

ANNUAL REPORT  
2022-23

FULFILLING  
**GREEN**  
PROMISES



**Bhagyanagar Gas Limited**

a joint venture of



At Bhagyanagar Gas Limited, our mission to safeguard Nature drives us to innovate and find new ways to produce and provide eco-friendly alternative fuel to diverse sectors. By relying on our safe, reliable and timely gas supply, our customers in the transport, domestic, commercial and industrial sectors enable us to meet our objective of lowering pollution levels in the states of Telangana and Andhra Pradesh, India.



**Bhagyanagar Gas Limited**

A Joint Venture of GAIL & HPCL

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Our enduring commitment to a vital area such as sustainability, ensures that we continue to make the earth a cleaner, greener and safer place for future generations.

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# ABOUT US

Bhagyanagar Gas Limited, established in August 2003 as City Gas Distribution Company through a joint venture between GAIL India Limited and HPCL, is entrusted with the task of distributing and marketing Compressed Natural Gas (CNG) and providing Piped Natural Gas (PNG) to Domestic, Commercial, and Industrial sectors within Andhra Pradesh.

Authorized by the Central Government, Bhagyanagar Gas Limited holds the responsibility for constructing, operating, and expanding city gas distribution projects in Hyderabad, Vijayawada, and Kakinada.

Operational network comprising 17 online stations 115 daughter booster and daughter stations and 3 mother stations spanning in Hyderabad, Vijayawada and Kakinada.

Our unwavering commitment lies in creating the essential infrastructure to meet the increasing demand for gas among transport, domestic, industrial, and commercial customers within our operational areas.

Furthermore, Bhagyanagar Gas Limited is dedicated to the paramount goal of preserving the environment. We strive to achieve this by reducing vehicular emissions and ensuring the convenient and safe availability of cost-effective fuel through our Piped Natural Gas system for Domestic, Commercial, and Industrial Consumers at their fingertips.

## 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.



# 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 D V & Associates  
Cost Accountants

## **Tax Auditors**

M/s Dinkar & Co.,  
Chartered Accountant

## **Secretarial Auditors**

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

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## **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**  
Email:**corporatehqo@bglgas.com**

## **Registrars & Share Transfer Agents**

K Fin Technologies Private Limited  
Karvy Selenium Tower B,  
Plot no 31& 32 Gachibowli,  
Financial District, Nanakramguda  
Serilingampally,  
Hyderabad-500 032

## **Registered Office:**

Karvy House 46,  
Avenue 4, Street No.1,  
Banjara Hills, Hyd-34

# BOARD OF DIRECTORS



**Shri Amit Garg**  
Chairman



**Shri Ram Mohan Rao Karnati**  
Managing Director



**Shri Ashish Kumar Purwar**  
Director



**Smt Y. Danuta**  
Director Commercial



**Shri Rajesh Vedvyas**  
Independent Director



# 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,

A warm welcome to each one of you as we convene for the 20th Annual General Meeting of our distinguished company.

It brings me great pleasure to present the commendable performance of your company for the fiscal year 2022-23. Despite unprecedented numerous challenges in a dynamic economic landscape, our dedicated workforce and partners have exhibited relentless commitment to ensure an uninterrupted gas supply across various sectors while upholding the highest safety standards.

In this financial year, your company's performance stands out with remarkable growth. CNG sales turnover has witnessed a remarkable surge of 94%, reaching an impressive Rs. 30,245.14 lakhs, as compared to the preceding fiscal year. The PNG sales turnover has amounted to Rs. 13,365.37 lakhs taking the overall revenue of our company to Rs. 43,610.51 lakhs in 2022-23. This is a substantial growth of 48% registered by the company. The surge in CNG sales though did not result in higher profits due to the escalating costs of natural gas in the volatile international gas market, due to various geo-political developments during the year. These increased costs which were not passed on to customers to maintain the relevance of this cleaner fuel resulted in reduction of after-tax profits by Rs. 3.52 crores.



During this period, substantial efforts in expanding the pipeline network, encompassing both Steel and MDPE pipelines were made taking the total length to 2,616 kms, covering the three geographical areas served by your company. This expansion has enabled us to connect additional regions and enhance supplies across the various business segments. A noteworthy achievement is the significant growth in domestic gas connections, reaching an impressive 3,00,363 households by the end of FY 2022-23, marking a substantial increase from the prior 2,70,328 households. Additionally, the continued thrust in the PNG Industrial & Commercial segment has increased connections to 405 connections from 352 in the previous year. These enhancements to the infrastructure are poised to further drive the revenue growth during the current year and beyond.

### Focus on an Eco-Friendly and Clean Environment

Our unyielding commitment to fostering a cleaner and greener environment remains steadfast. Our operations lie within a rapidly growing segment of the gas sector, driven by factors such as swift industrialization, urbanization, and population growth. In alignment with India's commitment to increasing the share of natural gas in its energy mix as part of global environmental objectives, we have been proactive in implementing initiatives focused on Compressed Bio Gas, energy efficiency, water conservation, waste management, and other sustainable practices. Our dedication to the triple bottom line framework, encompassing financial, social, and environmental capital, underscores our unwavering commitment to generating enduring business value.

### Our Operations

The landscape of Compressed Natural Gas (CNG) stations in India continues to evolve, with the number increasing from around 900 in 2014 to approximately 5,800 at present, and projections of further growth to 7,000 - 7,500 by 2024. This expansion is poised to stimulate the market for CNG vehicles, which in turn will catalyze advancements in manufacturing, skill development, and job creation. The expansion of Piped Natural Gas (PNG) connections has been equally notable 3,00,363 from 2,70,328 connections, in the preceding fiscal year. The augmentation of existing 135 CNG stations due to converting two (2) DBS to online stations and upgrading two DS to DBS to improve the sales volume, as a result, an increase in CNG sales volume from 26,222 MT to 40,645 MT. The unwavering governmental focus on developing City Gas Distribution (CGD) networks adds further momentum to our company's growth trajectory.

### Our Growth Strategy

Our strategic emphasis on city gas distribution remains pivotal to our growth strategy. As we continue to cater to the CNG and PNG requirements of domestic, commercial, and industrial sectors in Andhra Pradesh and Telangana,

we are proud of our accomplishment in operating 135 CNG stations. Additionally, the number of commercial piped natural gas consumers has surged from 279 to 325, while industrial consumers have risen from 73 to 80 in the fiscal year 2022-23. These efforts significantly contribute to meeting the escalating fuel demands of businesses in Hyderabad, Vijayawada, and Kakinada.

Aligning with our commitment to innovation and customer convenience, we have achieved full digitization of payments to our stakeholders. Various digital payment modes, including BBPS, BHIM, UPI, PAYU are now available for domestic PNG customers, ensuring seamless and efficient transactions. Our online payment system offers user-friendly and hassle-free experiences. Furthermore, our commitment to customer ease is reinforced through the introduction of self-billing for DPNG.

At the core of our operations lies a customer-centric approach. Our devoted team engages in meticulous planning and monitoring to ensure the widespread availability of natural gas, thereby enhancing the lives of numerous households, industries, and transportation sectors across the nation.

### Our Vision for a Brighter Tomorrow

Looking ahead, while navigating the challenges presented by fluctuating gas prices, we remain optimistic about the opportunities that lie ahead in the coming year. We are resolute in our focus on expanding our presence in existing geographical areas, establishing CGD networks in new regions, seizing growth opportunities, and forming strategic partnerships to extend our reach. In light of these considerations, we are confident in maintaining our upward trajectory.

In conclusion, I extend my sincere appreciation to my fellow Board Directors for their invaluable contributions. On behalf of the Board, I extend heartfelt thanks to our Promoters for their unwavering support. I commend the dedication and hard work of every BGL employee.

I extend my gratitude to the Ministry of Petroleum & Natural Gas, Government of India, PNGRB, Governments of Telangana & Andhra Pradesh, and all authorities, agencies, service providers, financial institutions, and stakeholders for their steadfast support and cooperation in our mission to create a cleaner and greener environment.

Lastly On behalf of the Board of Directors, I express my heartfelt thanks to all shareholders, customers and stakeholders for their continued faith in us. I look forward to the continued support and partnership in the days to come.

Thank you.  
Sd/-

**Amit Garg**  
Chairman

# MESSAGE FROM MANAGING DIRECTOR



We have extended our pipeline network to 2,616 kms, a strategic move that enhances our capacity to supply across all business segments. We remain steadfast in our dedication to the distribution and marketing of both Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) in the states of Andhra Pradesh and Telangana.

Dear Shareholders,

I am pleased to provide you with a comprehensive update on our company's performance, highlighting numerous operational and strategic initiatives that have yielded significant results over the past year.

The previous year brought forth global challenges for the energy sector, resulting in considerable price volatility within energy and commodity markets. However, our company not only effectively navigated through this challenging period but also emerged from it even stronger and more resilient.

### Operational Milestones

In the fiscal year 2022-23, we achieved remarkable growth in domestic connections, reaching a total of 3,00,363 households. Commercial connections also witnessed a noteworthy increase, rising from 279 in 2021-22 to 325 in 2022-23. Furthermore, industrial connections surged from 73 to 80 over the same period. We take immense pride in our unwavering commitment to meeting the growing demand for Compressed Natural Gas (CNG) across the three Geographical Areas (GAs) we serve. CNG Sales turnover has witnessed a remarkable surge of 94% as compared to the preceding fiscal year. Additionally, we have embraced various digital payment modes to enhance the ease and efficiency of transactions for our valued customers.

### A Holistic Approach to Energy

In the context of our developing nation, we firmly believe in adopting a holistic approach to energy that prioritizes the reduction of emissions through the utilization of multiple fuels. Natural gas, due to its environmentally friendly characteristics when compared to coal and other liquid fuels, plays a pivotal role in this strategy. Furthermore, natural gas exhibits exceptional versatility, making it a low-carbon option suitable for various sectors, including heating, cooking, transportation, and industrial applications.

### Government Initiatives and Expansion

It is noteworthy that various government initiatives have been set in motion to significantly increase the share of natural gas in the overall energy mix. The target is to achieve a 15% share by 2030, a substantial increase from the current level of about 6%. Our commitment to expanding the City Gas Distribution (CGD) network coverage aligns seamlessly with this national objective. We have extended our pipeline network from 2,580 kms to 2,616 kms, a strategic move that enhances our capacity to supply across all business segments. We remain steadfast in our dedication to the distribution and marketing of both Compressed Natural Gas (CNG) and Piped Natural Gas (PNG) in the states of Andhra Pradesh and Telangana.

### Environmental Responsibility

As we actively contribute to India's ambitious vision of a greener and cleaner environment, our commitment extends to benefiting communities and safeguarding the environment. We believe in forging collaborative efforts with stakeholders to address critical climate change issues. Our mission is to ensure that sustainability and environmental consciousness remain at the forefront of our operations.

### Future Growth Prospects

Looking ahead, we are enthusiastic about the renewed emphasis on natural gas, which presents an array of exciting growth opportunities. The energy landscape is undergoing a transformative evolution, and we are strategically positioned to capitalize on emerging trends and technologies that will shape the future.

### Appreciation and Acknowledgments

I extend my heartfelt gratitude to our shareholders, promoters, bankers, and the Government of India for their unwavering support. Equally, I want to express my deep appreciation for our dedicated employees, who serve as the backbone of our company. Their unwavering commitment and tireless efforts have been instrumental in ensuring the consistent supply of energy and feedstock, even during challenging times. It is their dedication that has made us more competitive and resilient as an organization.

### Conclusion

In closing, I would like to convey my profound thanks to all of you, our esteemed shareholders. Your continued support has been the driving force behind our journey toward achieving greater heights. Your trust and confidence inspire us to relentlessly pursue excellence in all our endeavors.

As we continue on this journey, we remain steadfast in our commitment to our core values of sustainability, innovation, and customer satisfaction. Together, we can navigate the dynamic energy landscape and collaboratively build a brighter, more sustainable future for all.

