhs

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)
<b>1. Cost or deemed cost (gross carrying amount)</b>												
Balance at 1st April 2020	642.29	793.44	196.38	1719	46,179.50	520.67	123.93	44.37	66.92	48,584.69	23,405.49	71,990.18
Additions	-	-	-	-	15,340.72	35.55	6.15	13.92	18.17	15,414.51	25,605.55	41,020.06
Disposals / Capitalised	-	(1.92)	(28.84)	-	-	-	-	-	-	(30.77)	(15,414.51)	(15,445.27)
<b>Balance at 31 March 2021</b>	<b>642.29</b>	<b>791.52</b>	<b>167.54</b>	<b>1719</b>	<b>61,520.22</b>	<b>556.21</b>	<b>130.08</b>	<b>58.29</b>	<b>85.09</b>	<b>63,968.43</b>	<b>33,596.54</b>	<b>97,564.97</b>
Balance at 1st April 2021	642.29	791.52	167.54	1719	61,520.22	556.21	130.08	58.29	85.09	63,968.43	33,596.54	97,564.97
Additions	-	-	-	-	7,220.66	148.28	1.26	0.58	5.36	7,376.15	13,253.86	20,630.01
Disposals / Capitalised	-	-	-	-	-	-	-	-	-	-	(7,376.15)	(7,376.15)
<b>Balance at 31 March 2022</b>	<b>642.29</b>	<b>791.52</b>	<b>167.54</b>	<b>1719</b>	<b>68,740.88</b>	<b>704.50</b>	<b>131.35</b>	<b>58.86</b>	<b>90.45</b>	<b>71,344.58</b>	<b>39,474.25</b>	<b>110,818.83</b>
<b>2. Accumulated depreciation</b>												
Balance at 1 April 2020	-	151.16	19.30	13.51	4,769.14	239.36	42.09	22.30	31.92	5,288.79	-	5,288.79
Depreciation for the Quarter	-	30.23	5.37	0.24	1,809.11	61.58	13.94	10.18	25.46	1,956.11	-	1,956.11
Disposals	-	(0.71)	(11.25)	-	-	-	-	-	-	(11.96)	-	(11.96)
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>180.69</b>	<b>13.41</b>	<b>13.75</b>	<b>6,578.25</b>	<b>300.95</b>	<b>56.03</b>	<b>32.49</b>	<b>57.37</b>	<b>7,232.94</b>	<b>-</b>	<b>7,232.94</b>
Balance at 1 April 2021	-	180.69	13.41	13.75	6,578.25	300.95	56.03	32.49	57.37	7,232.94	-	7,232.94
Depreciation for the Quarter	-	30.17	4.42	0.24	2,304.03	60.76	13.40	8.21	14.00	2,435.22	-	2,435.22
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2022</b>	<b>-</b>	<b>210.86</b>	<b>17.83</b>	<b>13.99</b>	<b>8,882.28</b>	<b>361.71</b>	<b>69.42</b>	<b>40.70</b>	<b>71.37</b>	<b>9,668.16</b>	<b>-</b>	<b>9,668.16</b>
<b>3. Carrying amounts (net)</b>												
<b>At 31 March 2021</b>	<b>642.29</b>	<b>610.83</b>	<b>154.13</b>	<b>3.44</b>	<b>54,941.97</b>	<b>255.26</b>	<b>74.05</b>	<b>25.80</b>	<b>27.72</b>	<b>56,735.49</b>	<b>33,596.54</b>	<b>90,332.03</b>
<b>At 31 March 2022</b>	<b>642.29</b>	<b>580.66</b>	<b>149.71</b>	<b>3.20</b>	<b>59,858.61</b>	<b>342.79</b>	<b>61.92</b>	<b>18.17</b>	<b>19.08</b>	<b>61,676.42</b>	<b>39,474.25</b>	<b>101,150.68</b>

### B. Capital work-in-progress

- 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

- 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

- Land at mother station, Shamirpet, Hyderabad admeasuring 2.18 acres allotted by APIIC INR 218 lakhs.
- Land at Medhcal Village, R.R. Dist, Hyderabad admeasuring 180 Sq. Mtrs allotted by APIIC INR 10.80 lakhs.
- Land at mother Station, Sarpavaram, Vakilapudi, Kakinada admeasuring 1.50 acres allotted by APIIC INR 145.68 lakhs.

### E. Physical Verification of Assets

- The Physical Verification of the Assets is being carried out every year so as to complete the verification process of the entire asstes within a period of 2 years to ensure that the assets are secured and properly maintained from time to time.
- The Physical Verification of assets has been conducted for the financial year FY2021.
- 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

- Land at Pudur, Medchal, RR District admeasuring (Ac.4.23.31 Guntas) INR 248.66 Lakhs.
- Land at Gosaiguda, Medchal Mandal, RR District admeasuring 225 Sq. mtrs INR 19.15 Lakhs.

