

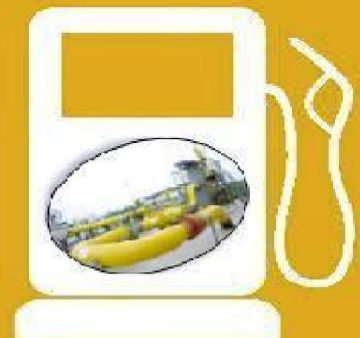


Bhagyanagar Gas Ltd.

BHAGYANAGAR GAS LIMITED

JV of GAIL (India) Ltd & HPCL

12TH ANNUAL REPORT 2014 -15



Committed for cleaner Environment & Health



12th Annual Report 2014-15

CORPORATE INFORMATION

REGISTERED OFFICE

Second Floor, Parisrama Bhawan, APDIC Building,
Basheer Bagh, Hyderabad - 500 004

Website: www.bglgas.com

Email: corporatehq@bglgas.com

CIN: U40200TG2003PLC041566

Tel: 040 - 66566986 Fax: 040 66565081

BOARD OF DIRECTORS

Mr. M. Ravindran, Chairman
Mr. Anil Pande, Director
Mr. P.A.B.Raju, Independent Director
Mr. A.K. Das, Managing Director
Mr. R. Sridhar, Director Commercial cum C.F.O

NOMINATION & REMUNERATION COMMITTEE

Mr. Anil Pande, Chairman
Mr. M.Ravindran, Member
Mr. P.A.B.Raju, Member

AUDIT COMMITTEE

Mr. P.A.B.Raju, Chairman
Mr. A.K. Das, Member
Mr. R. Sridhar, Member

CSR COMMITTEE

Mr. P.A.B.Raju, Chairman
Mr. A.K. Das, Member
Mr. R. Sridhar, Member

STATUTORY AUDITORS

M/s Ford, Rhodes, Parks & Co.,
Chartered Accountants

INTERNAL AUDITORS

M/s C. Ramachandram & Co.,
Chartered Accountants

COST AUDITORS

M/s Nageswara Rao & Co.,
Cost Accountants

BANKERS

Canara Bank
Corporation Bank
State Bank of India
HDFC Bank Limited

COMPANY SECRETARY

Mrs. Malleswari.G



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Bhagyanagar Gas Ltd.

J.V of GAIL (INDIA) LIMITED & HPCL

Regd. Office: Parishram Bhavan, APIDC Building, Basheerbagh, Hyderabad - 500 004
CIN: U40200TG2003 PLC041566 Website:www.bglgas.com E-mail:corporatehqo@bglgas.com
Phone :040-66566986;Fax:040-66565081

NOTICE

Notice is hereby given that 12th Annual General Meeting of the Members of Bhagyanagar Gas Limited will be held on Thursday, 24th September 2015 at 11.30 A.M. at the Regd. Office of the company at Second Floor, Parisrama Bhawan, APIDC Building, Basheer Bagh, Hyderabad - 500 004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements for the financial year ended 31st March, 2015 and Report of Board of Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri R. Sridhar (DIN 06749266) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To authorize Board of Directors of the Company to fix remuneration of Statutory Auditors for the FY 2015-16 the Statutory Auditor(s) to be appointed by Comptroller and Auditor General of India in terms of the provisions of Section 142 of the Companies Act, 2013.

SPECIAL BUSINESS

4. Appointment of Shri. Ashok Kumar Das, (DIN 07209092) as Director on the Board.

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

“RESOLVED THAT, Shri. Ashok Kumar Das, (DIN 07209092) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 11th June 2015 and the Article 37 of the articles of Association of the Company and in terms of section 161 of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting and is eligible for appointment in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

5. Appointment of Shri. Ashok Kumar Das, (DIN07209092) as Managing Director on the Board.

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

“RESOLVED THAT, pursuant to the provisions of Sections 196, 197,198 and Schedule V of the Companies Act, 2013 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. Ashok Kumar Das, as Managing Director with effect from June11, 2015 to June 10, 2018 on such terms and conditions as set out in the Explanatory Statement attached to this Notice be and is hereby approved with liberty to the Board of Directors to revise the terms as to remuneration, from time to time, within the limits provided for in the said Schedule V for the time being in force.

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

6. Appointment of Shri. P.A.B Raju (DIN: 07141438) as Director on the Board.

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

“RESOLVED THAT, Shri. P.A.B Raju (DIN: 07141438) who was appointed as an Additional Director with effect from 1st April 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and is eligible for appointment, and in respect of whom a notice has been received from a Member of the Company in writing, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company not liable to retire by rotation.”

7. Appointment of Shri. P.A.B Raju (DIN: 07141438) as an Independent Director under the provisions of Section 149 of the Companies Act, 2013:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Shri. P.A.B Raju (DIN: 07141438) a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from 1st April 2015 up to 31st March 2018.”

8. Appointment of Shri. Anil Pande, (DIN 07259801) as Director on the Board:

To consider, and if thought fit, to pass the following resolutions as an Ordinary Resolution:

“RESOLVED THAT, Shri. Anil Pande (DIN 07259801) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 10th August 2015 and the Article 37 of the articles of Association of the Company and in terms of section 161 of the Companies Act, 2013, and who holds office up to the date of this Annual General Meeting and is eligible for appointment in respect of whom the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

9. Remuneration to Cost Auditors for financial year 2014- 15 and 2015- 16:

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

“RESOLVED THAT, pursuant to Section 148 and all other applicable provisions if any of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s Nageswara Rao & Co, Cost Accountants, Hyderabad [bearing Firm Registration Number 000332] appointed by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year 2014-15, amounting to Rs.75,000/- plus applicable taxes and out of pocket expenses etc. be and is hereby ratified and confirmed.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Cost Auditor(s) appointed by the Board of Directors of the Company, to conduct the audit of cost records of the various units of the Company for the financial year 2015-16.”

10. Issue of shares on preferential basis to APIIC:-

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 Section 62 of the Companies Act, 2013 read with rule 13 of Companies (Share Capital and Debentures) Rules 2014 and applicable provisions if any and the Memorandum and Articles of Association of the Company and subject to all other applicable laws, rules, regulations, circulars and guidelines and subject to such approvals, permissions, sanctions and consents as may be necessary and required under the applicable laws, rules, regulations, circulars and guidelines and on such terms and conditions which may be accepted by the Board of Directors of the Company (herein referred to as “Board”) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, consent of the Company be and is hereby accorded to the Board to issue from time to time, in one or more tranches, up to an aggregate of 50,00,000 equity shares of face value of Rs. 10 each at a price of Rs. 10/- (Rupees ten only) per equity share to APIIC on a preferential basis.

RESOLVED FURTHER THAT the Shares to be offered, issued and allotted shall rank pari passu with the existing equity shares of the Company in all respects including the dividend;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to issue clarifications on the, issue and allotment of Shares, to execute all such writings and instruments and enter into arrangement/ agreements as the Board may in its absolute discretion deem necessary or desirable for purposes of this resolution, to settle all questions, difficulties or doubts that may arise in regard to the issue and allotment of the Shares, take all others steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing in the best interests of the Company and its shareholders.”

By order of the Board

Place: Hyderabad
Date: 25.08.2015

(MALLESWARI G)
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING (PROXY FORM IS ANNEXED HEREWITH).

Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

A proxy form is sent herewith. Proxies submitted on behalf of the Companies must be supported by appropriate resolution.

2. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 read with Secretarial Standards issued by the Institute of Company Secretaries of India in respect of the Special Business is annexed hereto.
3. Corporate members intending to send their authorized representative(s) to attend the meeting are required to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies are requested to bring the attendance slips duly filled in to the meeting.

IMPORTANT COMMUNICATION TO MEMBERS

As per provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Company may give notice etc. through electronic mode i.e. by e-mail as a text or as an attachment to e-mail or as a notification providing electronic link. This year, your Company has sent the email of notice of AGM members who are entitled to attend the same and also hosted on the website of the Company.

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 A.K.Das, nominee of GAIL (India) Limited, as Managing Director of Bhagyanagar Gas Limited for a period of three years w.e.f June 11, 2015 to June 10, 2018 in pursuance of Article 31 of the Articles of Association of the Company and the provision of Section 196, 197,198 and schedule V of the Companies Act, 2013.

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

Shri A.K.Das is a B.Tech in Radio Physics & Electronics from Calcutta University. He has vast experience of over 29 years in various fields. He joined in GAIL 1986 as an Assistant Executive Engineer. After that he worked in various departments of GAIL like GAILTEL, Petrochemicals marketing, GAIL GAS and Pipeline O&M.

The terms and condition of the appointment of Shri Ashok Kumar Das, who is on deputation to BGL, are given below:-

Period

Period of appointment from 11 .06.2015 to 10 .06.2018

Salary

Basic pay per month Rs. 73,000/- In addition he is entitled to variable D.A., deputation allowance and other allowances which are as per rules of GAIL (India) Ltd.

Annual Increment

As per rules of GAIL (India) Limited

In addition to salary, the following perquisites will be provided as per relevant applicable rules of GAIL (India) Limited:

Housing	HRA/ Company Leased Accommodation as per applicable rules of GAIL (India) Ltd
PF Contribution	Contribution to Provident Fund, Superannuation Benefit Fund Scheme in accordance with the Rules of GAIL (India) Ltd.
Gratuity	Gratuity as per the applicable rules of GAIL (India) Ltd
Conveyance	Car with driver at the place of posting, presently Hyderabad
Entertainment expenses and other business expenses	Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company.
Leave	Leave as per the Rules of GAIL (India) Ltd
Other allowances, benefits and perquisites	Other allowances, benefits and perquisites etc. as per the Rules of GAIL (India) Ltd

Shri. A.K.Das is interested and concerned in the Resolution mentioned at Item No. 4 &5 of the Notice.

Other than Shri.A.K.Das, no other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolutions mentioned at Item Nos. 4 & 5 of the Notice.

The Directors recommend the resolution for approval by the members.

ITEM NO 6 & 7:

Shri. P.A.B.Raju, was appointed as an Additional Director (Non-Executive and Independent) of the Company by the Board of Directors with effect from 1st April 2015 pursuant to the provisions of Section 161 of the Act and the Articles of Association, Shri. P.A.B.Raju, holds office till the date of ensuing Annual General Meeting, but is eligible for appointment.

In this regard the Company has received a notice in writing under Section 160 of the Act from a Member of the Company proposing Shri. P.A.B.Raju, as a candidate for the office of a Director.

Shri. P.A.B.Raju is graduated in Chemical Engineering from Andhra University in 1974. He started his professional career with Hindustan Petroleum Corporation Ltd., (HPCL), in 1976. He held various key positions in the Corporation/Refinery in the Technical Services, Operations, and Safety Department before superannuating as the Executive Director of the Visakh Refinery in November, 2012.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act"), an Independent Director shall hold office for a term up to three consecutive years on the Board of a Company and is not liable to retire by rotation. Shri. P.A.B.Raju has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

In the opinion of the Board, Shri. P.A.B.Raju fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management. It would be in the interests of the Company to appoint Shri. P.A.B.Raju, Director as an Independent Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri. P.A.B.Raju as an Independent Director is now being placed before the Members in the Annual General Meeting for their approval.

Shri. P.A.B.Raju is interested and concerned in the Resolution mentioned at Item No. 6 & 7 of the Notice.

Other than Shri. P.A.B.Raju, no other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolutions mentioned at Item Nos. 6 & 7 of the Notice.

The Directors recommend the resolutions for approval by the members.

ITEM NO. 8

Mr. Anil Pande was appointed as an Additional Director by the Board of Directors with effect from 1st April 2015 in accordance with the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and he holds office up to the date of the ensuing Annual General Meeting.

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

Shri. Anil Pande, is a Civil Engineer by qualification from Punjab Engg. College, Chandigarh and has worked in various capacities in Hindustan Petroleum Corporation Ltd. Shri. Pande has 32 years of vast experience in various areas especially in execution of pipeline projects, sales and operations. Presently, Shri. Pande is working as Executive Director -Operations & Distribution with additional charge of Projects & Pipelines in HPCL.

Shri. Anil Pande is interested and concerned in the Resolution mentioned at Item No. 8 of the Notice.

Other than Shri. Anil Pande, no other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution mentioned at Item Nos. 8 of the Notice.

The Directors recommend the resolution for approval by the members.

ITEM NO. 9

The Board of Directors of the Company approved the appointment and remuneration of M/s Nageswara Rao & Co, Cost Accountants, Hyderabad [bearing Firm Registration Number 000332] to conduct the audit of the cost records of the Company for the financial year 2014-15.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the financial year 2014-15 for the services rendered by them.