Warm regards and best wishes,  
Sd/-

**Ram Mohan Rao Karnati**  
Managing Director





# 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 cleanness 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 high 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)

Uninterrupted Supply Convenience Safety Economy Eco friendly fuel PNG is used for Domestic, Commercial and Industrial Consumption. It is used as an alternative fuel to conventional fuels like 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 supplied 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 EVENTFUL YEAR

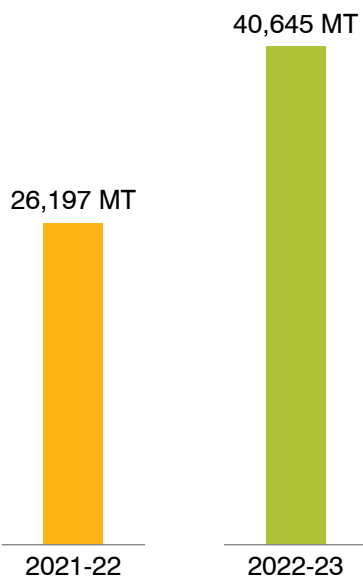






# KEY PERFORMANCE INDICATORS

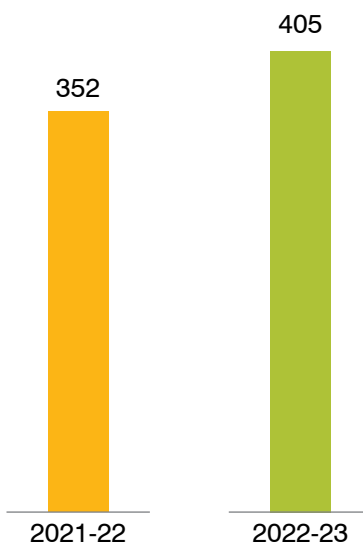
**CNG Sales Volume**



**PNG Domestic Connections**



**Cumulative Commercial Connections**



**Pipeline Length (Steel & MDPE)**





# NOTICE

Notice is hereby given that 20th Annual General Meeting (AGM) of the Members of Bhagyanagar Gas Limited will be held on Friday, 29th September 2023 at 3.00 P.M.(IST) at the registered office of the Company situated at 2nd floor, Parisrama Bhawan, TSIDC Building, Basheer Bagh, Hyderabad-500 004 through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) to transact the following businesses:-

## ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2023 and the Reports of the Board of Directors and Auditors' Report thereon and to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Audited Financial Statements for the financial year ended 31st March 2023 and the report of the Board of Directors and Auditors Report thereon be and are hereby received, considered and adopted."

2. To appoint a director in place of Smt.Y.Danuta (09628925), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers herself for re-appointment and to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT Smt.Y.Danuta (09628925), who offers herself for re-appointment 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 of Statutory Auditors of the Company to be appointed by the Comptroller and Auditor General of India for the financial year 2023-24, in terms of the provisions of Section 142 of the Companies Act, 2013 and to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT the Company's Board of Directors be and is hereby authorized to fix the remuneration of Statutory Auditors of the Company to be appointed by Comptroller and Auditor General of India for the financial year 2023-24."

## SPECIAL BUSINESS: -

4. Appointment of Shri Ram Mohan Rao Karnati (09020289) 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 in accordance with the provisions of Section 152,161 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") Shri Ram Mohan Rao Karnati (09020289) who was appointed by the board of directors of the Company as an Additional Director w.e.f 31st March 2023 and who holds office up to the date of this Annual General Meeting ("AGM") and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. Appointment of Shri Ram Mohan Rao Karnati (09020289) 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 Ram Mohan Rao Karnati (09020289) as Managing Director for a period of three years w.e.f. 31/03/2023 to 31/03/2026 or till his superannuation, whichever is earlier 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 and to settle any question, difficulty or doubt that may arise in the said regard."

6. Appointment of Shri Amit Garg (08515246) as Director on the Board: -

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

“RESOLVED THAT in accordance with the provisions of Section 152,161 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) Shri Amit Garg (08515246) who was appointed by the board of directors of the Company as an Additional Director w.e.f 7th May 2023 and who holds office up to the date of this Annual General Meeting (“AGM”) and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. Appointment of Shri.Ashish Kumar Purwar (10159925) as Director on the Board:-

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

“RESOLVED THAT in accordance with the provisions of Section 152,161 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) Shri. Ashish Kumar Purwar (10159925) who was appointed by the board of directors of the Company as an Additional Director w.e.f 12th May 2023 and who holds office up to the date of this Annual General Meeting (“AGM”) and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. Ratification of payment of Remuneration to Cost Auditor for the F.Y. 2022 -2023:-

To consider, and if thought fit, to pass with or without modification, the following resolution 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, M/s D.V&Associates., Cost & Management Accountants,( Firm's PAN number AAQFD7737B and firms registration number is 001929) was appointed as Cost Auditors for the year 2022-23 and 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. 2022-23 amounting to Rs. 60,000 plus applicable taxes be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

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

**Sd/-  
Malleswari G  
Company Secretary**

**Place: Hyderabad**

**Date : 28-08-2023**

**Registered Office**

Parisrama Bhavan,  
2nd Floor, TSIDC Building,  
Basheer Bagh,  
Hyderabad -500 004

## NOTES

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto. Details of Directors whose appointment is proposed according to Secretarial Standards on General Meeting (SS-2) are also provided.
2. The Ministry of Corporate Affairs ("MCA") has vide its circular dated December 28, 2022, read with circulars dated April 08, 2020, April 13, 2020, and May 05, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, the Listing Regulations, and MCA Circulars, the AGM of the Company is being held through VC/OAVM.
3. Since the AGM is being held through VC/OAVM, without physical attendance of Members, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. In compliance with the aforesaid MCA Circulars dated January 05, 2023 Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / National Securities Depositories Limited (NSDL) ("Depositories"). Members may note that the Notice and Annual Report 2022- 23 will also be available on the Company's website at [www.bglgas.com](http://www.bglgas.com).
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form, by writing a letter to Company Secretary or M/s KFin Technologies Limited, Tower – B, Plot No. 31 & 32 Survey No. 116/22, 115/24, 115/25 Financial District, Nanakramguda Hyderabad, Telangana, India - 500 032
6. Corporate members are required to send to the Company, a certified copy of the Board Resolution/ Authorised nomination Letter according to section 113 of the Companies Act 2013, through e-mail at [malleswari@bglgas.com](mailto:malleswari@bglgas.com) or by post addressing to Company Secretary.
7. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
8. Members attending the AGM through VC/OAVM shall be counted to reckon the quorum under Section 103 of the Companies Act, 2013
9. Since the AGM is being held through VC/OAVM, the Route Map is not annexed in this Notice.

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

**Item no.2 of the Notice Smt.Y.Danuta (09628925) information about the appointee:-**

<b>Qualifications</b>	<b>Cost Accountant</b>
Experience	26 Years.
Date of First Appointment	18 <sup>th</sup> June 2022 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 Directorship in Other Companies	Nil
No.of meetings of the Board attended from 01-04-2022 to 31-03-2023 after the date of her appointment.	7

**Item no.4 and 5 of the Notice Shri Ram Mohan Rao Karnati (09020289) information about the appointee:-**

<b>Qualifications</b>	<b>Mechanical Engineering Graduate &amp; having Masters in Material Management.</b>
Experience	36
Date of First Appointment in BGL	31-03-2023
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 Directorship in Other Companies	He was a director in Bengal Gas Company Limited and GAIL Gas Limited up to 4 <sup>th</sup> May 2023
No.of meetings of the Board attended from 01-04-2022 to 31-03-2023 after the date of his appointment.	1



**Item no.6 of the Notice Shri Amit Garg (08515246) information about the appointee: -**

<b>Qualifications</b>	<b>Postgraduate in Electronics &amp; master's in business management</b>
Experience	36Years.
Date of First Appointment in BGL	7 <sup>th</sup> May 2023
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 Directorship in Other Companies	Hindustan Petroleum Corporation Limited w.e.f 27/12/2022 HPCL Rajasthan Refinery Limited w.e.f 13/06/2023
No.of meetings of the Board attended from 01-04-2022 to 31-03-2023 after the date of his appointment.	Nil ( Appointment date is 7 <sup>th</sup> May 2023)

**Item no.7 of the Notice Appointment of Shri.Ashish Kumar Purwar (10159925) information about the appointee: -**

<b>Qualifications</b>	<b>Chartered Accountant, Cost accountant, and Law Graduate.</b>
Experience	30Years.
Date of First Appointment in BGL	12 <sup>th</sup> May 2023
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 Directorship in Other Companies	NIL
No. of meetings of the Board attended from 01-04-2022 to 31-03-2023 from the date of his appointment.	NIL ( Appointment date is 12 <sup>th</sup> May 2023)

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

### ITEM NO 4 &5:-

As per the recommendations of "Nomination and Remuneration Committee" Board of Directors have appointed Shri Ram Mohan Rao Karnati (09020289), nominee of GAIL, as Managing Director of Bhagyanagar Gas Limited for a period of three years with effect from 31/03/2023 to 31/03/2026 or till his superannuation whichever is earlier, as per the provision of Section 196, 197, 198 and schedule V of the Companies Act, 2013.

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

Shri Ram Mohan Rao Karnati is a Mechanical Engineering Graduate and has a Masters in Material Management. Prior to joining BGL, he was heading the Contracts and Procurement Department at GAIL (India) Limited as Executive Director (C&P). As head of the Contracts and Procurement Department, he was instrumental in working collaboratively across Performance Units to deliver business development outcomes for both the procurement & execution.

Shri Ram Mohan Rao Karnati possesses Proficiency in the Implementation of Procurement Policies and Government Guidelines and Advising Management on commercial matters to support tendering, contracts management, spend analytics, and supplier performance management keeping in mind transparency and equality.

Shri Ram Mohan Rao Karnati has Extensive Experience in the finalization of contracts for Mega Projects of Pipeline and Petrochemicals like PDH/PP-

Usar worth 8900 Crores, PP Pata, JHBDPL, MNJPL, SAPL, etc. in GAIL. He has Rich Domain Experience in the Finalization of overseas and Indigenous contracts for feedstock, high-value and critical chemicals, and other items.

Shri Ram Mohan Rao Karnati is an astute professional with qualitative expertise in Project Procurement Management, Contract Management, and Policy Framework, including global sourcing of services, plant and machineries, Material Management activities involving Resource Planning, Logistic Management, and Procurement of Speciality Chemicals and Catalysts required for Petrochemicals / Gas & Oil industries, Operation and Maintenance activities.

The terms and conditions of the appointment of Shri. Ram Mohan Rao Karnati who is on deputation to BGL is as under: -

### Period

The period of appointment is 3 years w.e.f 31st March 2023 to 31st March 2026 or till his superannuation whichever is earlier.

### Salary

Basic pay per month Rs.2,47,710/- In addition to that he is entitled to variable D.A., Tuition Fee, Professional updation allowance, LTC, Catering Exp., Reimbursement of House upkeep allowance, Domestic Help allowance, HRA, Educational Scholarship and other allowances as per rules of GAIL and 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	Business expenses	Reimbursement of traveling 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, perquisites, etc. as per the Rules of GAIL

As per Section 197 (1) of the Companies Act, 2013, the total managerial remuneration payable by a public company to its directors, including the 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, the company has no profits or its profits are inadequate, Managerial Remuneration payable to the 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 Ram Mohan Rao Karnati is interested in the Resolutions mentioned in Item No. 4 & 5 of the Notice to the extent of his appointment as Director.

Other than Shri Ram Mohan Rao Karnati, no other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolutions mentioned in Item No. 4 & 5 of the Notice.

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

## ITEM NO. 6

Shri Amit Garg (08515246) was appointed as an additional Director and chairman by the Board of Directors w.e.f 7th May 2023 in accordance with the provisions of Section 161 of the Companies Act 2013 and the Articles of Association of the Company and he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, proposing the candidature of Shri Amit Garg (08515246) for the office of Director.

Shri Amit Garg is the Director - Marketing of Hindustan Petroleum Corporation Ltd (HPCL) from 27th December 2022. Prior to that, he was Executive Director in Bharat Petroleum Corporation Ltd (BPCL) spearheading transformative changes as Head of Aviation and Renewable Energy business units. He was on the Board of Directors of Indraprastha Gas Limited (IGL), the largest City Gas Distribution

Company, as Director Commercial for more than two years. He has also served as a Nominee Director with Maharashtra Natural Gas Limited, a Joint Venture of BPCL & GAIL (India) Limited. As Director Commercial of IGL, Shri Amit Garg was awarded "Greentech Leading Director Award 2021" for his active role in overall impactful growth, excellence & innovation by applying highest standards as a matter of practice & policy. With thirty-six years of enriched experience in diverse fields of Petroleum product marketing sector, Shri Amit Garg possesses extraordinary business acumen, exemplary customer focus and consistent execution centricity as driving tools of his strategic decision-making process.

Shri Amit Garg is a Postgraduate in Electronics & master's in business management, and he has nurtured the best of both worlds by combining deep technical nuances with strategic management perspectives to help develop a shared vision for the organization.

Shri Amit Garg has acquired in-depth Industry knowledge of petroleum product sourcing, storage, logistics, distribution, sales, and marketing across various functions in BPCL and IGL. His path-breaking initiatives as head of the Renewable Energy business of BPCL has made significant strides in creating a foundation for ramping up the production of clean energy in its profile.

As Director Marketing of HPCL, Shri Amit Garg has been able to leverage the rich network and brand legacy coupled with the strength of its energetic and agile human resources to anchor long-term and sustainable energy transition in the near future.

Shri. Amit Garg (08515246) is interested in this Resolution mentioned in Item No. 6 of the Notice to the extent of his appointment as Director.