## 14a CWIP Ageing

Rs. in Lakhs

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	13,253.86	22,599.17	1,386.71	2,234.51	39,474.25
Projects temporarily suspended					

## 15 Other financial assets

	As at	
	31st March 2022	31st March 2021
PIL-Security deposit	11.10	11.10
Electricity deposits	37.14	37.14
Others	272.60	82.97
Deposits with banks maturity beyond 12 months *	1,768.70	1,750.11
	<b>2,089.55</b>	<b>1,881.33</b>

PIL: Pipeline Infrastructure Limited

\*Deposits with banks maturity beyond 12 months-This includes Debt Service Reserve Deposit of Rs. 7.38 Crores with ICICI Bank, Rs. 10.92 Lakhs with SBI and also Rs. 10.20 Crores with Canara Bank towards BG Security

## 16. Other tax assets (Net)

	As at	
	31st March 2022	31st March 2021
Advance income tax	2,649.83	1,893.63
TDS	70.87	56.02
TCS	6.60	3.89
Less: Provision for taxation	(2,619.26)	(1,648.12)
	<b>108.05</b>	<b>305.41</b>

## 17. Other non-current assets

	As at	
	31st March 2022	31st March 2021
PIL hook-up charges	-	35.39
Railway way leave charges	7.35	46.44
Leased land with APIIC	50.26	52.61
ROU Assets net of Amortisation	46.25	47.21
Term Loan Processing charges	163.91	179.85
	<b>267.77</b>	<b>361.51</b>

APIIC: Andhra Pradesh Industrial Investment Corporation : Lease land for 33 years. The amount paid at inception is being amortised from time to time over the period of the lease. Also refer schedule 26a and 37.

PIL: Pipeline Infrastructure Limited

## 18. Inventories

Rs. in Lakhs

	As at	
	31st March 2022	31st March 2021
Raw material (natural gas in pipeline)	52.44	19.81
Finished goods	24.09	36.76
Stores and spares*	147.05	144.06
	<b>223.57</b>	<b>200.64</b>

Note: Inventories are valued at Cost or NRV which ever is lower.

\*Provision towards impairment of non-moving stores & spares is considered based on ageing of the items by applying percentage loss in P&L based on the age of the item over 2 years).

## 19. Trade receivables

	As at	
	31st March 2022	31st March 2021
(a) Trade Receivables considered good - Secured	2,911.85	2,087.23
(b) Trade Receivables considered good - Unsecured	708.43	448.03
(c) Trade Receivables which have significant increase in Credit Risk	111.02	105.35
(d) Trade Receivables - credit impaired		
(e) Trade Receivables - Unbilled	31.26	
Less: Provision for Bad and Doubtful Debts	111.02	105.35
	<b>3,651.54</b>	<b>2,535.25</b>
Note: Provision is made as per ECL model for dues as mentioned below:		
Upto 3 Years	-	-
Above 3 Years	100%	100%

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	2,655.33	869.50	86.68	19.03	20.99		3,651.54
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	111.02	111.02
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-

**20 Cash and cash equivalents**

Rs. in Lakhs

	As at	
	31st March 2022	31st March 2021
(i) Bank balances		
Current accounts	1,394.92	1,414.30
Deposits with maturity less than 3 months		
(ii) Cheques, drafts on hand	-	-
(iii) Cash on hand	8.01	5.20
	<b>1,402.93</b>	<b>1,419.50</b>

**21 Other bank balances**

	As at	
	31st March 2022	31st March 2021
Deposits with banks with maturity beyond 3 months but less than 12 months*	178.56	170.25
	<b>178.56</b>	<b>170.25</b>

\*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.

**22 Other financial assets**

	As at	
	31st March 2022	31st March 2021
Interest accrued on deposits	17.32	20.23
	<b>17.32</b>	<b>20.23</b>

**23 Other current assets**

	As at	
	31st March 2022	31st March 2021
<b>(A) Advance other than capital advances</b>		
(a) Advances to suppliers	22.59	7.35
(b) Pre-paid expenses	160.24	101.01
(c) Other advances	0.29	0.29
(d) Term Loan Processing Charges	17.32	17.45
<b>(B) Others</b>		
(a) VAT, CENVAT, GST and others	174.41	129.20
(b) TCS ON Purchases-Other Than NG	3.41	3.46
	<b>378.26</b>	<b>258.75</b>

**24 Equity share capital**

	As at	
	31st March 2022	31st March 2021
<b>(i) Authorised capital</b>		
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		
<b>(ii) Issued capital</b>		
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		
<b>(iii) Subscribed and paid up</b>		
8,95,79,461 Equity shares of INR 10/- each	8,957.95	8,957.95
Previous year 8,95,79,461 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	
	31st March 2022	31st March 2021
Number of shares in lakhs	31st March 2022	31st March 2021
Shares outstanding at the beginning of the year	895.79	895.79
Add: Issued and allotted during the year	-	-
Shares outstanding at the end of the year	895.79	895.79

**(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:
- On transfer of shares to outsiders
  - On transfer of shares to the existing shareholders
  - For issue of fresh equity or transfer of shares to outsiders
  - Restriction on voting rights
  - Appointment of directors, etc.

