Bhagyanagar Gas Limited

A joint venture of

ANNUAL REPORT 2025-26

BRIGHTENING LIVES. SPREADING SMILES.

At Bhagyanagar Gas Limited (BGL), we power more than just industries and homes—we fuel progress. As we present our annual report, we reflect on our role as a catalyst for sustainable development, energizing lives while driving India's growth story forward.

Natural gas stands at the heart of our mission, offering a cleaner, more efficient pathway to meet the nation's rising energy demands. Through strategic infrastructure expansion, technological innovation, and unwavering commitment to sustainability, we are lighting the way for a future where energy security and environmental responsibility go hand in hand.

This report captures our milestones—from expanding our CNG and PNG networks to pioneering green initiatives—each step reinforcing our vision of Energy for Progress. Together with our stakeholders, we are not just delivering fuel; we are empowering communities, boosting economies, and building a brighter, more sustainable tomorrow.

Piped Natural Gas (PNG) is a clean, efficient, and reliable fuel supplied directly to homes, commercial establishments, and industries through a secure pipeline network.

PNG is primarily composed of methane and is delivered through underground pipelines, eliminating the need for gas cylinders. It is widely used as an alternative to conventional fuels such as LPG, diesel, furnace oil, and pet coke across different sectors.

Economical

Uninterrupted Supply

PNG is delivered through a dedicated pipeline network, ensuring 24/7 continuous availability. There is no need to worry about refills, stock shortages, or running out of fuel.

Convenience

No need to book LPG cylinders or wait for delivery. No storage space required at home or business. Continuous supply eliminates fuel handling hassles. For commercial and industrial users, PNG removes the need for fuel inventory management and storage logistics.

Economical

PNG is more cost-effective compared to LPG and other liquid fuels. Pay only for what you use. Flexible billing cycles (fortnightly / monthly / quarterly)

No upfront payment required. For businesses, this helps in reducing working capital requirements, while households benefit from deferred payments and better cost control.

Safety

Natural Gas is one of the safest fuels available. Lighter than air, it disperses quickly in case of leakage. Reduces risk of accumulation and fire hazards

Eco-Friendly Fuel

PNG is among the cleanest burning fuels. Produces minimal pollutants. Emits mainly carbon dioxide and water vapor. Helps improve air quality. It is a sustainable energy choice that supports a cleaner environment.

No Spillage or Pilferage

No risk of fuel loss or theft

No handling or transportation issues

Ensures efficient and controlled usage

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ABOUT US

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

Authorized by the Central Government, Bhagyanagar Gas Limited holds the responsibility for constructing, operating, and expanding city gas distribution projects in Hyderabad, Vijayawada, and Kakinada. Operational network comprising 31 online stations 109 daughter booster and daughter stations and 4 mother stations spanning in Hyderabad, Vijayawada and Kakinada.

Our unwavering commitment lies in creating the essential infrastructure to meet the increasing demand for gas among transport, domestic, industrial, and commercial customers within our operational areas. Furthermore, Bhagyanagar Gas Limited is dedicated to the paramount goal of preserving the environment. We strive to achieve this by reducing vehicular emissions and ensuring the convenient and safe availability of cost- effective fuel through our Piped Natural Gas system for Domestic, Commercial, and Industrial Consumers at their fingertips.

VISION

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

MISSION

To provide safe, convenient, reliable and timely gas supply to our customers in transport, domestic, commercial and industrial sectors.

To facilitate conversions of commercial and private vehicles to CNG through external agencies by:

- Making available the quality CNG kits and creating a network of workshops to undertake reliable and speedy conversion to CNG.
- Assist in technology development and use of eco-friendly appliances to small scale industries which are presently on conventional fuels.
- Promoting new technologies in Energy Sector to improve environment and reduce pollution.

CORPORATE INFORMATION

CSR Committee Members
Shri KV Sreenivas Raju, Chairman
Smt Jaishree Shyam Mardikar, Member
Shri Kaushik Mitra, Member

Company Secretary
Smt. Malleswari.G

Statutory Auditors
M/s A.Rama Chandra Rao & Co.,
Chartered Accountants

Internal Auditors
M/s Niranjan & Narayan.,
Chartered Accountants

Cost Auditors
M/s Ramarao & Co.,
Cost Accountants

Tax Auditors
M/s Dinkar & Co.,
Chartered Accountant

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

Bankers
ICICI Bank Limited

Registered Office:
M.NO.5-10-173, Fourth Floor,
Vasantha Chambers, Basheer Bagh,
Hyderabad - 500 004.
Tel: 040 – **23245083**/ Fax: 040 **66565081**
Website: **www.bglgas.com**
Email: **corporatehqo@bglgas.com**

Registrars & Share Transfer Agents:
K Fin Technologies Limited
(formerly known as KFin Technologies
Private Limited)
Karvy Selenium Tower B,
Plot No. 31& 32, Gachibowli,
Financial District, Nanakramguda
Serilingampally, Hyderabad - 500 032.

BOARD OF DIRECTORS


Shri Sanjay Kumar
Chairman


Shri Amit Garg
Director


Shri KV Sreenivas Raju
Managing Director


Shri Kaushik Mitra
Director Commercial cum CFO


Jaishree Shyam Mardikar
Director


Shri CV Mallinath
Director

Message from the CHAIRMAN

Dear Valued Shareholders,

As Bhagyanagar Gas Limited (BGL) steps into its 23rd year of operations, I am pleased to share with you a year marked by record performance, disciplined financial management, and continued resilience in the face of a challenging external environment. Our journey continues to align with India's vision of becoming a gas-based economy, and BGL remains committed to playing a meaningful role in this transition.

The year under review was marked by significant geopolitical and economic developments that reshaped the global energy landscape. Heightened trade protectionism, disruptions in global supply chains, volatility in LNG markets and geopolitical tensions in the Middle East posed fresh challenges for the energy sector. Despite these uncertainties, India's commitment towards building a gas-based economy remained unwavering. Continued policy support, expansion of the national gas grid, growth of City Gas Distribution (CGD) infrastructure and increasing adoption of cleaner fuels have reinforced the long-term growth prospects of the natural gas sector. Against this backdrop, BGL continued to strengthen its position as one of India's leading City Gas Distribution companies. Guided by operational excellence, prudent financial management and customer-centric growth, your Company delivered another year of resilient performance while expanding its footprint across multiple geographies. Several decisive steps were taken during the year to strengthen its revenue and profitability and BGL continued demonstrating its positive turnaround after several challenging years.

FY 2025-26 has been a landmark year for BGL. We recorded our highest-ever turnover of Rs 1035 crores during FY 2025-26 surpassing the previous highest figure of Rs. 781 crores achieved in FY 2024-25 This milestone reflects the sustained demand for our CNG and PNG offerings and the continued strengthening of our market presence.

During the year, BGL has continued to show rapid growth in infrastructure. Our total pipeline length has reached more than 2800 kms and the number of Industrial and Commercial customers has surpassed 570. As a result, we have seen a significant jump in our sales volume and revenue. Total gas sales for FY 2025-26 stood at 178.17 MMSCM, a strong 24% increase over the corresponding period of FY 2024-25 — one of the highest growth rates we have delivered in recent years. To support this momentum, we also commissioned 15 new CNG Stations during the year, adding approximately 35,000 kgs/day of average incremental sales capacity and further strengthening our CNG dispensing infrastructure across our geographical areas.

For the year ended 31st March 2026, the Company made another record by achieving its highest ever Profit After Tax (PAT) of Rs. 54.27 crores. The PAT was Rs 47.04 crores in the previous year.

At the same time, in line with the Ministry's continued push to expand Domestic PNG (DPNG) connectivity, BGL has started directing higher capital expenditure, funded through internal accruals, toward network expansion and increased Last Mile Connectivity jobs, a decision that will support our earnings base over the medium term. Further, your company has started gas supply to 10995 domestic households and 89 I&C customers during the period 01.03.2026 to 15.09.2026. (the period of Hormuz Crisis).

Our commitment to uninterrupted service was tested during the year when the Lanco-Mortha GAIL pipeline underwent a one-week shutdown. Through proactive planning and a temporary interconnection with PIL at Lanco, we ensured that gas supply to our customers remained uninterrupted throughout — a reflection of the operational agility and preparedness that BGL has built into its business.

Considering the Company's performance during the year, alongside the anticipated business growth and capital expenditure requirements ahead, the Board has proposed an interim dividend of Rs. 0.25 per share for FY 2025-26.

Growth should always go together with transparency, compliance and good governance. BGL is equally focused on this front and has also achieved the feat of NIL Report from the CAG auditors for FY 2025-26. The company has also successfully completed the 1st audited financial accounts in SAP S4 Hana which was an important step in strengthening its financial reporting processes. The introduction of e-file approvals has streamlined our decision-making processes, substantially reduced approval timelines, and improved transparency.

As India continues its transition toward a gas-based economy, we believe the City Gas Distribution sector remains well positioned to be at the forefront of this transformation. BGL's record volumes, disciplined cost management, and steady infrastructure expansion during FY 2025-26 give us confidence in the Company's ability to navigate near-term headwinds while continuing to build a larger, more resilient CGD enterprise. We remain focused on expanding our network responsibly, deepening our presence in the domestic, commercial, industrial, and transport segments, and delivering sustainable value to all our stakeholders.

I take this opportunity to express my sincere gratitude to the Ministry of Petroleum & Natural Gas, PNGRB, State Governments, Regulatory Authorities, and Local Administrations for their continued support and collaboration. My appreciation also goes out to our shareholders, customers, business partners, and employees, whose trust, resilience, and dedication have been instrumental in helping BGL navigate a demanding year and emerge stronger.

Together, we remain committed to building not just a successful business, but a cleaner, more sustainable energy future for the communities we serve.

With warm regards.

Sanjay Kumar
Chairman, BGL

Message from the
MANAGING DIRECTOR

Dear Valued Shareholders,

It is with great pride that I present Bhagyanagar Gas Limited's performance for FY 2025-26 — a year that tested our resilience even as it showcased the strength of our operating fundamentals. Against a backdrop of global energy market volatility, BGL delivered record volumes, disciplined financial management, and continued expansion of our clean energy footprint across Telangana and Andhra Pradesh.

Our Foundation and Vision

BGL was founded with a clear vision: to provide clean, safe, reliable, and eco-friendly energy to the people of Telangana and Andhra Pradesh. As we complete 23 years of operations, we remain a trusted name in City Gas Distribution — synonymous with innovation, sustainability, and service excellence, positively impacting lakhs of lives daily.

Record Performance and Volume Growth

FY 2025-26 has been a landmark year for BGL. We recorded the total turnover of Rs. 1035 crores in Financial Year 2025-26. This milestone reflects the sustained demand for our CNG and PNG offerings and the continued strengthening of our market presence.

Total gas sales for FY 2025-26 stood at 178.17 MMSCM, a strong 24% increase over the corresponding period of FY 2024-25 one of the highest growth rates we have delivered in recent years. To support this momentum, we commissioned

15 new CNG Stations during the year, adding approximately 35,000 kgs/day of average incremental sales capacity and further strengthening our CNG dispensing infrastructure across our geographical areas.

For the year ended 31st March 2026, the Company reported a Profit After Tax (PAT) of Rs. 54.27 crores, compared to Rs. 47.04 crores in the previous year. This moderation was primarily driven by external factors beyond our control- most notably, a reduction in low-cost APM Gas allocation by PPAC and the ongoing West Asia Crisis, which led to greater reliance on the highest-cost spot gas, impacting our gross margins and cash flows.

At the same time, in line with the Ministry's continued push to expand Domestic PNG (DPNG) connectivity, we are directing higher capital expenditure — funded through internal accruals — toward network expansion, a decision that will support our earnings base over the medium term.

Operational Resilience

Our commitment to uninterrupted supply was tested when the Lanco-Mortha GAIL pipeline underwent a one-week shutdown during the year. Through proactive planning and a temporary interconnection with PIL at Lanco, we ensured gas supply to our customers remained uninterrupted throughout the disruption — a demonstration of the operational agility and contingency planning that BGL has built into its business over the years.

Balancing Growth with Prudent Capital Allocation

Considering our performance during the year and the capital expenditure required to sustain growth — particularly in DPNG expansion — the Board has proposed an interim dividend of Rs. 0.25 per share for FY 2025-26, compared to Rs. 0.50 per share in the previous year. This reflects a deliberate and prudent choice to retain a greater share of internal accruals for network investment while navigating a period of heightened uncertainty in global gas markets.

Government Policy Support

The Government has continued to accord priority to the CGD sector in the Gas Utilization Policy. The mandate for CBG (Compressed Biogas) blending in the CNG and domestic PNG segments, effective FY 2025-26, is expected to further catalyse the development of CBG projects across the country. BGL continues to align its sourcing and infrastructure strategy with these evolving policy priorities to strengthen the long-term reliability and sustainability of our gas supply.

Strategic Priorities for the Future

Our roadmap remains anchored around five clear priorities: expanding our City Gas Distribution network into new regions, maximizing asset utilization through deeper penetration in existing areas, leveraging digital technologies for customer-centric service delivery, upholding the highest standards of safety, integrity, and transparency, and aligning our growth with India's energy security and net-zero goals.

Commitment to Sustainability

BGL remains steadfast in supporting India's transition to a gas-based economy. Every PNG connection replacing polluting fuels, every CNG station enabling cleaner transport, and every industrial switch to natural gas represents a step toward a cleaner, healthier, and more sustainable India.

Acknowledgments

I extend my deepest gratitude to our promoters GAIL and HPCL, the Ministry of Petroleum & Natural Gas, PNGRB, state governments, our Board of Directors, and all stakeholders for their unwavering support through a demanding year. Most importantly, I thank every member of the BGL family — our dedicated employees and their families — whose resilience and commitment made this performance possible.

Looking Forward

The record volumes, disciplined financial management, and operational resilience we demonstrated in FY 2025-26 give me great confidence in BGL's ability to navigate near-term headwinds while continuing to build a larger, stronger, and more sustainable enterprise. As the CGD sector continues to play a pivotal role in India's transition to a gas-based economy, BGL remains well positioned to serve a growing base of domestic, commercial, industrial, and transport customers across our authorized areas.

With collective effort, innovation, and determination, I am confident that Bhagyanagar Gas Limited will continue to scale new heights in the years ahead. Together, we will deliver energy solutions that are safe, sustainable, and affordable, while creating long-term value for all our stakeholders.

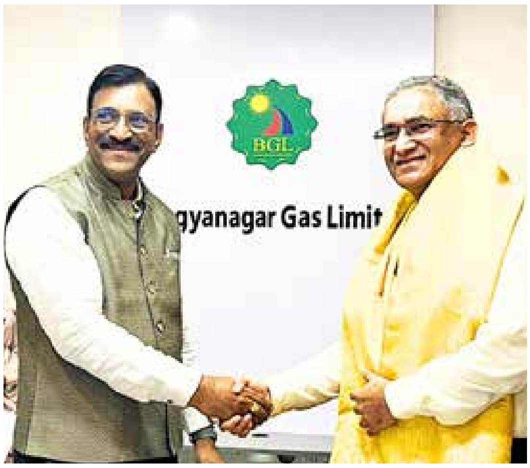
Thank you for your continued trust and support in our shared journey toward a cleaner, greener, and more prosperous future.

Warm regards,

KV Sreenivas Raju
Managing Director
Bhagyanagar Gas Limited


Shri R.K. Jain, GAIL - Director Finance visit to BGL

Shri Vikas Koushal, HPCL Chairman visit to BGL



Shri Deepak Gupta, GAIL Chairman visit to BGL

Smt. Rashmi Arun Sahani (IAS), Additional Chief Secretary, Madhya Pradesh,
Food, Civil Supplies & Consumer Protection Department visit to Shameerpet BGL office.

NOTICE

Notice is hereby given that the 23 rd Annual General Meeting (AGM) of the Members of Bhagyanagar Gas Limited will be held on Tuesday, 29 th September 2026 at 3.00 P.M.(IST) at the registered office of the Company situated at 4th floor, Vasanta Chambers, Basheer Bagh, Hyderabad-500 004 through Video Conferencing Mode (VC)/ Other Audio-Visual means (OAVM) to transact the following Businesses: -

ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2026, and the Reports of the Board of Directors' and Auditors' Report thereon, and to pass the following resolution as an **Ordinary Resolution:-**

   "**RESOLVED THAT** the Audited Audited Financial Statements for the financial year ended 31 st March 2026 and the report of the Board of Directors".

2. To confirm the payment of Interim Dividend @ Rs. 0.25/- per equity share on the paid-up equity share capital of the Company already paid at the end of March 2026, respectively, and to pass the following resolution as an **Ordinary Resolution:-**

   "**RESOLVED THAT** Interim Dividend @ Rs. 0.25 /- per equity share on the paid-up equity share capital of the Company, as approved by the Board and already paid at the end of March 2026, be and is hereby noted and confirmed".

3. To appoint a director in place of Shri. Amit Garg (DIN 08515246), who retires by rotation and being eligible, offers himself for re-appointment, and to pass the following resolution as an **Ordinary Resolution:-**

   "**RESOLVED THAT,** Shri. Amit Garg (DIN 08515246) who offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

4. To authorize the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company to be appointed by the Comptroller and Auditor General of India (CAG) for the financial year 2026-27, in terms of the provisions of Section 142 of the Companies Act, 2013 and to pass the following resolution as an **Ordinary Resolution:-**

   "**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller and Auditor General of India for the financial year 2026-27."

SPECIAL BUSINESS: -

5. Appointment of Smt Jaishree Shyam Mardikar (DIN-11550378) as Director on the Board:-

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

   "**RESOLVED THAT** in accordance with the provisions of Section 152,161 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") Smt Jaishree Shyam Mardikar (DIN -11550378) as Director who was appointed by the board of directors of the Company as an Additional Director w.e.f 6 th March 2026 and who holds office up to the date of this Annual General Meeting ("AGM") and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. Appointment, of Shri Venkata Mallinath Chavali (DIN 11218968) as Director on the Board: - To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

   "**RESOLVED THAT,** in accordance with the provisions of Section 152,161 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") Shri Venkata Mallinath Chavali (DIN:11218968) as Director who was appointed by the board of directors of the Company as an Additional Director w.e.f 29 th April 2026 and who holds office up to the date of this Annual General Meeting ("AGM") and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. Appointment of Shri Venkata Mallinath Chavali (DIN:11218968) as Managing Director w.e.f 29 th April 2026 to 4 th June 2026.