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

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

## ITEM NO 7

Shri Ashish Kumar Purwar (10159925) was appointed as an additional Director by the Board of Directors w.e.f 12th May 2023 in accordance with the provisions of Section 161 of the Companies Act 2013 and the Articles of Association of the Company and he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, proposing the candidature of

Shri Ashish Kumar Purwar (10159925) for the office of Director.

Shri. Ashish Kumar Purwar (10159925) is a finance professional having rich experience of around 30 years with good knowledge of taxation, Corporate Accounts, and project investment-related matters. During the course of his career of 3 decades, Shri Purwar has handled various finance and commercial functions in Private companies as well as public sector undertakings.

Shri. Purwar is presently working as Chief General Manager in Maharatna Public Sector Company-GAIL(India) Limited at the Corporate Office, Delhi. He has been instrumental in the implementation of several key business systems and initiatives in GAIL.

Shri. Purwar is a Chartered Accountant, Cost accountant, and Law graduate by qualification. He had secured 7th All India Rank in the final examination of the Institute of Cost Accountants of India.

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

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

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

## ITEM NO. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s D.V&Associates, Cost & Management Accountants, (Firm's PAN number AAQFD7737B and firms' registration number is 001929) Hyderabad [bearing Firm Registration Number 000332] to conduct the audit of the cost records of the Company for the financial year 2022-23.

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 must 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 FY 2022-23 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 item no 8.

Accordingly, the Board of Directors recommends the resolution set out in Item no.8 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/-

Place: Hyderabad

Date : 28-08-2023

Malleswari . G  
Company Secretary



# INDEPENDENCE DAY



# Directors' Report

To

## The Shareholders of Bhagyanagar Gas Limited

Your directors have the pleasure of presenting the 20th Annual Report along with the Company's Audited Accounts for the year ended 31st March 2023 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	
	2021-22	2022-23
Compressed Natural Gas (CNG)	15561.07	30245.14
Piped Natural Gas (PNG)	13882.96	13365.37
Total	29444.04	43610.51

B. The Company's financials are summarized below

(Rs. In Lakhs)

Particulars	For the year	
	2021-22	2022-23
Revenue from Operations	29444.04	43610.51
Other Income	344.66	1061.31
Total Revenue	29788.70	44671.82
Cost of materials consumed/purchases/other expenses	18668.05	37004.94
Employee benefit expenses	443.16	506.40
Earnings Before Depreciation, Interest and Tax	10677.49	7160.48
Depreciation	2462.96	2765.87
Finance Cost	2673.97	3465.85
Profit before tax	5540.56	928.76
Current Tax	971.13	164.52
Deferred Tax	147.70	412.28
Net Profit for the year after Tax	4421.74	351.96

## ACHIEVEMENTS DURING THE YEAR

BGL is committed to ensuring a cleaner and greener environment in its allocated GA's. In this endeavour,

BGL has progressed by leaps and bounds across all its business segments. This progress was achieved by your Company despite the impact of the continuation of the COVID-19 pandemic.

## PNG DOMESTIC CONNECTIONS

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

Description	GA	Numbers	
		2021-22	2022-23
PNG Connections-Domestic	Hyderabad	1,60,234	1,78,314
	Vijayawada	48,658	57,436
	Kakinada	61,436	64,613
Total		2,70,328	3,00,363

## PNG I & C CUSTOMERS

During the financial year, your company continued to focus on the commercial and industrial segments. These areas have great potential for growth in the coming years.

Description	Cumulative Commercial Connections	
	2021-22	2022-23
Cumulative Commercial Connections	279	325
Cumulative Industrial Connections	73	80

## CNG STATIONS AND SALE

As the journey continues, the use of CNG as a fuel has been increasing in all areas despite setbacks caused by COVID-19 struggles. This growth has mainly been driven by the economic advantages over other competitive fuels. The "Saksham" campaign by the Petroleum Conservation Research Association (PCRA) aims to conserve fossil fuels and promote the adoption of green and clean energy.

The augmentation of existing CNG stations due to converting two (2) DBS to online stations and upgrading two DS to DBS to improve the sales volume, as a result, an increase in CNG sales volume from 26,222 MT to 40,645 MT.

CNG	FY 2021-22			FY 2022-23		
	No of Stations	Qty in MT	Amt in Lakhs	No of Stations	Qty in MT	Amt in Lakhs
Hyderabad	88	14,447	8,967.91	88	26,034	19,986.49
Vijayawada	34	11,030	6,177.12	34	13,352	9,638.89
Kakinada	13	745	416.04	13	1,259	619.76
Total	135	26,222	15,561.07	135	40,645	30,245.14

### PIPELINE LENGTH (STEEL & MDPE)

BGL has increased its pipeline network (Steel and MDPE) from 2580 kms to 2616 kms this year to connect more areas and to increase the supplies across all business segments.

Steel and MDPE laid till 31 <sup>st</sup> March 2023			Total (Including steel & MDPE)
Geographical Area	Steel in Km.	MDPE in Km.	
Hyderabad	87.39	942.66	1030.05
Vijayawada	48.15	487.73	535.88
Kakinada	46.13	1004.02	1050.15
Total	181.67	2434.41	2616.08

### SHARE CAPITAL

The Company's Authorised Share Capital as of March 31, 2023 is Rs. 100 Crores, consisting of 10 Crores equity shares with a face value of Rs. 10 each. The paid-up capital of the Company is Rs. 89.58 Crores.

### BORROWING & DEBT SERVICING

In 2017, the company received a term loan of Rs.400 Cr from ICICI Bank for Phase-I project expansion, which has been fully utilized. For Phase II, the company was approved for a fresh term loan of Rs.250 Crores from ICICI Bank, but it was reduced to Rs.185 Crores. Additionally, the company obtained a Non-Fund Based limit of Rs.130 crores from ICICI Bank for working capital and LC/BG requirements. In the financial year 2022-23, the company repaid Rs.25 Crores to ICICI Bank for the first-term loan.

### CREDIT RATING

Your company's credit rating, assigned by Care Ratings, is CARE A+ with a Stable Reaffirmed status.

### 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 a Legal Entity Identifier (LEI) Number. Based on the instructions, BHAGYANAGAR GAS LIMITED obtained the LEI number and the LEI number of BGL is 335800G4BLDD9GWGPW20.

### REPORT ON THE PERFORMANCE OF SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURE COMPANIES

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

### DIVIDEND

The unstable geopolitical situations around the globe, coupled with the ongoing Russia-Ukraine war, have caused a significant rise in the cost of natural gas. But this increase has not been reflected in the prices of CNG/PNG, resulting in reduced margins. As a result, the directors are unable to recommend any dividend for the financial year ending on March 31, 2023.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments that could affect the company's financial position between the end of the financial year of the Company and the date of this report. Your company has started the repayment of the long-term loan taken from ICICI Bank during the year. 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 that could impact the ongoing concern status of your Company and its operations in the future.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS 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, not provided any security, and not made any investment as per Section 186 of the Companies Act, 2013.

## 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 2022-23, the Board of Directors met Eight (8) 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 Rakesh Kumar Jain @	Chairman & Non-Executive Director	8	8
2	Shri Dilip Kumar Pattanaik \$	Non-Executive Director	8	8
3	Shri Mukesh Kumar Tiwari #	Executive Director designated as Managing Director	8	8
4	Shri Ram Mohan Rao Karnati #	Executive Director designated as Managing Director	1	1
5	Shri Sanjiv Gujral *	Executive Director designated as Director Commercial	2	2
6	Smt. Danuta Yeleswarapu *	Non-Executive Director	7	7
7	Shri Rajesh Ved Vyas ^	Independent Director	8	8

# With effect from 31st March 2023 Shri Ram Mohan Rao Karnati was appointed as Managing Director and with effect from 31st March 2023 Shri Mukesh Kumar Tiwari ceased as Managing Director of BGL.

\* With effect from 18th June 2022 Shri Sanjiv Gujral ceased as Director Commercial and with effect from 18th June 2022 Smt. Danuta Yeleswarapu was appointed as Director Commercial.

@ With effect from 7th May 2023 Shri Rakesh Kumar Jain ceased as Chairman and with effect from 7th May 2023 Shri Amit Garg was appointed as Chairman.

\$ Shri Dilip Kumar Pattanaik ceased as Director w.e.f 7th May 2023 and Shri A.K.Purwar appointed as Director w.e.f 12th May 2023.

^ Shri Rajesh Ved Vyas, Independent Director ceased as Director w.e.f 12th June 2023 due to completion of the term.



## AUDIT COMMITTEE

Audit Committee of the members of the Board of Directors met Five (5) times during the financial year from 01.04.2022 to 31.03.2023 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder

The Composition of the Audit Committee from 01-04-2022 to 31-03-2023 is as follows

Shri Rajesh Vedvyas - Chairman

Shri Mukesh Kumar Tiwari - Member

Shri Sanjiv Gujral /Smt Danuta Yeleswarapu @ - Member

@ 01/04/2022 to 18/04/2022 Shri Sanjiv Gujral is the Member and w.e.f 18/04/2022 to 31/03/2023 Smt. Danuta Yeleswarapu is the member.

## NOMINATION & REMUNERATION COMMITTEE

Nomination & Remuneration Committee of the members of the Board of Directors met two (2) times during the financial year from 01.04.2022 to 31.03.2023 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder: -

The Composition of Nomination and Remuneration Committee from 01-04-2022 to 31-03-2023 is as follows

Shri Rajesh Vedvyas - Chairman

Shri R.K.Jain - Member

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 during the financial year is Rs. 3,10,000/-.

## 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 2022-2023.

The Auditors' Report of your Company's Annual Accounts for the financial year ending 31st March 2023. 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 2022-23, and their report is given as Annexure -2 to this report, which is self-explanatory.

### 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.D.V.& Associates, Cost & Management Accountants (Firm Registration Number 000332) Hyderabad, as the Cost Auditors of the Company for the financial year 2022-23.

### COST RECORDS

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

### INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors appointed M/s. Ramachandram & Co., Chartered Accountants, Hyderabad as the Internal Auditors of the Company for the financial year 2022-23.

## INTERNAL FINANCIAL CONTROLS

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

As part of this exercise, the design of internal controls, and their operating effectiveness is tested by independent experts, and their opinion is reproduced below:-

"The company has in all material respects, an adequate internal financial control system over financial reporting, and such internal financial controls over financial reporting were operating effectively as at 31st March 2023."

## INFORMATION TECHNOLOGY / AUTOMATION

Your Company has witnessed the smooth operation of IT systems during the year. There was no significant downtime for the existing systems.

BGL is developing a customer-centric focus and offers customers satisfying service every time through innovation, faster decisions, new business models, and flexibility. Our team undertakes intensive planning and monitoring to reach 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.

BGL is committed to building and maintaining a customer-friendly approach in its operations and systems. The 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 applications, Customer Relationship Management (CRM), etc., have streamlined the operations and propagated the customer-oriented approach of the organization. The company also ensures after-sales services and is well-equipped with a 24x7 toll-free customer care center for resolving queries.

Nearly 100% digitization of payments to vendors and service providers.

Implementation of digital payment modes like BBPS, BHIM, UPI PAYU, etc., for Domestic PNG customers. Also, cashless modes are available for CNG users. Our Online payment mode ensures utmost ease and flawlessness at the transaction level.

In the area of mobility, mobile applications have been developed for field force, meter reading, and spot billing.

New employee-centric initiatives like the following have been undertaken:

- Development of Intranet
  - Employee Claims
  - Attendance and Leave Management System

## HUMAN RESOURCES

Human Resources is an integral function of any organization and forms one of the strongest pillars that uphold the entirety and essence of the workplace. Not only does it play an invincible role in shaping the organizational culture but also ensures the organization's sustenance in the long run with its end-to-end Manpower handling strategies and ensuring data-driven business performance. With an effort to make BGL's HR domain a highly proactive and agile function, our efforts have always been directed to widen the horizon of our functioning. As we've navigated from being a transactional HR to a transformational HR, we've evolved over the years with respect to our approach (Thoughts / Strategies), Execution (Action-orientation), and overall functioning (Lead & Deliver).

As we delve into harnessing the potential of human capital, HR at BGL remains the force that has been able to pull up good resources who have been driving various functions, empowering our business growth and is pertinent to mention that we've built a stronger BGL family with an overall 20% addition of Manpower resources to the existing ones in FY 2022-23, across levels. In the sphere of Learning and development, we are focusing on fostering continuous learning to evolve as a leaner, learning, and effective organization. Powering the fact that

Employee Engagement equally plays a crucial role, we have also had a few celebrations and merriment that keep people on the go, and they look forward to such festivities and occasions that not only boost camaraderie but also drive Inclusiveness. We look at further strengthening the same while we channel robust HR practices into the system.