**(vi) The details of shareholders holding more than 5% shares in the Company:**

	As at	
	31st March 2022	31st March 2021
(a) Equity Shares		
GAIL (India) Limited :		
Number of equity shares in lakhs	436.50	436.50
% of holding	48.73%	48.73%
Hindustan Petroleum Corporation Limited		
Number of equity shares in lakhs	436.50	436.50
% of holding	48.73%	48.73%

(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.



## 25 Share based payments

	As at	
	31st March 2022	31st March 2021
Share application money (Other than cash consideration)	208.87	208.87
Share Premium	16,929.40	16,929.40

(Equity Settled share based payment arrangements)

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.

### 26a (i) Lease Liabilities

	As at	
	31st March 2022	31st March 2021
<b>A. Non-current</b>		
Lease Liabilities	14.42	35.46
<b>Total Non Current</b>	<b>14.42</b>	<b>35.46</b>
<b>B. Current</b>		
Lease Liabilities	38.90	18.32
<b>Total Current</b>	<b>38.90</b>	<b>18.32</b>

Note: Refer to Schedule 17 and 37

### 26b (ii) Borrowings

	As at	
	31st March 2022	31st March 2021
<b>A. Non-current borrowings</b>		
Term loans from banks (secured)	55,500.00	44,000.00
<b>Total Non Current borrowings</b>	<b>55,500.00</b>	<b>44,000.00</b>
<b>B. Current borrowings</b>		
Term loans from banks (secured)*	-	2,500.00
Working Capital Loan (secured) from ICICI Bank	-	2,500.00
<b>Total Current borrowings</b>	<b>-</b>	<b>5,000.00</b>

\* current portion of long term borrowings

#### C. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

	As at	
	31st March 2022	31st March 2021
<b>1. Secured bank loan in INR</b>		
ICICI BANK (Term Loan)	55,500.00	46,500.00
<b>Total borrowings</b>	<b>55,500.00</b>	<b>46,500.00</b>

2. Term loan of Rs. 400 Crores had been sanctioned by ICICI Bank and BGL utilised the amount by 31 December 2020 towards project expansion. 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. The repayment schedule had been extended by 17 months by the Bank and the first installment becomes due during April 2023.

Further during Q4 FY2021, BGL obtained additional term loan of Rs. 250 Crores from ICICI Bank for project execution and around Rs. 155 Crores had been drawn by 31 March 2022. Initial Door-to-Door tenor of the facility shall be 13 years and 4 months comprising of construction period of 2 years 4 months, Moratorium period of 2 years and repayment period of 9 years and the first installment becomes due during April 2025.

#### D. Security for bank loans

The Rupee Term Loan facility and all amounts in respect thereof from ICICI Bank shall be secured by:

- first pari-passu charge on the fixed assets (movable and immovable) and current assets of the company, both present and future.
- First pari-passu charge on the Trust and Retention Accounts.
- 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

Rs. in Lakhs

	As at	
	31st March 2022	31st March 2021
(a) Provision related to post-employment defined benefit plans	58.92	63.35
(b) Provision related to compensated absences	26.61	23.67
	<b>85.53</b>	<b>87.03</b>

## 28 Deferred tax liabilities (Net)

	As at	
	31st March 2022	31st March 2021
<b>(i) Deferred tax assets</b>		
Indexation of freehold land	-	-
Provision related to post-employment defined benefit plans	17.41	17.84
Provision related to compensated absences	8.90	7.41
Un absorbed depreciation	-	-
Unused Tax Credits	3,001.60	2,684.70
Others	32.33	29.63
<b>Sub total (A)</b>	<b>3,060.24</b>	<b>2,739.57</b>
<b>(ii) Deferred tax liabilities</b>		
Tangible assets	5,231.57	4,758.07
Others	-	-
<b>Sub total (B)</b>	<b>5,231.57</b>	<b>4,758.07</b>
<b>(iii) Deferred tax liabilities (Net) B-A</b>	<b>2,171.34</b>	<b>2,018.50</b>

## 29 Trade payables

Rs. in Lakhs

	As at	
	31st March 2022	31st March 2021
Trade payables to related parties	1,007.20	425.02
Other trade payables		
(A) Micro enterprises and small enterprises	106.85	89.56
(B) Creditors other than micro enterprises and small enterprises.	852.86	388.20
	<b>1,966.91</b>	<b>902.78</b>

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	106.85				106.85
(ii) Others	1,729.10	83.13	1.47	46.36	1,860.06
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

## 30 Other financial liabilities

	As at	
	31st March 2022	31st March 2021
<b>Others -</b>		
(a) Retention money	58.59	66.88
(b) EMD / security deposits	511.51	739.82
(c) Creditors for capital goods		
(A) Micro enterprises and small enterprises	85.31	1,054.20
(B) Creditors other than micro enterprises and small enterprises.	3,821.85	4,001.17
(d) PNG customer deposits	1,707.42	1,223.51
	<b>6,184.68</b>	<b>7,085.58</b>