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197,198 and Schedule V and other applicable provisions if any of the Companies Act, 2013, consent of the Company be and is hereby accorded to the appointment of Shri Venkata Mallinath Chavali (DIN:11218968) as Managing Director w.e.f 29 th April 2026 to 4 th June 2026 on such terms and conditions as set out in the Explanatory Statement attached to this notice.

   RESOLVED FURTHER THAT to give 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."

8. Appointment of Shri Sanjay Kumar (DIN:08346704) as Director on the Board: -

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

   "RESOLVED THAT in accordance with the provisions of Section 152,161 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") Shri Sanjay Kumar (DIN:08346704) as Director who was appointed by the board of directors of the Company as an Additional Director w.e.f 21 st May 2026 and who holds office up to the date of this Annual General Meeting ("AGM") and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company."

9. Appointment of Shri K.V.Sreenivas Raju (DIN:10842042) as Director on the Board :-

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

   "RESOLVED THAT in accordance with the provisions of Section 152,161 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), Shri K.V.Sreenivas Raju (DIN:10842042) who was appointed by the board of directors of the Company as an Additional Director w.e.f 21 st May 2026 and who holds office up to the date of this Annual General Meeting ("AGM") and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation."

10. Appointment of Shri K.V.Sreenivas Raju (DIN:10842042) as Managing Director on the Board :-

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

    "RESOLVED THAT pursuant to the provisions of Sections 196, 197,198, and Schedule V and other applicable provisions if any of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the appointment of Shri K.V.Sreenivas Raju (DIN 10842042) as Managing Director for a period of three years w.e.f. 5 th June 2026 to 26 th June 2028 or superannuation, whichever is earlier on such terms and conditions as set out in the Explanatory Statement attached to this notice.

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

11. Approval for payment of Remuneration to Cost Auditor for the F.Y's 2026-27:-

    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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s

SAI KRISHNA & ASSOCIATES, PAN:ADLFS7378H was appointed as Cost Auditors of the Company for the year 2026-27 and the remuneration payable to the Cost Auditor(s) by the Board of Directors of the Company to conduct the audit of the cost records of the Company amounting to Rs. 59,000 per year (Including GST & XBRL Conversion charges) be and is hereby approved"

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

By order of the Board
(Bhagyanagar Gas Limited)

Sd/-
Malleswari G
Company Secretary
Membership No: FCS 6574

Place: Hyderabad
Date : 04-09-2026

Registered Office
4 th Floor, Vasantha Chambers,
Basheer Bagh,
Hyderabad -500 004

NOTES

The following is annexed with the Notice:-

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto. Details of Directors whose appointment is proposed pursuant to the Secretarial Standards on General Meeting (SS-2) is also provided.

2. The Ministry of Corporate Affairs ("MCA") has vide its circular dated December 28, 2022 read with circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, the Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

   The Ministry of Corporate Affairs ("MCA") has vide its circular no 09/2023 dated 25th September 2023 read with circular dated December 28, 2022 and Circular No 14/2020 dated April 08, 2020 and April 13, 2020 General Circular No.03/2022 dated 5 th May 2022, General Circular No. 11/2022 and December 28, 2022 (collectively referred to as "MCA Circulars") permitted the holding of the AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

3. Since the AGM is being held through VC/OAVM, without physical attendance of Members, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. In compliance with the aforesaid MCA Circulars dated January 05, 2023 and October 7th, 2023, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / National Securities Depositories Limited (NSDL) ("Depositories"). Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website at www.bglgas.com.

5. Corporate members are required to send to the Company, a certified copy of the Board Resolution/ Authorised nomination Letter pursuant to section 113 of the Companies Act 2013, through e-mail at malleswari@bglgas.com or by post addressing to Company Secretary.

6. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Company or its RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

7. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act , 2013.

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

Item no.3 of the Notice:- Shri Amit Garg (DIN:08515246) information about the appointee:-

Qualifications	Postgraduate in Electronics & Master's In Business Management
Experience	38 Years.
Date of First Appointment in BGL	7th May 2023
Relationship with Other Key Managerial Personnel (KMPs) and Directors	No relationship with other Key Managerial Personnel (KMPs) and Directors
Shareholding in the Company (BGL)	Nil
Other Director ship in other Companies	-Hindustan Petroleum Corporation Limited -HPCL Rajasthan Refinery Limited -HPCL LNG limited -HPCL Renewable & Green Energy Limited
No.of meetings of the Board attended from 01-04-2025 to 31-03-2026.	13

Item no.5 of the Notice Smt. Jaishree Shyam Mardikar (DIN:11550378) information about the appointee:-

Qualifications	An engineering graduate in Electronics & Communication from NIT Bhopal, and a Certified Project Management professional from i2p2m(USA) and S P Jain Institute of Management.
Experience	29 Years.
Date of First Appointment in BGL	6th March 2026
Relationship with Other Key Managerial Personnel (KMPs) and Directors	No relationship with other Key Managerial Personnel (KMPs) and Directors
Shareholding in the Company (BGL)	Nil
Other Director ship in other Companies	Nil
No.of meetings of the Board attended from 01-04-2025 to 31-03-2026 after the date of her appointment.	one

Item no.6 and 7 of the Notice Shri Venkata Mallinath Chavali (DIN: 11218968) information about the appointee:-

Qualifications	Mechanical Engineering graduate with an Executive Master's in Business Administration.
Experience	34 Years.
Date of First Appointment in BGL	29th April 2026
Relationship with Other Key Managerial Personnel (KMPs) and Directors	No relationship with other Key Managerial Personnel (KMPs) and Directors
Shareholding in the Company (BGL)	Nil
Other Director ship in other Companies	Director on the Board of IHB Limited.
No.of meetings of the Board attended from 01-04-2025 to 31-03-2026 after the date of his appointment.	Nil

Item no. 8 of the Notice Shri Sanjay Kumar (DIN:08346704) information about the appointee:-

Qualifications	Mechanical Engineering graduate from the Indian Institute of Technology (IIT) Kharagpur and also holds an MBA degree.
Experience	38 Years.
Date of First Appointment in BGL	21st May 2026
Relationship with Other Key Managerial Personnel (KMPs) and Directors	No relationship with other Key Managerial Personnel (KMPs) and Directors
Shareholding in the Company (BGL)	Nil
Other Director ship in other Companies	GAIL India Limited-Director Marketing GAIL Global (Singapore) Pte. Limited- Chairman Bengal Gas Company Limited- Chairman GAIL Gas Limited -Directo Konkan LNG Limited- Chairman Indraprasta Gas Limited -Director
No.of meetings of the Board attended from 01-04-2025 to 31-03-2026 after the date of his appointment.	Nil

Item no. 9 and 10 of the Notice Shri K V Sreenivas Raju (DIN:10842042) information about the appointee:-

Qualifications	**Civil Engineer from Andhra University and winner of prestigious Dean's 5 Award (EMBA), SP Jain Institute of Management and Research (2005).**
Experience	36 Years.
Date of First Appointment in BGL	26-06-2025
Relationship with Other Key Managerial Personnel (KMPs) and Directors	No relationship with other Key Managerial Personnel (KMPs) and Directors
Shareholding in the Company (BGL)	Nil
Other Director ship in other Companies	Nil
No.of meetings of the Board attended from 01-04-2025 to 31-03-2026 after the date of his appointment.	9

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Smt. Jaishree Shyam Mardikar (DIN: 11550378) was appointed as an additional Director by the Board of Directors w.e.f 6th March 2026 in accordance with the provisions of Section 161 of the Companies Act, 2013 and holds office up to the date of the ensuing Annual General Meeting.

The Company has received a request from the shareholder proposing the appointment of Smt. Jaishree Shyam Mardikar (DIN:11550378) for the office of Director.

Smt. Jaishree Shyam Mardikar is a distinguished Oil & Gas professional with over 28 years of rich and diverse experience in leading strategic, infrastructure, and transformation initiatives across various business functions of GAIL encompassing Projects, Operation & Maintenance, Gailtel and Corporate Strategy. She has been closely associated with Senior leadership of GAIL in driving projects and initiatives of strategic importance.

She has played a pivotal role in the execution and governance of large-scale, high-capex natural gas pipeline projects, steering assets from conceptualization through commissioning. Her contributions have been instrumental in execution of National Gas Grid projects of GAIL, enabling energy accessibility, regional connectivity, and long-term infrastructure resilience aligned with national energy priorities. Her core strengths include enterprise project governance, multi-stakeholder coordination, statutory and inter-agency alignment, risk and exception management, and outcome-driven monitoring frameworks—ensuring timely delivery, cost optimization, and operational sustainability of critical infrastructure projects.

Smt. Jaishree Shyam Mardikar has been at the forefront of organizational transformation initiatives. She has been Instrumental in driving Profit Maximization exercises in GAIL. Involved in formulating strategy for driving profit maximisation through process improvement and Operational efficiency. Played a significant role in driving Digitalization exercise in GAIL, leading to cost savings and driving digital enablement Projects.

Smt. Jaishree Shyam Mardikar has extensive experience in working with multidisciplinary, diverse, and cross-functional teams, and is known for her collaborative governance approach, strategic clarity, and execution rigor.

Smt. Jaishree Shyam Mardikar is an engineering graduate in Electronics & Communication from NIT Bhopal, and a Certified Project Management professional from i2p2m(USA) and S P Jain Institute of Management, she combines deep techno-commercial acumen with strategic execution capability—making her a transformative leader in infrastructure development and business modernization.

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

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

ITEM NO 6 & 7

The Board of Directors has appointed Shri Venkata Mallinath Chavali (DIN 11218968) as an Additional Director and Managing Director w.e.f 29th April 2026 to 4th June 2026 (till resumption of Office by Shri K.V.Sreenivas Raju, after his leave) and from 5th June 2026 onwards, he was redesignated as Director and holds office up to the date of the ensuing Annual General Meeting.

The Company has received a request from the shareholder proposing the appointment of Shri Venkata Mallinath Chavali (DIN 11218968)for the office of Director.

The Board of Directors agreed to pay him remuneration as per the terms of his appointment by HPCL.

Shri Venkata Mallinath Chavali, Executive Director, Special Projects (Marketing) & Brand Management, M/s Hindustan Petroleum Corporation Limited, is a Mechanical Engineering graduate with an Executive

Master's in Business Administration. With over 33 years of experience, he has handled key assignments in Marketing, Operations, Business process re-engineering, Retail sales, Retail strategy, Corporate strategy & planning and Digital Initiatives (Marketing).

Shri Venkata Mallinath Chavali was instrumental in conceptualizing and implementing key corporate initiatives centered around strategy and optimization for strategic growth, driving digital solutions leveraging technology for data-driven decision-making, smart operations, mobility solutions and deliver customer-centric solutions with impactful outcomes and sustainable growth.

None of the Directors, Key Managerial Personnel, and/or their relatives, is/are interested or concerned, financially or otherwise, in item no 6 and 7

Accordingly, the Board of Directors recommends the resolution set out in Item no. 6 and 7 for your approval.

The Board of Directors recommends the resolution for approval of shareholders as a Special Resolution.

ITEM NO:8

Shri Sanjay Kumar (DIN:08346704) was appointed as an Additional Director and Chairman w.e.f 21st May 2026 by the Board of Directors in accordance with the provisions of Section 161 of the Companies Act 2013 and AOA of the Company.

The Company has received a request from the shareholder proposing the appointment of Shri Sanjay Kumar (DIN:08346704) for the office of Director.

Shri Sanjay Kumar is a Mechanical Engineering graduate from the Indian Institute of Technology (IIT) Kharagpur and also holds an MBA degree. He possesses 38 years of rich and diverse experience in the hydrocarbon and energy sector.

Since joining GAIL in 1988, Shri Kumar has overseen several key business verticals including Gas Marketing, LNG Sourcing, Trading & Shipping, Petrochemical and Liquid Hydrocarbon (LHC) Marketing, PTA Marketing, Paraxylene Sourcing, City Gas Distribution (CGD), Business Development, Gas Transmission, Project Management, and Pipeline Operations & Maintenance. His extensive cross-functional exposure has enabled him to develop deep strategic and operational insight across the entire natural gas, LNG and downstream hydrocarbon value chain.

Shri Kumar played a pivotal role in establishing and developing GAIL Global (Singapore) Pte. Ltd., GAIL's overseas LNG trading subsidiary, into a globally recognized LNG trading entity. He was closely associated with expanding GAIL's international LNG footprint and strengthening its presence in global energy markets. Prior to assuming charge as Director (Marketing), GAIL, Shri Kumar served as Managing Director of Indraprastha Gas Limited (IGL), India's leading City Gas Distribution company. During his tenure, IGL further strengthened its position in clean mobility and expanded its PNG and CNG infrastructure across the National Capital Region.

With his extensive experience in natural gas marketing, LNG portfolio management, international trading, CGD business and energy transition initiatives, Shri Sanjay Kumar continues to contribute significantly towards strengthening GAIL's leadership position in India's evolving energy landscape and advancing the nation's vision for a gas-based economy.

No other Directors, Key Managerial Personnel, or their relatives are concerned or interested in the Resolutions mentioned in Item No. 8 of the Notice.

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

ITEM NO 9 & 10

The Board of Directors has appointed Shri K.V. Sreenivas Raju (DIN: 10842042) as an Additional Director w.e.f 21st May 2026 and, from 5th June 2026 onwards, redesignated as Managing Director and the Company has received a request from the shareholder proposing the appointment of Shri K.V.Sreenivas Raju (DIN: 10842042) for the office of Director.

1. Shri K.V. Sreenivas Raju is a Civil Engineer from Andhra University and winner of prestigious Dean's 5 Award (EMBA), SP Jain Institute of Management and Research (2005). He is a results-oriented professional with over 32 years of experience at Hindustan Petroleum Corporation Limited (HPCL), with a strong track record in project execution, team leadership, with strategic vision and business development. Proven ability to manage complex projects, build high-performing teams, and achieve exceptional results.

2. He has a strong experience in Project & Pipeline

Department (1991-2020) of HPCL wherein he Led teams in the successful execution of numerous critical infrastructure projects, including the GMR Vasavi Power Plant LSHS Project, Silvasa Lube Building Plant, New white Oil and Black Oil terminals at Vizag and various other terminals across India including Kanpur terminal. The unique Projects executed also include a small Subsea pipeline at Vizag- 6m below the seabed.

3. In 2020, he was assigned Natural Gas Department, where he played a key role in establishing HPCL's CGD business, overseeing project development and operations, and ensuring positive cash flow from the 3rd year of the project.

4. His Key Achievements includes:-
   - Successfully delivered some of HPCL's most modern and sophisticated infrastructure projects.
   - Instrumental in setting up HPCL's City Gas Distribution (CGD) business.
   - Recognized for exceptional leadership and mentorship and was awarded prestigious "HP Icon" in the program's first edition (2010).
   - He participated in prestigious HR development programs i.e, Periscope, Akshay, wherein only a select few are given the opportunity to learn to become leaders.

The terms and conditions of the appointment of Shri K.V.Sreenivas Raju (DIN 10842042), who is on deputation to BGL are as under: -

Period

The appointment period is 5th June 2026 to 26th June 2028 / superannuation, whichever is earlier

Salary

Basic Pay, D.A., Professional updation allowance, LTC, and other allowances and Annual Increment as per rules of HPCL.

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

1	PF Contribution	Contribution to Provident Fund, Superannuation Benefits as per the Rules of HPCL.
2	Gratuity	Gratuity as per the applicable rules of HPCL.
3	Conveyance	Car with driver at the place of posting, presently in Hyderabad given by BGL (if opted), cannot claim Driver Salary and Re-imbursement of Vehicle Operating expenses etc.,
4	Business expenses	Reimbursement of travelling expenses incurred for the business of the Company as per applicable rules of HPCL.
5	Leave	Leave as per the Rules of HPCL
6	Other allowances, benefits and perquisites	Other allowances, benefits and perquisites etc.as per the Rules of HPCL.

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

However, as per Section 197(3) of the Companies Act,2013 if any financial year the company has no profits or its profits are in adequate, Managerial Remuneration payable to Managing Director and Whole-Time Director and its manager shall be as per the limits specified in Section II of Part II of Schedule V of the Companies Act, 2013.

Shri K.V.Sreenivas Raju is interested in the resolutions mentioned at Item No. 9 & 10 of the Notice to the extent of his appointment as Director.

Other than Shri K.V.Sreenivas Raju , no other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolutions mentioned in Item No 9 & 10 of the Notice.

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

ITEM NO. 11

The Board has approved the appointment and remuneration of M/s. SAI KRISHNA &ASSOCIATES.,

Practicing Cost Accountants, PAN: ADLFS7378H , Hyderabad, to conduct the audit of the cost records of the Company for the financial year 2026-27.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors must be ratified by the shareholders of the Company.

Accordingly, the members are requested to ratify the remuneration as approved by the Board to the Cost Auditors for FY 2026-27.

None of the Directors, Key Managerial Personnel, and/or their relatives, is/are interested or concerned, financially or otherwise, in item no. 11.

Accordingly, the Board of Directors recommends the resolution set out in Item No. 11 for your approval.

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

By order of the Board
(Bhagyanagar Gas Limited)

Sd/-
Malleswari. G
Company Secretary
Membership No: FCS 6574

Place: Hyderabad
Date : 4th September 2026

Registered Office
4th Floor,Vasantha Chambers,
Basheer Bagh, Hyderabad -500 004

BGL EXCELLENCE AWARDS 2025-26









CNG STATION INAGURATION AT KAVADIGUDA, HYDERABAD

Directors' Report

To

The Shareholders of Bhagyanagar Gas Limited

Your directors are happy to present the 23rd Annual Report along with the Audited Accounts of the Company for the year ended 31st March 2026, together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

PERFORMANCE DURING THE YEAR

A. During the year, segment-wise sales turnover was as follows, which shows a remarkable growth of 32.5% on an overall basis from the previous year: -

(Rs.in Lakhs)

Product	For the year	
	2024-25	2025-26
Compressed Natural Gas (CNG)	57,521.62	83,067.41
Piped Natural Gas (PNG)	20,571.10	20,416.67
Total	**78,092.72**	**1,03,484.08**

B. The Company's financials are summarised below, which also shows an improvement despite the cost of natural gas going up during the current year: -

(Rs. In Lakhs)

Particulars	For the year	
	2024-25	2025-26
Revenue from Operations	78092.72	103484.08
Other Income	547.50	1429.97
Total Revenue	78640.22	104914.05
Cost of materials consumed/purchases/other expenses	62319.78	87642.80
Employee benefit expenses	957.67	1135.93
Earnings Before Depreciation, Interest and Tax	15362.77	16135.32
Depreciation	4592.90	5300.76
Finance Cost	4226.26	3502.49
Profit before tax	6543.61	7332.07
Current Tax	1143.30	1457.20
Deferred Tax	695.61	447.83
Net Profit for the year after Tax	**4704.70**	**5427.04**

BUSINESS REVIEW

Your Company continued to strengthen its presence across all business segments by expanding its infrastructure and enhancing operational efficiency. Your Company witnessed sustained growth in CNG sales, which showed a 44% increase in the turnover as compared to the previous year. This robust performance was particularly visible in the Hyderabad Geographical Area (GA), driven by network expansion, increased compression capacity, and improved asset utilization.