### **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., 31/03/2023.

### **OTHER DISCLOSURES: -**

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

### **EXTRACT OF ANNUAL RETURN:-**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2023 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 with respect to conservation of energy, technology absorption, foreign exchange earnings, and outgo, etc., are furnished in Annexure-IV which forms part of this Report.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility Committee met two (2) times during the financial year from 01.04.2022 to 31.03.2023 in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

The Composition of the CSR Committee from 01.04.2022 to 31.03.2023 is as follows: -

Shri. Rajesh Vedvyas - Chairman

Shri Mukesh Kumar Tiwari - Member

Shri Sanjiv Gujral/ Y.Danutha - Member

In the year 2022-23 Rs. 7.45 lakhs were spent under the head of Swachh Bharat Abhiyan and the remaining balance provision was created towards the unspent amount of Rs 56.23 Lakhs relating to the financial year 2022-23 which shall be transferred to one of the funds Specified in Schedule VII of the Companies Act 2013 (P.M. Care funds) on or before 30-09-2023 the details report was given in Annexure-V

### **DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

Your Company has in place a policy on the Prevention, Prohibition, and redressal of Sexual Harassment of Women at the workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Compliance Committee has been set up to address complaints received regarding Sexual Harassment. During the Year 2022-23, no complaints were received.

### **HSE (HEALTH, SAFETY AND ENVIRONMENT)**

Your Company believes that the 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 the CGD network and CNG systems installed within and outside the city boundary and the supply of PNG to various customers with a 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 held several knowledge-sharing and training sessions to create awareness of all critical

issues related to health and safety during work and beyond. Your Company has always accorded topmost priority to Safety. It has made concerted efforts to maintain a good safety culture and the highest safety standards. Regular training is imparted to drivers, PNG customers, employees, contractual staff, and other stakeholders. For BGL, safety comes first, for all its stakeholders. Your Company is focused on the improvement of harmony with the environment through sustainable development. Your company believes that the 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).

## PARTICULARS OF EMPLOYEES

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

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March 2023 the Board of Directors hereby confirms that: -

- In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanations relating to material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.
- 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.

- They have prepared the annual accounts on a going concern basis.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## FUTURE PLANS AND OUTLOOK

To cater to the ever-increasing demand for CNG, we are taking steps to augment the CNG network by converting the DBS/DS stations to online stations, augmenting the LCV fleet, and establishing new LCV loading stations. This will result in increasing the CNG sales by 25%. Similarly, we are laying the pipelines to connect the various industries and customers in our endeavour to provide clean green fuel in all three GAs of BGL.

## COVID -19

The Company strictly followed the guidelines issued by local, state, and central governments and went beyond to protect the health and well-being of its workforce and ensure minimum disruption to its customers.

## 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 Directors (Bhagyanagar Gas Limited)

Sd/-  
(Y.Danuta)  
(DIN-09628925)

Sd/-  
(RamMohan Rao K)  
(DIN-09020289)

Place: Hyderabad  
Date : 28.08.2023



# Annexure - 1

## 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 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 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 (ordinary course) of Business on an arm's length basis.

The following transactions were entered with related parties (In Rs. Lakhs)

Name of the Related Party	HPCL For the year 2022-2023	GAIL For the year 2022-23
Nature of transaction:		
Purchases - Natural Gas	NIL	25374.80
Sales – CNG	15526.35	-
Manpower Cost of Employees on deputation	263.70	488.13
LC	NIL	7310.28

## Annexure - 2

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**  
[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, 2023 (“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, 2023 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;



- (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 Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. 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 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, majority decision is carried through while the Members' views are captured and recorded as part of the Minutes



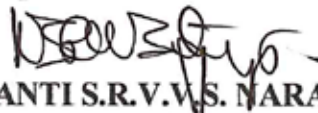
We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the Company commensurate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

P.R. No.1709/2022



Date : 29<sup>th</sup> June, 2023  
Place : Hyderabad  
UDIN : F007157E000521077

**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

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 (“CSAS”) prescribed by the Institute of Company Secretaries of India (“ICSI”). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Where ever 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

*(Signature)*

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

Proprietor

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

P.R. No.1709/2022



Date : 29<sup>th</sup> June, 2023

Place : Hyderabad

Bhagyanagar Gas Limited Secretarial Audit Report for the year 2022-23

# Annexure - 3

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2021

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

## 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, TSIDC 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, Phone: +91 40 67161603/04

## 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%

## 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)



## SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2022)				No. of Shares held at the end of the year (31.03.2023)				%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	6	0	6	0	6	0	6	0	%
b) Central Govt Companies	4,36,49,997	0	4,36,49,997	48.73%	4,36,49,997	0	4,36,49,997	48.73 %	0%
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									
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):	8,73,00,000	0	8,73,00,000	97.46%	8,73,00,000	0	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)(1) + (A)(2)	8,73,00,000	0	8,73,00,000	97.46%	8,73,00,000	0	8,73,00,000	97.46%	0%
B. Public Shareholding									
(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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2022)				No. of Shares held at the end of the year (31.03.2023)				%Change +/-during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s) APIC	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) FII's	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%
Sub-total (B)(1):	0	0	0	0	0	0	0	0	0
(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
Sub-total(B)(2):	0	0	0	0	0	0	0	0	0
Total Public Shareholding	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	8,95,30,961	48,500	8,95,79,461	100%	8,95,30,961	48,500	8,95,79,461	100%	-

## 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 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
	Total	8,73,00,000	97.46%	0	8,73,00,000	97.46%	0	0

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	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%



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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	For each of the Top 10 Shareholders				
2	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%
3	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%

## SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	For each of the Directors and KMP				
2	At the beginning of the year	Nil	Nil	Nil	Nil
3	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
4	At the End of the year	Nil	Nil	Nil	Nil

## 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	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
Total (i + ii + iii)	5,55,11,02,407	NIL	NIL	5,55,11,02,407
<b>Change in Indebtedness during the financial year</b>				
· Addition	30,00,00,000	NIL	NIL	30,00,00,000
· Reduction	25,11,02,407	NIL	NIL	25,11,02,407
Net Change	5,60,00,00,000	NIL	NIL	5,60,00,00,000
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,60,00,00,000	NIL	NIL	5,60,00,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	13,01,438	NIL	NIL	13,01,438
Total (i + ii + iii)	5,60,13,01,438	NIL	NIL	5,60,13,01,438

## REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager					
Sl. No.	Particulars of Remuneration	Name of MD/ WTD			Total Amount (Rs)
		Managing Director	D.C cum CFO	D.C cum CFO	
1	Gross salary	Shri Mukesh Kumar Tiwari	Shri Sanjiv Gujral	Smt. Yeleswarapu Danuta	INR (Rs)
		(01-04-2022 to 31-03-2023)	(01-04-2022 to 18-06-2022)	(18.06.2022 to 31-03-2023)	
2	Salary and allowances, Car Hire Charges, Driver Salary & fuel charges & PRP, other expenses etc.,	1,36,79,066	31,37,726	62,99,634	2,31,16,426
3	Stock Option	0	0	0	0
4	Sweat Equity	0	0	0	0
5	Commission	0	0	0	
	- as % of profit	0	0	0	0
	-others, specify	0	0	0	0
		1,36,79,066	31,37,726	62,99,634	2,31,16,426

## REMUNERATION TO OTHER DIRECTORS

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors		Total Amount (Rs)
1		Shri R.K.JAIN Chairman (Non -Executive Director) 01-04-2022 to 31-03-2023	Shri Dilip Kumar Pattanaik (Non -Executive Director) 01-04-2022 to 31-03-2023	Nil
		NIL	NIL	NIL

## REMUNERATION TO OTHER DIRECTORS

Sl. No.	Name of Independent Director	01-04-2022 to 31-03-2023)	Total Amount (Rs)
1	Shri Rajesh Ved Vyas (Sitting fees paid to Independent Director for meetings attended for Board and Committee Meetings.	3,10,000/-	3,10,000/-

## REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration		
	Company Secretary		Total (Rs)
1	COST TO THE COMPANY INCLUDING PLP, BONUS ETC., (01-04-2022 TO 31-03-2023)	Rs.15,00,000/-	Rs.15,00,000/-
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
5	Others, please Specify	0	0
	Total	Rs.15,00,000/-	Rs.15,00,000/-

## 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	2022 - 23
<b>i) Electricity purchased</b>		
Units consumed (kVAh)	2,13,918	3,39,126
Total Amount in Rs.	36,09,882	31,56,192
Rate / Unit (Rs. kVAh)	16.88	15.64
Demand load charges in Rs.	18,48,979	21,48,500
<b>ii) Natural gas as fuel (kg.) consumed</b>	12,28,262	18,01,198

##### Consumption per MT of production

Particulars	2021-22	2022-23
CNG Production (Total/MT)	26,815.78	42,895.86
Electric Driven Production (MT)	614.96	890.03
Gas Driven Production (MT)	12864.72	15,910.71
Electric Driven Production (MT)-Other than MS	3302.16	7374.08
	10,033.94	18721.03
Electricity Consumed (in kVAh)/MT	347.86	381.03
Natural Gas as fuel (in kg.)	53.64	52.01

#### (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 Amount in Rs	2022-23 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

#### 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.

#### 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 Mukesh Kumar Tiwari	Managing Director	2	2
2	Shri Rajesh Vedvyas	Independent Director	2	2
3	Smt. Y. Danuta	Director Commercial cum CFO	2	2

- 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).
- 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-
- 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	2022-23	NIL	NIL

#### Last three years Average net profit of the company as per section 135(5) - Rs.3183.90 Lakhs.

(a)	Two percent of average net profit of the company as per section 135(5)	Rs. 63.68 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. 63.68 Lakhs

**(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 7.45 Lakhs	NIL	NIL	Fund specified under Schedule VII of the Companies Act, 2013	Rs.56.23 Lakhs	Will transfer on or before 30 <sup>th</sup> September 2023

**(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	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency
NIL										

**(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	For Installation of Toilets at Sri Vidyanaraya Vidya Viharam.	VII (i) Sanitation	Yes	Telangana	Hyderabad	Rs. 7.45 Lakhs	No	Sri Vidyanaraya Vaidika Vidya Viharam Trust	CSR000035379
(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 7.45 Lakhs

**(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 63.68Lakhs
2	Total amount spent for the Financial Year	Rs 7.45 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

**(a) Details of Unspent CSR amount for the preceding three financial years w.e.f 2021-22:**

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.
10								NIL
(a)								NIL
(b)								NIL
(c)								NIL
(d)								NIL

**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.7.45Lakhs by supplying portable toilets to Sri Vidyaranya Sri Vidya Viharam Trust and unable to identify the proper /eligible projects for spending the remaining CSR Amount of Rs.56.23 Lakhs. " Provision was created towards unspent amount of Rs.56.23 lakhs relating to the financial year 2022-23, which shall be Transferred to the funds specified In Schedule VII of the Companies Act , 2013 before 30th September 2023.

Sd/-  
**Y. DANUTA**  
 (DIRECTOR -COMMERCIAL cum CFO)

Sd/-  
**MOOKERJEE INDRAJIT**  
 (HEAD -HR)

**INDEPENDENT AUDITOR'S REPORT**

(ISSUED CONSEQUENT TO PROVISIONAL COMMENTS BY DIRECTOR, CAG, VIDE LETTER NO. No. DGCA/Hyd/A/c/Desk/BGL/2022-23/1.16/102 DATED 13.07.2023 and it supersedes our Independent Auditor's Report dated 27.04.2023).

**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, 2023, 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, 2023, 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.





### **Emphasis of Matter**

We draw attention to Note-4 to the financial statements regarding unused/old items to the tune of Rs. 869.90 lakhs lying as capital inventory for more than 10 years grouped under capital work-in-progress. As explained to us, company is in the process of conducting technical assessment to ascertain the usefulness of the same. Adjustment if any will be recognized as and when matter is finally decided.

Our opinion on the Statement is not modified in respect of this matter.

### **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.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### **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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

- i) As required under section 143(5) of the Companies Act, 2013, being the directions issued by the Comptroller and Auditor General for the year ended March 31<sup>st</sup>, 2023, we enclosed herewith a statement in Annexure "C".

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

  
**K.NARAYANA MURTHY**  
Partner  
Mem.No: 026012  
UDIN: 23026012BGRKUZ9620



Place: Hyderabad  
Date: 03/08/2023

### 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year physical verification was conducted with reasonable interval for CNG assets and its related material & some of the PNG assets like DRS, MRS and Valves except underground natural gas distribution system which as per management cannot be physically verified and no material discrepancies were noticed on such verification.

