

# BHAGAWATI GAS LIMITED

Website : [www.bglgroup.in](http://www.bglgroup.in)  
E mail : [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com)

S-492/A, GREATER KAILASH-I  
NEW DELHI- 110048  
INDIA

Phone: 91-11-49120719

CIN - L24111RJ1974PLC005789

Date: 04.09.2019

To  
**BSE Limited**  
PhirozeJeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Scrip Code- **500051**

**Subject**-Notice of Annual General Meeting and Annual Report for the financial year 2018-19 of Bhagawati Gas Limited.

Dear Sir/Mam

Pursuant to Section 108 of Companies Act, 2013, Regulation 30 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the following for the Financial Year 2018-19:

1. Notice of the 45<sup>th</sup> Annual General Meeting
2. Annual Report for Financial Year 2018-19
3. E-voting instruction slip

The aforesaid documents are being dispatched to all eligible shareholders and are also available on the website of the company at [www.bglgroup.in](http://www.bglgroup.in).

This is for your information and record.

Thanking you.

Yours faithfully

**For Bhagawati Gas Limited**



**Rakesh Samrat Bhardwaj**  
Managing Director



**45<sup>th</sup> Annual  
Report 2018-2019**

**BHAGAWATI GAS LIMITED**

# CORPORATE INFORMATION

## 45th Annual Report 2018-2019

### BOARD OF DIRECTORS

Mr. Rakesh Samrat Bhardwaj  
Mr. Kailash Chand Kedia  
Mr. Ganga Charan  
Mrs. Shachi Bhardwaj

Chairman & Managing Director  
Non-Executive Independent Director  
Non-Executive Independent Director  
Non-Executive Director

### CHIEF FINANCIAL OFFICER

Mr. Dyuman Samrat Bhardwaj

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Gajendra S. Shekhawat

### SECRETARIAL AUDITORS

**M/S ATCS & ASSOCIATES,**  
Practicing Company Secretaries  
23-KA-4, Jyoti Nagar, Near Vidhan  
Sabha, Jaipur-302005(Raj)

### STATUTORY AUDITORS

**MOHAN L JAIN & CO.**  
Chartered Accountants  
403, Prabhat Kiran, 17, Rajender  
Place, New Delhi - 110008

### BANKER'S

Central Bank of India  
Yes Bank  
RBL Bank  
State Bank of India

### REGISTERED OFFICE

Banawas, Khetri Nagar, Distt.-  
Jhunjhunu, Rajasthan-333504  
Tel.: 01593-221478/80

### CORPORATE OFFICE

S-492/A, Greater Kailash-I,  
New Delhi-110048  
E-mail: [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com)  
Tel.: +91-11-4912 0719

### REGISTRAR & TRANSFER AGENT Skyline Financial Services Private Limited

D-153 A, 1st Floor,  
Okhla Industrial Area, Phase - I,  
New Delhi - 110 020

| Contents                                   | Page No. |
|--------------------------------------------|----------|
| Notice                                     | 3        |
| Directors' Report                          | 21       |
| Extract of Annual Return                   | 37       |
| Report on Corporate Governance             | 46       |
| Secretarial Auditors' Report               | 70       |
| Management Discussion & Analysis<br>Report | 75       |
| Auditors' Report                           | 81       |
| Balance Sheet                              | 90       |
| Profit & Loss Accounts                     | 92       |
| Cash Flow Statement                        | 93       |
| Notes to Accounts                          | 97       |

## NOTICE

**NOTICE** is hereby given that the 45<sup>th</sup> Annual General Meeting (AGM) of members of Bhagawati Gas Limited will be held on **Monday, September 30, 2019** at 11.00 A.M. at the registered office of the company situated at Banawas, Khetri Nagar-333504, Distt.-Jhunjhunu, Rajasthan to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2019 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rakesh Samrat Bhardwaj (DIN - 00029757), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. **RE-APPOINTMENT OF MR. RAKESH SAMRAT BHARDWAJ (DIN: 00029757) AS MANAGING DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, as per the recommendation of Nomination and Remuneration Committee of the Company, consent of the Members of the company be and is hereby accorded to re-appoint **Mr. Rakesh Samrat Bhardwaj (DIN: 00029757)**, whose tenure as the Managing Director is expired on June 30, 2019 as Managing Director of the Company for the period of 5 years w.e.f. July 01, 2019 and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of **Mr. Rakesh Samrat Bhardwaj (DIN: 00029757)** in the best interests of the Company and as may be permissible at law, viz:

#### A. Period:

5 years w.e.f. July 01, 2019 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

#### B. Remuneration:

- i. Basic Salary: Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) per month with such increments as the Board may decide from time to time.
- ii. Special Allowance: Rs. 30,000/- (Rupees Thirty Thousand only) per month with such increments as the Board may decide from time to time. This allowance however, will not be taken into account for calculation of benefits such as Provident Fund, Gratuity, Superannuation and Leave Encashment.
- iii. Variable Pay: Performance Bonus linked to the achievement of targets, as may be decided by the Board from time to time.
- iv. Long-term Incentive Compensation / Employee Stock Option as per the plan applicable to Executive Directors and/or Senior Executives of the Company / BGL Group, including that of any parent / subsidiary company as may be decided by the Board.