Cost auditors for FY 2015-16 are yet to be appointed by the Board, therefore, consent of the members is sought for authorizing the Board to approve the remuneration payable to the Cost Auditors for the financial year 2015-16.

No Directors, Key Managerial Personnel and/or their relatives, is/are interested or concerned, financially or otherwise in the resolution.

Your Directors recommend the resolution for approval of members.

ITEM No 10

(i) The objects of the issue:

At the 11th Annual General Meeting of the Company held on August 20, 2014, consent of the shareholders was taken to issue 50,00,000 shares of Rs.10 to Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) . Allotment of shares to APIIC is pending for transfer of title to the parcels of land allotted by them to the Company.

As per Rule 13 (e) of Companies (Share capital and Debentures) Rules, 2014, the allotment of securities on a preferential basis made pursuant to Special resolution passed pursuant to sub rule (2) (b) shall be completed within a period of 12 months from the date of passing of the special resolution.

As per Rule 13 (f) of Companies (Share capital and Debentures) Rules, 2014 , if the allotment of securities is not completed within 12months from the date of passing of Special resolution another special resolution shall be passed for the company to complete such allotment thereafter.

Due to this reason a fresh proposal to issue 50,00,000 shares of Rs.10/- to Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) and/or its successor in terms of the A.P.Reorganisation Act, 2014, is being putting to the members for approval and is accordingly recommended .

(ii) The total number of equity shares to be issued:

The total number of shares is as follows:

Sr. No.	Name of the allottee	No. of shares
1	APIIC and/or its successor in terms of the A.P. Reorganization Act, 2014	50,00,000

(iii) The price or price band at/within which the allotment is proposed:

The price for which the allotment is proposed is Rs.10/- per equity share.

(iv) Basis on which the price has been arrived at along with report of the registered Valuer:

APIIC has given the parcel of land given to the company in the year 2009 and the price is arrived as per the valuation done on that date.

(v) Relevant date with reference to which the price has been at:

The relevant date to arrive the share price is the date the on which the parcel of land was given to the Company.

(vi) The class or classes of persons to whom the allotment is proposed to be made:

The allotment of equity shares referred to in resolution no 10 above is proposed to be issued to APIIC (and/or its successor in terms of the A.P. Reorganization Act, 2014)

(vii) Intention of promoters, directors or key managerial personnel to subscribe the offer:

No promoters, directors or key managerial personnel interested to subscribe the offer

(viii) The proposed time within which the allotment shall be completed:

The allotment of equity shares shall be completed within statutory time from the date of passing of this resolution by the shareholders.

(ix) The change in control, if any, in the company that would occur consequent to the preferential allotment:

No

(x) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price.

NIL

(x) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.

APIIC has allotted parcels of land to the Company and Company has agreed to allot the shares to APIIC against the land.

(xi) Pre-issue and post issue shareholding pattern of the company:

The pre-issue share holding pattern:

Sr. No.	Name of the Shareholder	Number of Shares	Percentage of Shareholding
1	GAIL (India) Limited	2,24,99,997	49.97%
2	Hindustan Petroleum Corporation Limited	2,24,99,997	49.97%
3	Shri N.K.Nagpal	1	0.00%
4	Shri S.P. Sharma	1	0.00%
5	Shri K.V.Viswanatham	1	0.00%
6	Shri S.Jeyakrishnan	1	0.00%
7	Shri S. Bhattacharjee	1	0.00%
8	Shri S.M. Bosekar	1	0.00%
9	Kakinada Seaports Limited	25,000	0.06%
	TOTAL	4,50,25,000	100.00%

The post -issue share holding pattern:

Sr. No.	Name of the Shareholder	Number of Shares	Percentage of Shareholding
1	GAIL (India) Limited	2,24,99,997	44.98%
2	Hindustan Petroleum Corporation Limited	2,24,99,997	44.98%
3	Shri N.K. Nagpal	1	0.00%
4	Shri S.P. Sharma	1	0.00%
5	Shri K.V. Viswanatham	1	0.00%
6	Shri S. Jeyakrishnan	1	0.00%
7	Shri S. Bhattacharjee	1	0.00%
8	Shri S.M. Bhosekar	1	0.00%
9	Kakinada Seaports Limited	25,000	0.05%
10	APIIC	50,00,000	9.99%
	TOTAL	500,25,000	100.00%

Other than APIIC, no Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution mentioned at Item Nos. 10 of the Notice.

The Directors recommend the resolution for approval by the members.

By Order of the Board

Place: Hyderabad
Date: 25.08.2015

Malleswari G
Company Secretary

Bhagyanagar Gas Limited
(CIN: U40200TG2003PLC041566)
Regd. Office: Parishram Bhavan, APIDC Building, Basheer Bagh
Hyderabad - 500 004

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 12th Annual Report together with the audited statement of accounts for the year ended on 31st March, 2015.

FINANCIAL RESULTS:

The highlights of performance of your Company during the financial year ended on 31st March, 2015, are as follows:

Particulars	(Rs. in Lacs)	
	2014-15	2013-14
Gross Sales	12187.12	11687.08
Other Income	274.19	193.03
Depreciation	705.70	673.92
Profit/(Loss) before exceptional items and tax	437.53	977.61
Exceptional items:		
Loss due to theft	-	6.41
Refund of Pipeline Transportation charges from GAIL	-	1382.82
Profit/(Loss) before tax	437.53	2354.01
Current tax	87.54	577.10
Deferred Tax	142.01	278.25
Profit/(Loss) for the year	207.97	1498.65

FACTORS WHICH IMPACTED THE P&L A/C FOR THE YEAR 2014-15:

Consequent to fire accident in GAIL's pipeline on June 27, 2014 at Nagaram village in Andhra Pradesh, supply of gas was stopped to CGS Hyderabad from 7th July 2014 to 30th November 2014 and CGS Kakinada from 7th July 2014 to 21st November 2014. Similarly supplies were stopped for CGS Vijayawada from 16th August 2014 to 23rd December 2014. MoPNG made adhoc allocation of KG D6 gas under no cut category for all the three cities. As a result BGL incurred following additional expenses in procuring gas for Hyderabad, Vijayawada and Kakinada totaling to Rs 4.29 crores.

- ✓ Negative Imbalance payment to RGTIL for Rs 1.20 crores;
- ✓ Additional transportation cost to RGTIL at Vijayawada for Rs 0.43 crores;
- ✓ Payment to Lanco Kondpally for utilizing their pipeline for Rs 2.63 crores;
- ✓ Additional transportation cost to RGTIL at Kakinada for Rs 0.028 crores;

- Due to non supply of gas to Industrial and Commercial segments, there was an impact on revenues and consequently loss of margins.
- Effective 1st Nov 2014, the cost of APM gas went up from USD 4.2/MMBTU (on NCV basis) to USD 5.61/MMBTU (on NCV basis) which contributed to an increase by about 34%. The additional impact on the purchase price of gas for 5 months amounted to Rs 5 crores (approx). However, the increased cost could not be passed in the price due to the falling prices of competing fuels.
- A total amount of Rs 2.78 crores has been charged to current year's P&L A/c which includes amount of Rs 0.88 crores incurred in the year 2010-11 towards preparation of DFRs for participating in 4th round of PNGRB bidding in the districts of Medak/Rangareddy, Nalgonda and Khammam; cost of Rs 1.41 crores incurred for the 1st round of equity syndication which has since been shelved; an amount of Rs 0.24 crores was incurred for the debt syndication which concluded in April 2010.

BUSINESS & OPERATIONS:

A) Project Highlights

Hyderabad:

- *Commissioned 1 CNG retail outlet at M/s. Mallikarjuna Filling Station, HPCL dealer on 27th Feb 2015. One more CNG retail outlet at M/s.Siddhartha Filling Station, HPCL dealer commissioned on 31st March 2015.*
- *Added 381 domestic PNG connections.*

Vijayawada:

- *Work for online connectivity to RTC depot at Governorpet-II in the final phase.*
- *Added 75 new domestic PNG connections.*

Kakinada:

- *Commissioned 9.1 KMs steel pipeline for online connectivity to IOCL CNG station.*
- *Commissioned 21 Kms of MDPE grid at Shriram Nagar, Shantinagar area.*
- *Commissioned online CNG station at Sarpawaram Junction, IOCL on 13th Dec 2014.*
- *Added 606 new domestic PNG connections.*

The physical progress achieved during 2014 -15 is summarized as follows:

Description	Unit	2014-15	2013-14
CNG Sales	MT	24598	25829
CNG Stations	Nos	29	32
PNG-Domestic	Nos	2101	3163
PNG-Commercial	Nos	37	46
PNG-Industrial	Nos	2	3

B) Business Activities

During the year the Company received 1,03,000 SCMD of domestic Gas basis actual gas utilization. As per MoPNG guidelines, BGL is entitled to nominate 10% over and above the daily contracted quantity. Further MoPNG vide order dated 17th Feb 2015, allocated 20,000 SCMD APM gas to BGL for Hyderabad, Vijayawada and Kakinada.

The Company did not receive any R-LNG for supply to Industrial and Commercial segments during the year. As a result, the size of operations was limited to the said extent of APM allocations for domestic and CNG segments.

Due to the fire accident in GAIL pipeline near Nagaram village on 27th June 2014, APM gas supply to BGL at Hyderabad, Vijayawada and Kakinada was stopped as mentioned in the foregoing. This was made good by MoPNG through adhoc allocation of KG D6 gas for all the three cities. Later on after restoration of APM supply by GAIL, the KG D6 allocation was withdrawn.

Given below is the status of business line wise:

a) CNG

During the FY 2014-14, your company operated 20 CNG stations in Hyderabad (1 Mother Station, 16 Retail Outlets and 3 APSRTC depots), 8 CNG stations in Vijayawada (1 Mother Station, 4 Retail outlets and 3 APSRTC Depots) and 4 CNG stations in Kakinada (1 Mother station and 3 Retail Outlets). CNG as an alternate fuel concept has gained acceptance gradually with over 32,000 vehicles (autos, cars and buses) operating to CNG.

The sales volumes of CNG during 2014-15 in Hyderabad, Vijayawada, Kakinada and Rajahmundry (including APSRTC -27133 Kgs/day) touched an average of 70,764 kgs/day. The Average sale of CNG was 67,319 Kgs/day during 2013-14. In Vijayawada, APSRTC is operating 306 buses on CNG, whereas in Hyderabad 138 RTC buses are running on CNG. During the year, the CNG Sales to APSRTC is Rs. 43.49 crores. For the year 2013-14 the sales to APSRTC was Rs.36.33 crores.

Description	Numbers		Place	Numbers	
	2014-15	2013-14		2014-15	2013-14
CNG Stations	32	29	Hyderabad	20	18
			Vijayawada	8	8
			Kakinada	3	2
			Rajahmundry	1	1

b) PNG

Status of Domestic, Commercial and Industrial PNG supplies in Hyderabad, Vijayawada and Kakinada are given below:

Description	Numbers		Place	Numbers	
	2014-15	2013-14		2014-15	2013-14
PNG Connections-Domestic	3163	2101	Hyderabad	824	443
			Vijayawada	184	109
			Kakinada	2155	1549
PNG Connections-Commercial	46	37	Hyderabad	5	4
			Vijayawada	3	3
			Kakinada	38	30
PNG Connections-Industrial	3	2	Hyderabad	3	2
			Vijayawada	0	0
			Kakinada	0	0

c) Auto LPG

Your Company is operating 1 ALDS at Tirupati which sold 131.4000 MT ALPG during the year with sales value of Rs.94.35 Lakhs.

Description	Numbers		Place
	2014-15	2013-14	
ALPG Stations	1	1	Tirupati

BORROWING & DEBT SERVICING:

Approval of the Board had previously obtained for availing Term Loan from consortium of Bankers i.e., from Canara Bank (Lead Bank) for Rs.500 Crores and Corporation Bank for Rs.300 Crores totaling to Rs.800 Crores for a period of 6 years. Out of this the company had drawn an amount of Rs.109.77 Crores till 31st March 2011 towards term loan. No further draws during the financial years 2014-15 has been made. For want of adequate equity to meet the debt - equity ratio of 70:30, the balance loans have been cancelled by the bankers.