(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	10.80	APIIC	No	Since 2010	Registration is pending due to procedural delays



admeasuring 180 Sq. Mtrs allotted by APIIC					
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, 2023 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, 2023.
- (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, 2023 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



S.No	Name of the Statute	Nature of Due	Amount Involved	Claim Period	Forum where dispute is pending
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
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





S.No	Name of the Statute	Nature of Due	Amount Involved	Claim Period	Forum where dispute is pending
15	Income Tax ACT 1961	Income Tax Assessment Dues	2,340,958	FY 2007-08	The High Court of A.P. and Telangana
16	Income Tax ACT 1961	Income Tax Assessment Dues	9,685,624	FY 2008-09	The High Court of A.P. and Telangana
17	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, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year and 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 been declared a 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 does 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanation given to us, the company has yet to transfer the unspent amount for the FY 2022-23 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  
ERN: 000180S

  
K. NARAYANA MURTHY

Partner

Mem.No.026012

UDIN : 23026012BGRKU29620



**Place:** Hyderabad

**Date:** 03/08/2023

## 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, 2023 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, 2023, 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

  
K.NARAYANA MURTHY  
Partner

Mem.No.026012  
UDIN: 23026012BGRKUZ9620



Place: Hyderabad  
Date:03/08/2023

**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.

	<b>PARTICULARS</b>	<b>OBSERVATIONS</b>
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. During the year, company has customized the Tally software for better monitoring and controls. Further, billing software (Bynary) for DPNG is functional and accordingly capitalized.
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. As per information and explanation provided to us by the management, there is no case of restructuring of existing loan, waiver/write-off of debts/loans/interest etc
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.
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	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. The same was duly disclosed by the



<p>value assessed by the Company. Details of such internal/external technical assessment, if any may be verified and reported.</p>	<p>company in Notes to the Financial Statements, under Clause (C) - Depreciation of Note No. 3: Significant Accounting Policies. As per the information and explanation provided to us, no internal/external technical assessment was made with regard to the residual value of the fixed assets. The practice of providing depreciation on the entire value of the assets is being followed consistently since long as explained to us which is in consonance with Point 3 (i) of Part A of Schedule-II of the Companies Act, 2013.</p>
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**For Anjaneyulu & Co.**

Chartered Accountants FRN: 000180S

*K. Narayana Murthy*

**K.NARAYANA MURTHY**

Partner

Mem.No.026012

UDIN: 23026012BGRKUZ9620



**Place:** Hyderabad

**Date:** 03/08/2023



**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 2023**

The preparation of financial statements of Bhagyanagar Gas Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 03 August 2023 which supersedes their earlier Audit Report dated 27 April 2023.

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 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

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



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

**Place: Hyderabad  
Date: 17 August 2023**

# Balance Sheet as at 31st March 2023

Rs. in Lakhs

	Particulars	Note No.	Audited	
			31st March 2023	31st March 2022
Assets				
(1)	Non-current assets			
	Property, plant and equipment	4	66,047.24	61,676.42
	Capital work-in-progress	4	35,296.28	39,474.25
	Financial assets			
	Other financial assets	5	2,423.29	2,089.55
	Other tax assets (Net)	6	21.96	108.05
	Other non-current assets	7	418.17	267.77
	Total non-current assets		104,206.94	103,616.04
(2)	Current assets			
	Inventories	8	396.35	223.57
	Financial assets			
	(i) Trade receivables	9	4,217.91	3,651.54
	(ii) Cash and cash equivalents	10	1,460.82	1,402.93
	(iii) Other bank balances	11	607.52	178.56
	(iv) Other financial assets	12	37.82	17.32
	Other current assets	13	257.85	378.26
	Total current assets		6,978.27	5,852.19
	Total assets		111,185.21	109,468.23
Equity and liabilities				
(1)	Equity			
	Equity share capital	14	8,957.95	8,957.95
	Other equity			
	(i) Share application pending allotment	15	208.87	208.87
	(ii) Retained earnings		14,295.51	13,949.88
	(iii) Share Premium		16,929.40	16,929.40
	Total equity		40,391.73	40,046.10
	Liabilities			
(2)	Non-current liabilities			
	Financial liabilities			
	(i) Lease Liabilities	16a	155.49	14.42
	(ii) Borrowings	16b	53,500.00	55,500.00
	Provisions	17	282.56	85.53
	Deferred tax liabilities (Net)	18	2,590.15	2,171.34
	Total non-current liabilities		56,528.20	57,771.28
(3)	Current liabilities			
	Financial liabilities			
	(i) Lease Liabilities	16a	81.15	38.90
	(ii) Borrowings	16b	2,500.00	-
	(iii) Trade payables	19		
	A. Total Outstanding dues of micro enterprises and small enterprises: and		14.71	106.85
	B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.		2,852.99	1,860.06
	(iii) Other financial liabilities	20		
	A. Total Outstanding dues of micro enterprises and small enterprises: and		244.38	85.31
	B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.		5,590.37	6,099.37
Other current liabilities		21	2,976.78	3,455.52
	Provisions	22	4.91	4.83
	Total current liabilities		14,265.28	11,650.85
	Total liabilities		70,793.48	69,422.13
	Total equity and liabilities		111,185.21	109,468.23

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/-  
**CA K. Narayana Murthy**  
Partner  
Membership No. 026012

Place: Hyderabad  
Date: 27th April 2023

For and on behalf of Bhagyanagar Gas Limited

Sd/-  
**Y.Danuta**  
Director - Commercial-cum-CFO  
DIN No.: 09628925

Sd/-  
**Karnati Ram Mohan Rao**  
Managing Director  
DIN No.:09020289

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



## Statement of Profit and Loss for the Year Ended 31st March 2023

Rs. in Lakhs

	Particulars	Note No.	Audited	
			31st March 2023	31st March 2022
I	Revenue from operations	24	43,610.51	29,444.04
II	Other income	25	1,061.30	344.66
III	Total income		<b>44,671.82</b>	<b>29,788.70</b>
IV	Expenses			
	Cost of materials consumed	26	28,332.93	13,362.26
	Changes in inventories	27	0.23	12.68
	Excise duty		3,734.38	1,938.75
	Employee benefits expense	28	506.40	443.16
	Finance costs	29	3,465.85	2,673.97
	Depreciation	30	2,765.87	2,462.96
	Other expenses	31	4,937.40	3,354.36
	Total expenses		<b>43,743.06</b>	<b>24,248.12</b>
V	Profit before income tax		<b>928.76</b>	<b>5,540.57</b>
VI	Tax expense			
	Current tax		164.52	971.13
	Deferred tax		412.28	147.70
	Income tax expense	32	<b>576.80</b>	<b>1,118.83</b>
VII	Profit for the year		<b>351.96</b>	<b>4,421.74</b>
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Measurements of defined benefit liability (asset)		(12.86)	(17.65)
	Income tax relating to items that will not be reclassified to profit or loss		6.53	5.14
	Other Comprehensive Income for the year, net of income tax		<b>(6.33)</b>	<b>(12.51)</b>
IX	Total Comprehensive Income for the year		<b>345.63</b>	<b>4,434.26</b>
X	Earnings Per Share			
	(1) Basic		0.39	4.95
	(2) Diluted		0.37	4.80

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

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Chartered Accountants  
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**CA K. Narayana Murthy**  
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Place: Hyderabad  
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Sd/-  
**G.Malleswari**  
Company Secretary  
Membership No. F6574

## Statement of Changes in Equity as on 31st March 2023

### A. Equity share capital

Rs. in Lakhs

Particulars	Note	
Balance as at 1st April 2022		8,957.95
Changes in equity share capital during 2022-23	14	-
Balance as at the 31st March 2023		8,957.95

### B. Other equity

Particulars	Reserves and surplus		Share Premium	Total other equity
	Share application pending allotment	Retained earnings		
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
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>
Balance at 1st April 2022	208.87	13,949.88	16,929.40	31,088.15
Total comprehensive income for the period				
Profit for the Period		351.96		351.96
Other Comprehensive Income for the Period, net of income tax		(6.33)		(6.33)
Changes during the period towards issue of equity shares	-			-
Dividend				-
<b>Balance as at 31st March 2023</b>	<b>208.87</b>	<b>14,295.51</b>	<b>16,929.40</b>	<b>31,433.78</b>

As per our report on standalone financial statements attached

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

Sd/-  
**CA K. Narayana Murthy**  
Partner  
Membership No. 026012

Place: Hyderabad  
Date: 27th April 2023

For and on behalf of Bhagyanagar Gas Limited

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Sd/-  
**Karnati Ram Mohan Rao**  
Managing Director  
DIN No.:09020289

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

# Statement of Cash Flows for the Year Ended 31st March 2023

Rs. in Lakhs

Particulars	31st March 2023	31st March 2022
<b>Cash Flow from operating activities</b>		
Profit for the year	345.63	4,434.26
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	2,765.87	2,462.96
Gain on sale of property, plant and equipment	-	-
Current year provision related to post-employment defined benefit plans	13.69	15.19
Current year provision related to compensated absences	10.64	10.25
Amortisation of processing fee relating to term loans	-	-
Net foreign exchange differences	(0.57)	3.04
Finance income	(111.21)	(74.98)
Finance costs	4,210.92	3,969.41
	<b>7,234.96</b>	<b>10,820.12</b>
<b>Working capital adjustments</b>		
Decrease / (increase) in inventories	(172.78)	(22.93)
Increase in trade receivables	(566.37)	(1,116.29)
Decrease / (increase) in other financial assets- non current	(333.74)	(208.22)
(Increase) / decrease in other financial assets- current	(20.50)	2.91
(Increase) / decrease in other current assets	120.41	(119.50)
Decrease in proceeds from other non-current assets	(150.40)	93.73
(Increase) / decrease in other bank balances	(428.96)	(8.31)
Increase in trade payables	900.79	1,064.13
Increase in other financial liabilities- current	(349.93)	(900.90)
Increase in Lease liabilities- current	42.25	20.58
Increase in Lease liabilities- Non Current	141.07	(21.04)
Increase other current liabilities	(478.75)	732.89
Increase in other non-current liabilities	0.57	(3.04)
(Decrease)/ increase in provisions- non current	197.04	(1.50)
Decrease in provisions- current	(24.26)	(23.37)
	<b>(1,123.56)</b>	<b>(510.86)</b>
Income tax paid	504.90	350.20
Net cash flows from operating activities	<b>6,616.31</b>	<b>10,659.46</b>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment	(7,136.69)	(7,403.89)
Proceeds from capital work-in-progress	4,177.97	(5,877.71)
Interest received	111.21	74.98
Net cash flows from investing activities	<b>(2,847.50)</b>	<b>(13,206.62)</b>
<b>Cash flow from financing activities</b>		
Increase in share capital	-	-
Increase / (decrease) in borrowings	500.00	6,500.00
Finance charges paid	(4,210.92)	(3,969.41)
<b>Dividend Declared</b>	-	-
Net cash flows from financing activities	<b>(3,710.92)</b>	<b>2,530.59</b>
Net increase / (decrease) in cash and cash equivalents	57.89	(16.57)
Cash and cash equivalents at the beginning of the year	1,402.93	1,419.50
Cash and cash equivalents at the end of the year	<b>1,460.82</b>	<b>1,402.93</b>

**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: 000180S

Sd/-  
**CA K. Narayana Murthy**  
Partner  
Membership No. 026012

Place: Hyderabad  
Date: 27th April 2023

For and on behalf of Bhagyanagar Gas Limited

Sd/-  
**Y.Danuta**  
Director - Commercial-cum-CFO  
DIN No.: 09628925

Sd/-  
**Karnati Ram Mohan Rao**  
Managing Director  
DIN No.:09020289

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

# Financial Statements for the Year Ended 31st March 2023

## 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 27th April 2023.

### (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 23 – Measurement of Defined benefits
- 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. BGL is in the process of reviewing its estimates with respect to useful life of assets and the same be completed in financial year 2023-24. 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 37.

**(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
- iii) 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.



- iv) 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.
- v) 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.
- vi) 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 16, 30 and 29).

**(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.

## 4. 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 2021	642.29	791.52	167.54	17.19	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)
Balance at 31 March 2022	642.29	791.52	167.54	17.19	68,740.88	704.50	131.35	58.86	90.45	71,344.58	39,474.25	110,818.83
Balance at 1st April 2022	642.29	791.52	167.54	17.19	68,740.88	704.50	131.35	58.86	90.45	71,344.58	39,474.25	110,818.83
Additions	-	-	-	-	7,065.54	7.18	84.87	14.24	52.93	7,224.76	3,046.78	10,271.54
Disposals / Capitalised/ Impairment	-	-	-	-	(604.35)	-	-	-	-	(604.35)	(7,224.75)	(6,620.40)
Balance at 31 March 2023	642.29	791.52	167.54	17.19	75,202.07	711.68	216.22	73.10	143.38	77,964.99	35,296.28	114,469.97
<b>2. Accumulated depreciation</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 Year	-	30.17	4.42	0.24	2,304.03	60.76	13.40	8.21	14.00	2,435.22	-	2,435.22
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 March 2022	-	210.86	17.83	13.99	8,882.28	361.71	69.42	40.70	71.37	9,668.16	-	9,668.16
Balance at 1 April 2022	-	210.86	17.83	13.99	8,882.28	361.71	69.42	40.70	71.37	9,668.16	-	9,668.16
Depreciation for the Year	-	30.08	4.50	0.06	2,560.08	49.96	14.66	8.84	18.02	2,686.20	-	2,686.20
Disposals/ Impairment	-	-	-	-	(436.79)	-	-	-	-	(436.79)	-	-
Balance at 31 March 2023	-	240.94	22.33	14.23	11,005.57	411.67	84.08	49.54	89.39	11,917.75	-	11,917.75
<b>3. Carrying amounts (net)</b>												
At 31 March 2022	642.29	580.66	149.71	3.20	59,858.61	342.79	61.92	18.17	19.08	61,676.42	39,474.25	101,150.68
At 31 March 2023	642.29	550.58	145.21	2.96	64,196.51	300.01	132.13	23.57	53.99	66,047.24	35,296.28	102,552.22

### B. Capital work-in-progress

1 The capital work in progress includes payments made to contractors for execution of projects, material in transit / value of materials / equipment / etc. received at site for use in the projects. Besides, it also includes borrowing cost allocated to qualifying assets/ projects. This also includes Free Issue Material (FIM) of Rs. 108.40 Crores lying with vendors for which confirmations are being obtained.