### C. Perquisites:

- i. Housing: Free furnished accommodation or HRA in lieu of Company provided accommodation.
  - ii. Reimbursement of expenses on actual pertaining to electricity, gas, water, telephone and other reasonable expenses for the upkeep and maintenance in respect of such accommodation as per Company policy.
  - iii. Car: cars for use of Company's Business as per Company Car policy.
  - iv. Medical Expenses Reimbursement: Reimbursement of all expenses incurred for self and family at actuals (including domiciliary and medical expenses and insurance premium for medical and hospitalization policy as applicable), as per Company policy.
  - v. Leave Travel Expenses: Leave Travel Expenses for self and family in accordance with the policy of the Company.
  - vi. Club fees: Fees of One Corporate Club in India (including admission and annual membership fee).
  - vii. Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the policy of the Company.
  - viii. Leave and encashment of leave - as per the policy of the Company.
  - ix. Personal accident Insurance Premium - as per the policy of the Company.
  - x. Contribution towards Provident Fund and Superannuation Fund or Annuity Fund, National Pension Scheme - as per the policy of the Company.
  - xi. Gratuity and / or contribution to the Gratuity Fund of Company - as per the policy of the Company.
  - xii. Other Allowances / benefits, perquisites - any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.
  - xiii. Any other one time/periodic retirement allowances / benefits as may be decided by the Board at the time of retirement.
- D.** Annual remuneration review is effective 1st April each year, as per the policy of the Company.
- E.** Subject as aforesaid, the Managing Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.
- F.** For the purposes of Gratuity, Provident Fund, Superannuation and other like benefits, if any, the service of **Mr. Rakesh Samrat Bhardwaj (DIN: 00029757)**, Managing Director will be considered as continuous service with the Company from the date of his joining the July 01, 2019.
- G.** The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Section 197, Section 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.
- H.** When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to **Mr. Rakesh Samrat**

**Bhardwaj** in accordance with the applicable provisions of Schedule V of the Act, and subject to the approval of the Central Government, if required.

- I. Mr. Rakesh Samrat Bhardwaj (DIN: 00029757)** shall be subject to retirement by rotation during his tenure as the Managing Director of the Company. So long as **Mr. Rakesh Samrat Bhardwaj (DIN: 00029757)** functions as the Managing Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

**RESOLVED FURTHER THAT** consent of the Members of the company be and is hereby accorded to the Board of Directors to modify, change, alter and or increase the terms and conditions and remuneration of **Mr. Rakesh Samrat Bhardwaj (DIN: 00029757)** as Managing Director of the company from time to time, as and when required.

**RESOLVED FURTHER THAT** the terms of the remuneration to be paid to Managing Director will be for three years as per the provisions of Section 197, and 198 read with Schedule V and other applicable provisions, of the companies Act, 2013 and will be revised and renew accordingly.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

**4. RE-APPOINTMENT OF MR. GANGA CHARAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR SECOND TERM.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to provisions of Regulation 16 (1)(b), 17 (1) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr. Ganga Charan (DIN: 00387567)**, Independent Director of the company, who has submitted a declaration that he meets the criteria of Independence under Section 149 (6) of the Companies Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five (05) consecutive years with effect from **30th September, 2019 to 29th September, 2024** and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr. Rakesh Samrat Bhardwaj (DIN:00029757), Managing Director of the Company be and is hereby authorized to issue the appointment letter to give effect to aforesaid appointment, with the remuneration to be paid as sitting fees, terms and conditions as may be determined by the board from time to time.

**RESOLVED FURTHER THAT** any director of the company be and are hereby severally authorized to file the requisite e-form within prescribed time and to do all such acts, deeds, things, to give effect to the said resolution."

**5. APPOINTMENT OF MR. KAILASH CHAND KEDIA AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR SECOND TERM.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and pursuant to provisions of Regulation 16 (1)(b), 17 (1) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, **Mr. Kailash Chand Kedia (DIN:01243510)**, Independent Director of the company, who has submitted a declaration that he meets the criteria of Independence under Section 149 (6) of the Companies Act and Regulation 16 of the SEBI (Listing

Obligations and Disclosure Requirement) Regulation, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for second term of five (05) consecutive years with effect from **30th September, 2019 to 29th September, 2024** and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr. Rakesh Samrat Bhardwaj (DIN:00029757), Managing Director of the Company be and is hereby authorized to issue the appointment letter to give effect to aforesaid appointment, with the remuneration to be paid as sitting fees, terms and conditions as may be determined by the board from time to time.

**RESOLVED FURTHER THAT** any director of the company be and are hereby severally authorized to file the requisite e-form within prescribed time and to do all such acts, deeds, things, to give effect to the said resolution."