Rate of Interest Payable is 11.20%. During the Financial year 2014-15, BGL made repayment of 4 installments of Term Loan, as per table given below:

Date	Amount paid to Canara Bank (In Rs.)	Amount paid to Corporation Bank (In Rs.)
18.06.2014	2,86,00,000	1,71,52,000
05.09.2014	2,86,00,000	1,71,52,000
03.12.2014	2,86,00,000	1,71,52,000
03.03.2015	2,86,00,000	1,71,69,416

Total outstanding of Term Loan as on March 31, 2015 is Rs. 78.91 Crore. In addition to term loan, Rs. 150 crores of Bridge Loan (unsecured loan) has been availed towards project funding from promoters HPCL & GAIL.

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

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

DIVIDEND:

With a view to conserve resources, your Directors have thought it prudent not to recommend any dividend for the financial year ended on 31st March, 2015.

TRANSFER TO RESERVES:

The Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to the Statement of Profit and Loss.

REVISION OF FINANCIAL STATEMENT:

There was no revision of the financial statements for the year under review.

DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position, have occurred between the end of the financial year of the Company and date of this report.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

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

DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Mr. Ashok Kumar Das (DIN:07209092), Mr.P.A.B.Raju (DIN:07141438) and Mr. Anil Pande (DIN:07259801) were appointed as additional Directors of the Company on 11th June 2015 ,1st April 2015 and 10th August 2015 respectively, to hold office upto the date of ensuing Annual General Meeting. The Company has received notices from shareholders along with requisite deposits proposing the candidature of Mr. Ashok Kumar Das, Mr. P.A.B.Raju and Mr. Anil Pande for appointment as Directors at the ensuing Annual General Meeting.

Mr.R.Sridhar, Director -Commercial was appointed as Key Managerial Person and was re-designated as Director -Commercial cum Chief Financial Officer with effect from 9th December 2014

Mrs. Malleswari.G was appointed as Company Secretary of the Company w.e.f 13th November 2014 and Mr. Rahul Gupta, resigned as company secretary w.e.f 7th November 2014.

Mr. A.K. Mittal, resigned as Director of the Company with effect from 29th May 2015 on the event of his superannuation from GAIL

Mr. P.K.Joshi resigned as Director of the Company with effect from 14th July 2015.

In accordance with the provisions of the Act, the Independent Director is not liable to retire by rotation.

As per the provisions of Section 152 of the Companies Act, 2013, Mr. R. Sridhar retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend approval of the same.

DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declaration form the Independent Director under Section 149(6) of the Companies Act, 2013 confirming his independence vis-à-vis the Company.

BOARD MEETINGS:

The Board of Directors met **five (5) times** during the financial year ended 31st March 2015 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

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, 2015, the Board of Directors hereby confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit/loss of the Company for that year;

- c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts of the Company have been prepared on a going concern basis;

NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee of Directors was constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act. The present composition of the committee is as under:

1. Mr. M.Ravindran
2. Mr. Anil Pande
3. Mr. P.A.B.Raju

The Board is in the process of formulating the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The Audit Committee comprises of:

1. Mr. P.A.B.Raju
2. Mr. Ashok Kumar Das
3. Mr. R. Sridhar

Mr. P.A.B.Raju has been appointed the Chairman of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year under review, it is not compulsory for your Company to constitute Stakeholder's Relationship Committee Section 178 of the Companies Act, 2013.

VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Board of Directors of the Company is yet to frame a vigil mechanism pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

However, the board has setup a vigilance mechanism whereby CVO, GAIL will look after the vigilance matters of the Company.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee as under:

1. Mr. P.A.B.Raju
2. Mr. Ashok Kumar Das
3. Mr. R. Sridhar, Member

Mr. P.A.B.Raju has been appointed the Chairman of the CSR Committee. The Company Secretary acts as the Secretary of the CSR Committee.

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The CSR Policy of the Company is available on the Company's web-site and can be accessed in the link provided herein below: www.bglgas.com

During the year the Company has provided Rs.19,24,000/- being 2% of net profits computed as per Section 198 of the Companies Act , 2013 and proposes to spend on permissible CSR activities in the Next Financial Years.

INTERNAL CONTROL SYSTEMS:

An adequate internal control system commensurate with the nature of the Company's business and size and complexity of its operations are in place and has been operating satisfactorily.

PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES:

None of the managerial personnel i.e. Managing Director and Whole time Director of the Company are in receipt of remuneration/commission from the Holding or Subsidiary Company of the Company.

AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015:

The observations made by the Statutory Auditors in their report for the financial year ended 31st March 2015 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2015:

The provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, to obtain Secretarial Audit Report from Practicing Company Secretary, is not mandatory for BGL due to the following reasons:-

- Paid-up share capital of the company is less than Rs. Fifty Crores
- Turnover of the company is less than Rs. Two Hundred Crores.

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the statutory auditor for 2014-2015 of your Company M/s.FORD,RHODES,PARKS & CO, Chartered Accountants, was appointed by Comptroller & Auditor General of India (CAG).

The review of your Company's Annual Accounts for the financial year ending 31st March, 2015 by CAG forms part of this report. Notes on accounts referred in the Auditors' Report are self-explanatory and therefore, does not call for any further comment.

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 at their meeting dated 9th December 2014, appointed M/s. M/s Nageswara Rao & Co, Cost Accountants, Hyderabad, as the Cost Auditors of the Company for the financial year 2014-15.

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 at their meeting dated 9th December 2014, appointed M/s. C. Ramachandram & Co., Chartered Accountant as the Internal Auditors of the Company for the financial year 2014-15.

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 2015 made under the provisions of Section 92(3) of the Act is attached as Annexure -II which forms part of this Report.

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

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

HSE (HEALTH SAFETY AND ENVIRONMENT):

BGL is Consentions of Health Safety and Environment of all its employees and the public at large. To provide sustained focus to HSE related issues and timely corrective actions wherever required, BGL has recruited an officer exclusively for the purpose.

HSE trainings are provided to the personnel and Internal Safety Audits carried out periodically as per the PNGRB and OISD rules.

Safety Performance report for the year 2014-2015:

Statistics :	Hyderabad	Vijayawada	Kakinada
Total Safe Man hours	2,060,960	1,96,746	70,812
No of Minor Accidents	4	2	1
Achievements	Zero accident achieved in the year 2014-2015	Zero accident achieved in the year 2014-2015	Zero accident achieved in the 2014-2015

PARTICULARS OF EMPLOYEES:

During the period 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.

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

Place: Delhi
Date : 25th August 2015

M. Ravindran
(Chairman)

ANNEXURE- I

Form No.AOC-2

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

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

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

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

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

BGL is purchasing Auto LPG from HPCL and Natural Gas from GAIL and selling CNG to BGL in the normal course of Business. However BGL is entered an agreement for purchase of Natural GAS with GAIL and LPG-GAS with HPCL and sale of CNG Gas to HPCL among the others at arm's length basis.

The following transactions were entered with related parties at arm's length basis:-

Name of the Related Party	HPCL	GAIL
Nature of Relationship	Joint Venture	Joint Venture
Nature of transaction:		
Purchases :		
- Auto LPG	97,62,664	-
- Natural Gas	-	29,05,86,774
Sales - CNG	52,51,08,626	-

ANNEXURE -II

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2015

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	U40200TG2003PLC041566
Registration Date	:	22-08-2003
Name of the Company	:	BHAGYANAGAR GAS LIMITED
Company Category	:	COMPANY LIMITED BY SHARES
Company Sub- Category	:	INDIAN NON-GOVERNMENT COMPANY
Address of the Registered office and contact details	:	PARISHRAM BHAVAN, APIDC BUILDING, BASHEER BAGH, HYDERABAD-04
Whether listed company	:	No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	SHARES NOT YET DE-MATED

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing the 5% of total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Income from CNG	40200	93.96%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1	GAIL (INDIA) LIMITED	L40200DL1984G OI018976	Associate Company	49.97%	Section 2(6)
2	HPCL	L23201MH1952G OI008858	Associate Company	49.97%	Section 2(6)

ii. SHAREHOLDING OF PROMOTERS:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	GAIL (INDIA) LIMITED	12,497	25%	0	2,24,99,997	49.97%	0	+24.97%
2	HPCL	12,497	25%	0	2,24,99,997	49.97%	0	+24.97%
	Total	24994	50%	0	4,49,99,994	99.94%	0	

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1	GAIL (INDIA) LIMITED	12,497	24.997%		
2	HPCL	12,497	24.997%		
	Increase in Promoters Share holding on 20 th August 2014 for the reason of allotment of fresh shares to the promoters.				
	GAIL (INDIA) LIMITED	22,48,7500	49.94%	2,24,99,997	49.97%
	HPCL	22,48,7500	49.94%	2,24,99,997	49.97%
	At the End of the year	4,49,99,994	99.94%	4,49,99,994	99.94%

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Top 10 Shareholders				
	At the beginning of the year	25000	50%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	0	0		
	At the End of the year (or on the date of separation, if separated during the year)			25000	0.055%

iv. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	97,21,21,345	150,00,00,000	NIL	247,21,21,345
ii) Interest due but not paid	NIL	33,26,80,710	NIL	33,26,80,710
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	97,21,21,345	183,26,80,710	NIL	280,48,02,055
Change in Indebtedness during the financial year				
Addition	NIL	NIL	NIL	NIL
Reduction	18,30,25,416	NIL	NIL	18,30,25,416
Net Change	18,30,25,416	NIL	NIL	18,30,25,416
Indebtedness at the end of the financial year				
Principal Amount	78,90,95,929	150,00,00,000	NIL	228,90,95,929
ii) Interest due but not paid	NIL	48,38,80,712	NIL	48,38,80,712
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	78,90,95,929	198,38,80,712	NIL	277,29,76,641

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Shri. A.K.Mitta Managing Director	Shri. R. Sridhar Director Commercial	
1	Gross salary			
	(a) Salary and allowances	51,03,761	48,47,777	99,51,538
	(b) Transport Allowances	2,61,902	5,20,383	7,82,285
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	53,65,663	53,68,160	1,07,33,823

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri. M.Ravindran	Shri. P.K.Joshi	_____	_____	
	1. Independent Directors	0	0	0	0	0
	Fee for attending board / committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	0	0
		0	0	0	0	0
	2. Other Non-Executive Directors	0	0	0	0	0
	Fee for attending board/ committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	C.T.C	0	8,50,000/-	0	8,50,000/-
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	8,50,000/-	0	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE III

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, Rajahmundry, 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	2014-15	2013-14
i) Electricity purchased		
Units consumed (kVAh)	5,31,080.00	3,67,414.00
Total Amount in Rs.	56,46,954.00	45,97,953.37
Rate / Unit (Rs. kVAh)	10.63	12.51
Demand load charges in Rs.	1648934.00	15,07,102.00
ii) Natural gas as fuel (kg.) consumed	8,81,081.00	5,36,787.00

Consumption per MT of production:

Particulars	2014-15	2013-14
Electricity Consumed (in kVAh)	181.46	240.11
Natural Gas as fuel (in kg.)	37.54	35.25

(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:

	1 st April, 2014 to 31 st March, 2015	1 st April, 2013 to 31 st March, 2014
	Amount in Rs.	Amount in Rs.
Actual Foreign Exchange earnings	NIL	NIL
Actual Foreign Exchange outgo	NIL	NIL

FORD, RHODES, PARKS & CO.
CHARTERED ACCOUNTANTS

SAI COMMERCIAL BUILDING
312 / 313, 3RD FLOOR
BKS DEVSHI MARG
GOVANDI (EAST)
MUMBAI-400 088

TELEPHONE (91) 22 67979819
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**Independent Auditor's Report
to the members of Bhagyanagar Gas Limited
Report on the Financial Statements for the year ended 31st March, 2015**

We have audited the accompanying financial statements of Bhagyanagar Gas Limited ("the Company") which comprise the balance sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

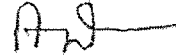
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of Companies Act, 2013 (18 of 2013) we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ; and
 - e. on the basis of written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
 - f. 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 explanations given to us:



FORD, RHODES, PARKS & CO.

- i. The Company has disclosed under contingent liability not provided for, the possible impact of pending litigations on its financial position in its financial statements – Refer Note No. 27.3.2 to the financial statements;
- ii. The company has contracts to receive supplies of NG (natural gas), for transportation of NG (natural gas) and to sell the CNG (compressed natural gas). These contracts are renewable. These contracts consist of penalty clauses. As represented by the company, there are no material foreseeable losses in respect of these long-term contracts including derivative contracts except those disclosed in the notes to account;
- iii. As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W



A.D. Shenoy
Partner
Membership No.11549

Place: Mumbai
Date: 19th May, 2015



Annexure to the Auditors' Report

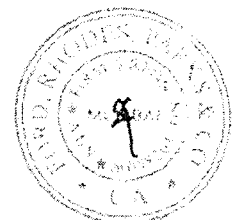
[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of Bhagyanagar Gas Limited on the financial statements for the year ended 31st March, 2015]

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b) Fixed Assets have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
2. a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

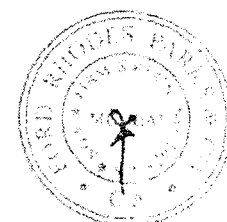
c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with by the company.
3. The Company has not granted any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under- Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed asset and for sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public, within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of section 148 of the Act, in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.