## 31 Other current liabilities

	As at	
	31st March 2022	31st March 2021
Statutory liabilities	594.09	403.73
Accruals	2,723.18	2,312.61
Other liabilities	138.25	6.30
	<b>3,455.52</b>	<b>2,722.64</b>

## 32 Provisions

	As at	
	31st March 2022	31st March 2021
(a) Provision related to post-employment defined benefit plans	0.86	0.09
(b) Provision related to compensated absences	3.97	2.67
	<b>4.83</b>	<b>2.76</b>

**33 Assets and Liabilities relating to employee benefits**

Rs. in Lakhs

	As at	
	31st March 2022	31st March 2021
<b>A. Gratuity</b>		
<b>1. Changes in Present Value of Obligations (PVO)</b>		
PVO at beginning of period	63.45	44.55
Interest cost	4.33	2.97
Current service cost	10.86	15.49
Past Service Cost-(non vested benefits)		
Past Service Cost-(vested benefits)		
Benefits paid	(1.21)	(1.50)
Actuarial (gain)/loss on obligation	(17.65)	1.93
PVO at end of period	59.78	63.45
<b>2. Interest expenses</b>		
Interest cost	4.33	2.97
<b>3. Fair value of plan assets</b>		
Fair value of plan assets at the beginning		
Interest income		
<b>4. Net liability</b>		
PVO at beginning of period	63.45	44.55
Fair value of the assets at beginning report		
Net liability	63.45	44.55
<b>5. Net interest</b>		
Interest expenses	4.33	2.97
Interest income		
Net interest	4.33	2.97
<b>6. Actual return on plan assets</b>		
Less Interest income included above		
Return on plan assets excluding interest income		
<b>7. Actuarial (gain)/loss on obligation</b>		
Due to demographic assumption		
Due to financial assumption	-4.24	-1.53
Due to experience	(13.41)	3.47
Total actuarial (gain)/loss	(17.65)	1.93
<b>8. Fair value of plan assets</b>		
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		

	As at	
	31st March 2022	31st March 2021
<b>9. Past service cost recognised</b>		
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		
<b>10. Amounts to be recognized in the balance sheet and statement of Profit &amp; loss account</b>		
PVO at end of period	59.78	63.45
Fair value of plan assets at end of period		
Funded status	(59.78)	(63.45)
Net asset/(liability) recognized in the balance sheet	(59.78)	(63.45)
<b>11. Expense recognized in the statement of profit &amp; loss account</b>		
Current service cost	10.86	15.49
Net interest	4.33	2.97
Past service cost- (non vested benefits)		
Past service cost -(vested benefits)		
Curtailment effect		
Settlement effect		
Expense recognized in the statement of profit & loss account	15.19	18.45
<b>12. Other Comprehensive Income (OCI)</b>		
Actuarial (gain)/loss recognized for the period	(17.65)	1.93
Asset limit effect		
Return on plan assets excluding net interest		
Unrecognized actuarial (gain)/loss from previous period		
Total actuarial (gain)/loss recognized in (OCI)	(17.65)	1.93
<b>13. Movements in the liability recognized in balance Sheet</b>		
Opening net liability	63.45	44.55
Adjustment to opening balance		
Expenses as above	15.19	18.45
Contribution paid		
Other comprehensive income	(17.65)	1.93
Closing net liability	59.78	63.45
<b>14. Schedule III of The Companies Act 2013</b>		
Current liability	0.86	0.09
Non-current liability	58.92	63.35
	Target Allocation %	Target Allocation %
<b>16. Asset Information</b>		
Cash and cash equivalents		
Gratuity fund (LIC)		
Debt security - government bond		
Equity securities - corporate debt securities		
Other insurance contracts		
Property		
Total itemized assets		



	As at	
	31st March 2022	31st March 2021
<b>17. Assumptions as at reporting date</b>		
Mortality		
Interest / discount rate	7.34%	6.89%
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	25.59	27.29
Employee attrition rate(past service (PS))		

**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	5,977,819	0.00%
Salary Escalation - Up by 1 %	6,892,169	15.30%
Salary Escalation - Down by 1 %	5,148,244	-13.90%
Withdrawal Rates - Up by 1%	5,768,569	-3.50%
Withdrawal Rates - Down by 1%	6,172,644	3.30%
Discount Rates - Up by 1%	5,161,875	-13.60%
Discount Rates - Down by 1%	6,977,604	16.70%

	As at	
	31st March 2022	31st March 2021
<b>B. Leave Encashment</b>		
<b>1. Changes in present value of obligations</b>		
PVO at beginning of period	26.34	15.77
Interest cost	1.61	1.00
Current service cost	9.35	9.46
Benefits paid	(6.00)	(1.87)
Actuarial (gain)/loss on obligation	(0.71)	1.97
PVO at end of period	30.58	26.34
<b>2. Interest expenses</b>		
Interest cost	1.61	1.00
<b>3. Fair value of plan assets</b>		
Fair value of plan assets at the beginning		
Interest income		
<b>4. Net liability</b>		
PVO at beginning of period	26.34	15.77
Fair value of the assets at beginning report	26.34	15.77
Net liability		
<b>5. Net interest</b>		
Interest expense	1.61	1.00
Interest income		
Net interest	1.61	1.00