### C. Security

1 The charge has been created in favour of ICICI Bank towards term loans granted.

### D. Sale deed in respect of the following land has not yet been executed

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

### E. Physical Verification of Assets

- 1 The Physical Verification of the Assets is being carried out every year so as to complete the verification process of the entire assets within a period of 2 years to ensure that the assets are secured and properly maintained from time to time.
- 2 The Physical Verification of assets has been conducted for the financial year FY22-23.
- 3 The Company is having complete control over the entire fixed assets and the fixed assets are continuously being used for distribution of Gas.

### F. Details of Other Lands Owned

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



#### 4a. CWIP Ageing

CWIP	Amount in CWIP for a period of 2022-23				Total	Amount in CWIP for a period of 2021-22				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years		Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	3,046.78	11,906.32	17,918.11	2,425.57	35,296.78	13,253.86	22,599.17	1,386.71	2,234.51	39,474.25

\*Capital inventory lying in store for more than 10 years valuing Rs. 869.90 Lakhs of which preliminary technical assessment is in the process.

#### 5. Other financial assets

Rs. in Lakhs

Particulars	31st March 2023	31st March 2022
PIL- Security deposit	11.10	11.10
Electricity deposits	38.04	37.14
Others	189.23	272.60
Deposits with banks maturity beyond 12 months *	2,184.92	1,768.70
	<b>2,423.29</b>	<b>2,089.55</b>

PIL: Pipeline Infrastructure Limited

\*Deposits with banks maturity beyond 12 months-This includes Debt Service Reserve Deposit of Rs. 754 Lakhs and PNGRB PBG of Rs 400 Lakhs with ICICI Bank, Rs. 10.92 Lakhs with SBI and also Rs. 1020 Lakhs with Canara Bank towards BG Security.

#### 6. Other tax assets (Net)

Particulars	31st March 2023	31st March 2022
Advance income tax	133.26	2,649.83
TDS	53.22	70.87
TCS	-	6.60
Less: Provision for taxation	164.52	(2,619.26)
	<b>21.96</b>	<b>108.05</b>

#### 7. Other non-current assets

Particulars	31st March 2023	31st March 2022
PIL hook-up charges	-	-
Railway way leave charges	-	7.35
NHAI way leave charges	-	-
Leased land with APIIC	47.92	50.26
ROU Assets net of Amortisation	221.89	46.25
Term Loan Processing charges	148.37	163.91
	<b>418.17</b>	<b>267.77</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 16a and 36.

PIL: Pipeline Infrastructure Limited

#### 8. Inventories

Particulars	31st March 2023	31st March 2022
Raw material (natural gas in pipeline)	89.32	52.44
Finished goods	23.86	24.09
Stores and spares*	283.17	147.05
	<b>396.35</b>	<b>223.57</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 (2 to 32%).

## 9. Trade receivables

Particulars	31st March 2023	31st March 2022
(a) Trade Receivables considered good - Secured	3,035.34	2,911.85
(b) Trade Receivables considered good - Unsecured	1,182.58	739.69
(c) Trade Receivables which have significant increase in Credit Risk	111.02	111.02
(d) Trade Receivables - credit impaired	-	-
(e) Trade Receivables - Unbilled	-	-
Less: Provision for Bad and Doubtful Debts	111.02	111.02
	<b>4,217.91</b>	<b>3,651.54</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 for 2022-23					
	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	2,919.62	63.26	1,219.50	15.53	-	4,217.91
(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						

Particulars	Outstanding for following periods from due date of payment for 2021-22					
	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	3,524.83	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						

## 10. Cash and cash equivalent

Particulars	31st March 2023	31st March 2022
(i) Bank balances		
Current accounts	1,438.36	1,394.92
Deposits with maturity less than 3 months		
(ii) Cheques, drafts on hand	-	-
(iii) Cash on hand	18.01	8.01
(iv) Prepaid Cards	4.45	-
	<b>1,460.82</b>	<b>1,402.93</b>

## 11. Other bank balances

Particulars	31st March 2023	31st March 2022
Deposits with banks with maturity less than 12 months*	607.52	178.56
	<b>607.52</b>	<b>178.56</b>

\*FDs with maturity less than 12 months held as margin money against the Guarantees and LC's issued by the company.

## 12. Other financial assets

Particulars	31st March 2023	31st March 2022
Interest accrued on deposits	37.82	17.32
	<b>37.82</b>	<b>17.32</b>

## 13. Other current assets

Particulars	31st March 2023	31st March 2022
(A) Advance other than capital advances		
(a) Advances to suppliers	3.21	22.59
(b) Pre-paid expenses	113.00	160.24
(c) Other advances	0.00	0.29
(d) Term Loan Processing Charges	4.40	17.32
(B) Others	-	-
(a) VAT, CENVAT, GST and others	137.24	174.41
(b) TCS ON Purchases-Other Than NG	-	3.41
	<b>257.85</b>	<b>378.26</b>

## 14. Equity share capital

Particulars	31st March 2023	31st March 2022
(i) Authorised capital		
100,000,000 Equity shares of INR 10/- each	10,000.00	10,000.00
Previous year 100,000,000 Equity shares of INR 10/- each		
(ii) Issued capital		
9,23,48,500 Equity shares of INR 10/- each	9,234.85	9,234.85
Previous year 9,23,48,500 Equity shares of INR 10/- each		
(iii) Subscribed and paid up		
8,95,79,461 Equity shares of INR 10/- each	8,957.95	8,957.95
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:

Particulars	31st March 2023	31st March 2022
<b>Number of shares in lakhs</b>		
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:

Particulars	31st March 2023	31st March 2022
<b>(a) Equity Shares</b>		
<b>GAIL (India) Limited :</b>		
Number of equity shares in lakhs	436.50	436.50
% of holding	48.73%	48.73%
<b>Hindustan Petroleum Corporation Limited</b>		
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.

## 15. Share based payments

Particulars	31st March 2023	31st March 2022
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.

## 16a. Lease liabilities

Particulars	31st March 2023	31st March 2022
A. Non-current		
Lease Liabilities	155.49	14.42
Total Non Current	<b>155.49</b>	<b>14.42</b>
B. Current		
Lease Liabilities	81.15	38.90
Total Current	<b>81.15</b>	<b>38.90</b>

Note: Refer to Note 36

## 16b. Borrowings

Particulars	31st March 2023	31st March 2022
A. Non-current borrowings		
Term loans from banks (secured)	53,500.00	55,500.00
Total Non Current borrowings	<b>53,500.00</b>	<b>55,500.00</b>
B. Current borrowings		
Term loans from banks (secured)*	2,500.00	-
Working Capital Loan (secured) from ICICI Bank	-	-
Total Current borrowings	<b>2,500.00</b>	<b>-</b>

\* current portion of long term borrowings

## C. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	31st March 2023	31st March 2022
1. Secured bank loan in INR		
ICICI BANK (Term Loan)	56,000.00	55,500.00
Total borrowings	<b>56,000.00</b>	<b>55,500.00</b>

2. Term loan of Rs. 400 Crores had been sanctioned by ICICI Bank. Two Quarterly installments of Q1 & Q2 (Rs 12.5 crs each) of FY 23-24 has been paid.

Further during Q4 FY2021, BGL obtained additional term loan of Rs 250 Crores from ICICI Bank for project execution. Rs 185 Crores had been drawn by 31 Dec 2022. Moratorium period of 2 years and repayment period of 9 years and the first installment becomes due during April 2025. BGL has closed the DCCO by 31.3.2023 for RTL II. BGL has withdrawn only Rs 185 crs out of Rs 250 sanctioned loan against RTL II & management has decided not to avail any further disbursement.

## 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.

## 17 Provisions

Particulars	31st March 2023	31st March 2022
(a) Provision related to post-employment defined benefit plans	54.78	58.92
(b) Provision related to compensated absences	26.15	26.61
(c ) Other Provision	201.64	-
	<b>282.56</b>	<b>85.53</b>

## 18 Deferred tax liabilities (Net)

Particulars	31st March 2023	31st March 2022
<b>(i) Deferred tax assets</b>		
Provision related to post-employment defined benefit plans	16.22	17.41
Provision related to compensated absences	8.77	8.90
Un absorbed depreciation	-	-
Unused Tax Credits	3,817.64	3,001.60
Others	32.33	32.33
<b>Sub total (A)</b>	<b>3,874.96</b>	<b>3,060.24</b>
<b>(ii) Deferred tax liabilities</b>		
Tangible assets	6,465.11	5,231.57
Others	-	-
<b>Sub total (B)</b>	<b>6,465.11</b>	<b>5,231.57</b>
<b>(iii) Deferred tax liabilities (Net) B-A</b>	<b>2,590.15</b>	<b>2,171.34</b>

## 19 Trade payables

Particulars	31st March 2023	31st March 2022
Trade payables to related parties	1,647.24	1,007.20
Other trade payables		
(A) Micro enterprises and small enterprises	14.71	106.85
(B) Creditors other than micro enterprises and small enterprises.	1,205.76	852.86
	<b>2,867.70</b>	<b>1,966.91</b>

Particulars	Outstanding for following periods from due date of payment 2022-23				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	14.71				14.71
(ii) Others	1,647.24	1,073.65	84.33	47.78	2,852.99
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					

Particulars	Outstanding for following periods from due date of payment 2021-22				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
(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					

## 20 Other financial liabilities

Particulars	31st March 2023	31st March 2022
<b>Others -</b>		
(a) Retention money	55.04	58.59
(b) EMD / security deposits	527.28	511.51
(c) Creditors for capital goods		
(A) Micro enterprises and small enterprises*	244.38	85.31
(B) Creditors other than micro enterprises and small enterprises.	2,837.19	3,821.85
(d) PNG customer deposits	2,167.36	1,707.42
(e) Advance from Customers	3.50	-
	<b>5,834.75</b>	<b>6,184.68</b>

\*above mentioned MSME for Capital goods are not due because amount held as per PO/WO terms & conditions

## 21 Other current liabilities

Particulars	31st March 2023	31st March 2022
Statutory liabilities	627.25	594.09
Accruals	2,321.79	2,723.18
Other liabilities	27.74	138.25
	<b>2,976.78</b>	<b>3,455.52</b>

## 22 Provisions

Particulars	31st March 2023	31st March 2022
(a) Provision related to post-employment defined benefit plans	0.92	0.86
(b) Provision related to compensated absences	3.98	3.97
	<b>4.91</b>	<b>4.83</b>

## 23 Assets and Liabilities relating to employee benefits

Particulars	31st March 2023	31st March 2022
<b>A. Gratuity</b>		
<b>1. Changes in Present Value of Obligations (PVO)</b>		
PVO at beginning of period	<b>59.78</b>	<b>63.45</b>
Interest cost	4.21	4.33
Current service cost	9.49	10.86
Past Service Cost-(non vested benefits)	-	-
Past Service Cost-(vested benefits)	-	-
Benefits paid	(4.92)	(1.21)
Actuarial (gain)/loss on obligation	(12.86)	(17.65)
PVO at end of period	<b>55.70</b>	<b>59.78</b>
<b>2. Interest expenses</b>		
Interest cost	<b>4.21</b>	<b>4.33</b>
<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	59.78	63.45
Fair value of the assets at beginning report		
<b>Net liability</b>	<b>59.78</b>	<b>63.45</b>
<b>5. Net interest</b>		
Interest expenses	4.21	4.33
Interest income		
Net interest	<b>4.21</b>	<b>4.33</b>
<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	(1.47)	(4.24)
Due to experience	(11.39)	(13.41)
Total actuarial (gain)/loss	<b>(12.86)</b>	<b>(17.65)</b>
<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		