7. a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, value added tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues as applicable with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March, 2015.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, service tax, customs duty and cess as at 31st March 2015, which has not been deposited on account of dispute except as under:-

Sr. No.	Name of Statute	Nature of Dues	Net Liability	Claim Period	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax Assessment dues	96,85,624	2009-10	Honorable High Court, Andhra Pradesh, Hyderabad
2	Income Tax Act, 1961	Income Tax Assessment dues	66,25,153	2010-11	Honorable High Court, Andhra Pradesh, Hyderabad

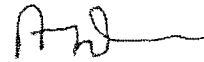
- c) According to the information and explanations given to us and records of the Company examined by us, in our opinion, there are no amounts payable to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules there under.
8. The Company has no accumulated losses as at 31st March, 2015 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the information and explanations given to us and records of the Company examined by us the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
10. According to the information and explanations given to us the Company has not given any guarantees for loans taken by others from banks or financial institution during the year.
11. 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 have been utilized for the purpose for which they were obtained.



FORD, RHODES, PARKS & CO.

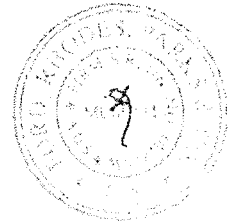
12. Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
ICAI Firm Registration No.102860W



A.D. Shenoy
Partner
Membership No.11549

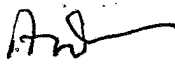
Place: Mumbai
Date: 19th May, 2015

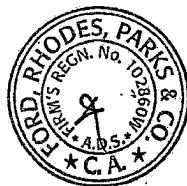


BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
BALANCE SHEET AS AT 31ST MARCH, 2015

	<u>Note No.</u>	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
I. EQUITY AND LIABILITIES			
1 Shareholders Funds			
Share Capital	1	45,02,50,000	5,00,000
Reserves and surplus	2	23,92,83,096	21,84,85,501
2 Share application money pending allotment		-	9,95,00,000
3 Non-current liabilities			
Long-term borrowings	3	60,60,87,929	73,85,21,345
Deferred tax liabilities (Net)	4	8,19,96,545	6,77,94,685
Other Long term liabilities	5	15,06,84,488	52,57,35,710
Long-term provisions	6	18,10,410	12,87,817
4 Current liabilities			
Short-term borrowings	7	1,50,00,00,000	1,50,00,00,000
Trade payables	8	2,16,36,945	4,33,44,314
Other current liabilities	9	71,20,06,692	61,20,65,746
Short-term provisions	10	8,77,42,020	7,65,51,859
TOTAL		3,85,14,98,125	3,88,37,86,977
II. ASSETS			
1 Non-current assets			
Fixed assets			
(i) Tangible assets	11	1,59,54,63,469	1,44,52,95,273
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	12	1,11,35,58,938	1,28,14,68,516
Deferred Tax Asset		-	-
Long-term loans and advances	13 (a)	59,03,506	56,96,798
Other non-current assets	14	21,10,97,051	24,23,01,392
2 Current assets			
Inventories	15	38,16,34,412	38,05,89,281
Trade receivables	16	5,06,97,218	5,20,55,969
Cash and bank balances	17	37,20,96,526	37,49,52,087
Short-term loans and advances	13 (b)	93,74,400	93,74,400
Other current assets	18	11,16,72,605	9,20,53,261
TOTAL		3,85,14,98,125	3,88,37,86,977
Significant accounting policies and notes form integral part of the financial statement		27	

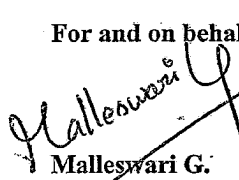
This is the Balance Sheet referred in our report
As per our Report of Even Date
For **FORD, RHODES, PARKS & CO.**
Chartered Accountants
Firm Registration No.102860W


CA A.D. SHENOY
Partner
M No:11549

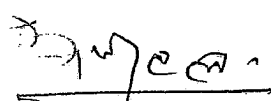


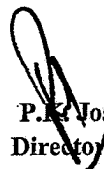
PLACE: Mumbai
DATE : May 19, 2015

For and on behalf of the Board of Directors


Malleswari G.
Company Secretary


R. Sridhar
Director - Commercial
-cum-CFO


A. K. Mittal
Managing Director


P. K. Joshi
Director

BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Note No.	2014-15 RUPEES	2013-14 RUPEES
I. Revenue from Operations	19	1,21,87,12,182	1,16,87,08,944
Less: Excise Duty		15,08,63,621	13,81,32,988
Net Revenue from Operations		<u>1,06,78,48,561</u>	<u>1,03,05,75,956</u>
II. Other income	20	2,74,19,223	1,93,03,633
III. Total Revenue (I+II)		<u>1,09,52,67,784</u>	<u>1,04,98,79,589</u>
IV. Expenses :			
a) Cost of Material Consumed	21	53,17,22,177	44,71,79,206
b) Purchases of Stock in Trade	22	1,24,08,864	1,56,92,521
c) Changes in Inventories	23	-9,951	40,697
d) Employee benefits expenses	24	3,46,90,645	2,42,36,962
e) Other Expenses	25 (a)	18,45,23,349	22,33,54,682
f) Finance Costs	25 (b)	21,76,08,832	17,42,21,855
g) Depreciation	11	7,05,70,310	6,73,92,366
Total Expenses		<u>1,05,15,14,226</u>	<u>95,21,18,289</u>
V. Profit/(-) Loss before exceptional and extraordinary items and tax (III-IV)		4,37,53,558	9,77,61,301
VI. Exceptional items			
a. Loss due to theft		-	6,41,196
b. Refund of Pipeline Transportation charges from GAIL		-	13,82,81,632
VII. Profit/(-) Loss before extraordinary items and tax (V-VI.a+VI.b)		4,37,53,558	23,54,01,737
VIII. Extraordinary items		-	-
IX. Profit/(-) Loss before tax (VII-VIII)		4,37,53,558	23,54,01,737
X. Tax expenses			
Current tax	26	87,54,103	5,77,10,444
Deferred Tax	27(3.7)	1,42,01,860	2,78,25,397
XI Profit/(-) Loss for the year (IX-X)		<u>2,07,97,595</u>	<u>14,98,65,896</u>
XII Earnings per equity share	27(3.17)		
- Basic		0.75	2,997.32
- Diluted		0.64	29.68
Significant accounting policies and notes form integral part of the financial statement	27		

This is the Statement of Profit and Loss referred in our report

As per our Report of Even Date

For **FORD, RHODES, PARKS & CO.**

Chartered Accountants

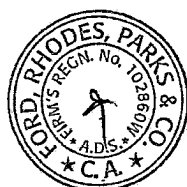
Firm Registration No.102860W

AS

CA A.D. SHENOY

Partner

M No:11549



PLACE: Mumbai

DATE : May 19, 2015

For and on behalf of the Board of Directors

Malleswari G.
Malleswari G.
Company Secretary

R. Sridhar
R. Sridhar
Director - Commercial
-cum- CFO

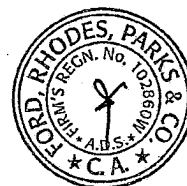
A. K. Mittal
A. K. Mittal
Managing Director

P. A. Joshi
P. A. Joshi
Director

BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
Notes forming part of Balance Sheet as at March 31, 2015

NOTE : 1

	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
SHARE CAPITAL		
a) Authorised : 10,00,00,000 Equity Shares of Rs. 10 each	1,00,00,00,000	1,00,00,00,000
	1,00,00,00,000	1,00,00,00,000
b) i) Issued : 5,00,50,000 (P.Y 50,000)Equity Shares of Rs. 10 each	50,05,00,000	5,00,000
	50,05,00,000	5,00,000
ii) Subscribed and paid up : 4,50,25,000 (P.Y 50,000)Equity Shares of Rs. 10 each fully paid up	45,02,50,000	5,00,000
	45,02,50,000	5,00,000
c) Par Value per Share - Equity Shares :	Rs. 10/-	Rs. 10/-
d) Reconciliation of No. of Shares Outstanding - Equity Shares	in Nos.	in Nos.
Opening Balance	50,000	50,000
Add : Issued/converted during the year	4,49,75,000	-
Less : Buy back during the year	-	-
Closing Balance	4,50,25,000	50,000
e) The rights, preferences and restrictions attaching to each classes of Shares. <i>[Refer to Note Number 27(3.9)]</i>		
f) Shares held by holding Company	Nil	Nil
g) Shareholding pattern		
a) Equity Shares :		
GAIL (India) Limited	Nos.22499997 & 49.97%	Nos.12497 & 24.99%
Hindustan Petroleum Corporation Limited	Nos.22499997 & 49.97%	Nos.12497 & 24.99%
Kakinada Seaports Limited	Nos.25000 & .06%	Nos.25000 & 50.0%
h) Shares Reserved [Refer to Note Number 27(3.20)]	50,00,000	Nil
i) Details of Shares issued for other than cash consideration and bought back in last 5 year <i>[Refer to Note Number 27(3.20)]</i>	Nil	Nil
j) Terms of any securities convertible in to Equity/ Preference	Nil	Nil
k) Calls unpaid	Nil	Nil



BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
Notes forming part of Balance Sheet as at March 31, 2015

<u>NOTE : 2</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>RESERVES AND SURPLUS</u>		
i) Surplus (balance in statement of Profit & Loss)		
Opening Balance	21,84,85,501	6,86,19,605
Add : Profit / (-) Loss for the Year	2,07,97,595	14,98,65,896
 Net surplus/(-)Deficit in statement of Profit & Loss	<u>23,92,83,096</u>	<u>21,84,85,501</u>

<u>NOTE : 3</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>LONG TERM BORROWINGS</u>		
Secured Loans		
- Term loans from banks		
Canara Bank	37,83,66,667	46,11,66,667
Corporation Bank	22,77,21,262	27,73,54,678
 [Refer Note Number 27(3.21)]	<u>60,60,87,929</u>	<u>73,85,21,345</u>

* Instalment due in next 12 months are included under 'Other Current Liabilities'.

(Under consortium agreement - Secured by first ranking pari passu charge 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.)

<u>NOTE : 4</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>DEFERRED TAX LIABILITY (NET)</u>		
Deferred Tax Liability (Net)	8,19,96,545	6,77,94,685
	<u>8,19,96,545</u>	<u>6,77,94,685</u>
 [Refer Note Number: 27(3.7)]		

<u>NOTE : 5</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>OTHER LONG TERM LIABILITIES</u>		
Creditors for Capital goods	12,33,54,358	15,62,91,686
Advance against Equity [Refer Note Number: 27(3.20)]		
from GAIL (India) Ltd	-	17,51,25,000
from HPCL	-	17,51,25,000
Accruals for Capital goods	11,95,698	15,54,677
PNG Customer Deposits	2,61,34,432	1,76,39,347
	<u>15,06,84,488</u>	<u>52,57,35,710</u>

<u>NOTE : 6</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>LONG TERM PROVISIONS</u>		
Provision for Gratuity	18,10,410	12,87,817
	<u>18,10,410</u>	<u>12,87,817</u>



BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
Notes forming part of Balance Sheet as at March 31, 2015

NOTE : 7

SHORT TERM BORROWINGS

Unsecured Loans

- Bridge Loan from:

GAIL (India) Ltd

HPCL

[Refer Note Number: 27(3.22)]

2014-15
RUPEES

2013-14
RUPEES

75,00,00,000	75,00,00,000
75,00,00,000	75,00,00,000
1,50,00,00,000	1,50,00,00,000

NOTE : 8

TRADE PAYABLES

Trade payable

2014-15
RUPEES

2013-14
RUPEES

2,16,36,945	4,33,44,314
2,16,36,945	4,33,44,314

NOTE : 9

OTHER CURRENT LIABILITIES

Statutory Liabilities

Retention Money

EMD/Security Deposits

Accruals for O&M

Interest on Bridge Loan Accrued but not due

GAIL (India) Ltd

HPCL

Other Liabilities

Secured Loans

- Term loans from banks

Canara Bank

Corporation Bank

(Instalment due in next 12 months)