To cater to the growing demand, the Company optimised the utilisation of spare compression capacity available at online CNG stations for filling Light Commercial Vehicles (LCV's) - Cascades & acting as satellite mother stations, thereby improving asset utilisation and operational efficiency.

Your Company also continued to leverage compression arrangements with other City Gas Distribution (CGD) entities, enabling the Company to reduce dead mileage, improve LCV fleet utilization, and ensure uninterrupted supply to distant offline stations. Going forward, your Company plans to extend pipeline connectivity to the Katedan and Financial District areas, facilitating the conversion of approximately five offline CNG stations into online stations. This infrastructure expansion is expected to strengthen BGL's presence across the Domestic PNG, Commercial PNG, Industrial PNG, and CNG segments while enhancing customer convenience and operational reliability.

To increase PNG penetration, BGL intends to target consumers presently using LPG reticulated systems and convert them to PNG connections. Simultaneously, Your Company continues to focus on emerging urban growth corridors across its operating areas to drive volume growth across all business segments. BGL plans to commission 25 new CNG stations in the current year to support the increasing demand for cleaner transportation fuels.

As part of its commitment towards sustainable energy, the Company strengthened its renewable gas portfolio during FY 2025-26 by executing 8 Tripartite Agreements (TPAs) under the CBG-CGD Synchronization Scheme across its three Geographical Areas. The TPAs, executed among Bhagyanagar Gas Limited (CGD Entity), the respective CBG producers, and GAIL

(India) Limited as the aggregator, aggregate to a contracted CBG supply of approximately 85 (TPD). This initiative will facilitate the phased integration of Compressed Biogas (CBG) into the Company's CGD network, supporting the Government of India's clean energy objectives while enhancing the sustainability and diversification of BGL's gas portfolio.

The Company remains actively engaged with the Governments of Telangana and Andhra Pradesh to promote the adoption of cleaner fuels by industries through appropriate policy incentives. BGL is committed to expanding its gas distribution infrastructure across all three Geographical Areas to meet the increasing demand for natural gas arising from economic growth and industrial development.

PNG, DOMESTIC CONNECTIONS

Your Company is committed towards ensuring a cleaner, safer and greener environment in its allocated GA's:

Description	GA	LMC Numbers	
		2024-25	2025-26
PNG Connections-Domestic	Hyderabad	2,15,698	2,41,278
	Vijayawada	59,977	66,838
	Kakinada	66,322	68,929
Total		3,41,997	3,77,045

PNG, I &C CUSTOMERS

During the year, your company's cumulative Commercial PNG connections increased from 415 to 473, while cumulative Industrial PNG connections increased from 97 to 104, demonstrating steady growth across the C&I segment.

Description	Cumulative Commercial Connections	
	2024-25	2025-26
Cumulative Commercial Connections	415	473
Cumulative Industrial Connections	97	104

CNG STATIONS

Continuing the journey, the acceptance of CNG as a fuel has been increasing across all GA's. The main driver for this growth has been the economic advantage over other competitive fuels. Augmentation of existing CNG stations by converting one (1) DBS to an online station, five (5) DS to DBS, and adding eight (8) new stations to improve the CNG Sales volume, which has led to enhance the CNG volume.

Description	GA	Cumulative Numbers	
		2024-25	2025-26
CNG, Stations	Hyderabad	93	98
	Vijayawada	33	33
	Kakinada	13	13
	Total	139	144

PIPELINE LENGTH (STEEL & MDPE)

Your Company has increased its pipeline network (Steel and MDPE) from 2760 kms to 2815 kms in the cities of its operation to connect more areas for increasing the supplies across all business segments.

Steel & MDPE laid till 31st March 2026			
Geographical Area	Steel in Km.	MDPE in Km.	Total (Including Steel & MDPE)
Hyderabad	101.66	999.97	1101.63
Vijayawada	52.74	529.99	582.73
Kakinada	46.17	1084.96	1131.13
Total	200.56	2614.92	2815.49

SHARE CAPITAL

The Authorised Share Capital of the Company as on 31st March 2026 and as on Board Report date is Rs. 120 Crores, consisting of 12,00,00,000 equity shares of face value of Rs.10/-each and the paid-up share capital of the Company as on the Board Report approval date is Rs.107,44,50,650/-

DIVIDEND

The Board of Directors had approved payment of Interim Dividend during the financial year 2025-26 @ 0.25 paisa per share of face value of Rs. 10/- each out of the profits of the Company for the Financial Year 2025-26 and was paid to those members whose names appeared in the Register of Members as on the record Date.

TRANSFER TO RESERVES

During the year under review, no amount was transferred to any of the reserves by the Company. The closing balance of the Retained Earnings of the Company after appropriation for the financial year 2025-26 was 274.85 Crore.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

Your company prioritises the establishment of a robust vigil mechanism to ensure adherence to the company's Code of Conduct and related policies. Your Company has a Whistleblower Policy. This Policy allows individuals to report unethical practices and irregularities without fear of reprisal. The Whistle Blower Policy is periodically reviewed and revised, if necessary, to align with regulatory requirements and changing workplace needs. This ensures that the Policy remains effective and relevant over time. The Vigil Mechanism fosters a culture of trust and transparency among all stakeholders, encouraging open communication and accountability. All reported incidents are investigated, and suitable action is taken in line with the Whistleblower Policy. This ensures that reported concerns are addressed effectively and responsibly. The Whistle Blower Policy has been appropriately communicated within the Company and is available on the Company's website at https://www.bglgas.com. This ensures that all stakeholders are aware of the Policy and know how to access it for reference or reporting purposes.

BORROWING & DEBT SERVICING

Your Company had availed a term loan of Rs. 400 Crores from ICICI Bank in 2017 for the Phase I project expansion, which has been fully utilized. Subsequently, the Company also availed a term loan of Rs. 185 Crores (originally sanctioned for Rs. 250 Crores) from ICICI Bank for the Phase II project expansion in 2020. The Company has non-fund-based working capital limits of Rs. 165 Crores from ICICI Bank and Rs. 45 Crores from IndusInd Bank towards LC/BG requirements. As on date, the Company has repaid Rs. 162.51 Crores towards the Phase I term loan and Rs. 18.50 Crores towards the Phase II term loan. During the year the company had negotiated the interest rate on the long-term outstanding loan with the existing banker and brought it down to RBI Repo+225 basis points (7.5% as on 31.03.26), which had resulted in substantial savings in interest outgo.

CREDIT RATING

Your company had availed its domestic credit rating from M/s Care Ratings, and the rating assigned to the long-term bank facilities continued to be AA- with Stable outlook.

LEGAL ENTITY IDENTIFIER NUMBER

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

REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments which could affect the Company's financial position between the end of the financial year of the Company and the date of this report. Your company has commenced the repayment of the long-term loan taken from ICICI Bank during the year. There has been no change in the business of the Company.

ACCEPTANCE, OF, DEPOSITS

Your Company has not accepted any deposit from the public during the FY 2025-26, which is covered under Chapter V of the Companies Act, 2013.

DIFFERENTIAL VOTING RIGHTS

Your Company did not issue shares with differential rights.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT

During the year under review, there were no significant and/or material orders passed by any Regulator/ Court/

Tribunals which could impact the going concern status of your Company and its operations in the future.

PARTICULARS, OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS, AND SECURITIES

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

INSOLVENCY AND BANKRUPTCY CODE 2016

No application has been made under the Insolvency and Bankruptcy Code, hence the requirement to disclose the details of the application made or any proceedings pending under the Insolvency and Bankruptcy Code 2016 (31 of 2016) during the year along with their status as the end of the financial year, is not applicable.

BOARD MEETINGS

According to the provisions of Section 173 of the Companies Act, 2013 and rules made thereunder, during the financial year (01-04-2025 to 31-03-2026) 2025-26, the Board of Directors met 13 (Thirteen Times):-

Name of the Director	Executive/Non-Executive/ Independent	No. of Meetings Held in their period	No. of Meetings Attended
Shri. Amit Garg	Chairman & Non-Executive Director	13	13
Shri. Ram Mohan Rao Karnati #	Executive Director designated as Managing Director	4	4
Smt. Danuta Yeleswarapu @	Executive Director designated as Director Commercial cum CFO	4	4
Shri K V Sreenivas Raju #	Executive Director designated as Managing Director	9	9
Shri Kaushik Mitra	Executive Director designated as Director Commercial cum CFO	9	9
Shri. A.K.Purwar	Non-Executive Director	12	12
Smt. Jaishree Shyam Mardikar	Non-Executive Director	1	1

With effect from 26th June 2025, Shri Ram Mohan Rao Karnati, ceased as Managing Director due to superannuation and in his place Shri K.V.Sreenivasa Raju, appointed as Managing Director.

@ With effect from 21st June 2025, Smt. Danuta Yeleswarapu ceased to be Director Commercial cum CFO due to repatriation to the parent organisation, and in her place, Shri Kaushik Mitra has been appointed as Director Commercial cum CFO.

Note: With effect from 21st May 2026, Shri Sanjay Kumar was appointed as Chairman and Shri Amit Garg was redesignated as Director and Shri Venkata Mallinath Chavali was appointed as an Additional Director.

AUDIT COMMITTEE AND NOMINATION & REMUNERATION COMMITTEE

As per the Ministry of Corporate Affairs, vide notification number GSR 839(E) dated July 5th, 2017, interalia amending Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, an unlisted public company, which is Joint Venture Companies, is not compulsorily required to appoint an Independent Director. In view of the above, after the completion of the term of the existing Independent Director, the New Independent Director was not appointed, and the Audit Committee and NRC were discontinued in the 137th Board Meeting held on 29th June 2023.

MANAGERIAL REMUNERATION

Managing Director is nominated by GAIL (India)

Limited (1st April 2025 to 25th June 2025) and nominated by Hindustan Petroleum Corporation Ltd (w.e.f 26th June 2025 to 31st March 2026), and the terms and conditions of their appointment, including remuneration, are advised by their parent organisations, and these limits are not exceeding as per the Companies Act, 2013.

Director Commercial is nominated by HPCL (1st April 2025 to 20th June 2025) and nominated by GAIL (India) Limited (w.e.f. 21st June 2025 to 31st March 2026), and the terms and conditions of their appointment, including remuneration, are advised by their parent organisations, and these limits are not exceeding as per the Companies Act, 2013.

AUDITORS:-

STATUTORY AUDITORS

The Statutory Auditors of your company are appointed by the Comptroller & Auditor General of India (CAG). Accordingly, M/s. A.RAMA CHANDRA RAO & CO., Chartered Accountants, were appointed as the Statutory Auditors of your Company for the financial year 2025-2026.

The Auditors' Report of your Company's Annual Accounts for the financial year ending 31st March 2026 is enclosed with the financial statements in this annual report, which is self-explanatory in nature and does not contain any qualification or reservation.

SECRETARIAL AUDITORS

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Nekkanti S.R.V.V.S Narayana & Co, Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2025-26.

The Secretarial Audit Report for the Financial Year under review, issued by them in Form MR-3 is enclosed herewith as Annexure 2 to this report. The Secretarial Audit Report is self-explanatory in nature and does not contain any qualification, reservation, or adverse remark.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/ Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors appointed M/s. Ramarao & Co., Cost & Management Accountants (Firm Registration Number 003203) Hyderabad, as the Cost Auditors of the Company for the financial year 2025-26.

COST RECORDS

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

INTERNAL AUDITORS

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Notifications/ Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors appointed M/s Niranjan & Narayan., Chartered Accountants, Hyderabad as Internal Auditors & IFC Auditors of the Company for the financial year 2025-26.

INTERNAL FINANCIAL CONTROLS

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

As part of this exercise, the design of internal controls, and its operating effectiveness is tested by independent professionals, M/s Niranjan & Narayan., Chartered Accountants. Based on the review carried out, independent professionals have confirmed that they are satisfied with the effectiveness and adequacy of Internal Controls over Financial Reporting.

INFORMATION TECHNOLOGY / AUTOMATION

1. **e-File Management System (e-FMS).**

   The **e-File Management System (e-FMS)** is an in-house developed web-based application designed to digitize and automate the complete office file movement and approval process across the organization. The system eliminates the traditional paper-based file handling process by providing a secure, transparent, and efficient electronic workflow.

Employees can initiate electronic files, attach supporting documents, define approval workflows, and forward files to the appropriate authorities based on the organisation's approval hierarchy. Each movement of the file is recorded automatically, providing a complete audit trail with date, time, and user details.

2. Pushpak – Tour Request & Claim Management System.

Pushpak is an integrated web-based Tour Request and Tour Claim Management System developed to automate the complete employee tour approval and reimbursement process in accordance with the organization's HR policies.

Employees can submit tour requests for official visits, training programs, inspections, meetings, or any other business-related travel. The request is routed through the predefined approval hierarchy. Upon approval, the employee proceeds with the official tour.

After completion of the tour, employees can submit their travel reimbursement claims in the system itself. The claim is then verified and processed by the concerned authorities as per HR policies.

3. C&I Meter Reading Mobile Application.

The Commercial & Industrial (C&I) Meter Reading Mobile Application is a cross-platform mobile application developed for both Android and iOS devices. The application enables Commercial and Industrial customers to submit their daily gas meter readings directly through their smartphones.

Customers can securely log into the application and upload their meter readings once per day. The application validates entries to ensure that only one reading can be submitted per customer each day. The submitted data is instantly available to the organisation's backend system for billing, monitoring, and consumption analysis.

4. Project & O&M Department Customer Support Tracking System.

The Project & Operations & Maintenance (O&M) Customer Support Tracking System is an in-house application developed to manage and monitor customer complaints and field service activities efficiently.

Customers can register complaints related to gas connections, pipeline issues, meter problems, maintenance requests, or other service-related concerns. The complaints are assigned to the respective engineers or field staff based on the service location and complaint category.

After visiting the customer's premises, the assigned engineer updates the work details, service status, observations, materials used, and completion remarks directly into the system. The application tracks the entire lifecycle of each complaint from registration to closure, ensuring transparency and timely resolution.

5. Corporate Website Revamp

Successfully revamped the Corporate Website in-house and migrated it to a Company-owned cloud hosting platform, improving performance, security, availability, and reducing dependency on external service providers.

HUMAN RESOURCES

The Human Resources function at BGL continues to be one of the strongest pillars in sustaining our organisational culture and driving excellence across the enterprise. More than a support function, HR serves as a strategic partner in aligning workforce strategies with business objectives, ensuring seamless integration of employee aspirations with the Company's long-term vision.

Key Highlights of FY 2025–26

- Workforce Expansion:
  Recruitment across multiple levels continued to strengthen the BGL workforce, ensuring the availability of skilled talent to support the Company's growing business operations and future expansion plans.

- Enhanced Welfare Benefits:
  Introduced a Group Term Life Insurance (GTLI) policy providing coverage for natural death, reinforcing the Company's commitment towards the financial security and well-being of employees and their families.

- Healthcare Partnership:
  Established a strategic association with Apollo Hospitals to provide comprehensive annual health screening programmes for all employees, promoting preventive healthcare and employee wellness.

- Rewards & Recognition:
  Continued to strengthen the culture of appreciation through BGL excellence awards for best performers, marriage gifts for newlywed employees, and the introduction of farewell celebrations as a token of gratitude for employees' valuable contributions to the organization.

- Learning & Development:
  Strengthened employee capability development through structured learning initiatives, including mandatory Safety Training across operational locations and awareness programmes on Prevention of Sexual Harassment (POSH), enabling employees to perform effectively while fostering a safe, compliant, and inclusive workplace.

- Organizational Development:
  Implemented a comprehensive restructuring of the organizational hierarchy (Organogram) aligned with business expansion and strategic workforce planning, ensuring greater role clarity, operational efficiency, and organisational effectiveness. One major change was to divide Hyderabad GA into 2 controlling zones, Hyderabad (North) & Hyderabad (South), thereby enabling a more focused approach to our customers & the customer base & volumes are increasing day by day.

- Infrastructure Development:
  Successfully identified and finalised the property for the relocation of BGL's New Head Office, marking a significant milestone in the Company's organisational expansion and infrastructure development initiatives.

- Employee Engagement:
  As BGL continues its growth trajectory, the Human Resources function remains steadfast in its commitment to nurturing talent, strengthening employee welfare, embracing digital transformation, and building a future-ready workforce. Through continuous innovation, people-centric initiatives, and robust organizational practices, HR will continue to serve as a strategic partner in realizing the Company's vision of sustainable growth, operational excellence, and organizational success.

PARTICULARS OF DEPOSITS:-

During the year under review, your company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as of the Balance Sheet Date i.e.,31/03/2026.

EXTRACT OF ANNUAL RETURN:-

According to the provisions of Sections 92(3) and 134(3) of the Companies Act 2013, read with rules made thereunder, the copy of the annual return for the year 25-26 is available on the website of the Company i.e. www.bglgas.com.

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.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) of your Company firmly believes that the commitment towards playing a defining role in the development of its stakeholders extends to uplifting the lives of the marginalized segments of the society living in and around its areas of operation.

The Composition of the CSR Committee is as follows: -

1. Shri. K V Sreenivas Raju - Chairman
2. Shri Ashish Kumar Purwar - Member
3. Shri Kaushik Mitra - Member

In the year 2025-26, an amount of Rs.82.24 lakhs were spent / transferod unspent CSR Account as on 31.03.2026 under CSR for the following projects: -

Annual Report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules 2014 is placed at Annexure-IV.