Particulars	31st March 2023	31st March 2022
Contributions by employer		
Contributions by employee		
Benefits paid		
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>		
PVO at end of period	55.70	59.78
Fair value of plan assets at end of period		
Funded status	(55.70)	(59.78)
Net asset/(liability) recognized in the balance sheet	<b>(55.70)</b>	<b>(59.78)</b>
<b>11. Expense recognized in the statement of profit &amp; loss account</b>		
Current service cost	9.49	10.86
Net interest	4.21	4.33
Past service cost- (non vested benefits)		
Past service cost -(vested benefits)		
Curtailment effect		
Settlement effect		
Expense recognized in the statement of profit & loss account	<b>13.69</b>	<b>15.19</b>
<b>12. Other Comprehensive Income (OCI)</b>		
Actuarial (gain)/loss recognized for the period	(12.86)	(17.65)
Asset limit effect		
Return on plan assets excluding net interest		
Unrecognized actuarial (gain)/loss from previous period		
Total actuarial (gain)/loss recognized in (OCI)	<b>(12.86)</b>	<b>(17.65)</b>
<b>13. Movements in the liability recognized in balance Sheet</b>		
Opening net liability	59.78	63.45
Adjustment to opening balance		
Expenses as above	13.69	15.19
Contribution paid		
Other comprehensive income	(12.86)	(17.65)
Closing net liability	<b>55.70</b>	<b>59.78</b>
<b>14. Schedule III of The Companies Act 2013</b>		
Current liability	0.92	0.86
Non-current liability	54.78	58.92
	Target Allocation	Target Allocation
	%	%



Particulars			31st March 2023	31st March 2022
<b>15. 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				
<b>16. Assumptions as at reporting date</b>			45,016.00	44,651.00
Mortality				
Interest / discount rate			0.08	0.07
Rate of increase in compensation			0.10	0.10
Annual increase in healthcare costs				
Future changes in maximum state healthcare benefits				
Expected average remaining service			27.68	25.59
Employee attrition rate(past service (PS))				
<b>17. Sensitivity analysis</b>				
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:				
<b>Scenario</b>			<b>DBO</b>	<b>Percentage Change</b>
Under Base Scenario			5,569,823	-
Salary Escalation - Up by 1 %			6,375,187	0.14
Salary Escalation - Down by 1 %			4,829,717	(0.13)
Withdrawal Rates - Up by 1%			5,397,365	(0.03)
Withdrawal Rates - Down by 1%			5,730,136	0.03
Discount Rates - Up by 1%			4,843,378	(0.13)
Discount Rates - Down by 1%			6,457,648	0.16
<b>18. Expected Payout</b>				
Year	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo six to ten years
Payouts	104,347	108,340.00	111,621.00	1,705,554.00

Particulars			31st March 2023	31st March 2022
<b>B. Leave Encashment</b>				
<b>1. Changes in present value of obligations</b>				
PVO at beginning of period			30.58	26.34
Interest cost			1.84	1.61
Current service cost			-	9.35
Benefits paid			(11.09)	(6.00)
Actuarial (gain)/loss on obligation			8.80	(0.71)
PVO at end of period			<b>30.13</b>	<b>30.58</b>

Particulars	31st March 2023	31st March 2022
<b>2. Interest expenses</b>		
Interest cost	1.84	1.61
<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	30.58	26.34
Fair value of the assets at beginning report	30.58	26.34
Net liability		
<b>5. Net interest</b>		
Interest expense	1.84	1.61
Interest income		
Net interest	1.84	1.61
<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	(0.33)	(0.88)
Due to experience	9.13	0.17
Total actuarial (gain)/loss	8.80	(0.71)
<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	(11.09)	6.00
Contributions by employee		
Benefits paid	(11.09)	6.00
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	30.13	30.58
Funded status		
Net asset/(liability) recognized in the balance sheet	(30.13)	(30.58)
	(30.13)	(30.58)

Particulars	31st March 2023	31st March 2022
<b>11. Expense recognized in the statement of profit &amp; loss account</b>		
Current service cost	-	9.35
Net interest	1.84	1.61
Past service cost- (non vested benefits)		
Past service cost -(vested benefits)		
Curtailment effect		
Settlement effect		
Actuarial (gain)/loss recognized for the period	8.80	(0.71)
Expense recognized in the statement of profit & loss account	<b>10.64</b>	<b>10.25</b>
<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)		
<b>13. Movements in the liability recognized in balance sheet</b>		
Opening net liability	30.58	26.34
Adjustment to opening balance	-	-
Expenses as above	10.64	10.25
Contribution paid	(11.09)	(6.00)
Closing net liability	<b>30.13</b>	<b>30.58</b>
<b>14. Schedule III of The Companies Act 2013</b>		
Current liability	3.98	3.97
Non-current liability	26.15	26.61
<b>15. Short term compensated absence liability</b>		
Valuation date.	45,016.00	44,651.00
No of days		
Amount *		
<b>16. 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>17. Assumptions</b>		
Mortality		
Interest / discount rate	0.08	0.07
Rate of increase in compensation	0.10	0.10
Annual increase in healthcare costs		
Future changes in maximum state healthcare benefits		
Expected average remaining service		
Employee attrition rate(past service (PS))		

Particulars	31st March 2023	31st March 2022
<b>18. Sensitivity analysis</b>		
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	2,740,732	0.0%
Salary Escalation - Up by 1 %	2,920,768	0.07%
Salary Escalation - Down by 1 %	2,576,967	(6.0)%
Attrition Rates - Up by 1%	2,721,866	(0.7)%
Attrition Rates - Down by 1%	2,757,435	0.6%
Discount Rates - Up by 1%	2,587,655	(5.6)%
Discount Rates - Down by 1%	2,812,508	6.3%

## 24 Revenue from operations (including excise duty)

Particulars	31st March 2023	31st March 2022
Sale of CNG	30,245.14	15,561.07
Sale of PNG	13,365.37	13,882.96
	<b>43,610.51</b>	<b>29,444.04</b>

## 25 Other income

Particulars	31st March 2023	31st March 2022
Interest on fixed deposits	110.58	73.20
Interest - others	0.63	-
Interest on income tax refund	7.09	7.98
Miscellaneous income	125.00	140.52
Liabilities/provisions no longer required, written back*	641.82	-
Service Income from Compression of NG to CNG	176.18	122.97
	<b>1,061.30</b>	<b>344.66</b>

\* This represents long pending balances in sundry creditors which in the opinion of the management are no longer payable, written back.

## 26 Cost of materials consumed

Particulars	31st March 2023	31st March 2022
Opening stock (natural gas)	52.44	19.81
Add: Purchases*	27,183.39	12,434.73
Add: Product transshipment charges	1,186.42	960.16
	<b>28,422.25</b>	<b>13,414.70</b>
Less: Closing stock (natural gas)	(89.32)	(52.44)
	<b>28,332.93</b>	<b>13,362.26</b>

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

## 27 Changes in inventories

Particulars	31st March 2023	31st March 2022
Opening stock	24.09	36.76
Closing stock	(23.86)	(24.09)
	<b>0.23</b>	<b>12.68</b>

## 28 Employee benefits expense

Particulars	31st March 2023	31st March 2022
Salary, wages and bonus	390.86	366.52
Contribution to provident fund	18.48	19.27
Expenses related to post-employment defined benefit plans	13.69	15.19
Expenses related to compensated absences	10.64	10.25
Staff welfare expenses	72.74	31.92
	<b>506.40</b>	<b>443.16</b>

## 29 Finance costs

Particulars	31st March 2023	31st March 2022
Interest on borrowings		
- Banks	4,210.92	3,969.41
- Others	-	-
- Prepayment charges on term loan	-	-
Interest expense on financial liabilities (amortised)	-	-
	<b>4,210.92</b>	<b>3,969.41</b>
Interest apportioned to fixed assets and capital work-in-progress/ Excess apportioned reduced	(759.07)	(1,296.27)
Interest on Income Tax	-	-
Lease Finance Charges	14.01	0.83
	<b>3,465.85</b>	<b>2,673.97</b>

## 30 Depreciation

Particulars	31st March 2023	31st March 2022
Depreciation on property, plant and equipment	2,686.38	2,435.22
Amortisation of ROU Leased Asset	79.49	27.74
	<b>2,765.87</b>	<b>2,462.96</b>

## 31 Other expenses

Particulars	31st March 2023	31st March 2022
Advertisement	19.82	19.27
Business promotion	40.78	17.46
Vehicle hire and running expenses	95.29	76.41
Power & fuel	694.31	436.79
Insurance	106.15	95.21
Technical assistances services	881.26	752.90
Postage & courier	3.02	3.02
Printing & stationery	18.66	16.72
Rent, rates & taxes	151.65	134.93
Repairs & maintenance - buildings	3.45	1.56
Repairs & maintenance - others	43.19	34.94
Repairs & maintenance - plant & machinery	1,792.08	1,111.65
Security services	149.22	142.25



Particulars	31st March 2023	31st March 2022
Telephone charges	22.57	17.55
Travelling expenses	72.99	28.91
Professional charges	89.82	35.06
Training cum conference	13.54	10.95
Audit fees (refer note 31(a) below)	6.11	6.04
Bank charges	62.28	50.43
Foreign exchange fluctuation	(0.57)	3.04
Hook-up charges PIL - Hyderabad	-	35.39
Railway way leave charges	7.35	39.09
Asset Written off	167.58	-
Provision for loss due to theft	71.54	-
Impairment of fixed assets	19.38	-
Corporate social responsibility expenses (refer note 31(b) below)	63.68	46.44
General expenses	6.51	11.69
Directors fees	3.66	4.15
PNG DMA Service charges	216.50	164.06
Office Maintenance Expenses	68.38	52.75
Provision for Bad and doubtful debts	-	5.67
IT Taxes & Interest (Past Years lower provisions and Interest)	47.24	-
	<b>4,937.40</b>	<b>3,354.36</b>

### 31(a) Audit fees

Particulars	31st March 2023	31st March 2022
As auditor		
Statutory audit	3.15	3.15
Tax audit	0.45	0.42
Other Services	1.58	1.55
Taxes	0.93	0.92
	<b>6.11</b>	<b>6.04</b>

### 31(b) Corporate social responsibility

Particulars	31st March 2023	31st March 2022
(a) Amount required to be spent by the company during the year	63.68	46.44
(b) Amount spent during the year (in cash)		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	46.44
(c) Amount unspent Provided	63.68	-
(d) Total previous shortfall	-	-
(e) Nature of CSR Activities		
	<b>63.68</b>	<b>46.44</b>

Note: 63.68 Lakhs is 2 % of Average Net Profit (PBT) of the last three immediately preceeding financial years

- Amount 7.45 Lacs provided for the CSR activity for providing toilets, expenses booked , same remain to be paid as on 31.03.23
- Amount of 56.23 Lacs proposed to be transfer to PM care Fund
- There is no shortfall during the year
- There is no expenditure with related party for the CSR

### 32 Income tax expense

Particulars	31st March 2023	31st March 2022
A. Amounts recognised in profit and loss		
Current tax	-	-
Current period (a)	164.52	971.13
Adjustments in respect of current income tax of previous year (b)	-	-
	-	-
Deferred tax	-	-
Attributable to	-	-
Relating to origination and reversal of temporary differences (c)	412.28	147.70
Income tax expense (a+b+c)	<b>576.80</b>	<b>1,118.83</b>

Particulars	31st March 2023	31st March 2022
B. Income tax recognised in other comprehensive income		
Net loss/ (gain) on re-measurement of defined benefit plans	6.53	5.14
Income tax charges to other comprehensive income	<b>6.53</b>	<b>5.14</b>

Particulars	31st March 2023	31st March 2022
C. Reconciliation of effective tax rate		
Profit before tax (a)	941.62	5,558.22
Effective tax rate	0.17	0.17
Computed effective tax expense (MAT)	164.52	971.13
Effect of Ind AS adjustments	-	-
Effect of tax deductible expense		
Effect of interest for short and deferment of advance tax		
Changes in estimates related to prior periods	-	-
Movement in deferred tax liability (including MAT credit entitlements)	418.81	152.84
Income tax expense charged to SoPL and OCI (b)	<b>583.33</b>	<b>437.30</b>
Income tax expense charged to SoPL and OCI/profit before tax i.e. (b/a)	<b>0.62</b>	<b>0.34</b>

### 33. Capital Management

1. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.
2. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position

3. The Company's adjusted net debt to equity ratio is as follows:	31st March 2023	31st March 2022
Total Liabilities	70,793.48	69,422.13
Less: Cash and Cash Equivalents	1,460.71	1,402.93
Adjusted Net Debt	69,332.77	68,019.20
Total Equity	40,391.73	40,046.10
Adjusted Net Debt to Equity Ratio	1.72	1.70