2014-15
RUPEES

2013-14
RUPEES

1,68,82,954	1,69,86,881
1,90,09,070	2,17,45,453
68,94,068	22,42,385
23,22,846	46,32,811
24,12,43,164	16,56,43,163
24,26,37,548	16,70,37,547
9,042	1,77,506
11,44,00,000	14,60,00,000
6,86,08,000	8,76,00,000
71,20,06,692	61,20,65,746

NOTE : 10

SHORT TERM PROVISIONS

Provision for Income Tax

Provision for Corporate Social Responsibility

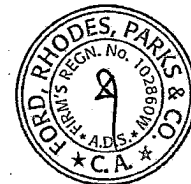
Provision for Leave Encashment

Provision for Gratuity

2014-15
RUPEES

2013-14
RUPEES

8,40,43,827	7,52,89,724
19,24,000	-
17,53,651	12,46,903
20,542	15,232
8,77,42,020	7,65,51,859

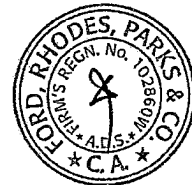


BHAGYANAGAR GAS LIMITED

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2015

NOTE 11: Fixed assets

FIXED ASSETS	(Rupees)									
	(A)	(B)	(C)	(D=A+B-C)	(E)	(F)	(G)	(H=E+F-G)	(I=D-H)	(J=A-E)
GROSS BLOCK AT COST 01.04.2014	ADDITIONS DURING 2014-15	SALE / DISCARD DURING 2014-15	GROSS BLOCK COST AS AT 31.03.2015	ACCUMULATED DEPRECIATION AS ON 31.03.2014	DEPRECIATION FOR THE YEAR 2014-15	DEPRECIATION ON ASSETS SOLD/DISCARDED FOR THE YEAR 2014-15	TOTAL DEPRECIATION UPTO 31.03.2015	NET BLOCK AS AT 31.03.2015	NET BLOCK AS AT 31.03.2014	
ROADS & CULVERTS	55,29,481	-	-	55,29,481	7,74,192	30,36,209	38,10,401	17,19,080	47,55,289	
FACTORY BUILDING	9,05,66,892	2,76,405	-	9,08,43,297	84,73,103	30,26,215	1,14,99,318	7,93,43,979	8,20,93,789	
BUILDINGS	1,60,43,001	-	-	1,60,43,001	12,65,332	8,04,274	20,69,606	1,39,73,395	1,47,77,669	
PLANT & MACHINERY	1,40,32,30,144	21,80,22,449	-	1,62,12,52,593	16,65,28,600	5,61,98,078	22,27,26,678	1,39,85,25,915	1,23,67,01,544	
FURNITURE & FIXTURES	58,88,207	5,20,412	-	64,08,619	24,22,235	11,05,146	35,27,381	28,81,238	34,65,972	
OFFICE EQUIPMENT	41,60,492	15,432	-	41,75,924	25,93,762	6,58,433	32,52,195	9,23,729	15,66,730	
ELECTRICAL EQUIPMENT	3,98,19,731	19,03,808	-	4,17,23,539	90,59,807	54,80,980	1,45,40,787	2,71,82,752	3,07,59,924	
LEASE HOLD LAND	77,48,400	-	-	77,48,400	8,03,040	2,60,975	10,64,015	66,84,385	68,45,360	
FREE HOLD LAND	6,42,28,996	-	-	6,42,28,996	-	-	-	6,42,28,996	6,42,28,996	
TOTAL	1,63,72,15,344	22,07,38,506	-	1,85,79,53,850	19,19,20,071	7,05,70,310	26,24,90,381	1,59,54,63,469	1,44,52,95,273	
Previous Year	1,32,39,04,769	31,33,10,575	-	1,63,72,15,344	12,45,27,705	6,73,92,366	19,19,20,071	1,44,52,95,273	1,19,93,77,064	



BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
Notes forming part of Balance Sheet as at March 31, 2015

NOTE: 12

	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>CAPITAL WORK IN PROGRESS:</u>		
Opening Capital Work in Progress:	1,28,14,68,516	1,89,37,67,665
<u>Add:</u> Capital Expenditure	8,06,46,936	14,07,27,759
<u>Less:</u> Capitalised during the Year	-22,07,38,507	-31,33,10,575
<u>Less:</u> Charged to Profit & Loss during the Year	-2,78,18,007	-6,38,56,557
<u>Less:</u> Transfer to Stores & Spares	-	-37,58,59,776
Closing Capital Work in Progress	<u>1,11,35,58,938</u>	<u>1,28,14,68,516</u>

NOTE : 13 (a)

	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>LONG TERM LOANS & ADVANCES</u>		
Security Deposits		
RGTEL	11,10,000	11,10,000
Electricity Deposits	31,25,996	30,19,448
Others	16,67,510	15,67,350
	<u>59,03,506</u>	<u>56,96,798</u>

NOTE : 13 (b)

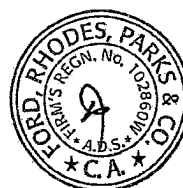
	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>SHORT TERM LOANS & ADVANCES</u>		
GAIL (India) Limited	93,74,400	93,74,400
	<u>93,74,400</u>	<u>93,74,400</u>

NOTE : 14

	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>OTHER NON CURRENT ASSETS</u>		
Fixed Deposits (including accrued interest)	52,79,738	57,85,373
Pre-paid Hook Up Charges	17,86,43,976	20,57,16,420
Pre-paid Railway Way leave Charges	2,71,73,337	3,07,99,599
	<u>21,10,97,051</u>	<u>24,23,01,392</u>

NOTE : 15

	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>INVENTORIES</u>		
Stores & Spares	37,90,24,955	26,17,505
Stores & Spares (transferred from CWIP)	-	37,58,59,776
Finished Goods	6,34,682	6,24,731
Raw Material (Natural Gas in Pipeline)	19,74,775	14,87,269
	<u>38,16,34,412</u>	<u>38,05,89,281</u>



BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
Notes forming part of Balance Sheet as at March 31, 2015

NOTE : 16

	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
TRADE RECEIVABLE (Unsecured)		
Over Six months		
Considered Good		
Others		
Considered Good	5,06,97,218	5,20,55,969
	<u>5,06,97,218</u>	<u>5,20,55,969</u>

NOTE : 17

	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
CASH AND BANK BALANCES		
Cash Balance -		
Cash on hand	6,48,011	19,77,380
Bank Balances -		
Balances with Banks	10,86,50,615	22,80,56,721
Fixed Deposit with Banks *	52,79,738	57,85,373
Fixed Deposit with Banks **	26,27,97,900	14,49,17,987
	<u>37,73,76,264</u>	<u>38,07,37,460</u>
Less: Forming Part of Non Current Assets	-52,79,738	-57,85,373
	<u>37,20,96,526</u>	<u>37,49,52,087</u>

* Includes interest accrued in term deposits Rs.18,91,596 (Previous Year-Rs.14,44,473)

* Bank deposits having more than 12 months maturity is Rs.52,79,738 (Previous year Rs.57,85,373).

These FDR's are held as Margin Money with Banks for Bank Guarantees.

** Includes interest accrued in term deposits Rs.22,46,115 (Previous Year-Rs.49,17,987)

** Bank deposits having more than 6 months but less than 12 months maturity is Rs.14,22,46,115 (Previous year Rs.14,49,17,987)

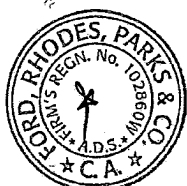
NOTE : 18

	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
OTHER CURRENT ASSETS		
Advance to Suppliers (O&M)	70,526	-
Pre-paid Expenses	27,27,611	29,96,697
PLA Deposit with Excise department	1,49,665	3,17,366
Cenvat Credit	47,39,565	1,00,38,855
Advance Tax - income tax	9,55,97,056	7,27,69,385
Tax deducted at source Receivable	72,24,204	45,50,441
Interest Receivable	-	44,795
Other Advances - recoverable in cash or kind	11,63,978	13,35,722
	<u>11,16,72,605</u>	<u>9,20,53,261</u>

As per our Report of Even Date
For **FORD, RHODES, PARKS & CO.**
Chartered Accountants
Firm Registration No.102860W

AS

CA A.D. SHENOY
Partner
M No:11549



PLACE: Mumbai
DATE : May 19, 2015

For and on behalf of the Board of Directors

Malleswari G.
Malleswari G.
Company Secretary

R. Sridhar
R. Sridhar
Director - Commercial
-cum-CFO

A. K. Mittal
A. K. Mittal
Managing Director

P. C. Joshi
P. C. Joshi
Director

BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad

Notes forming Part of Statement of Profit & Loss for the year ended 31st March, 2015

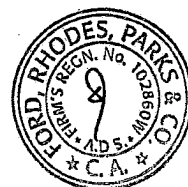
<u>NOTE :19</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>REVENUE FROM OPERATION</u>		
Income from CNG	1,17,09,28,391	1,06,54,32,202
Income from ALPG	94,35,252	1,59,46,843
Income from PNG	3,83,48,539	8,73,29,899
	1,21,87,12,182	1,16,87,08,944

<u>NOTE :20</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>OTHER INCOME</u>		
Misc. Income	6,27,615	9,08,369
Interest on Fixed Deposit	1,33,93,422	1,29,08,485
Interest - Others	1,07,32,326	54,86,779
Income Tax refund	26,65,860	-
	2,74,19,223	1,93,03,633

<u>NOTE : 21</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>COST OF MATERIALS CONSUMED:</u>		
Opening Stock (Natural Gas)	14,87,269	13,48,494
<u>Add:</u> Purchases*	47,01,33,372	39,18,24,355
<u>Add:</u> Product transhipment Charges	6,20,76,311	5,54,93,626
Sub Total:	53,36,96,952	44,86,66,475
<u>Less:</u> Closing Stock	19,74,775	14,87,269
Total	53,17,22,177	44,71,79,206

* Includes MGO Charges, Overrun Charges, Positive and Negative imbalances Charges.

<u>Note : 22</u>	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>PURCHASES OF STOCK IN TRADE:</u>		
Purchases of ALPG	1,19,65,308	1,51,33,993
Add: Freight Charges	4,43,556	5,58,528
	1,24,08,864	1,56,92,521



BHAGYANAGAR GAS LIMITED

Parishrama Bhavan, Basheerbagh, Hyderabad

Notes forming Part of Statement of Profit & Loss for the year ended 31st March, 2015

NOTE : 23

	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>CHANGES IN INVENTORIES:</u>		
Finished Goods		
Opening Stock	6,24,731	6,65,428
Closing Stock	6,34,682	6,24,731
(-) Increase/ Decrease of Inventory	(9,951)	40,697

NOTE : 24

	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>EMPLOYEE BENEFITS EXPENSES</u>		
Manpower Cost [Refer Note No. 27(3.11)]	3,06,88,704	2,10,80,435
Contribution towards Provident Fund	9,37,047	13,01,757
Gratuity Expenses	5,27,903	-80,875
Leave Encashment Expenses	8,17,386	6,71,151
LFA Expenses	3,70,543	3,54,163
Other Welfare Expenses	13,49,062	9,10,331
	3,46,90,645	2,42,36,962

NOTE : 25 (a)

	<u>2014-15</u>	<u>2013-14</u>
	<u>RUPEES</u>	<u>RUPEES</u>
<u>OTHER EXPENSES</u>		
Advertisement	8,66,943	11,71,578
Business Promotion	4,48,957	3,52,595
Vehicle hire and running expenses	49,47,984	39,57,815
Power & Fuel	3,21,93,810	3,33,75,390
Insurance	19,64,307	17,93,266
Technical Assistances Services	1,98,56,905	1,86,39,371
Postage & Courier	1,54,544	1,27,717
Printing & Stationery	6,21,515	6,29,119
Rent, Rates & Taxes	83,73,797	64,87,397
Repairs & maintenance - Buildings	83,580	46,990
Repairs & maintenance - others	6,22,152	4,30,259
Repairs & maintenance - Plant & Machinery	3,93,89,107	3,46,33,322
Security Services	37,16,530	52,51,170
Telephone Charges	12,07,956	11,17,478
Travelling Expenses	28,35,275	29,41,851
Prior Period Items [Refer Note Number: 27(3.24)]	-8,54,017	48,47,427
Professional Charges	24,29,516	31,44,050
Training cum Conference	6,62,005	5,04,499
Audit Fees [Refer Note Number: 27(3.10)]	4,96,022	4,14,781
Bank Charges	28,80,511	23,05,036
Infructuous Expenditure	2,78,18,007	-
Foreign Exchange Fluctuation	9,91,484	24,57,984
Hookup Charges RGTEL - Hyderabad	2,70,72,444	2,70,72,444
Railway Way leave Charges	36,26,262	61,90,609
Diff. in Cost and Book value of Stores and Spares (Refer note No 3.20)	-	6,38,56,557
Loss on sale of other items (Net)	-	14,92,656
Corporate Social Responsibility Expenses	19,24,000	-
Miscellaneous Expenses	1,93,753	1,13,321
	18,45,23,349	22,33,54,682



BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
Notes forming Part of Statement of Profit & Loss for the year ended 31st March, 2015

NOTE : 25 (b)

	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
FINANCE COST		
Interest on Income Tax	-	12,41,356
Interest paid on Natural Gas - GAIL	-	5,51,844
Interest on Secured & Unsecured Loans	21,76,08,832	17,24,28,655
	<u>21,76,08,832</u>	<u>17,42,21,855</u>

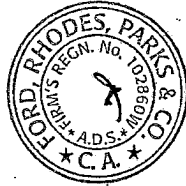
NOTE : 26

	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
CURRENT TAX:		
Provision for Current Taxation	87,54,103	5,05,92,148
Provision for earlier years (ie. FY 2012-13)	-	71,18,296
	<u>87,54,103</u>	<u>5,77,10,444</u>

As per our Report of Even Date
For **FORD, RHODES, PARKS & CO.**
Chartered Accountants
Firm Registration No.102860W

AW

CA A.D. SHENOY
Partner
M No:11549



PLACE: Mumbai
DATE : May 19, 2015

For and on behalf of the Board of Directors

Malleswari G.
Malleswari G.
Company Secretary

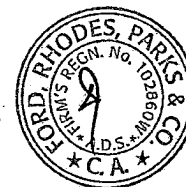
R. Shidhar
R. Shidhar
Director - Commercial
-cum- CFO

A. K. Mittal
A. K. Mittal
Managing Director

P. K. Joshi
P. K. Joshi
Director

BHAGYANAGAR GAS LIMITED
Parishrama Bhavan, Basheerbagh, Hyderabad
CASH FLOW STATEMENTS FOR THE YEAR 2014-15

<u>Paticulars</u>	<u>2014-15</u> <u>RUPEES</u>	<u>2013-14</u> <u>RUPEES</u>
I CASH FLOW FROM OPERATING ACTIVITY		
Net Profit before Tax, Exceptional and Extraordinary Items:	4,37,53,558	9,77,61,301
<i>Add:</i>		
Non Cash Items		
Depreciation	7,05,70,310	6,73,92,366
Amortisation of Pre-paid Expences	5,85,16,713	9,71,19,610
Gratuity Expnces	5,27,903	(80,875)
Provision for Leave Salary/ LFA	17,74,193	1,35,123
Foreign Exchange Fluctuation	9,91,484	24,57,984
Non Operating Expenses		
Interest on Loans	21,76,08,832	17,24,28,655
Loss due to Theft	-	6,41,196
Loss on Sale of Fixed Assets	-	14,92,656
<i>Less:</i>		
Non Operating Incomes		
Interest and Other Income	(2,41,25,748)	(1,83,95,264)
Operating Profits Before Working Capital Changes	36,96,17,245	42,09,52,752
<i>Add:</i>		
(Increase)/Decrease in Current Assets		
Change in Inventories	(10,45,131)	4,49,521
Long term Loans & Advances	(2,06,707)	(17,42,290)
Short term Loans & Advances	0	-
Other Current Assets	32,08,326	(2,38,44,363)
Trade Receivables	13,58,751	(64,89,632)
Increase/(Decrease) in Current Liabilities		
Trade payable	(2,26,98,853)	(2,64,97,883)
Other Liabilities	15,11,89,502	16,77,24,426
PNG customer Deposite	84,95,085	57,27,278
Cash Generated From/(Used) in Operations	50,99,18,217	53,62,79,809
<i>Less:</i>		
Tax Paid	(2,28,27,671)	(5,23,19,828)
Cash Flow Before Extraordinary Items	48,70,90,546	48,39,59,981
Add/Less: Extraordinary Item	0	13,76,40,436
Net Cash Flow From/Used in Operating Activities	48,70,90,546	62,16,00,417
II CASH FLOW FROM INVESTING ACTIVITIES:		
Addition to Fixed Asset including CWIP	(2,97,43,316)	(4,19,22,244)
Sale of Fixed Assets	-	97,52,511
Creditor for Capital Goods	(3,29,37,328)	(6,07,09,191)
Accural for Capital Goods	(3,58,979)	(44,99,663)
Interest and Other Income	2,41,25,748	1,83,95,264
Fixed Deposits	5,05,635	(7,36,969)
Net Cash Flow From/(Used) in Investing Activities	(3,84,08,240)	(7,97,20,292)




BHAGYANAGAR GAS LIMITED
 Parishrama Bhavan, Basheerbagh, Hyderabad
CASH FLOW STATEMENTS FOR THE YEAR 2013-14

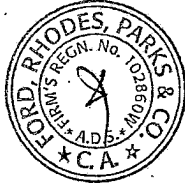
	<u>2014-15</u> RUPEES	<u>2013-14</u> RUPEES
III CASH FLOW FROM FINANCING ACTIVITIES:		
Interest on Loans	(26,85,12,451)	(28,31,20,533)
Principal Repayment of Term Loan	(18,30,25,416)	(12,55,78,655)
Net Cash Flow From/(Used) in Financing Activities	<u>(45,15,37,867)</u>	<u>(40,86,99,188)</u>
IV NET INCREASE/(DECREASE) IN CASH & BANK BALANCES (I+II+III)	-28,55,561	13,31,80,937
V OPENING CASH & BANK BALANCES	37,49,52,087	24,17,71,150
VI CLOSING CASH & BANK BALANCES (V+IV)	<u>37,20,96,526</u>	<u>37,49,52,087</u>

Notes:

- 1 Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard-3 as per the Companies(Accounting Standards) Rule,
- 2 Additions to fixed assets including CWIP excludes interest capitalised amounting to Rs. 5,09,03,619/- (PY - Rs 11,06,91,878/-)
- 3 Interest Paid includes Interest on Term Loans & Bridge Loans which is Capitalised amounting to Rs. 5,09,03,619/- (PY- Rs. 11,06,91,878/-)
- 4 Fixed Deposit with bank having more than 12 months maturity are not included in cash and cash equivalents
- 5 Figures in Brackets indicates Cash Out Flow

This is the Cash Flow Statement referred in our report
 As per our Report of Even Date
 For **FORD, RHODES, PARKS & CO.**
 Chartered Accountants
 Firm Registration No.102860W



CA A.D. SHENOY
 Partner
 MNo:11549




PLACE: Mumbai
 DATE : May 19, 2015

For and on behalf of the Board of Directors


Malleswari G.
 Company Secretary


R. Sridhar
 Director - Commercial
 -cum- CFO


A. K. Mittal
 Managing Director


P. H. Yoshi
 Director

BHAGYANAGAR GAS LIMITED

Note: 27

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1. BACKGROUND / OVERVIEW

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 then State of Andhra Pradesh.

During the year, consequent to allotment of additional shares to GAIL and HPCL, the company, as defined under Section 2 (6) of the Companies Act, 2013, has become "Associate Company" of GAIL and HPCL.

Further, with the increase in paid up capital, as required under Section 177 and 178 of the Companies Act 2013 and Rule 6 of Companies (Meeting of Board and its Powers) Rules, 2014, the company is required to constitute the Audit Committee and Nomination and Remuneration Committee. To constitute the Audit Committee and Nomination and Remuneration Committee, company should have independent directors. However, in the absence of any independent director, Audit Committee and Nomination and Remuneration Committee could not be formed upto 31st March, 2015. For Corporate Social Responsibility Committee, please see note 3.5 herein below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are as follows:

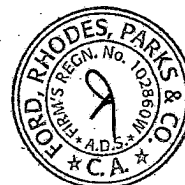
(a) Accounting Conventions

The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP), Accounting Standards, as prescribed under Section 133, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 (to the extent notified). 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.

(b) Use of Estimates

The preparations of the financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

Page 1 of 15



(c) Fixed Assets

Fixed Assets are stated at historical cost on consistent basis and are net of refundable taxes and levies wherever applicable. All costs relating to acquisition of fixed assets till commissioning of such assets are capitalized. In the case of commissioned assets where final payment to the contractor is pending, capitalization is made on provisional basis, subject to necessary adjustment in cost and depreciation in the year of settlement.

(d) Intangible Assets

Cost of Software directly identified with hardware is capitalized along with the cost of hardware. Application software is capitalized as Intangible Asset.

Cost of licenses and right to use, including sharing with other entities, which are expected to provide future enduring economic benefits are capitalized as intangible assets.

(e) Capital Work in Progress

The capital work in progress includes material in transit / value of materials / equipment etc. received at site for use in the projects.

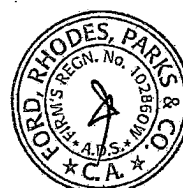
All revenue expenditure incurred during the year, which is attributable to acquisition / construction of fixed assets/projects, is capitalized at the time of commissioning of such assets.

(f) Borrowing cost

Borrowing cost of funds specially borrowed for financing company's projects and eligible for capitalization along with cost of assets, is capitalized up to the date when the asset is ready for use.

(g) Depreciation

- i) Depreciation on Fixed Assets is provided on straight line method over the useful lives of the assets, as prescribed under Schedule II of the Companies Act, 2013 with effect from 1st April, 2014. Depreciation is charged pro rata basis.
- ii) Cost of leasehold land not exceeding 99 years is amortized over the lease period.
- iii) No depreciation is being charged on Right of Use (ROU) being perpetual in nature.
- iv) Cost of licenses is amortized over the useful life or license period whichever is less.
- v) Application software capitalized as Intangible Asset is normally amortized over a period of four years or over its useful life before it becomes obsolete, whichever is earlier.



(h) Inventories

Finished products are valued at cost or at net realizable value, whichever is lower. For CNG, cost is calculated at selling price less VAT and Trade Margin. Finished goods include excise duty wherever applicable.

Raw Materials are valued at cost or net realizable value whichever is lower.

Stores / spares are valued at cost or net realizable value whichever is lower.

Machinery spares which can be used only in connection with an item of fixed asset and their use is expected to be irregular are capitalized with the cost of that fixed asset and are depreciated fully over the remaining useful life of that asset.

(i) Foreign Currency Transactions

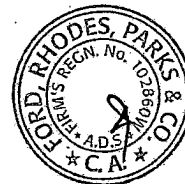
- i) Transactions in foreign currency are accounted at the exchange rate prevailing on the transaction date.
- ii) Monetary items (such as Cash, Receivables, Loans, Payable etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates prevailing at year end.
- iii) Non Monetary items (such as Investments, Fixed Assets etc.) denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transaction(s).
- iv) Any gain or loss arising on account of exchange difference either on settlement or on translation is accounted for in the Statement of Profit & Loss.

(j) Sale of Products

Sales are net of discount, include applicable excise duty, surcharge and other elements which are allowed to be recovered as part of the price but excludes sales tax.

(k) Retirement Benefits

The manpower of the Company includes employees deputed from GAIL and HPCL on fulltime basis. All employee benefits in case of deputationists, deputed by parent company are accounted on debit notes raised by their parent company. The Company has not formulated any policy for Retirement benefits to its i.e BGL employees. Pending formulation of policy on retirement benefits to its employees, the Company has provided for Gratuity liability and Leave encashment, based on actuarial valuation as per applicable accounting standard.



(l) Taxes on Income

Current Tax represents the amount of tax payable in respect of taxable income for the period. Deferred Tax Asset / Liability resulting from timing difference between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantially enacted on the balance sheet date and are capable of reversal in one or more subsequent periods. Deferred Tax Asset, if any, is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

(m) Impairment of Assets

At each balance sheet date an assessment is made of whether there is any indication of impairment of assets. An impairment loss is recognized whenever the carrying amount of assets of cash generating units (CGU) exceeds their recoverable amount. After impairment of the assets, if any, depreciation is provided on the revised carrying amount of the asset on SLM over its remaining useful life.

(n) Provisions, Contingent Liabilities, Contingent Assets & Commitments

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is capable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

Contingent Liabilities in respect of show cause notices are considered only when converted into demands. Contingent liabilities exceeding Rs.1 Lakh in each case are disclosed by way of notes to accounts.