Sl.	Proposals from	Belongs to BGL GA Area	Proposed Work	Proposed Items	Est. Cost of the Project Rs.in Lakhs	Proposed Items
1	Society for cyberabad security council (SCSC) cyberabad police Commissionerate	Hyderabad		Petrol Motorbikes to be used for patrolling (12 Bikes+Branding Cost + Admin charges)	20	Hyderabad
2	L V Prasad Eye Institute	Hyderabad, Vijayawada & Kakinada	Operating Trust: Hyderabad Eye Institute	Complex Eye Surgeries: Hyderabad (Qty. 100), Vijayawada (Qty.50) Cataract Surgeries, Kakinada (Qty. 200)	25	Hyderabad, Vijayawada & Kakinada
3	Akshaya Patra Foundation	Hyderabad	Food Delivery Vehicle	Sponsorship of Food Distribution Vehicle (Tatayodha2.0)	13	Hyderabad
4	HelpAge India	Vijayawada & Kakinada	Provision of Disability Aids to needy elders	Sports Kits	4.68	Vijayawada & Kakinada
5.	Others: Health care area	Hyderabad		Wheelchairs (Foldable) Walkers (Foldable with Height adjustment) Quadripod Stick (ONGOING)	4	Hyderabad
6	Others: Education	Hyderabad	Proposal of RO Plant/Hospitality to schools/villages near Puduru/ Shamirpet/ Indresham areas.	RO Plant Machinery (ONGOING)	3.3	Hyderabad
7	PM CARE				12.26	
	Total				82.24	

HSE (HEALTH, SAFETY AND ENVIRONMENT)

Your Company believes that the safety of its workforce and all its stakeholders is of critical importance to its functioning and success. It has incorporated all the necessary measures to promote the highest level of Safety, Health, Environment and loss control in all areas of implementation of the CGD projects, natural gas transmission, distribution through CGD network and CNG systems installed within and outside the city boundary and the supply of PNG to various customers, with clear emphasis on improving the environment for sustainable development. Various measures and best practices have been put in place to avoid injuries, accidents or any other untoward incidents. Your Company has made concerted efforts to maintain a good safety culture and the highest safety standards. Regular trainings are imparted to drivers, PNG customers, employees, contractual staff and other stakeholders. For BGL, safety comes first, for all its stakeholders. It has incorporated all the necessary measures to promote the highest level of Safety, Health and Environment (HSE).

DISCLOSURES, UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Disclosure in relation to Sexual Harassment of Women at Workplace Your Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with respect to FY 2025-26, as well as the date of signing of the report, are as under:-

Number of complaints pending at the beginning of the financial year	one
Number of complaints filed during the financial year, as well as the date of approval of the Directors' Report.	Nil
Number of complaints disposed of during the financial year, as well as the date of approval of the Directors' Report.	one
Number of complaints pending at the end of the financial year, as well as the date of approval of the Directors' Report.	Nil

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March 2026 the Board of Directors hereby confirms that:-

a) In the preparation of the annual accounts, the applicable accounting standards were followed along with proper explanation relating to material departures.

b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and profit and loss of the company for that period.

c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) They have prepared the annual accounts on a going concern basis and.

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

ACKNOWLEDGEMENTS

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 and Natural Gas Regulatory Board, customers, shareholders, suppliers, bankers, promoters, financial institutions and employees for their consistent support and encouragement to the Company.

Your Directors acknowledge the constructive suggestions received from Comptroller and Auditor General of India and both Statutory and Internal Auditors, and are grateful for their continued support and cooperation.

Your Directors also thank all the shareholders, business partners, and members of the BGL family for reposing their faith, trust and confidence in your Company. All that have been achieved would not have been possible without the relentless and focused efforts of your Company's employees; we place our deep appreciation for their commitment.

On behalf of the Board of Directors

(Bhagyanagar Gas Limited)

Sd/-	**Sd/-**
(Kaushik Mitra)	**(KV Sreenivas Raju)**
Director Commercial	**Managing Director**
(DIN- 10769334)	**(DIN-10842042)**

Place: Hyderabad
Date : 04.09.2026

PNBRB MEMBER -
SHRI A RAMANA KUMAR VISIT TO BGL - HO HYDERABAD

NEW OFFICE INAUGURATION, BAHEER BAGH, HYDERABAD

LAUNCH OF
E-PUSHPAK E-TOUR

Annexure - 1

Form No.AOC-2

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

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

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

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

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

BGL is purchasing Natural Gas from GAIL and selling CNG to HPCL in the normal course (ordinary course) of Business on an arm's length basis.

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

Name of the Related Party	HPCL For the year 2025-2026	GAIL For the year 2025-26
Nature of transaction:-		
Purchases - Natural Gas	NIL	-
Sales – CNG	-	-
Inland Letter of Credit	-	-
Manpower Cost of Employees on deputation other than, Managing Director and Director Commercial.		
Procurement of Steel Pipes		

Annexure - 2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Bhagyanagar Gas Limited
4th Floor, Vasantha Chambers, Fateh Maidan Road,
Basheer Bagh, Hyderabad - 500 004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bhagyanagar Gas Limited** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Bhagyanagar Gas Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 and made available to us, according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (not applicable to the Company during the Audit Period being an Unlisted Company);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

NEKKANTI S.R.V.V.S. NARAYANA & CO. * Hyd.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the Company during the Audit Period as the Company had no Foreign Direct Investment and Overseas Direct Investment and has not raised External Commercial Borrowings);

(v) The Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations and Guidelines prescribed thereunder; (not applicable to the Company during the Audit period being an Unlisted Company);

(vi) Other laws applicable specifically to the Company, namely:

(a) The Petroleum and Natural Gas Regulatory Board Act, 2006 (hereinafter called the 'PNGRB Act')

(b) The Legal Metrology Act, 2009 and rules made thereunder

(c) The Explosives Act, 1884; and Rules 2008

(d) The Petroleum Act, 1934

(e) Gas Cylinder Rules, 2016

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and
- a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- As per the Minutes of the Meetings, duly recorded and signed by the Chairman, majority decision is carried through while the Members' views are captured and recorded as part of the Minutes

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

We further report that, based on the information provided and the representation made by the Company and on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period:

a) The company has allotted 83,89,498 equity shares on a rights basis on 3rd June, 2025

b) The Company has declared an Interim Dividend of Rs. 0.25 per equity share on 10,02,56,959 equity shares of ₹10 each during the year, amounting to Rs. 2,50,64,239.75 (Rupees Two Crores Fifty Lakhs Sixty-Four Thousand Two Hundred and Thirty-Nine and Paise Seventy-Five Only).

For NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries
ICSI Unique Code: S2009AP122301

N.S.R.V.V.S. NARAYANA & CO. Hyd.

(NEKKANTI S.R.V.V.S. NARAYANA)
Proprietor
M.No. F7157, C.P.No.7839
P.R. No.1709/2022

Date : 18th August, 2026
Place : Hyderabad
UDIN : F007157H001144656

Note:

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE – A

To
The Members,
Bhagyanagar Gas Limited
4th Floor, Vasantha Chambers, Fateh Maidan Road,
Basheer Bagh, Hyderabad - 500 004

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and for which we relied on the report of statutory auditor.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

For NEKKANTI S.R.V.V.S. NARAYANA & CO.
Company Secretaries
ICSI Unique Code: S2009AP122301

(NEKKANTI S.R.V.V.S. NARAYANA)
Proprietor
M.No.F7157, C.P.No.7839
P.R. No.1709/2022

Date : 18th August, 2026
Place : Hyderabad

ANNEXURE - 3

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 as the Daughter0 stations commissioned in Vijayawada, Kakinada and Hyderabad. The details relating to energy consumption in the Mother Station and energy consumption per unit of production are given below:-

Power & Fuel Consumption:-

Particulars	2024-25	2025-26
i), Electricity purchased		
Units consumed (kVAh)	16,75,655	38,43,026
Total Amount in Rs.	1,77,56,385	3,89,95,720
Rate / Unit (Rs. kVAh)	10.60	10.15
Demand load charges in Rs.	28,33,512	46,55,282
ii), Natural gas as fuel (kg.) consumed	24,90,539	22,12,734

Consumption per MT of production:-

Particulars	2024-25	2025-26
CNG Production (Total/MT)	74,496.89	99,911.57
Electric Driven Production (MT)	10,731.0	25,885.72
Gas Driven Production (MT)	24,496.85	27,583.32
Electric Driven Production (MT)-Other than MS	19,355.10	28,193.70
Gas Driven Production (MT)-Other than MS	19,913.87	18,248.83
Electricity Consumed (in kVAh)/MT	156.15	148.46
Natural Gas as fuel (in kg.)	56.08	48.28

(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: -

Amount in Rs

	2024-25	2025-26
Actual Foreign Exchange earnings	NIL	NIL
Actual Foreign Exchange outgo	NIL	NIL

ANNEXURE - 4

CSR REPORT:-

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

1. Brief outline on CSR Policy of the Company

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

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

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

2. Composition of CSR Committee:-

Sl. No.	Name of Director Designation	Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri K V Srinivas Raju	Chairman	2	2
2	Shri Ashish Kumar Purwar	Member	2	2
3	Shri Kaushik Mitra	Member	2	2

3. Provide the web link where the composition of the CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - www.bglgas.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) – Not Applicable during the financial year 25-26 -

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set off for the financial year, if any (in Rs)
1	2025-2026	NIL	NIL

6. Last three years' average net profit of the company as per section 135(5):-

FINANCIAL YEAR	NET PROFIT (BEFORE TAX)
2024-25	Rs. 65.43 Crores
2023-24	Rs. 48.63 Crores
2022-23	Rs. 9.29 Crores
Average Net Profit of the previous 3 financial years	Rs. 41.12 Crores

7.

(a)	Two percent of average net profit of the company as per section 135(5)	Rs. 82.24 Lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0.00
(c)	Amount required to be set off for the financial year, if any	0.00
(d)	Total CSR obligation for the financial year	Rs. 82.24 Lakhs

7. (a) CSR amount spent or unspent for the financial year: 2025-26.

*Total Amount Spent for the Financial Year (Rs in lakhs.)	Amount Unspent				
	#Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 35(5).		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 70.10 Lakhs	Rs. 12.14 Lakhs	20th April 26	Nil	Nil	Nil

This is the amount transferred to the Unspent CSR account (ongoing projects) FY 2025-26.

(b) Excess amount for set off if any

Sl. No	Particular	Amount (in Rs.)
i	Two percent of average net profit of the Company a per subsection (5) of Section 135	NIL
ii	Total amount spent for the financial year	NIL
iii	Excess amount spent for the Financial Year	NIL
iv	Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years, if any.	NIL
v	Amount available for set off in succeeding Financial Years	NIL

8. Details of Unspent CSR amount for the preceding three financial years:

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

9. Whether, any capital assets have been created or acquires through CSR amount, spent in the Financial Year:

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

(All the, fields should be captured as appearing in the revenue, records, flat no, house no, Municipal Office/, Municipal Corporation /Gram panchayat are to be specified and also the area of the Immovable Property as well as boundaries)

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

Sd/-
KAUSHIK MITRA
(DIRECTOR -COMMERCIAL cum CFO)

Sd/-
SANGRAM, PATI
(HR - HEAD)

PREVIOUS AGM
HELD ON 30TH SEPTEMBER 2025

INDEPENDENT AUDITOR'S REPORT

(Issued consequent to provisional comments by Dy. Director, CAG, vide letter No. RAP/IOC/Acts-Audit-BGL/04-01/2026-27/109 dated 30.06.2026 and superseding our Independent Auditors Report dated 27/04/2026)

TO
THE MEMBERS OF
Bhagyanagar Gas Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Bhagyanagar Gas Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statementof Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generallyaccepted in India, of the state of affairs of the Company as at March 31, 2026 and its Profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

01. Refer to Note No.4a in respect of Capital Work in Progress (CWIP) ageing. The CWIP of Rs.29,751.54 lakhs (previous year Rs. 25,661.70 lakhs) includes works continuing to be in progress at least for more than one year to the extent of Rs.21,289.66 lakhs (previous year Rs.24,458.89 lakhs). The note explains the circumstances in which the completion of works and capitalization of assets got delayed and as to why no impairment of capital inventory is considered. Our opinion is not modified in respect of this matter.

02. Refer to Note No. 32C, which mentions that the management intends to opt for lower tax rate in terms of Sec.200 of the Income Tax Act 2025 and consequently explains that the MAT Credit brought forward is to be recognised as deferred tax asset and to be adjusted against deferred tax liability in the Tax Year 2026-27 onwards. This proposal is subject to option to be exercised by filing the requisite form before the due date for filing income tax return for Tax Year 2026-27. Our opinion is not modified in respect of this matter.

03. Refer to Note 4E with respect to Physical verification of assets. The note explains the extent of physical verification of assets and the circumstances in which the verification of assets under the ground could not be carried out. We undertook and performed certain alternative audit procedures and obtained corroborative audit evidence with respect to the underground assets as the physical verification of underground fixed assets being property, plant and equipment is impracticable and not feasible, as explained to us by the management. Our opinion is not modified in respect of this matter.

A. Ramachandra Rao & Co. Chartered Accountants FRN No: 002575 Hyderabad

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of financial statements as a whole and, in forming our opinion thereon, there are no matters to be reported as key audit matters.

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

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

Our opinion on the financial statements does not cover the other information and we do notexpress any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this otherinformation, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act withrespect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity andcash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventingand 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 effectivelyfor 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether deto fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

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appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events orconditions that may cast significant doubt on the Company's ability to continue as a going concern.If we conclude that a material uncertainty exists, we are required to draw attention in our auditor'sreport to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up tothe date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company sofar as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified aon March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g) With respect to the other matters to be included in the Auditor's Report in accordance with therequirements of section 197(16) of the Act, as amended, in our opinion based on the information provided and explanations offered to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law of accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There has been no amounts in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company to the extent applicable and relevant to the company for the year.

iv.

(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that theCompany shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriatein the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under and (b) above, contain any material misstatement.

(d) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

v. In our opinion and to the best of our information and according to the explanations given to us the Company has declared and paid an interim dividend to its shareholders during the year and the requirements of the provisions of section 123 of the Act are complied with.

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vi. As required under section 143(5) of the Companies Act, 2013, being the directions issued by the Comptroller and Auditor General for the year ended 31st March, 2026, we enclose herewith a statement in Annexure "C".

Place: Hyderabad
Date: 04th July 2026

For M/s A Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Regn. No. 002857S

S R V V Surya Rao Ponnada
Partner
Membership No.202367
UDIN: 26202367KXXPOR1399

A. Ramachandra Rao & Co. FRN No: 002857S Hyderabad Chartered Accountants

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT
(Bhagyanagar Gas Limited)
(Of even date referred to in Para 1 of our Report on Other Legal and Regulatory Requirements)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i.

(a)(A) The company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B)The Company is maintaining proper records showing full particulars of intangible assets.

(C) The physical verification of assets has not been carried out during the year in terms of its policy of verifying all the assets once in every two years and the latest physical verification has been conducted per the company policy in Financial year 2024-25. However, in the circumstances and as explained in Note 4 to the financial statements, only CNG & PNG assets and its related materials and valves (other than underground natural gas distribution system) have been physically verified by the management during FY 2024-25. In respect of immovable properties taken on lease and disclosed as Right of Use assets in the financial statements, the lease agreements are in the name of the Company.

(b)Based on the information given to us, the title deeds of all immovable properties, as disclosed in Note 4 to the financial statements, are held in the name of the Company except as mentioned hereunder)-

Description of the Property	Gross Carrying Value	Held in the name of	Whether promoter, director or their relative or employee)	Period held, indicate range, if appropriate.	Reasons for not being held in the name of company
Land measuring 0.90 acres in Vidyadhara puram, Vijayawada was originally allotted to GAIL by District Authorities which handed over the land to the Company and	Nil. The company has not recorded any value towards land as such but incurred Rs.56.34 lakhs on building Mother Station on the said land	GAIL	Yes, subject to the approval of transfer of allotment to the Company by the District Authorities	Since 2005	Transfer of allotment to the Company is subject to the approval of District Authorities

requested Authorities to approve the allotment to the Company	and included in Note 4				

In respect of immovable properties taken on lease and disclosed as Right of Use Assets in the financial statements, the lease agreements are in the name of the Company except in the case of 2002 sq/ mts of land at Saroornagar Mandal, which was handed over by HMDA to the Company in 2006-07 for a lease period of 33 years. The Company constructed (in March 2011) a building at a cost of Rs.13 lakhs on the said premises. However, it had not entered into Lease deed agreement till date but continues to pay lease rent annually. We have been explained that the delay in executing the lease deed is due to procedural delays.

(c)The company has not revalued any of its properties, plant and equipment.

No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As explained and information given to us, physical verification of inventories has been conducted by the Management at reasonable intervals and, in our opinion, the coverage and procedure of such verification is appropriate. We have been explained that no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification of inventory.

(b) Based on information provided to us the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks and the company has not filed any quarterly statements or returns with bank. Consequently, in our opinion, the reporting under clause 3(ii)(b) of the Order is not applicable.

iii. (a)During the year, the Company has not made any investments, neither provided any guarantee nor security, nor granted any loans and advances in the nature of loans, secured or unsecured to Companies, firms, limited liability partnerships or any other parties.

(b) In view of our comments in para (a) above, the reporting under Clause (III) (a)to (f) of paragraph 3 of the aforesaid order is not applicable to the Company for the year.

iv. In our opinion and according to the information and explanation given to us, the Company has neither made nor given any loans, investments, guarantees and securities, covered by the provisions of sec.185 and 186 and hence the reporting under Clause 3(iv) is not applicable to the Company for the year.

v. The Company has not accepted any deposit or amounts which are deemed to be deposit. Hence, reporting under clause 3(v) of the Order is not applicable to the Company for the year.

vi. The maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the services of the Company. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii.(a) According to the information and explanations given to us, the Company is regular in depositing undisputed dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues to the statutory authorities. There are no undisputed statutory dues which are outstanding for more than 6 months from the date they became payable as on the balance sheet date.

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(b) According to the records of the Company and the information and explanations given to us, there were dues on account of the above which have not been deposited on account of any dispute are as follows.

(viii) According to the information and explanations given to us and the records of the company examined by us, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year and hence the provisions of Clause 3(viii) of the Order is not applicable.