### 34. Financial instruments

#### 1. Accounting classifications and fair values

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

#### 31 March 2023

	Carrying Amount				Fair Value	
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value	-	-				
Financial assets not measured at fair value						
Security deposits	2,423.29	-	2,423.29			
Accrued interest	37.82	-	37.82			
Trade receivables	4,217.91	-	4,217.91			
Cash and cash equivalents	1,460.82	-	1,460.82			
	<b>8,139.84</b>	<b>-</b>	<b>8,139.84</b>			
Financial liabilities not measured at fair value						
Secured bank loans	-	55,500.00	55,500.00		55,500.00	
Working Capital Loan	-	-	-			
Trade payables	-	2,867.70	2,867.70			
Capital creditors	-	2,837.19	2,837.19			
Security deposits received	-	2,423.29	2,423.29			
Accrued interest	-		-			
Retention money	-	55.04	55.04			
	-	<b>63,683.22</b>	<b>63,683.22</b>		<b>55,500.00</b>	

#### 31 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
Financial assets measured at fair value	-	-				
Financial assets not measured at fair value						
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>			
Financial liabilities not measured at fair value						
Secured bank loans	-	55,500.00	55,500.00		55,500.00	
Working Capital Loan	-	-	-			
Trade payables	-	1,966.91	1,966.91			

	Carrying Amount				Fair Value	
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
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>63,651.59</b>	<b>63,651.59</b>		<b>55,500.00</b>	

### 35. 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.

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:

Product	Credit Period
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 from the Invoice date
3. Piped Natural Gas (Industrial)	3 Days from the Invoice Receipt date
4. Piped Natural Gas (Commercial)	7 Days from the Invoice Receipt date

4. Cash and cash equivalents: The company held cash and cash equivalents of INR 1460.82 lakhs as at 31 March 2023 and INR 1402.93 lakhs as at 31 March 2022. The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

### • Liquidity risk

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

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

### 3. Exposure to Liquidity risk

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

### 31 March 2023

	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings- secured	56,000.00			5,000.00	17,500.00	33,000.00
Working Capital Loan	-	-				
Trade payables	2,867.70	2,867.70				
Other financial liabilities	5,834.75	780.00	5,054.75			
	<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>

### 31 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
Borrowings- un-secured	-	-				
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>

### • Market Risk

1. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
2. Currency Risk: The company does not have significant exposure in currency other than INR.
3. Interest rate Risk : The company manages its credit risk by entering into borrowing arrangements which are fixed/ Floating and investing in fixed interest instruments.

### Sensitivity analysis:

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by INR 571 Lakhs for 31st March 2023 ( 31st March 2022: INR 539 Lakhs). This analysis assumes that all other variables remain constant



	As at		As at	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Interest on Secured Bank Loan- Variable Interest rate- Effect on Profit / Loss	571.00	538.56	(571.00)	(538.56)
Cash flow sensitivity	(571.00)	(538.56)	571.00	538.56

#### • 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.

### 36. Operating leases

#### 1. Lease taken by BGL -

- APIDC -western and Easter wing
- Project office at Quthubullapur Hyderabad
- Project office at Vijaywada and
- Project office at Kakinada.

#### 2 Lease ROU Assets

Rs

Particulars	Total
<b>Gross carrying value</b>	
As at 1st April, 2021	9,614,110
Additions	6,723,473
Disposals / adjustments	-
As at 31st Mar, 2022	16,337,583
Additions	26,707,047
Disposals / adjustments	-
As at 31st Mar, 2023	43,044,630
<b>Accumulated Depreciation &amp; Impairment:</b>	
As at 1st April, 2021	4892654
Depreciation charge for the year	6820129
Additions Disposals / adjustments	
As at 31st Mar, 2022	11,712,783
Depreciation charge for the year	9,142,802
Additions Disposals / adjustments	-
As at 31st Mar, 2023	20,855,585
Net Carrying value	
As at 31st Mar, 2023	22,189,045

#### 3. Interest expenses on Lease Liability - Rs 14,00,51

#### 4 All Lease payments more than one year had been recognised for measurement of Lease liabilities

#### 5 There is no income from sub leasing of ROU Assets

#### 6 Total Cash outflow for Leases - Rs 81,91,997

#### 7 There is no Gain or Loss arising from sale and Lease back transaction

### 37. Contingent liabilities and commitments

1. Contingent liabilities not provided for–	As at	
	31st March 2023	31st March 2022
<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	400.33	375.74
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.	1,550.00	1,550.00
ii. Vijayawada Municipal Corporation- Performance BG for Pipe line laying in Vijayawada	-	23.21
iii. R&B HYD, National Highways Authority of India	10.92	10.92
iv. BG for Pipe line laying in Vijayawada to R&B	4.68	12.19
<b>C. Letter of Credit issue to</b>		
Gas Authority of India Ltd.	7,310.28	3,852.76
East West Pipeline Ltd	177.18	177.18

#### 2. Commitments

- i) The company is required to complete minimum residential connections for piped gas under the terms of contract awarded by PNGRB. Failing to complete the minimum number of connections would make the Company liable for penal consequences, against which the company has submitted bank guarantees to PNGRB. The company has received notices for delays in minimum installations. The charges for not completing minimum number of connections cannot be measured at this stage and also the Company has represented the matter to the concerned authorities as the delay is on account of various factors most of them being beyond the control of the company.
- ii) In respect of City Gas Distribution activities in Kakinada, PNGRB in May, 2013, invoked the PBG and claimed Rs.1,33,54,500/- for non-achievement of milestones as set out in the authorization.

Challenging this, Writ Petition was filed immediately in the High Court of Andhra Pradesh, which has granted stay. The matter is sub judice.

- iii) BGL has suo moto filed writ petitions in November 2015 before the Hon'ble High Court of A.P. and Telangana against PNGRB to stay any invocation of PBGs amounting to Rs. 10,00,00,000 and Rs.4,00,00,000 issued to them for the GAs of Hyderabad and Vijayawada, respectively, on the grounds of force majeure conditions for non-performance. Interim stay has been granted and the matter is sub judice.
- iv) BGL has entered into agreements with APSRTC (Valid for the successor TSRTC) for supply of CNG of varying quantities to their buses operating out of Vidhyadharapuram and Governorpet-II depots in Vijayawada as also to Medhcal, Hakimpet and Cantonment depots operating in Hyderabad.

3. Commitments	As at	
	31st March 2023	31st March 2022
Estimated amount of Contracts remaining to be executed on Capital Account not provided for	21,700.00	21,651.00
Other Commitments towards execution of Project Works	21,800.00	17,619.00

### 38. Related parties

#### A. Parent and ultimate controlling party

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

#### B. Transactions with key management personnel

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

Particulars	As at	
	31st March 2023	31st March 2022
1. Salary & Allowances	163.46	256.99
2. Transport cost (car)	25.03	19.79
	<b>188.49</b>	<b>276.78</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 2023		31st March 2022	
(i) Purchases				
(a) Natural Gas		25,374.80		12,150.32
(ii) Sales – CNG	15,526.35		8,972.25	
(iii) Inland Letter of Credit		7,310.28		3,852.76
(iv) Manpower Cost- Deputation	263.70	488.13	298.49	428.07
(v) NG Compression Service	-	-	-	58.73

### 39. Earnings per share

#### A. Basic Earnings Per Share

The calculation of basic earnings per share at 31 March 2023 was based on the profit attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding.

	31st March 2023	31st March 2022
1. Profit attributable to ordinary shareholders	345.63	4,434.26
2. Weighted average number of ordinary shares for the year	895.79	895.79
3. Basic EPS	<b>0.39</b>	<b>4.95</b>

## B. Diluted Earnings Per Share

The calculation of diluted earnings per share at 31 March 2023 was based on profit attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	31st March 2023	31st March 2022
1. Profit attributable to ordinary shareholders	345.63	4,434.26
2. Weighted average number of ordinary shares (diluted) for the year	923.49	923.49
3. Diluted EPS	<b>0.37</b>	<b>4.80</b>

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

	31st March 2023	31st March 2022
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
	<b>923.49</b>	<b>923.49</b>

Ratios		31st March 2023	31st March 2022	Variance %
Current Ratio,	Current Assets / Current Liabilities	0.49	0.50	(2.61)
Debt-Equity Ratio	Borrowings / Total Equity	1.32	1.39	(4.43)
Debt Service Coverage Ratio	EBIT / Finance Costs	1.27	3.07	(58.73)
Return on Equity Ratio	PAT / Total Equity	1%	11%	(92.11)
Inventory turnover ratio,	Revenue / (NG and CNG Inventory)	385.31	148.29	159.83
Trade Receivables turnover ratio	Revenue / Trade Receivables	10.34	8.06	28.22
Trade payables turnover ratio	Revenue / Trade Payables	15.21	14.97	1.59
Net capital turnover ratio	Revenue / Working Capital	(5.98)	(5.08)	17.86
Net profit ratio	PAT / Revenue	3%	39%	(92.75)
Return on Capital employed	EBIT / (Total Assets Less Total Current Liabilities)	5%	8%	(46.01)
Return on investment	EBIT / (Total Equity)	49%	92%	(46.50)

## 40. Reason for the variance of More than 25%

### a) Debt Service Coverage Ratio,

Increase in the Interest cost charged to P&L by Rs 9 cr as assets have been capitalized out of the original loan hence charged to P&L. against the PBT of Rs 55 cr during the FY 21-22.

### b) Return on Equity Ratio,

Due to decrease in PAT from Rs 44 cr to Rs 3.5 cr mainly due to 4 times increase in input cost of Natural gas and subsequent increase of Excise Duty along with Maintenance charge of compressor.

### c) Inventory turnover ratio,

Increase in Turnover from 294 Cr to 436 Cr and Inventory NG and CNG increased from 0.77 Cr to 1.13 Cr.

### d) Trade Receivables turnover ratio,

Due to collection of long dues, the ratio has improved

### e) Net profit ratio,

Due to Decrease in the profit from Rs 44cr to Rs 3.5 cr.

### f) Return on Capital employed & Investment

Due to decrease in Earning from Rs 44 cr to Rs 3.5 cr

#### 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. Additional Regulatory information

##### 1) Title deeds of Immovable Property not held in name of the Company

Please refer to the Fixed asset Note No.4 D

##### 2) Disclosure of Benami Property

The Company does not possess any benami property under the Benami Transactions (Prohibition) Act, 1985 and rules

##### 3) Wilful Defaulter

The Company has not been declared as Wilful Defaulter by any Bank or Financial Institution or other Lender.

##### 4) Relationship With Struck off Companies

The company has no transactions with the companies struck off under section 248 of the

Companies Act, 2013 during the year under consideration.

##### 5) Registration of Charges or Satisfaction With Registrar of Companies (ROC)

Total charges as per MCA site was Rs. 814 Cr. Out of which Rs. 34 Cr which has already been paid and the charge is yet to be reduced by the Bank.

Term loan I - 400 Cr ,Term loan - II - 250 Cr (Sanctioned - Rs. 250 Cr and drawn only Rs. 185 Cr) and Rs. 130 Cr Non fund based for LC and BGs.

##### 6) Compliance With Number of Layers of Companies

The clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

##### 7) Undisclosed Income

The Company has disclosed all its income appropriately(Previous year: Nil).

##### 8) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year(Previous year: Nil).

##### 9) Disclosure on Loans and Advances

The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

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

Sd/-  
**CA K. Narayana Murthy**  
Partner  
Membership No. 026012

Place: Hyderabad  
Date: 27th April 2023

For and on behalf of Bhagyanagar Gas Limited

Sd/-  
**Y.Danuta**  
Director - Commercial-cum-CFO  
DIN No.: 09628925

Sd/-  
**Karnati Ram Mohan Rao**  
Managing Director  
DIN No.:09020289

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



# HUMAN RESOURCES

The Human Resources function is an essential component of any organization and serves as a cornerstone that upholds the core essence of the workplace. It not only plays an indomitable role in shaping the organizational culture but also ensures the organization's long-term viability through comprehensive manpower management strategies and data-driven business performance. Our efforts at BGL have been consistently directed towards transforming our HR department into a highly proactive and agile function. Over time, we have transitioned from being merely transactional to becoming transformational in our approach, execution, and overall operations.

As we harness the potential of our human capital, it's important to recognize that HR at BGL has been instrumental in attracting talented individuals who have been driving various functions, fueling our business growth. It's noteworthy that in the fiscal year 2022-23, we have expanded the BGL family by adding 20% more manpower resources across all levels.

In the realm of learning and development, our focus remains on fostering continuous learning to shape us into a leaner, more knowledge-driven, and efficient organization. Recognizing the significance of employee engagement, we have also celebrated various events and occasions that not only enhance camaraderie but also promote inclusiveness. We are committed to further strengthening these practices as we integrate robust HR strategies into our system.



# HEALTH, SAFETY AND ENVIRONMENT



## CVO VISIT





FULFILLING  
**GREEN**  
PROMISES



**Bhagyanagar Gas Limited**

a joint venture of  

(CIN: U40200TG2003PLC041566)

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TSIDC Building, Basheer Bagh,  
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