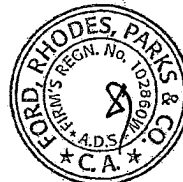
Estimated amount of commitments and contracts remaining to be executed on capital accounts are disclosed in each case above Rs.1 Lakh.

(o) General

Prepaid expenses and prior period expenses / income upto Rs.1 Lakh in each case are charged to relevant heads of account of the current year.

Liquidated Damages / Price Reduction Schedule, if any are accounted for as and when recovery is affected and the matter is considered settled by the Management.

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



3. NOTES TO THE ACCOUNTS

3.1 The company has commissioned CNG Mother Station, CNG Daughter Stations, and ALPG Stations and has given PNG Connections over the years as under:

Description	Numbers		Place	Numbers	
	2014-15	2013-14		2014-15	2013-14
CNG Stations	32	29	Hyderabad	20	18
			Vijayawada	8	8
			Kakinada	3	2
			Rajahmundry	1	1
ALPG Stations	1	1	Tirupathi	1	1
PNG Connections – Domestic	3163	2101	Hyderabad	824	443
			Vijayawada	184	109
			Kakinada	2155	1549
PNG Connections – Commercial	46	37	Hyderabad	5	4
			Vijayawada	3	3
			Kakinada	38	30
PNG Connections – Industrial	3	2	Hyderabad	3	2
			Vijayawada	-	-
			Kakinada	-	-

Project Work in respect of three CGD Projects Hyderabad, Vijayawada and Kakinada, are in progress.

3.2 Contingent Liabilities & Commitments:

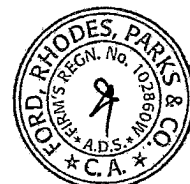
Contingent Liabilities –

- Bank Guarantees issued to PNGRB amounting to Rs. 15,50,00,000 (Previous Year: Rs 15,50,00,000) and Bank Guarantees issued to NHAI amounting to Rs.3,36,000 (Previous Year: NIL). Letter of Credit issued to GAIL(India) Ltd. and RGTEL amounting to Rs 8,27,88,326 (Previous Year: Rs 5,68,53,277).
- Contingent Liabilities in respect of show cause notices from excise authorities are considered only when converted into demands, which is Rs 37,76,758 (Previous Year: Rs 37,76,758). Disputed contractual dues to GAIL (India) Ltd. – Rs.78,584 towards ship or pay (Previous Year: NIL) and Rs.6,09,592 towards imbalance charges (Previous Year: NIL).
- In respect of income tax assessment dues of Rs 1,63,10,777 (Rs.66,25,153 for A.Y. 2010-11 and Rs.96,85,624 for A.Y.2009-10) (Previous Year: Rs Nil), the company has received the Orders dated 10th March 2014 from Income tax Appellate Tribunal, Hyderabad Bench 'A', Hyderabad in favour of BGL. Against the above referred order the income tax department has filed appeal in Honorable High Court of Andhra Pradesh, Hyderabad.
- Non - supply of Gas to APSRTC Rs 1,42,58,787 (Previous Year: Rs.1,24,74,997).

Commitments -

- The company is required to complete minimum residential connections for piped gas under the terms of contract awarded by PNGRB. Failing to complete the minimum number of connections would make the Company liable for penal consequences, against which the company has submitted bank guarantees to

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PNGRB and other authorities. 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. The management is confident of getting an extension of time and consequent relief in the matter.

- However, in respect of City Gas Distribution activities in Kakinada, PNGRB on 22nd May, 2013, issued a letter to Canara Bank for invocation of the PBG and claimed Rs.1.33 Crs. for non-achievement of milestones by BGL as set out in the authorization. Meanwhile a Writ Petition dated 25th May 2013 was filed by BGL on 27th May 2013 against PNGRB in the High Court of Andhra Pradesh. The interim stay was confirmed and order dated 28th May 2013 was passed by Hon'ble High Court of AP. The interim stay continues as on date.

3.3 Depreciation

In accordance with requirements prescribed under Schedule II of the Companies Act 2013, the company has assessed the estimated useful life of its assets and has adopted the useful life as prescribed in the Schedule II in respect of all assets.

The impact of the change in estimated useful life of the fixed assets are as given below-

- (i) The depreciation charged to Statement of Profit and Loss includes the carrying amount of those assets whose remaining useful life has become nil at the beginning of the financial year amounting to Rs. 15,90,816/-
- (ii) The depreciation charged to Statement of Profit and Loss is lower by Rs.1,44,98,074/- on account of changes in estimated useful life.

3.4 Fixed Assets and CWIP

During the current year the company has carried out physical verification of fixed assets. The company has also reviewed its CWIP as at 31st March, 2015. The CWIP comprises of cost of machineries & equipments, gas pipe lines etc., interest apportioned and other overheads transferred relating to City Gas Distributon (CGD) projects at Hyderabad, Vijaywada and Kakinada.

The CGD projects of this nature, requires various approvals in some places, from different authorities and connectivity to the grid and in some cases land acquisitions also. The completion of CGD projects has taken longer time than estimated because of the above mentioned factors. On account of undue delays in completion of the projects, due to above reasons, project assets which could have been considered as ready for use are not capitalized till such time the pipe line network is complete and ready to be charged with gas.

No depreciation is considered on such assets and shortfall if any of depreciation on that account is not quantified. Even if depreciation is charged, as no economic benefit is derived from such assets, the same would form part of CWIP to be distributed over period of life of asset, once these assets are put to



use. The interest is capitalized proportionately on projects capitalized in the books.

3.5 Corporate Social Responsibility (CSR)

As per the provisions of the Section 135 of the Companies Act 2013 and CSR Rules 2014, the company is required to spend amount of 2% of net profits, computed as per provisions of Section 198 of the Companies Act 2013, average of the immediately preceding three financial years, on permissible CSR activities. However as independent directors could not be appointed till 31st March 2015, the company could not constitute CSR committee and also could not formulate CSR policy. During the year the company has provided Rs.19,24,000/- being 2% of net profits, computed as above and proposes to spend the same on permissible CSR activities in next financial years.

3.6 Long term contracts and derivatives contract in any financial years

The company has long term contract for supply of gas. There are no foreseeable losses on such contracts.

The company does not have any derivatives contract.

3.7 Deferred Tax Asset / (Liability)

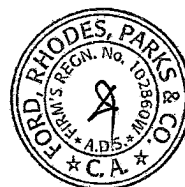
Deferred Tax Asset / (Liability) arising due to timing difference is as under :-

Particulars	As at 31.03.2014	For the year 14-15	As at 31.03.2015
Depreciation	(11,22,01,928)	(3,37,09,219)	(14,59,11,147)
Carried forward losses	-	-	-
Adjustment of MAT.	4,44,07,243	1,95,07,359	6,39,14,602
Total Deferred Tax Liability	(6,77,94,685)	(1,42,01,860)	(8,19,96,545)

Deferred tax has been considered in the accounts as per the provisions of Accounting Standard 22 (AS 22). In the management's judgement, there will be virtual certainty of sufficient future taxable income available against which deferred tax asset can be realized.

3.8 Estimated amount of Contracts remaining to be executed on Capital Account not provided for

Particulars	2014-15 (Rupees)	2013-14 (Rupees)
Estimated amount of Contracts remaining to be executed on Capital Account not provided for	21,45,25,809	38,46,00,000



3.9 Claims against the Company not acknowledged as debts:-

Particulars	2014-15 (Rupees)	2013-14 (Rupees)
Claims against the Company not acknowledged as debts	NIL	NIL

3.10 Remuneration to Statutory Auditors:

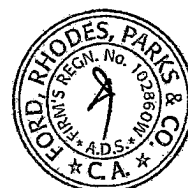
Particulars	2014-15 (Rupees)	2013-14 (Rupees)
Payments to Statutory Auditors:		
Audit fees (incl. Service Tax)	1,85,394	1,85,394
Tax Audit fees (incl. Service Tax)	39,326	39,326
Transfer Pricing fee (incl. Service Tax)	1,12,360	NIL
	<u>3,37,080</u>	<u>2,24,720</u>

3.11 Managerial Remuneration:

Particulars	2014-15 (Rupees)	2013-14 (Rupees)
Managerial Remuneration: *		
Salary & Allowances	99,51,538	97,39,126
Transport cost (car)	7,82,285	9,58,966
* Managing Director and Director-Commercial are on deputation from GAIL/HPCL. The amount represents remuneration paid by GAIL/HPCL and debited to the company. The salary includes salary, company contribution to PF, LTA, bonus, medical benefits, gratuity & leave encashment. (Prior period Expenses on MD and DC if any, are not considered) (All amounts mentioned including service tax.)		

3.12 C.I.F Value of Imports during the Year.

Particulars	2014-15 (Rupees)	2013-14 (Rupees)
C.I.F Value of Imports during the Year. - Capital goods	NIL	NIL



3.13 Earning in Foreign Currency

Particulars		2014-15 (Rupees)	2013-14 (Rupees)
Earning in Foreign Currency Sale of Bid		NIL	NIL

3.14 Un-hedged foreign currency exposure at year end

Particulars		2014-15	2013-14
Un-hedged foreign currency exposure at year end – Payable to Suppliers USD		3,98,025.65	3,98,025.65

3.15 Information on each class of goods purchased, sold and closing stocks during the year

ALPG:

		Opening stock		Purchases / Production		Sales / Consumption		Closing stock	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Auto	MT	Nil	Nil	131.40	205.16	131.40	205.16	Nil	Nil
LPG	Value	Nil	Nil	87,98,430.70	1,51,33,993	94,35,251.74	1,59,46,843	Nil	Nil

Vijayawada:

		Opening stock		Purchases / Production		Sales / Consumption		Closing stock	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
NG	SCM	Nil	Nil	1,94,50,244.55	17001646.83	1,94,50,244.55	17001646.83*	Nil	Nil
	Value	Nil	Nil	17,90,81,320.68	16,00,69,583	17,90,81,320.68	16,00,69,583	Nil	Nil
CNG	MT	9.27	9.36	13941.698	12749.08	13943.48**	12749.17**	7.48	9.27
	Value	1,89,599	1,67,604			60,94,34,357.41	53,02,14,657	2,01,079	1,89,599
PNG	SCM	7967	7681	Nil	Nil	16938	13271	5057	7967
	Value	76,614	82,796	Nil	Nil	3,99,137	3,38,606	58115	76,614

*Consumption of Natural Gas is for conversion to CNG & PNG and includes natural gas used for internal testing purposes 519.48 MT (for previous year:456.11 MT) and a volumetric conversion variation loss of 46.30959 MT (for previous year: 148.935 MT)

**Quantity includes 1.12MT (for previous year: 1.61 MT) used for internal testing and 261.17 MT (for previous year: 154.86 MT) operational losses.



Hyderabad:

		Opening stock		Purchases / Production		Sales / Consumption		Closing stock	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
NG	SCM	Nil	Nil	17559744.41	18455421.17	17559744.41	18455421.17*	Nil	Nil
	Value	Nil	Nil	20,28,53,880.56	19,24,48,054.00	20,28,53,880.56	19,24,48,054.00	Nil	Nil
CNG	MT	16.62	16.62	11580.27	11,602.07	11580.04	11,602.07**	16.85	16.62
	Value	3,84,030	4,65,279			52,22,89,581	49,70,54,162	3,77,576	3,84,030
PNG	SCM	1,50,638	66,556	Nil	PNG	6,68,932	16,69,852	1,46,606	1,50,638
	Value	14,00,040	12,56,465			2,79,89,715	732,33,259	17,98,105	14,00,040

* Consumption of Natural Gas is for conversion to CNG & PNG and includes natural gas used for Internal testing purposes 325.90 MT (for previous year: 352.12MT)

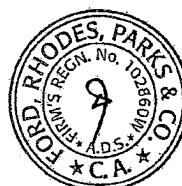
** Quantity includes 12.55MT (for previous year:12.36MT) used for internal testing and 289.16MT (for Previous year: 479.43MT) operational losses

Kakinada:

		Opening stock		Purchases / Production		Sales / Consumption		Closing stock	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
NG	SCM	Nil	Nil	15,81,739	1565671	15,81,739*	1565671*	Nil	Nil
	Value	Nil	Nil	1,73,92,685	15659994	1,73,92,685	1,56,59,994	Nil	Nil
CNG	MT	2.65	2.01	877.17	920.975	876.99**	920.34**	2.83	2.65
	Value	51,102	32,544			3,92,04,452	3,81,63,383	56,027	51,102
PNG	SCM	1093	942	Nil	Nil	3,17,796	390056	9299	1093
	Value	10,615	9,233	Nil	Nil	99,59,677	1,37,58,034	1,18,555	10,615

* Consumption of Natural Gas is for conversion to CNG & PNG and includes natural gas used for internal testing purposes 35.704 MT (for previous year: 28.559MT)

** Quantity includes 1.41MT (for previous year: 0.44 MT) used for internal testing and 6.04 MT (for previous year: 24.73 MT) operational losses



3.16 Details of transactions with Related Parties during the year:

(in Rs.)