S.No	Name of the Statute	Nature of Due	Amount Involved	Claim Period	Forum where dispute is pending
1	Central Excise and Service Tax	Excise Duty	32,47,941	FY 2019 to FY 2020	CESTAT, Hyderabad
2	Central Excise and Service Tax	Excise Duty	74,34,414	FY 2011-12 to FY 2015-16	CESTAT, Hyderabad
3	Central Excise and Service Tax	Excise Duty	17,13,264	FY 2015-16 to DY 2016-17	CESTAT, Hyderabad
4	Central Excise and Service Tax	Excise Duty	23,73,770	FY 2020 to FY2021	CESTAT, Hyderabad
5	Central Excise and Service Tax	Excise Duty	15,52,671	FY 18-19	Office of Commissioner Appeals -Amarvathi
6	Central Excise and Service Tax	Excise Duty	14,82,023	FY 2019-20	Office of Commissioner Appeals
7	Central Excise and Service Tax	Excise Duty	26,57,174	FY 2011-12 to FY 2014-15	CESTAT, Hyderabad
8	Central Excise and Service Tax	Excise Duty	21,23,457	FY 2014-15 to FY 2015-16	CESTAT, Hyderabad
9	Central Excise and Service Tax	Excise Duty	29,22,891	FY 2015-16 to FY 2017-18	CESTAT, Hyderabad
10	Income Tax	Income Tax	11,82,212.00	FY:2017-2018	CIT(A)
11	Good and Service Tax	GST - Tribunal	9,37,425.00	FY:2018-2019	GST - Tribunal
12	VAT-AP	VAT	43,35,762.00	FY:2017-2018	High Court - TS

(ix) (a) According to the information and explanations given to us and the records of the company examined by us, the company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.

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

(c) On the basis of our review of utilization of funds pertaining to term loans on overall basis and related information and explanations as made available to us, the term loans taken by the company has been applied for the purpose of which they were obtained.

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

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

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

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

(b) According to the information and explanation given to us, the company has made preferential allotment of shares, as explained in Note 14 to the financial statements, but not convertible debentures (fully, partially or optionally convertible) during the year and the provisions of sec.42 and 62 of the Companies Act, 2013 have been complied with. Since the allotment is for a consideration other than cash, it being land allotted in an earlier year, there are no receipt of any funds so as to report the usage of funds under the Clause.

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

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

(c) According to the information and explanation given to us, the company has not received any whistle-blower complaints during the year and hence the consideration of the same does not arise.

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

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

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

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

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) (a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

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

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

(xvii) To the best of our knowledge and according to the information given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year and hence there are no amounts of cash losses to be reported.

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

A. Ramachandra Rao & Co. FRN No: 002857S Hyderabad Chartered Accountants

(xix) According to the information and explanation given to us, and on the basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, it is our opinion no material uncertainty exist as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanation given to us, in respect of other than ongoing projects, the company has transferred the unspent amount required to be transferred to a Fund specified in Schedule VII to the Companies Act (Corporate Social Responsibility Expenditure) within a period of six months from the expiry of the financial year (before September 2026) in compliance with the sub-section (5) of section 135 of Companies Act.

(b) According to the information and explanation given to us, there are no amounts remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to an ongoing project, which needs to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the Companies Act.

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

Place: Hyderabad
Date: 04th July 2026

For M/s A Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Regn. No. 002857S

A. Ramachandra Rao & Co. FRN No: 002857S Hyderabad Chartered Accountants

S R V V Surya Rao Ponnada
Partner
Membership No.202367
UDIN: 26202367KXXPOR1399

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT
(Bhagyanagar Gas Limited)
(Of even date referred to in Para 2.f of our Report on Other Legal and Regulatory Requirements)

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

We have audited the internal financial controls over financial reporting of **Bhagyanagar Gas Limited**, as of 31st March, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Chartered Accountants
FRN No: ...857S
Hyderabad

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 04th July 2026

For M/s A Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Regn. No. 002857S

A. Ramachandra Rao & Co. FRN No: 002857S Hyderabad Chartered Accountants

S R V V Surya Rao Ponnada
Partner
Membership No.202367
UDIN: 26202367KXXPOR1399

ANNEXTURE – C
(Bhagyanagar Gas Limited)

Observations on directions issued by Comptroller and Auditor General of India under section 143(5) of Companies Act, 2013

S. NO	Particulars	Observations
1.	Whether the Company has system in place to process all accounting transactions through IT System. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with financial implication, if any may be stated.	Yes. The Company is having existing system of accounting in SAP (SAAS model) through which all the accounting transactions are accounted. Further, billing software (**Pragware**) for DPNG is functional and accordingly capitalized.
2.	Has the auditor assessed the fair valuation of all investments, both quoted and unquoted, made directly by the Company or through Trusts for post-retirement employee benefits? If yes, provide a brief note on the valuation methodology adopted, its reasonability, compliance with Ind AS and applicable regulations, adequacy of supporting documentation, and report any material deviations or misstatements identified.	The Company does not hold any 'Investments', either quoted or unquoted, directly for post-retirement employee benefits. The company does not hold investments (current or non-current) as may be noted from the financial statements. Accordingly, the direction relating to fair valuation of investments is not applicable to such extent. Further, the Company has a defined benefit gratuity plan, the actuarial valuation of which has been carried out in accordance with Ind AS 19. As at 31 March 2026, the actuarial valuation and the related disclosures indicate that there are no plan assets/investments held, either directly by the Company or through a gratuity trust, for funding the defined benefit obligation. Accordingly, there were no quoted or unquoted investments requiring fair valuation under this direction. Hence, verification of valuation methodology, compliance with Ind AS relating to fair valuation of plan assets/investments and related supporting documentation is not applicable. No material deviations or misstatements were noticed in this regard.
3.	Whether fund received or receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	As per information, explanation and records. produced for verification, there are no funds received/receivable for any specific schemes from central government/state agencies.
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified its risk areas and has documented policies in respect thereof, as disclosed in Note 35 – Financial Risk Management to the financial statements. The risks identified are credit risk, liquidity risk, market risk and operational risk. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and for developing the risk management policies. A documented Credit Policy (with product-wise credit periods), a liquidity management approach supported by contractual maturity analysis of financial liabilities, and market/operational risk management measures are in place and disclosed. Based on the records examined, we report that the Company has a risk management framework and identified risk areas with

M. Ramachandra Rao & Co. FRN No: 003..S Hyderabad Chartered Accountants

		related policies, and nothing has come to our notice which is required to be reported adversely under this direction.
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERTIN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	The Company is an unlisted company; its equity shares are held by GAIL (India) Limited (47.72%), Hindustan Petroleum Corporation Limited (47 .7 2%) and the balance by the State instrumentality and are not listed on any recognised stock exchange. Based on information provided to us, the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 are not applicable to the company. To the extent any regulation needs compliance by BGL in order to report to GAIL/HPCL, it is being followed by the company. To the extent any guidelines of DIPAM / Ministry of Corporate Affairs are applicable to the Company and the same have, on the basis other records and explanations examined by us, been complied with and nothing adverse has come to our notice. Based on explanations given to us, the rules and regulations under Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERIIN, Ministry of Electronics and Information Technology and National Payments Corporation of India are not applicable to the company. Our observation against this direction is, accordingly, that the SEBI and other Regulations as above are not applicable and the applicable Government guidelines have been complied with.

Place: Hyderabad
Date: 04th July 2026

For M/s A Ramachandra Rao & Co
Chartered Accountants
ICAI Firm Regn. No. 002857S

S R V V Surya Rao Ponnada
Partner
Membership No.202367
UDIN: 26202367KXXPOR1399

Ramachandra Rao & Co.
FRN No: 002857S
Hyderabad
Chartered Accountants

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHAGYANAGAR GAS LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of financial statements of **Bhagyanagar Gas Limited** for the year ended 31 March 2026 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 the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **27 April 2026.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Bhagyanagar Gas Limited** for the year ended 31 March 2026 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

15.07.26

Vishal Chawre
Principal Director of Audit (Oil & Gas), Mumbai

Place: Mumbai
Date: 15 July 2026

Balance Sheet as at 31st March 2026

Rs. in Lakhs

	Particulars	Note No.	Audited	
			31st March 2026	31st March 2025
Assets				
(1)	Non-current assets			
	Property, Plant and Equipment	4	72,010.96	72,927.06
	Intangible Assets	4	80.60	23.06
	Capital work-in-progress	4	29,411.17	25,661.70
	Financial assets			
	Other financial assets	5	4,178.51	4,161.81
	Other tax assets (Net)	6	1,808.31	203.40
	Other non-current assets	7	**310.89**	**365.55**
	Total non-current assets		**107,800.44**	**103,342.60**
(2)	Current assets			
	Inventories	8	972.91	433.90
	Financial assets			
	(i) Trade receivables	9	9,037.59	6,427.79
	(ii) Cash and cash equivalents	10 & 11	4,259.32	3,313.42
	(iii) Other financial assets	12	22.58	28.22
	Other current assets	13	1,101.92	276.49
	Total current assets		**15,394.32**	**10,479.82**
	Total assets		**123,194.76**	**113,822.41**
Equity and liabilities				
(1)	Equity			
	Equity share capital	14	10,025.70	9,186.75
	Other equity			
	(i) Retained earnings		27,485.55	22,342.43
	(ii) Share Premium	15	21,795.31	16,929.40
	Total equity		**59,306.55**	**48,458.58**
	Liabilities			
(2)	Non-current liabilities			
	Financial liabilities			
	(i) Lease Liabilities	16a	1,335.01	981.80
	(ii) Borrowings	16b	36,650.00	42,760.00
	Provisions	17	1,021.11	781.82
	Deferred tax liabilities (Net)	18	3,938.70	3,488.17
	Total non-current liabilities		**42,944.81**	**48,011.79**
(3)	**Current liabilities**			
	Financial liabilities			
	(i) Lease Liabilities	16a	361.79	21.44
	(ii) Borrowings	16b	3,750.00	3,370.00
	(iii) Trade payables			
	A. Total Outstanding dues of micro enterprises and small enterprises: and	19	389.42	203.26
	B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.	19	5,401.14	4,305.64
	(iii) Other financial liabilities			
	A. Total Outstanding dues of micro enterprises and small enterprises: and	20	282.04	348.04
	B. Total Outstanding dues of creditors other than micro enterprises and small enterprises.	20	7,562.94	7,214.42
	Other current liabilities	21	3,184.11	1,884.14
	Provisions	22	11.97	5.12
	Total current liabilities		**20,943.40**	**17,352.06**
	Total liabilities		**63,888.21**	**65,363.85**
	Total equity and liabilities		**123,194.76**	**113,822.41**

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

For A.Ramachandra Rao & Co.,
Chartered Accountants
ICAI FR No: 002857S

Sd/-
CA P S R V V Surya Rao
Partner
Membership No. 202367

UDIN: 26202367FAKIVC1265

Place: Hyderabad
Date: 27.04.2026

For and on behalf of Bhagyanagar Gas Limited

Sd/-
K.V Sreenivas Raju
Managing Director
DIN No.:10842042

Sd/-
Kaushik Mitra
Director - Commercial-cum-CFO
DIN No.: 10769334

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

Statement of Profit and Loss for the Year Ended 31st March 2026

Rs. in Lakhs

	Particulars	Note No.	Audited	
			31st March 2026	31st March 2025
I	Revenue from operations	24	103,484.08	78,092.72
	Excise Duty		(9,679.24)	(6,695.35)
	Net Revenue from Operations		93,804.84	71,397.37
II	Other income	25	1,429.97	547.50
III	Total income		**95,234.80**	**71,944.87**
IV	Expenses			
	Cost of materials consumed	26	70,454.69	49,184.36
	Changes in inventories	27	(40.45)	(19.21)
	Employee benefits expense	28	1,135.93	957.67
	Finance costs	29	3,502.49	4,226.26
	Depreciation & Amortization	30	5,300.76	4,592.90
	Other expenses	31	7,549.31	6,459.28
	Total expenses		**87,902.73**	**65,401.26**
V	Profit before income tax		**7,332.07**	**6,543.61**
VI	Tax expense			
	Current tax			
	Current Year		1,457.20	1,143.30
	Previous Year		-	-
	Deferred tax			
	Current Year		447.83	695.61
	Previous Year		-	-
	Income tax expense	32	**1,905.03**	**1,838.91**
VII	Profit, for the year		**5,427.04**	**4,704.70**
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Measurements of defined benefit liability (asset)		44.47	9.26
	Income tax relating to items that will not be reclassified to profit or loss		(11.19)	(2.70)
	Other Comprehensive Income for the year, net of income tax		**33.28**	**6.57**
IX	Total Comprehensive Income for the year		**5,393.76**	**4,698.14**
X	Earnings Per Share			
	, (1) Basic		5.38	5.11
	, (2) Diluted		5.38	5.11

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

For A.Ramachandra Rao & Co.,
Chartered Accountants
ICAI FR No: 002857S

Sd/-
CA P S R V V Surya Rao
Partner
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UDIN: 26202367FAKIVC1265

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For and on behalf of Bhagyanagar Gas Limited

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K.V Sreenivas Raju
Managing Director
DIN No.:10842042

Sd/-
Kaushik Mitra
Director - Commercial-cum-CFO
DIN No.: 10769334

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

Statement of Changes in Equity, as on 31st March 2026

A. Equity share capital

Particulars	Note	Amount in Lakhs
Balance as at 1st April 2025		9,186.75
Changes in equity share capital during 2025-26	14	838.95
Balance as at the 31st March 2026		10,025.70

B. Other equity

Rs. in Lakhs

Particulars	Reserves and surplus		Share Premium	Total other equity
	Share application pending allotment,	Retained earnings		
Balance at 1st April 2024	208.80	18,103.62	16,929.40	35,241.82
Total comprehensive income for the period				
Profit, for the Period		4,704.71		4,704.71
Other Comprehensive Income for the Period, net of income tax		(6.57)		(6.57)
Changes during the period towards issue of equity shares	(228.80)			228.80
Dividend		(459.34)		(459.34)
Earlier share application pending net off due to advance	20.00			
Balance as at 31st March 2025	**-**	**22,342.43**	**16,929.40**	**39,709.50**
Balance at 1st April 2025	-	22,342.43	16,929.40	39,709.50
Total comprehensive income for the period				
Profit, for the Period		5,427.04		5,427.04
Other Comprehensive Income for the Period, net of income tax		(33.28)		(33.28)
Changes during the period towards issue of equity shares	-			-
Dividend		(250.64)		(250.64)
Share premium on rights issue			4,865.91	4,865.91
Balance as at 31st March 2026	**-**	**27,485.55**	**21,795.31**	**49,718.53**

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

For A.Ramachandra Rao & Co.,
Chartered Accountants
ICAI FR No: 002857S

Sd/-
CA P S R V V Surya Rao
Partner
Membership No. 202367

UDIN: 26202367FAKIVC1265

Place: Hyderabad
Date: 27.04.2026

For and on behalf of Bhagyanagar Gas Limited

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Managing Director
DIN No.:10842042

Sd/-
Kaushik Mitra
Director - Commercial-cum-CFO
DIN No.: 10769334

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

Statement of Cash Flows for the Year Ended 31st March 2026

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Cash Flow from operating activities		
Profit, for the year	5,393.76	4,698.14
Adjustments for		
Depreciation of property, plant and equipment & Amortization	5,300.76	4,590.56
Gain on sale of property, plant and equipment	-	-
Current year provision related to post-employment defined benefit plans	11.42	10.28
Current year provision related to compensated absences	1.38	1.39
Amortisation of processing fee relating to term loans	-	-
Finance income	(400.51)	(299.44)
Finance costs	3,502.49	4,226.26
	13,809.30	**13,227.19**
Working capital adjustments		
Decrease / (increase) in inventories	(539.01)	(47.02)
Increase in trade receivables	(2,609.80)	(617.88)
Decrease / (increase) in other financial assets- non current	(16.70)	(1,635.83)
(Increase) / decrease in other financial assets- current	5.64	(3.66)
(Increase) / decrease in other current assets	(825.43)	(121.03)
Decrease in proceeds from other non-current assets	54.66	(70.60)
Increase in trade payables	1,281.66	19.72
Increase in other financial liabilities- current	282.51	2,375.09
Increase in Lease liabilities- current	340.35	(68.75)
Increase in Lease liabilities- Non Current	353.21	9.25
Increase other current liabilities	1,299.97	994.33
(Decrease)/ increase in provisions- non current	239.29	168.62
Decrease in provisions- current	(5.95)	(12.01)
	(139.61)	**990.22**
Income tax paid	**(1,154.38)**	**497.01**
Net cash flows from operating activities	**12,515.30**	**14,714.41**
Cash flow from investing activities		
Payment for property, plant and equipment	(4,442.19)	(6,521.53)
Proceeds, from capital work-in-progress	(3,749.47)	(2.10)
Interest received	400.51	299.44
Net cash flows from investing activities	**(7,791.14)**	**(6,224.20)**
Cash flow from financing activities		
Increase in share capital	5,704.85	19.93
Increase / (decrease) in borrowings	(5,730.00)	(2,370.00)
Finance charges paid	(3,502.49)	(4,226.26)
Dividend Declared	(250.64)	(459.34)
Net cash flows from financing activities	**(3,778.28)**	**(7,035.67)**
Net increase / (decrease) in cash and cash equivalents	945.88	1,454.54
Cash and cash equivalents at the beginning of the year	3,313.42	1,858.88
Cash and cash equivalents at the end of the year	**4,259.30**	**3,313.42**

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

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

For A.Ramachandra Rao & Co.,
Chartered Accountants
ICAI FR No: 002857S

Sd/-
CA P S R V V Surya Rao
Partner
Membership No. 202367

UDIN: 26202367FAKIVC1265

Place: Hyderabad
Date: 27.04.2026

For and on behalf of Bhagyanagar Gas Limited

Sd/-
K.V Sreenivas Raju
Managing Director
DIN No.:10842042

Sd/-
Kaushik Mitra
Director - Commercial-cum-CFO
DIN No.: 10769334

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

Financial Statements for the Year Ended 31st March 2026

1. Reporting Entity

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

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

2. Basis of preparation of financial statements

(a) Statement of compliance

i) These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and Amendments thereof and other relevant provisions of the Act.

ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

iii) The financial statements were authorised for issue by the Board of Directors.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

i) The preparation of the financial statements in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

ii) Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

iii) Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the notes 23 – Measurement of Defined benefits

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

3. Significant accounting Policies

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

(a) Inventories

i) Inventories are measured at the lower of cost and net realisable value.

ii) The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

iii) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

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

(b) Income Tax

i) Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of profit and loss except relating to items recognised directly in equity or in other comprehensive income.

ii) Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

iii) Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

iv) Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

v) Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

vi) A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Property, Plant and Equipment

- **Recognition and measurement**

i) Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The Company has elected to apply the optional exemption to use this previous GAAP value as deemed cost at 1 April 2015, the date of transition.

ii) Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and borrowing costs on qualifying assets.

iii) Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as assets are substantially ready for the intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss. Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs. All other borrowing costs are recognised as expenses in the period in which it is incurred.

iv) When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

v) Stores & Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

vi) Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in the statement of profit and loss.