	As at	
	31st March 2022	31st March 2021
<b>6. Actual return on plan assets</b>		
Less Interest income included above		
Return on plan assets excluding interest income		
<b>7. Actuarial (gain)/loss on obligation</b>		
Due to demographic assumption		
Due to financial assumption	(0.88)	-0.25
Due to experience	0.17	2.22
Total actuarial (gain)/loss	(0.71)	1.97
<b>8. Fair value of plan assets</b>		
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	6.00	1.87
Contributions by employee		
Benefits paid	-6.00	(1.87)
Fair value of plan assets at end		
<b>9. Past service cost recognised</b>		
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		
<b>10. Amounts to be recognized in the balance sheet and statement of profit &amp; loss account</b>		
Fair value of plan assets at end of period	30.58	26.34
Funded status		
Net asset/(liability) recognized in the balance sheet	(30.58)	(26.34)
<b>11. Expense recognized in the statement of profit &amp; loss account</b>		
Current service cost	9.35	9.46
Net interest	1.61	1.00
Past service cost- (non vested benefits)		
Past service cost -(vested benefits)		
Curtailment effect		
Settlement effect		
Actuarial (gain)/loss recognized for the period	(0.71)	1.97
Expense recognized in the statement of profit & loss account	10.25	12.43
<b>12. Other Comprehensive Income (OCI)</b>		
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)		

	As at	
	31st March 2022	31st March 2021
<b>13. Movements in the liability recognized in balance sheet</b>		
Opening net liability	26.34	15.77
Adjustment to opening balance		
Expenses as above	10.25	12.43
Contribution paid	(6.00)	(1.87)
Closing net liability	30.58	26.34
<b>14. Schedule III of The Companies Act 2013</b>		
Current liability	3.97	2.67
Non-current liability	26.61	23.67
<b>15. Short term compensated absence liability</b>		
Valuation date.	31-Mar-22	31-Mar-21
No of days		
Amount *		
<b>17. Asset information</b>		
Cash and cash equivalents		
Leave encashment scheme		
Debt security - government bond		
Equity securities - corporate debt securities		
Other insurance contracts		
Property		
Total itemized assets		
<b>18. Assumptions</b>		
Mortality		
Interest / discount rate	7.34%	6.89%
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	25.46	27.29
Employee attrition rate(past service (PS))		

**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	3,057,858	0.0%
Salary Escalation - Up by 1 %	3,269,519	6.9%
Salary Escalation - Down by 1 %	2,866,322	-6.3%
Attrition Rates - Up by 1%	3,032,817	-0.8%
Attrition Rates - Down by 1%	3,080,820	0.8%
Discount Rates - Up by 1%	2,878,160	-5.9%
Discount Rates - Down by 1%	3,260,567	6.6%

### 34 Capital Management

Rs. in Lakhs

- 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.
- 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

	As at	
	31st March 2022	31st March 2021
<b>3. The Company's adjusted net debt to equity ratio is as follows:</b>		
Total Liabilities	69,422.13	61,873.06
Less: Cash and Cash Equivalents	1,402.93	1,419.50
Adjusted Net Debt	68,019.20	60,453.56
Total Equity	40,046.10	35,611.84
Adjusted Net Debt to Equity Ratio	1.70	1.70

### 35 Financial instruments

- 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 2022

	Carrying Amount			Fair Value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>	-	-				
<b>Financial assets not measured at fair value</b>						
Security deposits	2,089.55	-	2,089.55			
Accrued interest	17.32	-	17.32			
Trade receivables	3,651.54	-	3,651.54			
Cash and cash equivalents	1,402.93	-	1,402.93			
	<b>7,161.34</b>	<b>-</b>	<b>7,161.34</b>			
<b>Financial liabilities not measured at fair value</b>						
Secured bank loans	-	55,500.00	55,500.00		55,500.00	
Working Capital Loan	-	-	-		-	
Trade payables	-	1,966.91	1,966.91		-	
Capital creditors	-	3,907.16	3,907.16		-	
Security deposits received	-	2,218.93	2,218.93		-	
Accrued interest	-	-	-		-	
Retention money	-	58.59	58.59		-	
	<b>-</b>	<b>63,651.59</b>	<b>63,651.59</b>		<b>55,500.00</b>	

	Carrying Amount			Fair Value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>	-	-	-	-		
<b>Financial assets not measured at fair value</b>						
Security deposits	1,881.33	-	1,881.33	-		
Accrued interest	20.23	-	20.23	-		
Trade receivables	2,535.25	-	2,535.25	-		
Cash and cash equivalents	1,419.50	-	1,419.50	-		
	<b>5,856.31</b>	<b>-</b>	<b>5,856.31</b>		<b>-</b>	
<b>Financial liabilities not measured at fair value</b>						
Secured bank loans	-	46,500.00	46,500.00		46,500.00	
Working Capital Loan	-	2,500.00	2,500.00		2,500.00	
Trade payables	-	902.78	902.78		-	
Capital creditors	-	5,055.37	5,055.37		-	
Security deposits received	-	1,963.33	1,963.33		-	
Accrued interest	-				-	
Retention money	-	66.88	66.88		-	
	<b>-</b>	<b>56,988.37</b>	<b>56,988.37</b>		<b>49,000.00</b>	