Name of the Related Party	HPCL	GAIL	Green Gas Ltd	Maharashtra Natural Gas Ltd	Gail Gas Ltd
Nature of Relationship	Joint Venture	Joint Venture	GAIL JV	GAIL JV	GAIL Subsidiary
Nature of transaction:					
Purchases :					
- Auto LPG	97,62,664	-	-	-	-
- Natural Gas	-	29,05,86,774	-	-	-
Sales – CNG	52,51,08,626	-	-	-	-
Manpower cost of employees on deputation	90,38,674	1,47,23,191	-	-	-
Expenditure / Payments on behalf of Related Parties	-	-	-	-	-
BG with GAIL	-	-	-	-	-
LC with GAIL	-	7,93,79,326	-	-	-
Advance against Equity	-	-	-	-	-
Sale of Other Items	-	-	-	-	-
Bridge Loan availed	-	-	-	-	-
Interest on Bridge Loan	8,40,00,001	8,40,00,001	-	-	-
Principle Repayment of Bridge Loan	-	-	-	-	-

3.17 Earnings per share (EPS) (AS -20)

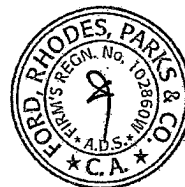
Description	2014-15	2013-14
Net Profit / (Loss) after current and deferred tax	2,07,97,595	14,98,65,896
No. of Equity Shares of Rs 10/- each	4,50,25,000	50,000
EPS (Rs) – Basic	0.75	2997.32
EPS (Rs) – Diluted	0.64	29.68

3.18 Employee Benefits

a. **Defined Contribution Plan** - The Company pays fixed contribution to Provident Fund at pre-determined rates. The contribution to the fund for the period is recognized as expense and is charged to the Profit & Loss A/c.

b. **Defined Benefit Plan** – The Company has not formulated any policy for Retirement benefits to its BGL employees. Pending formulation of policy on retirement benefits and encashment of earned leave, the Company has provided for encashment of earned leave for an amount of Rs 8,17,386 during the year (Previous Year: Rs 6,71,151) and Gratuity liability for an amount of Rs 5,27,903 during the year (Previous Year: Rs.- 80,875) based on actuarial valuation. In compliance with the notified Gratuity Rules, the Company is in the process of formulating the scheme.

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3.19 Segment Reporting

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

There are no geographical segments for reporting purpose.

3.20 Share capital

- i) 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, upto an aggregate of 5 crores equity shares of face value of Rs 10 each at a price of Rs 10 per equity share aggregating to Rs 50 crore on a preferential basis.

Accordingly 2,24,87,500 shares each were issued and allotted to Gail (India) Ltd., and Hindustan Petroleum Corporation Ltd. 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 at its General Meeting, 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.

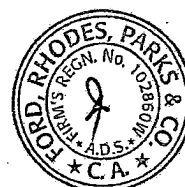
However the CLB dismissed the same on 14th September 2014 in favour of the company. Against this dismissal order, the aggrieved shareholder has filed an appeal in the High Court of Judicature in Hyderabad. They have also filed an application, inter alia, seeking stay of allotment of said shares. While the High Court has admitted the Appeal, it has not granted any stay against the order of the CLB. The matter is sub-judice.

- ii) In line with the Memorandum of understanding, APIIC would be contributing 5% to the equity in the form of cash or land. For this purpose, 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, equity shares on a preferential basis to APIIC. The company has reserved 50,00,000 shares of Rs. 10/- to be allotted to APIIC. With this objective APIIC has already allotted land at three places in the cities of Hyderabad, Vijayawada and Kakinada. Total amount of land allotted from APIIC is Rs. 4,51,96,880. The Company has paid Rs.20,00,000 upfront. Pending of procedural formalities the balance amount of Rs. 4,31,96,880 has been shown as credited to APIIC. The said amount would be adjusted against the subscription for shares.

Freehold Land amounting to Rs. 3,74,48,480 and Leasehold Land at Vijayawada amounting to Rs.77,48,400 allotted by APIIC has been included in "Fixed Assets – Gross Block"

- iii) Equity shares of the Company have a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the

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Company the holder of equity shares will be entitled to receive remaining assets (if any) after distribution of all preferential accounts. The distribution will be in pro-rata basis to the equity shares held by the shareholder.

iv) Apart from the rights, restrictions and preferences prescribed by the Companies Act, 2013 and the Articles of Association of the company the Share holders' agreement also elaborately deal with the above. The reader is requested to refer to the respective documents for details. 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
- > Appointment of directors etc.,

3.21 Secured Loans

The Company has availed Term Loans and non-fund based limits from consortium of bankers, secured by way of a first pari-pasu charge on all movable assets, finished goods, work in progress, raw materials and book debts.

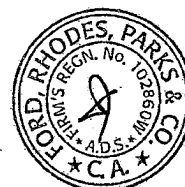
- i) Rate of Interest Payable is 11.20% .
- ii) Terms of Repayment:
 - > The loan is repayable in 24 equal quarterly installments after a moratorium of 36 months after the Initial Drawdown Date.
 - > During the Financial year 2014-15, BGL made the repayment, as per the below table.

Date	Amount paid to Canara Bank (In Rs.)	Amount paid to Corporation Bank (In Rs.)
18-06-2014	2,86,00,000	1,71,52,000
05-09-2014	2,86,00,000	1,71,52,000
03-12-2014	2,86,00,000	1,71,52,000
03-03-2015	2,86,00,000	1,71,69,416

- iii) Particulars of Security:
 - > Under consortium agreement - Secured by first ranking pari-passu charge 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.

There has been no release of term loan during the year out of the above sanctioned facilities.

Installments due in next 12 months are shown under other current liabilities.



3.22 Unsecured Loans – Particulars of Bridge Loan availed from Promoters is as under;

Particulars	GAIL (India) Ltd	HPCL
1. Sanctioned Amount	90,00,00,000	90,00,00,000
2. Availed Amount	90,00,00,000	90,00,00,000
3. Repayment Principal	15,00,00,000	15,00,00,000
4. Repayment Schedule	The repayment of principal alongwith interest has been rescheduled by promoter companies in 5 equal monthly installments commencing from 31.08.2015 and ending with 31.12.2015 or upon receipt of sufficient proceeds from equity syndication, whichever is earlier.	
5. Rate of Interest	10% / 13%	10% / 13%
6. Outstanding Amount as on 31.03.2015 (Including Interest).	99,12,43,164	99,26,37,548

3.23 Trade Payable to SSI Unit

The Company does not owe any sum to Small Scale Industrial Unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951. Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Act. The auditors have relied upon the management representation in this regard.

The Company does not owe any sum to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the act). Based on the details regarding the status of the suppliers, to the extent obtained, no supplier is covered under the Act. The auditors have relied upon the management representation in this regard.

3.24 Prior Period Items:

Prior Period Items amounting to Rs.(-)8,54,017/- (PY 48,47,427) arrived at after setting off of previous year provisions.

3.25 Management has made an assessment on the impairment of assets and observed that there are no assets whose value got impaired.

3.26 During the year interest on term loan / bridge loan amounting to Rs. 5,09,03,619/- has been apportioned to Fixed Assets & Capital Work in Progress.

3.27 Figures have been rounded off to nearest rupee.



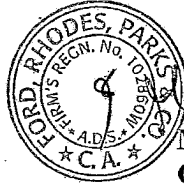
3.28 Previous year figures have been regrouped and / or rearranged wherever necessary to confirm with current year groupings.

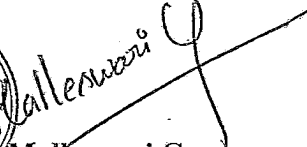
As per our report of even date

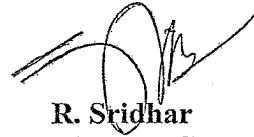
For FORD, RHODES, PARKS & CO., For and on behalf of the Board of Directors
Chartered Accountants,
Firm Registration No. 102860W



CA A.D. SHENOY
Partner
Membership No. 11549




Malleswari G.
Company Secretary



R. Sridhar
Director-Commercial
-cum- CFO

Place : MUMBAI
Date : MAY 13, 2015


A.K. Mittal
Managing Director

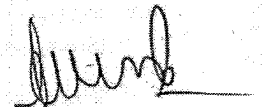

P. K. Joshi
Director

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF BHAGYANAGAR GAS LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of Bhagyanagar Gas Limited, Hyderabad for the year ended on 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 19 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Bhagyanagar Gas Limited, Hyderabad for the year ended on 31 March 2015. 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 Auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report.

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



(Arabinda Das)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Date : 17 July 2015

ATTENDANCE SLIP

Bhagyanagar Gas Limited

J.V of GAIL (INDIA) LIMITED & HPCL

Regd. Office: Parishram Bhavan, APIDC Building, Basheerbagh, Hyderabad - 500 004
CIN: U40200TG2003 PLC041566 Website:www.bglgas.com E-mail:corporatehq@bglgas.com
Phone :040-66566986;Fax:04066565081

Folio No/ Client Id: DP ID :

Name of the Shareholder (s) :

Registered address :

E-mail Id :

I hereby record my presence at the 12th Annual General Meeting of the company of Bhagyanagar Gas Limited at Parishram Bhavan, APIDC Building, Basheerbagh, Hyderabad - 500 004 on Thursday, 24thSeptember, 2015 at 11.30 A.M.

holder

Signature of Shareholder/Proxy

NOTES:

1. Member (s) present in person or through registered proxy shall only be entertained.
2. No gifts will be distributed at Annual General Meeting.

PROXY FORM

Bhagyanagar Gas Limited

J.V of GAIL (INDIA) LIMITED & HPCL

Regd. Office: Parishram Bhavan, APIDC Building, Basheerbagh, Hyderabad - 500 004
CIN: U40200TG2003 PLC041566 **Website:** www.bglgas.com **E-mail:** corporatehq@bglgas.com
Phone : 040-66566986; **Fax:** 040 66565081

Name of the Shareholder (s) :

Registered address :

E-mail Id :

Folio No/ Client Id: DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:
 Address:
 E-mail Id:
 Signature:....., or failing him
2. Name:
 Address:
 E-mail Id:
 Signature:....., or failing him
3. Name:
 Address:
 E-mail Id:
 Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the members of Bhagyanagar Gas Limited will be held on Thursday, 24th day of August, 2015 at 11.30 a.m. at registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

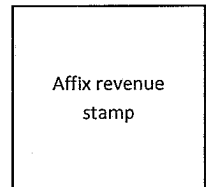
SN. No.	Matter of resolution	Vote	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the audited Financial Statements for the financial year ended 31 st March, 2015 and Report of Board of Directors' and Auditors' Report thereon		
2	To appoint a Director in place of Shri R. Sridhar (DIN 06749266) who retires by rotation, and being eligible, offers himself for re-appointment.		

3	To authorize Board of Directors of the Company to fix remuneration of Statutory Auditors for the FY 2015-16 the Statutory Auditor(s) to be appointed by Comptroller and Auditor General of India in terms of the provisions of Section 142 of the Companies Act, 2013.		
Special Business			
4	Appointment of Shri. Ashok Kumar Das, (DIN 07209092) as Director on the Board and liable to retire by rotation		
5	Appointment of Shri. Ashok Kumar Das, (DIN 07209092) as Managing Director on the Board.		
6	Appointment of Shri. P.A.B Raju (DIN: 07141438) as Director on the Board.		
7	Appointment of Shri. P.A.B Raju (DIN: 07141438) as an Independent Director under the provisions of Section 149 of the Companies Act, 2013		
8	Appointment of Shri. Anil Pande, (DIN 07259801) as Director		
9	Approval of Remuneration to Cost Auditors for financial year 2014- 15 and 2015-16		
10	Issue of shares on preferential basis to APIIC:-		

Signed this.....day of..... 2015

Signature of shareholder

Signature of Proxy holder(s)



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The proxy form should be signed across the stamp.
3. Appointing a proxy does not prevent a member from attending the meeting in person if so wishes.



Committed for cleaner Environment & Health