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

viii) The related expenditure incurred during the year, which is attributable to acquisition / construction of fixed assets/projects, is capitalized at the time of commissioning of such assets.

- **Subsequent Costs**

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

- **Depreciation**

i) Depreciation, is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed under Schedule II of the Companies Act,2013 or as determined by management based on internal technical evaluation. On account of revision in lives of assets with reference to Schedule XIV of the Companies Act, 2013, the depreciation is calculated on balance value of assets over balance useful life of the asset since FY 2025-26.

ii) In compliance with Petroleum and Natural Gas Regulatory Board (Technical Standards and Specifications including Safety Standards for City or Local Natural Gas Distribution Networks) Regulations, 2008, design life of pipeline laid for CGD segment is 25 years. Therefore, useful life of Pipeline (under plant and machinery) has been considered different than useful life mentioned under schedule II of the Companies Act, 2013.

iii) BGL Board vide resolution dated September 28, 2023, has changed life of following assets under Plant & Machinery against as prescribed under schedule II of the Companies Act, 2013 and hence revised useful life of assets are as under :

Assets	Useful Life
CNG/CBG Compressor, AIR Compressor	10 Years
CNG/CBG Dispenser/ Pressure reducing cum metering skid/ DRS- District regulating station/ Domestic/ Service Regulators/ Domestic/ Commercial/Industrial meter	15 Years
CNG/CBG Cascades/SS Tubing	20 Years
Steel/MDPE Pipeline of Various Dia/ GI Copper Pipes/ Odorization Unit/ Isolation Valves along valve pits	25 Years

iv) Depreciation on additions / deletions (excluding PNG) is charged on pro-rata basis and in case of PNG, depreciation on additions / deletions is charged on 180 days irrespective of date of addition or deletion.

Assets individually costing less than or equal to Rs. 5,000 are fully depreciated in the year of purchase.

v) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

vi) Net Residual Value is considered as Rs. NIL.

vii) Depreciation methods, useful lives are reviewed at each financial year-end and adjusted if appropriate. As per the existing practice, the organisation is depreciating 100% of the value of the asset over its useful life.

(e) Revenue

- **Goods Sold**

i) Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has applied as they are effective for annual periods beginning on or after April 1, 2018: Ind AS 115 Revenue from Contracts with Customers

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

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

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

iii) Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

iv) Under Ind AS 18, revenue is recognised when risk and rewards of the underlying goods or services is transferred to the customer. Under Ind AS 115, revenue is recognised when control of the underlying goods or services is transferred to the customer. For the Company, the timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale, which generally coincides with the delivery of goods to the customers, which result in transfer of control.

v) Income on account of unbilled revenue represents the income attributable to the period from the last billing cycle to the date Balance sheet for the DPNG segment for whom the, monthly billing is applicable and whose billing cycle is not complete as on the Balance sheet date. It is determined based on the avg consumption of the customers under this category for the period of one year multiplied with the current Retail selling price excluding VAT.

- **Others**

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

(f) Employee Benefits

- **Defined contribution plans**

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

- **Defined Benefit Plans**

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

ii) To the extent that the benefits vest immediately, the expense is recognised immediately in the statement of profit and loss. The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

- **Other long-term employee benefits**

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

- **Short term employee benefits**

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

(g) Foreign currency

i) Transactions in foreign currencies are translated to functional currencies of Company at exchange rates at the dates of the transactions.

ii) Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

iii) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

iv) Foreign currency differences arising on retranslation are recognised in the statement of profit and loss.

v) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(h) Provisions and contingent liabilities

i) A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details of contingent liabilities are set out in Note 37.

(i) Impairment

- **Financial assets (including receivables)**

i) A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

ii) Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

iii) In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables

iv) The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables

v) ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected in a separate line in the statement of profit and loss as an impairment gain or loss.

- **Non-Financial Assets**

i) The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each year at the same time.

ii) The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

iii) The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

iv) An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

v) An impairment loss in respect of assets, impairment losses recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Financial Instruments

- **Financial Assets**

i) The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised at fair value initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

ii) Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs

iii) directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss.

iv) The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

v) They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

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

- **Financial Liabilities**

i) The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

ii) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

iii) The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

iv) Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

v) The Company has the following financial liabilities:
Loans and borrowings and trade and other payables: Such financial liabilities are

recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(k) Share Capital

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

(l) Finance Income and Finance Costs

i) Finance income comprises interest income on funds invested, dividend income. Interest income is recognised as it accrues in the statement of profit and loss, using the effective interest method.

ii) Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of profit and loss using the effective interest method.

(m) Earnings per share

i) The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares.

ii) Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

iii) Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise of shares to be issued to APIIC as a consideration for land given to the Company.

(n) Non-Current Assets Held for Sale

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

(o) Cash Flow Statement

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

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

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

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

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

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

(p) Onerous contracts

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

(q) Ind AS 116 Leases:

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17

The standard permits two possible methods of transition:

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

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

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

On completion of evaluation of the effect of adoption of Ind AS 116, the Company has opted modified retrospective approach for accounting of leases during transition phase. The Company has elected certain available practical expedients on transition.

This standard sets out the principles for recognition, measurement, presentation and disclosure of leases. Ind AS 116 requires lessee to recognize asset and liabilities for all the leases and correspondingly recognizes depreciation and interest cost instead of rent expenses as hitherto done under erstwhile standard on leases. (Refer Note 16a, 30,29 and 36).

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

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

4. Property, plant and equipment

A. Reconciliation of carrying amount

Rs. in Lakhs

Particulars	Freehold land	Building	Roads and culverts	Plant and machinery	Electrical equipment	Furniture and fixtures	Office equip-ment	Comput-ers	Total (A)	Intan-gible Assets (B)	Capital work-in-progress (C)	Total (A+B+C)	ROU - Land	ROU - Office Space	Leased Vehicles - (LCV)	Total ROU
1. Cost or deemed cost (gross carrying amount)																
Balance at 1st April 2024	642.29	945.79	17.19	85,463.91	715.67	218.80	79.31	160.68	88,243.63	-	25,659.60	113,903.24	1,074.47	315.97	-	1,390.44
Additions	444.18	-	-	5,760.31	48.26	10.23	5.24	34.68	6,302.90	24.26	6,329.26	12,656.42	5.59	81.56	-	87.14
Disposals / Capitalised / Impairment									-			-	(118.82)	(45.92)	-	(164.74)
Balance at 31 March 2025	**1,086.47**	**1,316.69**	**17.19**	**90,700.40**	**866.23**	**217.82**	**145.48**	**196.24**	**94,546.53**	**24.26**	**25,661.70**	**120,232.49**	**961.24**	**351.60**	**-**	**1,312.84**
Additions		60.76		3,073.49	414.83	15.82	3.20		3,568.10	75.37	7,657.94	11,301.40	-	446.82	353.82	800.64
Disposals / Capitalised/ Impairment				(273.13)					(273.13)	(1.91)	(3,568.10)	(3,843.14)	-	-	-	-
Balance at 31 March 2026	**1,086.47**	**1,377.46**	**17.19**	**93,500.76**	**1,281.06**	**233.64**	**148.69**	**196.24**	**97,841.49**	**97.72**	**29,751.54**	**127,690.75**	**961.24**	**798.42**	**353.82**	**2,113.48**
2. Accumulated depreciation																
Balance at 1 April 2024	-	312.52	14.47	17,117.42	456.36	102.13	60.07	113.18	18,176.14	-	-	18,176.14	169.78	159.43	-	329.21
Depreciation for the Year	-	46.07	0.20	4,135.50	136.96	16.68	35.02	24.55	4,394.98	1.20	-	4,396.18	41.03	155.70	-	196.73
Disposals/ Impairment		-	-	-	-	-	-		-			-	(118.82)	(45.92)	-	(164.74)
Balance at 31 March 2025	-	**358.58**	**14.67**	**21,252.93**	**593.32**	**118.81**	**95.08**	**137.73**	**22,571.12**	**1.20**	**-**	**22,572.31**	**91.99**	**269.20**	**-**	**361.19**
Additions	-	39.25	0.24	4,903.17	97.60	20.13	9.07	34.61	5,104.06	15.95		5,120.01	62.56	55.24	62.99	180.79
Disposals / Capitalised / Impairment	-	-	-	(273.13)	-	-	-	-	(273.13)	(0.03)	(340.38)	(613.54)	-	-	-	-
Balance at 31 March 2026	-	**397.81**	**14.90**	**25,889.89**	**693.20**	**127.83**	**104.55**	**173.85**	**27,402.03**	**17.12**	**(340.38)**	27,078.78	154.55	324.45	62.99	541.98
3. Carrying amounts (net)																
At 31 March 2025	1,086.47	958.11	2.52	69,447.47	272.91	99.01	50.40	58.52	71,975.41	23.06	25,661.70	97,660.18	869.25	82.40	-	951.65
At 31 March 2026	1,086.47	979.64	2.29	67,610.87	587.86	105.80	44.14	22.39	70,439.46	80.60	29,411.17	99,931.23	806.69	473.98	290.83	1571.50

B. Capital work-in-progress

1 The capital work in progress includes payments made to contractors for execution of projects, material in transit / value of materials / equipment / etc. received at site for use in the projects. Besides, it also includes borrowing cost allocated to qualifying assets/ projects.

C. Security

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

D. Physical Verification of Assets

1 The Physical Verification of the Assets is carried out once in every two years to ensure that the assets are secured and properly maintained from time to time.

2 The Physical Verification of assets has been conducted for the financial year FY24-25.

3 While it is possible to verify the assets lying above the ground ,it is not feasible to carry out the physical verification of the assets lying underground which constitute about 70-80% of the total assets.The company considers the functionality of those assets lying undergorund and since there is no disruption of gas supply as intended through such underground pipelines ,it is considered that there are no material discrepancies in the quality and quantity of such assets.

4 The Company is having complete control over the entire fixed assets and the fixed assets are continuously being used for distribution of Gas.

E. Details of, Lands Owned

1 Land at Pudur, Medchal, RR District admeasuring (Ac.4.23.31 Guntas) INR 248.66 Lakhs.

2 Land at Gosaiguda, Medchal Mandal, RR District admeasuring 225 Sq. mtrs INR 19.15 Lakhs.

3 Land at mother station, Shamirpet, Hyderabad admeasuring 2.18 acres allotted by APIIC INR 234.78 lakhs.(Including registration charges)

4 Land at Medhcal Village, R.R. Dist, Hyderabad admeasuring 180 Sq. Mtrs allotted by APIIC INR 11.62 lakhs.(Including registration charges

5 Land at Vakalpudi , Plot no: Measuring 6070.50 Sq.mtrs, at Kakinada INR 169.11 Lakhs.(Including registration charges)

6 Land at Peddapuram , Plot no: 3&4 ,Measuring 8062.82 Sq.mtrs, at Kakinada INR 403.15 Lakhs., Possesion is with the company, Agreement for sale is duly registered.

F. Details of Other Lands Owned

1 Land measuring 0.90 acer Vidyadharpuram, Vijayawada is yet to be registered in the name of BGL

2 HMDA had handed over 2002 Sqr mtr land at Saroornagar mandal in May 2006 for a lease period of 33 years, the lease agreement is pending for execution

G. ROU Land - Reclassification

Andhra Pradesh Industrial Infrastructure Corporation Land taken on Lease for 33 years. The amount paid at inception is being amortised from time to time over the period of the lease. The same has been reclassfied under ROU Asset (Land) in the Current Year and Comparitive figures are restated wheever necessary (ROU, Amortization, Rent Expesnes and Prepaid Asset).

4a. CWIP Ageing

Rs. in Lakhs

CWIP	Amount in CWIP for a period of 2025-26				Total	Amount in CWIP for a period of 2024-25				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years		Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	8,461.88	3,712.36	6,077.32	11,499.98	29,751.54	1,202.81	1,535.54	8,901.71	14,021.64	25,661.70

Note: The delay in capitalization is mainly due to delay in the pipeline laying and connectivity as there are permissions pending from various statutory authorities and effective time given to lay the pipeline is only 5 months after the monsoon ban and work can be executed only during the night time leading to the delays in execution.CWIP includes capital inventory items like CS pipes etc which were procured in earlier years and held for use in projects.These items, based on their nature, expected useful life and quality with reference to specifications of the projects, do not loose any of their utility and value for their intended use and value as compared to the value at which they are recorded in the books of accounts.The company evaluates these items through the external technical consultants. In these circumstances, the management considers these items do not require any provision on account of impairment in the value of these items.

5. Other financial assets

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
PIL- Security deposit	11.10	11.10
Electricity deposits	42.84	42.84
Others	214.38	186.88
Deposits with banks maturity beyond 12 months *	3,910.08	3,921.00
	4,178.51	**4,161.81**

PIL: Pipeline Infrastructure Limited

*Deposits with banks maturity beyond 12 months-This includes Debt Service Reserve Deposit of Rs. 2500.00 Lacs with ICICI Bank for one quarter principal and interest repayment, PNGRB PBG of Rs 400 Lacs, Rs. 10.92 Lacs with SBI and also Rs.1009.08 Lacs with Canara Bank towards BG Security

6. Other tax assets (Net)

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Advance income tax	1,670.00	1,165.00
Previous year - Tax Deposits	-	84.02
TDS	138.31	97.68
TCS	-	-
Less: Provision for taxation	-	1,143.30
	1,808.31	**203.40**

7. Other non-current assets

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Railway way leave charges	206.78	240.45
Leased land with APIIC	-	-
Term Loan Processing charges	104.11	125.10
	310.89	**365.55**

APIIC: Andhra Pradesh Industrial Infrastructure Corporation : Lease land for 33 years. The amount paid at inception is being amortised from time to time over the period of the lease. The same has been reclassfied under ROU Asset (Land) in the Current Year

8. Inventories

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Raw material (natural gas in pipeline)	148.50	118.82
Finished goods	91.43	50.98
Stores and spares*	732.98	264.09
	972.91	**433.90**

Note1 : Inventories are valued at Cost or NRV which ever is lower.

Note2 : The NG is valued in scm and it is done on the input cost ie rate at which it is paid to GAIL.CNG is valued in KG at input cost +Compression charges+ ED+ LCV loading charges.

9. Trade receivables

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
(a) Trade Receivables considered good - Secured	4,246.62	4,690.12
(b) Trade Receivables considered good - Unsecured	4,790.97	1,751.83
(c) Trade Receivables which have significant increase in Credit Risk	153.63	125.10
(d) Trade Receivables - credit impaired		
(e) Trade Receivables - Unbilled		
Less: Provision for Bad and Doubtful Debts	-153.63	-139.25
Total Trade Receivables	**9,037.59**	**6,427.79**
Trade Receivables from Related Parties included in (b) above	**2,300.59**	**1,478.05**

Note1: Trade Receivables which are classified as secured, are secured by ESD & CSD deposits.

Note2: Provision is made as per Accounting Policy for dues as mentioned below:

Upto 3 Years	-	-
Above 3 Years	100%	100%

Particulars	Outstanding for following periods from due date of payment for 2025-26						
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	5,601.12	1,965.25	1,432.30	35.89	3.04		9,037.59
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	153.63	153.63
(iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
Total							9,191.22

Particulars	Outstanding for following periods from due date of payment for 2024-25						
	Not Due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	6,187.15	135.93	87.77	12.22	18.88		6,441.95
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	125.10	125.10
(iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good		-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-	-
Total							6,567.05

10 & 11. Cash and cash equivalents

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
(i) Bank balances		
Current accounts	2,724.55	1,050.61
Deposits with maturity less than 3 months	1,500.00	2,250.00
(ii), Cheques, drafts on hand		-
(iii) Cash on hand	27.92	9.96
(iv) Prepaid Cards	6.85	2.85
	4,259.32	**3,313.42**

12. Other financial assets

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Interest accrued on deposits	22.58	28.22
	22.58	**28.22**

13. Other current assets

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
(A) Advance other than capital advances		
(a) Advances to suppliers	-	11.75
(b) Pre-paid expenses	233.75	122.26
(c) Other advances	134.00	39.21
(B) Others		
(a) VAT, CENVAT, GST and others	734.18	103.27
(b) TCS ON Purchases-Other Than NG	-	-
	1,101.92	**276.49**

14. Equity share capital

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
(i) Authorised capital*		
120,000,000 Equity shares of INR 10/- each	12,000.00	12,000.00
Previous year 100,000,000 Equity shares of INR 10/- each		
(ii) Subscribed and paid up		
10,00,25,695 Equity shares of INR 10/- each	10,002.57	9,186.75
Previous year 9,18,67,461 Equity shares of INR 10/- each		

(iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Number of shares in lakhs		
Shares outstanding at the beginning of the year	918.67	895.79
Add: Issued and allotted during the year	83.89	22.88
Shares outstanding at the end of the year	1,002.57	918.67

(v) Rights, preferences and restrictions attached to the equity shares:

(a) The Company has only one class of equity shares having par value of, INR 10 each. Each shareholder is eligible for one vote per share held.

(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.

(c) Apart from the rights, restrictions and preferences prescribed by the Companies Act, 2013 and the Articles of Association of the company, the Shareholders' agreement also elaborately deal with the above. In brief the above referred documents provide for restrictions:

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

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

Particulars	31st March 2026	31st March 2025
(a) Equity Shares		
GAIL (India) Limited :		
Number of equity shares in lakhs	478.42	436.50
% of holding	47.72%	47.51%
Hindustan Petroleum Corporation Limited		
Number of equity shares in lakhs	478.42	436.50
% of holding	47.72%	47.51%

(vii) (vii) As of 31st March 2014, Bhagyanagar Gas Limited (BGL) had a paid up equity capital of Rs. 5 lakhs, in which HPCL and GAIL were holding 25% each and the balance 50.00% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, HPCL and GAIL had paid Rs. 22.49 Crore each as Advance against Equity / Share application money (totalling to Rs 44.98 Crore). On 20th August 2014, BGL allotted 2,24,87,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Accordingly, the HPCL & GAIL 's shareholding in BGL paid up capital had increased from 25% to 49.97%. KSPL challenged this in the Company Law Board (CLB), Chennai Bench which dismissed it on 14th September 2014. Against this, KSPL moved the High Court, Telangana, which did not stay the dismissal order of CLB. The matter is still sub judice. BGL allotted 2,11,50,000 equity shares @ Rs.50 per share to HPCL & GAIL each on 1st October 2018 on Right's basis along with 23500 rights shares to KSPL . As per the AP Govt GO 234 dated 30.10.2009 ,the AP Govt authorised APIIC to invest upto a maximum of 5% as a share of Govt of AP in BGL .In 2009 the authorised share capital of BGL was Rs 100 crs. Accordingly in 2010 , 3 lands in AP and 2 lands in Telangana were identified and possessions given by APIIC as consideration other than cash to BGL. However the shares could not be allotted immediately . On 9 the December 2019 , BGL issued 22,30,961 shares of Rs 10/each to APIIC for the 3 lands given in AP .Due to this allotment the % of equity invested by HPCL & GAIL reduced from 49.97% to 48.73% . On 24.12.2024 BGL issued 22,88,000 shares of Rs 10/each to TSIIC for the 2 lands given in Telangana .Due to this allotment the % of equity invested by HPCL & GAIL reduced from 48.73% to 47.515%.