## 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 5.67 Lakhs for the Financial Year 2021-22 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, IOCL Etc.,	15 Days from the Invoice Receipt date
(b) Road Transport Corporation like APSRTC, TSRTC Etc.,	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 form the Invoice date
3. Piped Natural Gas (Industrial)	3 Days form the Invoice Receipt date
4. Piped Natural Gas (Commercial)	7 Days form the Invoice Receipt date

4. Cash and cash equivalents: The company held cash and cash equivalents of INR 1402.93 as at 31 March 2022 and INR 1419.50 as at 31 March 2021. 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**

- 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.
- 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.
- Exposure to Liquidity risk

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

**31st March 2022**

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings- secured	55,500.00			5,000.00	17,500.00	33,000.00
Trade payables	1,966.91	1,966.91				
Other financial liabilities	6,184.68	570.10	5,614.58			
	<b>63,651.59</b>	<b>2,537.01</b>	<b>5,614.58</b>	<b>5,000.00</b>	<b>17,500.00</b>	<b>33,000.00</b>

**31st March 2021**

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings- secured	46,500.00		2,500.00	5,000.00	15,000.00	24,000.00
Borrowings- un-secured	2,500.00	2,500.00				
Trade payables	902.78	902.78				
Other financial liabilities	7,085.58	806.70	6,278.88			
	<b>56,988.37</b>	<b>4,209.48</b>	<b>8,778.88</b>	<b>5,000.00</b>	<b>15,000.00</b>	<b>24,000.00</b>

• **Market Risk**

- 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.
- 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 539 Lakhs for 31st March 2022 (31st March 2021: INR 349 Lakhs). This analysis assumes that all other variables remain constant

	100 bp increase		100 bp decrease	
	31st March 2022	31st March 2021	31st March 2022	31st March 2021
Interest on Secured Bank Loan- Variable	538.56	349.00	-538.56	-349.00
Interest rate- Effect on Profit / Loss				
Cash flow sensitivity	-538.56	-349.00	538.56	349.00

#### • Operational Risk

- 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.
- 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.
- 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
  - Requirements for the reconciliation and monitoring of transactions
  - Compliance with regulatory and other legal requirements
  - Documentation of controls and procedures
  - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
  - Requirements for the reporting of operational losses and proposed remedial action
  - Development of contingency plans
  - Training and professional development
  - Ethical and business standards
  - Risk mitigation, including insurance when this is effective.
- 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 APIIC in Vijayawada and properties for use by the Company. These lease arrangements are normally renewed on expiry of the term. The amount paid at the inception is being amortised over the balance lease period periodically as mentioned in Schedule 17 i.e. Other non current assets. Also refer to note 26a on Lease Liabilities.

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–

Rs. in Lakhs

	As at	
	31st March 2022	31st March 2021
<b>A. In respect of the following disputed demands / claims which are under appeal / representation for which the company expects no liability</b>		
i. A.P. Value Added Tax- Restriction of ITC	16.73	16.73
ii. Central Excise- Valuation of excisable goods (CNG) and restriction of CENVAT credit	432.81	432.81
iii. Andhra Pradesh State Road Transport Corporation- Claims against supply of CNG	72.22	72.22
iv. In respect of appeals filed against the company towards Income Tax- Disallowance of expenditure for Assessment Years 2008-09 and 2009-10	120.27	120.27
v. GAIL - Towards Excess usage of APM Gas		
<b>B. Guarantees given</b>		
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	23.21	35.06
iii. R&B HYD, National Highways Authority of India	10.92	10.92
iv. BG for Pipe line laying in Vijayawada to R&B.	12.19	7.50
<b>C. Letter of Credit issue to</b>		
Gas Authority of India Ltd.	3852.76	1711.53
East West Pipeline Ltd	177.18	177.18

#### 2. Commitments

- 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.
- 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.
- 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.
- 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 Medhcal, Hakimpet and Cantonment depots operating in Hyderabad.

#### 3. Commitments

	As at	
	31st March 2022	31st March 2021
Estimated amount of Contracts remaining to be executed on Capital Account not provided for	21,651.00	5,248.00
Other Commitments towards execution of Project Works	17,619.00	9,752.00

## 39 Related parties

Rs. in Lakhs

### 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 2022	31st March 2021
1. Salary & Allowances	256.99	194.13
2. Transport cost (car)	19.79	17.66
	<b>276.78</b>	<b>211.79</b>

### C. Transactions with related parties other than KMPs

1. Name of the Related Party	HPCL	GAIL	HPCL	GAIL
2. Nature of Relationship	Joint Venture	Joint Venture	Joint Venture	Joint Venture
3. Nature of transaction:				
	31st March 2022		31st March 2021	
(i) Purchases				
(a) Natural Gas		12,150.32		6,329.86
(ii) Sales – CNG	8,972.25		5,202.90	
(iii) Inland Letter of Credit		3,852.76		1,711.53
(iv) Manpower Cost- Deputation	298.49	428.07	228.06	417.02
(v) NG Compression Service		58.73		115.23

## 40 Earnings per share

### A. Basic Earnings Per Share

The calculation of basic earnings per share at 31 March 2022 was based on the profit attributable to ordinary shareholders of INR 4434.26 Lakhs (FY2021: INR 856.90 Lakhs), and a weighted average number of ordinary shares outstanding of 895.79 lakhs (FY2021: 895.79 lakhs).

	Year Ended	
	31st March 2022	31st March 2021
1. Profit attributable to ordinary shareholders	4,434.26	856.90
2. Weighted average number of ordinary shares for the year	895.79	895.79
3. Basic EPS	4.95	0.96

### B. Diluted Earnings Per Share

The calculation of diluted earnings per share at 31 March 2022 was based on profit attributable to ordinary shareholders of INR 4434.26 lakhs (FY2021: INR 856.90 lakhs), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 923.49 lakhs (FY2021: 923.49 lakhs)

	Year Ended	
	31st March 2022	31st March 2021
1. Profit attributable to ordinary shareholders	4,434.26	856.90
2. Weighted average number of ordinary shares (diluted) for the year	923.49	923.49
3. Diluted EPS	4.80	0.93

**C. Weighted average number of ordinary shares (diluted)**

	Year Ended	
	31st March 2022	31st March 2021
Weighted average number of ordinary shares (basic)	895.79	895.79
Effect of shares to be issued to APIIC for purchase of land	27.69	27.69
	923.49	923.49

Ratios	Sl. no.	Calculation Details	Year Ended	
			31st March 2022	31st March 2021
Current Ratio,	a	Current Assets / Current Liabilities	0.50	0.29
Debt-Equity Ratio	b	Borrowings / Total Equity	1.39	1.24
Debt Service Coverage Ratio,	c	EBIT / Finance Costs	3.07	2.26
Return on Equity Ratio,	d	PAT / Total Equity	0.11	0.02
Inventory turnover ratio,	e	Revenue / (NG and CNG Inventory)	384.76	300.54
Trade Receivables turnover ratio,	f	Revenue / Trade Receivables	8.06	6.71
Trade payables turnover ratio,	g	Revenue / Trade Payables	14.97	18.83
Net capital turnover ratio,	h	Revenue / Working Capital	-5.08	-1.53
Net profit ratio,	i	PAT / Revenue	0.15	0.05
Return on Capital employed,	j	EBIT / (Total Assets Less Total Current Liabilities)	0.08	0.03
Return on investment	k	EBIT / (Total Assets Less Total Current Liabilities)	0.08	0.03

**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**

They 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 Anjaneyulu & Co.,**

Chartered Accountants  
FR No: 000180S

Sd/-

**D.V. Anjaneyulu**

Partner

Membership No.: 021036

Place: Hyderabad

Date: 28th April 2022

**For and on behalf of Bhagyanagar Gas Limited**

Sd/-

**Sanjiv Gujral**

Director - Commercial-cum-CFO

DIN No.: 07808552

Sd/-

**Mukesh Kumar Tiwari**

Managing Director

DIN No.: 09387787

Sd/-

**G. Malleswari**

Company Secretary

Membership No. F6574

# HUMAN RESOURCES

The company attributes its success to its efficient team. Intellectual, physical and mental health the employees are important organizational priorities at BGL. Even the outsourced staff were nominated for training on motivational and positive thinking. Holistic human development activities like yoga secessions are organized for all employees. The Company has also associated itself with Quality Circle Forum of India and academia of CGD industry to emphasize the importance of maintaining high standards of quality, prompt delivery of products and services and importance of continuous learning. Several sports and recreation activities were also organized for employees and family for more cohesiveness and bonding amongst them.

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# HEALTH, SAFETY AND ENVIRONMENT



Bomb Threat Mock Drill



Safety Training



Fire Safety Training



First-Aid Training



Emergency Mock Drill



Safety Day Pledge



World Environment Day



World Environment Day



## RECREATION – CRICKET MATCH







# CORPORATE SOCIAL RESPONSIBILITY

Based upon its principle that all business activities have direct and indirect impact on the society, Bhagyanagar Gas Limited (BGL) has ingrained Corporate Social Responsibility (CSR) in its business model. CSR initiatives of the company are evaluated, adopted and monitored by the board, constituted three member.



## CSR Committee of the company consisting of the following.

Mr. Mukesh Kumar Tiwari - Managing Director  
Mr. Sanjiv Gujral - Director Commercial  
Mr. Rajesh Vedvyas - Independent Director

CSR committee while implementing the CSR initiatives seeks the approval of the board. For seamless implementation and interaction with the CSR stakeholders, a CSR cell comprising of the Head of HR and senior management team from the functional departments have been constituted.