(viii) At the 159th Board Meeting of the company held on 24th December 2024, pursuant to the provisions of Section 62(1)(a) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the consent of the Board of Directors is given for issue of 22,88,000 equity shares at Rs.10/- per share of an aggregate value of Rs. 2,28,80,000/- on preferential basis to TSIIC for the lands given to BGL against consideration other cash.The allotment was made at par on the ground that the issue of shares was based on GO at the time of allotment of land and after considering the increase in value of land. The allotment was made in concurrence with and as approved by the existing shareholders in the EGM held on 18 th December 2024.

(ix) At the Board Meeting of the company held on 3rd June 2025, pursuant to the provisions of Section 62(1)(a) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the consent of the Board of Directors is given for issue of 83,89,498 equity shares of face value of Rs.10/- each at the rate of Rs.68/- per share (Rs.58 premium per share)of an aggregate value of Rs.57,04,85,864 /-

15. Share Premium

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Share Premium	21,795.31	16,929.40

16a. Lease liabilities

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
A. Non-current		
Lease Liabilities	1,335.01	981.80
Total Non Current	**1,335.01**	**981.80**
B. Current		
Lease Liabilities	361.79	21.50
Total Current	**361.79**	**21.50**

Note: Refer to Note 36

16b. Borrowings

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
A. Non-current borrowings		
Term loans from banks (secured)	36,650.00	42,760.00
Total Non Current borrowings	**36,650.00**	**42,760.00**
B. Current borrowings		
Term loans from banks (secured)*	3,750.00	3,370.00
Working Capital Loan (secured) from ICICI Bank	-	-
Total Current borrowings	**3,750.00**	**3,370.00**

* current portion of long term borrowings

C. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	31st March 2026	31st March 2025
1. Secured bank loan in INR		
ICICI BANK (Term Loan)	40,400.00	46,130.00
Total borrowings	**46,130.00**	**48,500.00**

D. Security for bank loans

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

a) first pari-passu charge on the fixed assets, (movable and immovable) and current assets of the company, both present and future

b) First pari-passu charge on the Trust and Retention Accounts.

c) First pari-passu charge on the intangible assets including Goodwill..by way of hypothecation on all the plant and machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, intangible assets including but not limited to the goodwill, uncalled capital and all other movable assets, both present and future, in relation to the project

17. Provisions

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
(a) Provision related to post-employment defined benefit plans	45.49	43.24
(b) Provision related to compensated absences	51.69	26.64
(c) Other Provision	923.92	711.94
	1,021.11	**781.82**

18. Deferred tax liabilities (Net)

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
(i) Deferred tax assets		
Provision related to post-employment defined benefit plans	11.72	12.91
Provision related to compensated absences	15.75	8.93
Un absorbed depreciation	-	156.07
Unused Tax Credits	3,733.41	4,726.15
Others	246.91	68.15
Sub total (A)	**4,007.78**	**4,972.22**
(ii) Deferred tax liabilities		
Tangible assets	7,935.29	8,460.39
Others	-	-
Sub total (B)	**7,935.29**	**8,460.39**
(iii) Deferred tax liabilities (Net) B-A	**3,927.50**	**3,488.17**

19. Trade payables

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Trade payables to related parties	4,436.91	3,899.88
Other trade payables		
(A) Micro enterprises and small enterprises,	389.42	203.26
(B) Creditors other than micro enterprises and small enterprises.	964.23	405.76
	5,790.56	**4,508.90**

Particulars	Outstanding for following periods from due date of payment 2025-26				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	389.42				389.42
(ii) Others	5,377.11	-	-	24.03	5,401.14
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	-	-	-	-	5,790.56

Particulars	Outstanding for following periods from due date of payment 2024-25				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	4103.14				4,103.14
(ii) Others	325.35	15.6	21.43	43.38	405.76
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	-	-	-	-	4,508.90

20. Other financial liabilities

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Others -		
(a) Retention money	2,361.49	2,379.76
(b) EMD / security deposits	344.75	660.83
(c) Creditors for capital goods		
(A) Micro enterprises and small enterprises*,	282.04	348.04
(B) Creditors other than micro enterprises and small enterprises.	606.15	791.31
(d) PNG customer deposits	4,221.30	3,382.52
(e) PLA Deposits	-	-
(f) Advance from Customers	29.26	-
	7,844.97	**7,562.46**

21. Other current liabilities

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Statutory liabilities	1,484.42	1,043.12
Accruals	43.76	834.57
Other liabilities	198.72	6.45
Other liabilities	1,457.20	-
	3,184.11	**1,884.14**

22. Provisions

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
(a) Provision related to post-employment defined benefit plans	1.08	1.10
(b) Provision related to compensated absences	10.88	4.02
	11.97	**5.12**

23. Assets and Liabilities relating to employee benefits

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
A. Gratuity		
1. Changes in Present Value of Obligations (PVO)		
PVO at beginning of period	**43.48**	**40.10**
Interest cost	2.83	2.71
Current service cost	8.59	7.57
Past Service Cost-(non vested benefits)	-	-
Past Service Cost-(vested benefits)	-	-
Benefits paid	(11.42)	(5.19)
Actuarial (gain)/loss on obligation	(2.16)	(1.71)
PVO at end of period	**41.31**	**43.48**
2. Interest expenses		
Interest cost	**2.83**	**2.71**
3. Fair value of plan assets		
Fair value of plan assets at the beginning	-	-
Interest income	-	-

Particulars	31st March 2026	31st March 2025
4. Net liability		
PVO at beginning of period	43.48	40.10
Fair value of the assets at beginning report	-	-
Net liability	**43.48**	**40.10**
5. Net interest		
Interest expenses	2.83	2.71
Interest income	-	-
Net interest	**2.83**	**2.71**
6. Actual return on plan assets		
Less Interest income included above	-	-
Return on plan assets excluding interest income	-	-
7. Actuarial (gain)/loss on obligation		
Due to demographic assumption	-	-
Due to financial assumption	(4.08)	1.10
Due to experience	1.92	(2.80)
Total actuarial (gain)/loss	**(2.16)**	**(1.71)**
8. Fair value of plan assets		
Opening fair value of plan asset	-	-
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excl. interest income	-	-
Interest income	-	-
Contributions by employer	-	-
Contributions by employee	-	-
Benefits paid	-	-
Fair value of plan assets at end	-	-
9. Past service cost recognised		
Past service cost- (non vested benefits)	-	-
Past service cost -(vested benefits)	-	
Average remaining future service till vesting of the benefit	-	-
Recognised, past service cost- non vested benefits	-	-
Recognised, past service cost- vested benefits	-	-
Unrecognised past service cost- non vested benefits	-	-
10. Amounts to be recognized in the balance sheet and statement of Profit & loss account		
PVO at end of period	41.31	43.48
Fair value of plan assets at end of period	-	-
Funded status	(41.31)	(43.48)
Net asset/(liability) recognized in the balance sheet	**(41.31)**	**(43.48)**
11. Expense recognized in the statement of profit & loss account		
Current service cost	8.59	7.57
Net interest	2.83	2.71
Past service cost- (non vested benefits)	-	-
Past service cost -(vested benefits)	-	-

Particulars	31st March 2026	31st March 2025
Curtailment effect	-	-
Settlement effect	-	-
Expense recognized in the statement of profit & loss account	**11.42**	**10.28**
12. Other Comprehensive Income (OCI)		
Actuarial (gain)/loss recognized for the period	(2.16)	(1.71)
Asset limit effect	-	-
Return on plan assets excluding net interest	-	-
Unrecognized actuarial (gain)/loss from previous period	-	-
Total actuarial (gain)/loss recognized in (OCI)	**(2.16)**	**(1.71)**
13. Movements in the liability recognized in balance Sheet		
Opening net liability	43.48	40.10
Adjustment to opening balance	-	-
Expenses as above	11.42	10.28
Contribution paid	-	-
Other comprehensive income	(1.71)	(18.95)
Closing, net liability	**43.48**	**40.10**
14. Schedule III of The Companies Act 2013		
Current liability	1.08	1.10
Non-current liability	45.49	42.37
	Target Allocation,	Target Allocation,
	%	%
15. Asset Information		
Cash and cash equivalents	-	-
Gratuity fund (LIC)	-	-
Debt security - government bond	-	-
Equity securities - corporate debt securities	-	-
Other insurance contracts	-	-
Property	-	-
Total itemized assets	-	-
16. Assumptions as at reporting date	31/03/2026	31/03/2025
Mortality		
Interest / discount rate	0.08	0.07
Rate of increase in compensation	0.05	0.05
Annual increase in healthcare costs	-	-
Future changes in maximum state healthcare benefits	-	-
Expected average remaining service	25.68	26.77
Employee attrition rate(past service (PS))		

Particulars				31st March 2026	31st March 2025
17. Sensitivity analysis					
Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:					
Scenario				**DBO**	**Percentage Change**
Under Base Scenario				4,657,611	0.00%
Salary Escalation - Up by 1 %				5,216,637	12%
Salary Escalation - Down by, 1 %				4,180,639	(10.24)%
Withdrawal Rates - Up by 1%				4,757,318	2.14%
Withdrawal Rates - Down by 1%				4,570,866	(1.86)%
Discount Rates - Up by 1%				4,213,626	(9.53)%
Discount Rates - Down by 1%				5,184,332	11.31%
18. Expected Payout					
Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo six to ten years
Payouts	1.09	1.13	12.94	1.49	117.91

Particulars	31st March 2026	31st March 2025
B. Leave Encashment		
1. Changes in present value of obligations		
PVO at beginning of period	24.84	25.87
Interest cost	1.38	1.39
Current service cost	-	-
Benefits paid	(1.38)	(13.39)
Actuarial (gain)/loss on obligation	46.63	10.97
PVO at end of period	**71.47**	**24.84**
2. Interest expenses		
Interest cost	**1.39**	**1.39**
3. Fair value of plan assets		
Fair value of plan assets at the beginning	**-**	**-**
Interest income	**-**	**-**
4. Net liability		
PVO at beginning of period	24.84	25.87
Fair value of the assets at beginning report	24.84	25.87
Net liability	-	-
5. Net interest		
Interest expense	1.38	1.39
Interest income	-	-
Net interest	**1.38**	**1.39**
6. Actual return on plan assets		
Less Interest income included above	-	-
Return on plan assets excluding interest income	-	-
7. Actuarial (gain)/loss on obligation		

Particulars	31st March 2026	31st March 2025
Due to demographic assumption	-	-
Due to financial assumption	(2.30)	0.26
Due to experience	48.93	10.71
Total actuarial (gain)/loss	**46.63**	**10.97**
8. Fair value of plan assets		
Opening fair value of plan asset	-	-
Adjustment to opening fair value of plan asset	-	-
Return on plan assets excl. interest income	-	-
Interest income	-	-
Contributions by employer	(1.38)	(13.39)
Contributions by employee		
Benefits paid	(1.38)	(13.39)
Fair value of plan assets at end	-	-
9. Past service cost recognised		
Past service cost- (non vested benefits)	-	-
Past service cost -(vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised, past service cost- non vested benefits	-	-
Recognised, past service cost- vested benefits	-	-
Unrecognised past, service cost- non vested benefits	-	-
10. Amounts to be recognized in the balance sheet and statement of profit & loss account		
Fair value of plan assets at end of period	71.47	24.84
Funded status	-	-
Net asset/(liability) recognized in the balance sheet	(71.47)	(24.84)
	(71.47)	**(24.84)**
11. Expense recognized in the statement of profit & loss account		
Current service cost	-	-
Net interest	1.38	1.39
Past service cost- (non vested benefits)	-	-
Past service cost -(vested benefits)	-	-
Curtailment effect	-	-
Settlement effect	-	-
Actuarial (gain)/loss recognized for the period	46.63	10.97
Expense recognized in the statement of profit & loss account	**48.01**	**12.36**
12. Other Comprehensive Income (OCI)		
Actuarial (Gain) / Loss recognised for the period	-	-
Asset limit effect	-	-
Return on Plan Assets excluding net interest	-	-
Unrecognised Actuarial (Gain) / Loss from previous period	-	-
Total Actuarial (Gain) / Loss recognised in (OCI)	-	-

Particulars	31st March 2026	31st March 2025
13. Movements in the liability recognized in balance sheet		
Opening net liability	24.84	25.87
Adjustment to opening balance	-	-
Expenses as above	48.01	12.36
Contribution paid	(1.38)	(13.39)
Closing, net liability	**71.47**	**24.84**
14. Schedule III of The Companies Act 2013		
Current liability	10.88	4.02
Non-current liability	51.69	20.82
15. Short, term compensated absence liability		
Valuation date.	31st March 2026	31st March 2025
No of days	-	-
Amount *	-	-
16. Asset information		
Cash and cash equivalents	-	-
Leave encashment scheme	-	-
Debt security - government bond	-	-
Equity securities - corporate debt securities	-	-
Other insurance contracts	-	-
Property	-	-
Total itemized assets	-	-
17. Assumptions		
Mortality	-	-
Interest / discount rate	0.08	0.07
Rate of increase in compensation	0.05	0.05
Annual increase in healthcare costs	-	-
Future changes in maximum state healthcare benefits	-	-
Expected average remaining service	-	-
Employee attrition rate(past service (PS))	-	-

18. Sensitivity analysis

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

Scenario	DBO	Percentage Change
Under Base Scenario	6,257,481	0.0%
Salary Escalation - Up by 1 %	6,591,212	5.3%
Salary Escalation - Down by, 1 %	5,949,780	(4.9)%
Attrition Rates - Up by 1%	6,254,316	0.10%
Attrition Rates - Down by 1%	6,260,655	(0.1)%
Discount Rates - Up by 1%	5,990,605	(4.3)%
Discount Rates - Down by 1%	6,552,035	4.7%

Expected Payouts (in Rs. Lakhs)					
Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo six to ten years
Payouts	10.88	9.67	14.37	6.85	56.05

24 Revenue from operations (including excise duty)

Rs. in Lakhs

Particulars	31st March 2026	31st March 2025
Sale of CNG	83,067.41	57,521.62
Sale of PNG	20,416.67	20,571.10
	103,484.08	**78,092.72**

25 Other income

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest on fixed deposits	398.50	298.92
Interest - others	2.01	0.51
Miscellaneous income	626.90	212.59
Service Income from Compression of NG to CNG	240.22	34.48
Income received from sale of scrap	6.20	-
Insurance claim received against loss due to floods	101.46	1.00
Interest on IT Refund	54.68	-
	1,429.97	**547.50**

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

26 Cost of materials consumed

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Opening stock (natural gas)	118.82	81.26
Add: Purchases	66,037.33	46,277.02
Add: Product transhipment & LCV charges	3,476.08	2,121.43
Add: Facility charges and Filling Charges - OMC	970.96	823.47
	70,603.19	**49,303.18**
Less: Closing stock (natural gas)	(148.50)	(118.82)
	70,495.13	**49,184.36**

Note: Includes gas transportation, CST@ 2%, positive and negative imbalances charges , Captive consumption, testing/ purging consumption

27 Changes in inventories

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Opening stock	50.98	31.77
Closing stock	(91.43)	(50.98)
	(40.45)	**(19.21)**

28 Employee benefits expense

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Salary, wages and bonus	953.54	851.71
Contribution to provident fund	37.06	28.38
Expenses related to post-employment defined benefit plans	11.42	10.28
Expenses related to compensated absences	1.38	1.39
Staff welfare expenses	132.54	65.91
	1,135.93	**957.67**

29 Finance costs

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Interest on borrowings		
- Banks	3,418.21	4,149.19
Lease Finance Charges	84.28	77.07
	3,502.49	**4,226.26**

30 Depreciation & Amortization

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Depreciation on property, plant and equipment	5,104.05	4,394.98
Amortisation of Intangible Asset	15.92	1.20
Amortisation of ROU Leased Asset	180.79	196.73
	5,300.76	**4,592.90**

Note: In Current Year, Annual Amortization of Lumpsum Lease Rent paid to APIIC Land is regrouped under "Amortization expenses" as against previous year classification as "Rent Expenses".

31 Other expenses

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
Advertisement	19.10	2.56
Business promotion	9.06	24.95
Vehicle hire and running expenses	147.58	154.23
Power & fuel	1,829.35	1,196.69
Insurance	181.78	125.44
Technical assistances services	995.01	1,002.16
Postage & courier	4.36	3.47
Printing & stationery	22.24	19.82
Rent, rates & taxes*	187.30	114.31
Repairs & maintenance	2,255.02	2,492.34
Security services	158.65	178.98
Telephone charges	8.93	21.83
Travelling expenses	52.19	56.15
Professional charges	62.28	98.43
Training cum conference	6.35	1.18
Audit fees (refer note 31(a) below)	6.55	5.63
Bank charges	110.71	91.33
Railway way leave charges	33.67	91.28

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
ROC Registration, Stamp Duty and Filing Charges	2.47	18.22
Annual Subscritption Fees- Natural Gas Sty	1.25	25.62
Corporate social responsibility expenses (refer note 31(b) below)	82.24	75.55
General expenses	35.75	34.06
IEM Sitting Fees & Related Expenses	2.16	2.20
PNG DMA Service charges	114.22	82.57
Office Maintenance Expenses	10.91	70.60
Donations	-	75.00
Loss on sale of scrap including MSTC charges	-	0.06
Bad bebts	3.08	-
Loss On Impairment of Assets	340.38	-
Loss on Account of Floods	646.86	172.48
Provision for Bad and doubtful debts	14.37	28.23
IT Subscription Expenses (SAP etc.,)	147.24	86.25
IT Taxes & Interest (Past Years lower provisions and Interest)	6.71	11.15
PIL Hooking Up Maintenance Charges	51.54	96.52
	7,549.31	**6,459.28**

Note1: During the previous financial year there was a flooding due to heavy rains in the city of Vijaywada where in our other station, stores and equipment in Retail Outlets are located.There was damage to the equipment and stores due to the floods. The company surveryed, assessed and estimated the loss resulting from the floods. The company made a preliminary claim with insurance company towards this repairs. Meanwhile the company estimated a partial loss on account of additonal cost of repairs and placed orders with suppliers. The amount of Rs 172.48 lacs represents the estimated cost of repairs.The final loss due to floods and benefit from insurance claim was estimated,determined and provided, once the assessment is completed and insurance claim is settled. During the year no contigent asset on account of insurance claim is recognised.