### The Objective of the BGL CSR Policy is to:

Integrate business functions, goals and strategy with planned development agenda. Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

To directly or through implementing agencies take up programs that benefit the communities in & around the areas where the company operates in India and over a period of time, in enhancing the quality of life especially the underprivileged, and wherever possible, interact with identified NGOs and augment their efforts in this direction for overall well-being of the local populace.

To play a major role in transforming society through education, health and environment awareness.

To generate, through its CSR initiatives, a community goodwill for BGL and help reinforce a positive & socially responsible image to BGL as a corporate entity.

The detailed CSR policy with its applicability, guiding principles, areas of social intervention, selection, budget, planning and implementation and monitoring are available at the following link <https://www.bglgas.com/about-us-policies/>

## CSR Policy

BGL's CSR initiatives are fully aligned with its board recognized CSR Policy which asserts that:

- ▶ BGL shall strive to be a leader in the CGD industry by conducting our business sustainably in a socially and environmentally responsible manner.
- ▶ BGL affirms its commitment to enhance the quality of life of our workforce, families and the communities of the area we operate in.
- ▶ BGL uphold its commitment to serve and partner to government in national building.



Further, details of the CSR projects implemented during every year with budgets are reported as part of the Board's Report in the Annual Report of the company.



## CSR INITIATIVES IN FY2021-22

As mandated by Ministry of Corporate Affairs (MCA), Government of India, every financial year, 2% of the Average net profits of the Company made during the immediately 3 financial years is to be earmarked for undertaking CSR activities. FY22 - Two percent of average net profit of the company as per section 135(5) of the companies act/CSR Obligation:

CSR for the FY22

₹ **46.44** Lakhs

### Healthcare

#### National Youth Foundation

National Youth Foundation (NYF) is a leading charity in India working with and for disadvantaged Elderly, Women & Children. The Foundation was founded on 19th June, 2007 and is registered under the Societies Registration Act, 1860. Foundation is active in 12 States of India executing welfare projects in the field of Child Education, Women & Youth Empowerment, Handicapped Welfare, Blindness Eradication, Promotion of Ayurveda & Naturopathy, Art & Culture, Higher Education, Human Rights, Consumer Awareness, Environment and Rural Development implemented with the support of its dedicated band of thousands of Members & Volunteers working under the guidance and leadership of its Board of Advisers represented by eminent personalities of national stature.

During the year the company spent ₹ 5.97 lakhs for supporting Health Check-up programmes for school children at identified Govt. schools at Hyderabad in Telangana and Vijayawada and Kakinada in Andhra Pradesh organised by National Youth Foundation.

#### BGL Impact:

Medical Camp conducted at 3GA's Hyderabad, Vijayawada & Kakinada

#### Hyderabad

Zila Parishad High School (Shameerpet) Hyderabad

**193** students

#### Vijayawada

Care & Share MCH, Vijayawada (A.P)

**546** Students

A.K.T.P High School, Vijayawada (A.P)

**1837** Students

#### Kakinada

Mother Teresa MCH School, Godarigunta, Kakinada

**1217** Students

ZPH Highschool, Gaigolupadu, Kakinada

**253** Students



## Healthcare

### L V Prasad Eye Institute

Established in 1987, L V Prasad Eye Institute (LVPEI), a World Health Organization Collaborating Centre for Prevention of Blindness, is a comprehensive eye health facility. The Institute has ten active arms to its areas of operations: Clinical Services, Education, Research, Vision Rehabilitation, Rural and Community Eye Health, Eye Banking, Advocacy and Policy Planning, Capacity Building, Innovation and Product Development. LVPEI is managed by two not-for-profit entities - Hyderabad Eye Institute (HEI) and Hyderabad Eye Research Foundation (HERF).

During the year the company spent ₹ 7.50 Lakhs as donation towards 50 Eye Surgeries for Chronic Eye Conditions (Non-cataract) (₹ 15000/- per surgery) conducted at L.V Prasad Eye Institute, Hyderabad and ₹ 3.90 for Auto Refractor at L.V Prasad EI in Vijayawada

#### BGL Impact:

##### Hyderabad

**50** Patients

##### Vijayawada

Auto Refractor Equipment





## Eradication of Hunger

### ISKCON Hyderabad

The International Society for Krishna Consciousness, known colloquially as the Hare Krishna movement or Hare Krishnas. ISKCON members have also opened hospitals, schools, colleges, eco-villages, free food distribution projects, and other institutions as a practical application of the path of devotional yoga. Commenced during the onslaught of Covid 19, "Food for Life" is a unique initiative by ISKCON to supply food for those who are poor or are economically impacted and deprived.

During the year the company donated ₹12 Lakhs for ISKCON Hyderabad's Food for Life initiative. This amount has enabled for making 20,000 meals (₹60/- per meal)

### BGL Impact:

**Hyderabad**  
**20,000** meals



## NOTES

[illegible]









## Bhagyanagar Gas Limited

a joint venture of



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