During the Current Year, the company received Insurance Claim towards Repairs claims and accounted accordingly as receipt from insurance claims.

In Addition to the above, there are pending claims lodged with insurance company towards FLOP and Inventory Loss, the status of which is pending as on 31st March 2026. No contingent Asset is recognized in the books for the same. Futher, in Current Year a Provision for an amount of Rs. 6.46 Cr provided in books in line with the Claim lodged.

Note2 : Rent Rates & Taxes for Previous year include Amrotization of Lease Payment towards APIIC Land, which is reclassified in current year under Amortization (Refer Note:30)

31(a) Audit fees

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
As Statutory audit		
Statutory Audit	6.31	4.78
Other Services	0.24	0.86
	6.55	**5.63**

31(b) Corporate social responsibility,

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
(a) Amount required to be spent by the company during the year	82.24	75.55
(b) Amount spent during the year (in cash)		
, , , (i) Construction/ acquisition of any asset	-	-
, , , (ii) On purposes other than (i) above	70.10	75.55
(c) Amount unspent Provided	12.14	-
(d) Total previous shortfall		-
(e) Nature of CSR Activities		
	82.24	**75.55**

32 Income tax expense

Rs. in Lakhs

Particulars	Year Ended 31st March 2026	Year Ended 31st March 2025
A. Amounts recognised in profit and loss		
Current tax	-	-
Current period (a)	1,457.20	1,143.30
Adjustments in respect of current income tax of previous year (b)	-	-
Deferred tax	-	-
Attributable to	-	-
Relating to origination and reversal of temporary differences (c)	447.83	695.61
Income tax expense (a+b+c)	**1,905.03**	**1,838.91**

Particulars	31st March 2026	31st March 2025
B. Income tax recognised in other comprehensive income		
Net loss/ (gain) on re-measurement of defined benefit plans	-11.19	-2.70
Income tax charges to other comprehensive income	**-11.19**	**-2.70**

Particulars	31st March 2026	31st March 2025
C. Reconciliation of effective tax rate		
Profit before tax	7,332.07	6,534.35
Effective tax rate	34.944%	17.472%
Computed effective tax expense	2,562.12	1,141.68
Effect of Ind AS adjustments	-	-
Effect of tax deductible expense	-112.17	
Effect of interest for short and deferment of advance tax		
Changes in estimates related to prior periods	-	-
Movement in deferred tax liability (including MAT credit entitlements)	447.83	692.91
Less: MAT Credit Adjustment	**-992.75**	**-**
Income tax expense charged to SoPL	**1,905.03**	**1,834.59**
Revised Income tax Effective % expense charged to SoPL	**25.982%**	**28.076%**

33. Capital Management

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

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

3. The Company's adjusted net debt to equity ratio is as follows:	31st March 2026	31st March 2025
Total Liabilities	63,888.21	65,363.84
Less: Cash and Cash Equivalents	4,259.32	3,313.42
Adjusted Net Debt	59,628.89	62,050.42
Total Equity	10,025.70	9,186.75
Adjusted Net Debt to Equity Ratio	5.95	6.75

34. Financial instruments

1. Accounting classifications and fair values

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

31st March 2026 Rs. in Lakhs

Particulars	Carrying Amount			Fair Value		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value	-	-		-	-	-
Financial assets not measured at fair value				-	-	-
Security deposits	4,178.51	-	4,178.51	-	-	-
Accrued interest	22.58	-	22.58	-	-	-
Trade receivables	9,037.59	-	9,037.59	-	-	-
Cash and cash equivalents	4,259.32	-	4,259.32	-	-	-
	17,498.00	**-**	**17,498.00**	-	-	-
Financial liabilities not measured at fair value				-	-	-
Secured bank loans	-	40,400.00	40,400.00	-	40,400.00	-
Working Capital Loan	-	-	-	-	-	-
Trade payables	-	5,790.56	5,790.56	-	-	-
Capital creditors	-	888.19	888.19	-	-	-
Security deposits received	-	344.75	344.75	-	-	-
Accrued interest	-	-	-	-	-	-
Retention money	-	2,361.49	2,361.49	-	-	-
	-	**49,784.98**	**49,784.98**	**-**	40,400.00	**-**

31st March 2025

Rs. in Lakhs

Particulars	Carrying Amount			Fair Value		
	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value	-	-		-	-	-
Financial assets not measured at fair value				-	-	-
Security deposits	4,161.81	-	4,161.81	-	-	-
Accrued interest	28.22	-	28.22	-	-	-
Trade receivables	6,427.79	-	6,427.79	-	-	-
Cash and cash equivalents	3,313.42	-	3,313.42	-	-	-
	13,931.24	**-**	**13,931.24**	-	-	-
Financial liabilities not measured at fair value				-	-	-
Secured bank loans	-	46,130.00	46,130.00	-	46,130.00	-
Working Capital Loan	-	-	-	-	-	-
Trade payables	-	4,508.90	4,508.90	-	-	-
Capital creditors	-	7,562.46	7,562.46	-	-	-
Security deposits received	-	405.76	405.76	-	-	-
Accrued interest	-		-	-	-	-
Retention money	-	**-**	**-**	**-**	**-**	**-**
	-	**58,607.12**	**58,607.12**		**46,130.00**	

35. Financial risk management

1. Overview

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

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

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

Risk management framework:

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

- **Credit risk**

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

2. Trade and other receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management does not expect any significant credit risk out of exposure to trade and other receivables, as the major part of the revenue is contributed by either through cash sales or sales to government owned oil marketing companies like HPCL, IOCL and State transport corporation of A.P. and Telangana with a credit period ranging from 3 days to 25 days.

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

Product	Credit Period
1. Compressed Natural Gas (CNG)	
(a) Oil Marketing Companies like HPCL, IOCL Etc.,	15 Days from the Invoice Receipt date
(b) Road Transport Corporation like APSRTC, TSRTC Etc.,	Weekly Advance, followed by 25 Days for monthly Settlement upon receipt of Invoice
(c) Others	Cash and Carry Basis
2. Piped Natural Gas (Domestic)	21 Days form the Invoice date
3. Piped Natural Gas (Industrial)	3 Days form the Invoice Receipt date
4. Piped Natural Gas (Commercial)	7 Days form the Invoice Receipt date

4. Cash and cash equivalents: The company held cash and cash equivalents of INR 4259.32 Lakhs as at 31 March 2026 and INR 3313.42 Lakhs as at 31 March 2025. The cash and cash equivalents are held with public sector banks and leading private sector Bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

- **Liquidity risk**

1. Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
2. The company aims to maintain the level of its cash and cash equivalents and investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. This excludes potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.
3. Exposure to Liquidity risk
   The following are the remaining contractual maturities of financial liabilities at the reporting date.

31st March 2026

Particulars	Carrying amount	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Borrowings- secured	40,400.00	1,250.00	2,500.00	6,850.00	24,620.00	5,180.00
Working Capital Loan	-					
Trade payables	5,790.56	5,790.56				
Other financial liabilities	4,217.18	3,196.07		1,021.11		
	50,407.74	**10,236.63**	**2,500.00**	7,871.11	**24,620.00**	**5,180.00**

31st March 2025

Particulars	Carrying amount	6 months or less	6-12 months	1-2 Years	2-5 Years	More than 5 years
Borrowings- secured	46,130.00				26,755.00	19,375.00
Working Capital Loan	-	-				
Trade payables	4,508.90	4,508.90				
Other financial liabilities	7,562.46	348.04	7,214.42			
	58,201.36	**4,856.94**	**7,214.42**	-	**26,755.00**	**19,375.00**

- **Market Risk**

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

Sensitivity analysis:

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by INR 834.35 Lakhs for 31st March 2026 (INR 933.99 Lakhs for 31st March 2025). This analysis assumes that all other variables remain constant

	As at 31st March 2026	As at 31st March 2025
Interest on Secured Bank Loan- Variable Interest rate- Effect on Profit / Loss	834.35	933.99
Cash flow sensitivity	-834.35	-933.99

- **Operational Risk**

1. Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.
2. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
3. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:
   - Requirements for appropriate segregation of duties, including the independent authorization of transactions
   - Requirements for the reconciliation and monitoring of transactions
   - Compliance with regulatory and other legal requirements
   - Documentation of controls and procedures
   - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
   - Requirements for the reporting of operational losses and proposed remedial action
   - Development of contingency plans
   - Training and professional development
   - Ethical and business standards
   - Risk mitigation, including insurance when this is effective.
4. Compliance with Company's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Board of the Company.

36. Operating leases

1. Lease taken by BGL -

1) APIDC -western and Easter wing
2) Project office at HMT - Hyderabad
3) Project office at Vijaywada **
4) Project office at Kakinada. **
5) Mother station Lease Land - Hafeezpet **
6) CoCo - Saroornagar station **
7) Project office Kukatpally **
8) New Head office Lease **
9) GHMC,Quthbullapur Premises
10) Somajiguda - Transit House
11) Vijayawada Transit House
12) Kondapalli Store Yard

2 Details w.r.t Lease ROU Assets **

3. Interest expenses on Lease Liability - Rs 84.28 Lakhs

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

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

6 Total Cash outflow for Leases - Rs. 192.40 Lakhs

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

37. Contingent liabilities and commitments

1. Contingent liabilities not provided for–	As at	
	31st March 2026	31st March 2025
A. In respect of the following disputed demands / claims which are under appeal / representation for which the company expects no liability		
i. A.P. Value Added Tax- Restriction of ITC	43.35	16.73
ii. Central Excise- Valuation of excisable goods (CNG) and restriction of CENVAT credit	255.07	268.90
iii. Andhra Pradesh State Road Transport Corporation- Claims against supply of CNG	30.35	30.35
iv. In respect of appeals filed against the company towards Income Tax- Disallowance of expenditure for Assessment Years 2008-09 and 2009-10	11.82	332.23
v. HMDA has raised a claim of interest on delayed lease rental payment, service tax and interest on service tax	52.84	52.84
vi. GST Case pending assessment regaring availment of ITC	9.37	-
B. Guarantees given		
i. The Secretary, Petroleum and Natural Gas Regulatory Board	1,550.00	1,550.00
ii. Torrent Gas Limited	139.18	139.18
iii. The Chairman National Highway Authority of	-	1.59
iii. R&B HYD, National Highways Authority of India	10.92	10.92
iv. National Highways Authority of India	3.80	3.80
v. Megha City Gas Distribution Pvt. Ltd.	-	53.34
vi. The Commissioner Peddapuram Muncipality,Peddapuram	-	202.83
vii. The Commissioner, Vijayawada Muncipality Corporation	0.11	36.34
viii. The Commissioner, Tadigadapa Muncipality, Vijayawada	-	55.20
ix. Project Director, NHAI, VJA	9.40	-
x. The Hyderabad Growth Corridor Limited	1.00	-
C. Letter of Credit issue to		
Gas Authority of India Ltd.	19,653.21	9,938.78
East West Pipeline Ltd	134.39	177.18

2. Commitments

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

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

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

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

1. Contingent liabilities not provided for–	**As at**	
	31st March 2026	**31st March 2025**
Estimated amount of Contracts remaining to be executed on Capital Account not provided for	20,807.96	18,532.00
Other Commitments towards execution of Project Works	1,133.00	1,868.00

38. Related parties

A. Parent and ultimate controlling party

Bhagyanagar Gas Limited ("BGL" for short) is promoted as a Joint Venture company of GAIL (India) Limited and Hindustan Petroleum Corporation Limited (HPCL). The promoters GAIL and HPCL each holds 47.72% of equity share capital in BGL as on reporting date. Hence, treated as Related Parties of BGL

B. Transactions with key management personnel

Managing Director and Director-Commercial are on deputation from GAIL/HPCL. The amount mentioned below represents remuneration paid by GAIL/HPCL and debited to the company. The salary includes salary, employer's contribution to PF, LTA, bonus, medical benefits, gratuity & leave encashment. All amounts mentioned below are inclusive of GST. The Salaries and Allowances paid to MD, DC and KMP are classified under related parties.

Particulars	**As at**	
	31st March 2026	**31st March 2025**
Shri Ram Mohan Rao -Ex -MD (GAIL)	54.32	142.58
Smt Y Danuta -EX-DC (HPCL)	47.05	107.36
Shri. K V Sreenivas Raju MD (HPCL)	110.30	0.00
Shri Kaushik Mitra - DC (GAIL)	110.10	0.00
Smt G Malleshwari-CS - KMP	18.67	18.64
Shri Subramanium -DGM- KMP	34.09	33.24
Shri Subhasis Bhatacharjee -DGM -KMP	0.00	16.64
Transportation (included in respective Amounts for CY)		28.58
Total	**374.53**	**347.04**

C. Transactions with related parties other than KMPs

1. Name of the Related Party	HPCL	GAIL	GAIL-Bastar	HPCL	GAIL
2. Nature of Relationship	Joint Venture	Joint Venture	Subsidisary of JV	Joint Venture	Joint Venture

3. Nature of transaction	31st March 2026		31st March 2025		
(i) Purchases					
(a) Natural Gas		66,037.33	-		46,277.02
Facility charges - HPCL	488.14				
Creditors -GAIL (NG purchase)		4,170.83			2,241.88
Creditors -HPCL Facility charges	69.21				
(ii) Sales	44,500.36		5.78	28,460.26	
Debtors	2,300.59		1.04	1,478.05	
(iii) Inland Letter of Credit		19,653.21			9,938.78
(iv) Manpower Cost-Deputation	274.83	288.61		247.68	274.73

39. Earnings per share

A. Basic Earnings Per Share

The calculation of basic earnings per share at 31 March 2025 was based on the profit attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding.

	Year Ended 31st March 2026	Year Ended 31st March 2025
1. Profit attributable to ordinary shareholders	5,393.76	4,698.14
2. Weighted average number of ordinary shares for the year	1,002.57	918.67
3. Basic EPS	**5.38**	**5.11**

B. Diluted Earnings Per Share

The calculation of diluted earnings per share at 31st March 2025 was based on profit attributable to ordinary shareholders, and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares

	Year Ended 31st March 2026	Year Ended 31st March 2025
1. Profit attributable to ordinary shareholders	5,393.76	4,698.14
2. Weighted average number of ordinary shares (diluted) for the year	1,002.57	918.67
3. Diluted EPS	**5.38**	**5.11**

C. Weighted average number of ordinary shares (diluted)

	Year Ended 31st March 2026	Year Ended 31st March 2025
Weighted average number of ordinary shares (basic)	1,002.57	918.67
Effect of shares to be issued to APIIC for purchase of land	-	-
	1,002.57	**923.49**

40. Ratios

Ratios		31st March 2026	31st March 2025	Variance %
Current Ratio, (Times)	Current Assets, / Current Liabilities	0.74	0.60	22%
Debt-Equity Ratio (Times)	Borrowings / Total Equity	0.68	0.95	-28%
Debt Service Coverage Ratio, (Times)	EBIT / Finance Costs	1.17	1.63	-28%
Return on Equity Ratio, (%)	PAT / Total Equity	9.2%	10%	-6%
Inventory turnover ratio, (Times)	Revenue / (NG and CNG Inventory)	431.31	459.89	-6%

Ratios		31st March 2026	31st March 2025	Variance %
Trade Receivables turnover ratio, (Times)	Revenue / Trade Receivables	11.45	12.15	-6%
Trade payables turnover ratio, (Times)	Revenue / Trade Payables	17.87	17.32	3%
Net capital turnover ratio, (Times)	Revenue / Working Capital	(18.65)	(11.36)	64%
Net profit ratio, (%)	PAT / Revenue	5.2%	6%	-13%
Return on Capital employed, (%)	EBIT / (Total Assets Less Total Current Liabilities)	10.60%	11%	-5%
Return on investment (%)	EBIT / (Total Equity)	18.27%	22%	-18%

41. Reason for the variance of More than 25%

a) Trade payable turnover ratio

The variance is due to substantial increase in trnover with marginal increase in trade payables

b) Net Capital Turnover

Mainly due to increase in sales, and marginal decrease in working capital

c) Debt-Equity Ratio

Advance Repayment of Loan has resulted in reduction of Debt

42. Long term contracts and derivatives contract in any financial years

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

43. Subsequent events

They were no subsequent events post the year end.

44. Operating Segments

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

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

46. Additional Regulatory information

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

   Please refer to the Fixed asset Note No.4 D

2) **Disclosure of Benami Property**

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

3) **Wilful Defaulter**

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

4) **Relationship With Struck off Companies**

   The company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 during the year under consideration.

5) **Registration of Charges or Satisfaction of charges**

Total charges as per MCA site was Rs. 569 Cr.

Term loan I - 400 Cr (Out of which Rs.162.5 Cr was Repaid, Balance Rs.237.5 Cr),

Term loan - II - 185 Cr (Out of which Rs.18.5 Cr was Repaid, Balance Rs.166.5 Cr) and Rs. 165 Cr Non fund based for LC and BGs.

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

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

7) **Undisclosed Income**

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

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

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

9) **Disclosure on Loans and Advances**

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

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

For A.Ramachandra Rao & Co.,
Chartered Accountants
ICAI FR No: 002857S

Sd/-
CA P S R V V Surya Rao
Partner
Membership No. 202367

UDIN: 26202367FAKIVC1265

Place: Hyderabad
Date: 27.04.2026

For and on behalf of Bhagyanagar Gas Limited

Sd/-
K.V Sreenivas Raju
Managing Director
DIN No.:10842042

Sd/-
Kaushik Mitra
Director - Commercial-cum-CFO
DIN No.: 10769334

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

INAUGURATION OF CNG STATIONS AT HYDERABAD

CHRISTMAS CELEBRATIONS

HOLI CELEBRATIONS

DIWALI CELEBRATIONS AT H.O.

CSR ACTIVITIES

POSH TRAINING AT BGL

YOGA DAY

TREKKING

NEW YEAR CELEBRATIONS

MENS DAY CELEBRATIONS

WOMENS DAY CELEBRATIONS

Bhagyanagar Gas Limited

A joint venture of

(CIN: U40200TG2003PLC041566)
REGISTERED OFFICE
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