**6. APPROVAL FOR CHANGE OF NAME OF COMPANY FROM "BHAGAWATI GAS LIMITED" to "BHAGAWATI GASES LIMITED."**

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

**"RESOLVED THAT** pursuant to the provisions of Section 4, 5, 13 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and any other applicable law(s), rule(s), regulation(s), guideline(s), the provisions of the Memorandum and Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of stock exchange(s) and/or the Central Government and / or any other authority as may be necessary, consent of the members be and is hereby accorded for change of name of the Company from **"BHAGAWATI GAS LIMITED"** to **"BHAGAWATI GASES LIMITED."**

**RESOLVED FURTHER THAT** upon issuance of the fresh certificate of incorporation by the Registrar of Companies consequent upon change of name, the old name **"BHAGAWATI GAS LIMITED"** as appearing in Name Clause of the Memorandum of Association of the Company and wherever appearing in the Articles of Association of the Company and other documents and places be substituted with the new name **"BHAGAWATI GASES LIMITED"**.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby severally authorised to sign, execute and file necessary application, forms, deeds, documents and writings as may be necessary for and on behalf of the Company and to settle and finalise all issues that may arise in this regard and to do all such acts, deeds, matters and things as may be deemed necessary, proper, expedient or incidental for giving effect to this resolution and to delegate all or any of the powers conferred herein as they may deem fit."

**Regd. office:**

**Bhagawati Gas Limited**

Regd. Office: Banawas, Khetri Nagar,

Jhunjhunu, Rajasthan-333504

E-mail: bhagwatigases@gmail.com

Tel No.: +91-11 49120719

Website: www.bglgroup.in

CIN: L24111RJ1974PLC005789

**Date:** September 04, 2019

**Place:** New Delhi

**By the order of the Board of Directors**  
*For Bhagawati Gas Limited*

Sd/-  
**Gajendra Singh Shekhawat**  
Company Secretary

## NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM), is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Company's Registered Office not less than **FORTY-EIGHT (48) HOURS** before the meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. A Statement setting out the material facts concerning each item of Special Business, pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.
3. Brief Resume of the Director seeking re-appointment as required under Companies Act according to Secretarial Standard and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} is annexed hereto along with the Annexure to Notice as per Schedule V of the Companies Act, 2013 forms part of Notice as "**Annexure-I & II respectively**".
4. The Register of Members and Share transfer books of the Company shall remain closed from **Tuesday, September 24, 2019 to Monday, September 30, 2019** (both days inclusive).
5. **SEBI encourages all shareholders to hold their shares in dematerialized form as this eliminates the possibility of damage/loss of physical share certificate(s) & cases of forgery and facilitates the ease and convenience of paperless trading of shares. Further, no stamp duty is payable on transfer of shares held in Demat form. It is also pertinent to mention that with effect from April 01, 2019, SEBI has prescribed that requests for effecting transfer of securities (except transmission or transposition cases) shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, we request you to convert your shareholdings from physical form to demat form at the earliest, in existing demat account or new demat account to be opened with any Depository Participant.**
6. Members who hold shares in physical form are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter and / or change in address or bank account, to R&TA of the Company and in case of shares held in electronic mode, to their respective Depository Participants.
7. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the AGM, along with the Proxy Form/ Attendance Slip.
8. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its R&TA along with relevant Share Certificates. In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13), as permitted under Section 72 of the Companies Act, 2013.
10. The notice of AGM is being sent to those members / beneficial owners whose name is

appearing in the register of members / list of beneficiaries received from the depositories as on **Friday, August 23, 2019** ("cut-off date").

11. All documents referred to in the accompanying Notice are open for inspection at the registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. before the date of Annual General Meeting.
12. Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder, the Company may send notice of General Meeting, Director's report, Auditor's report, Audited Financial Statements and other documents through electronic mode. Further, pursuant to the first provisions to the Rule 18 of the Companies (Management & Administration) Amendment Rules 2015, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
13. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
14. Shareholders seeking any information and having any query with regard to accounts are requested to write to the company in advance so as to enable the Management to keep the information ready.
15. Members are requested to bring their own copies of Annual Report; no spare copies will be available at the venue of meeting.
16. The company whole-heartedly welcomes members/proxies at the annual general meeting of the company. The members/ proxies may please note that no gifts/gift coupons will be distributed at the annual general meeting.
17. Pursuant to SEBI circular dated April 20, 2018, the Company is required to update the PAN and Bank details of shareholders holding shares in physical form, in case their folios do not have or are having incomplete details with regard to PAN and Bank particulars. Accordingly, the Company has sent reminder letters to such shareholders, requesting them to furnish their PAN and Bank details to the Company for updation. Shareholders holding shares in physical form are requested to update the same along with requisite supporting documents.
18. Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 43<sup>rd</sup> Annual General Meeting, held on September 30, 2017 and are eligible to hold their office until conclusion of 48<sup>th</sup> Annual General Meeting to be held in 2022.
19. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice, will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.
20. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder read with Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings as issued by ICSI, Company is offering e-voting facility to the shareholders to enable them to cast their vote electronically on the items as mentioned in the Notice. For this purpose, the company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing e-voting facility to enable the shareholders to exercise their right to vote through electronic means in respect of businesses to be transacted in the AGM. Those shareholders, who do not opt to cast their vote through e-voting, may cast

their vote through Ballot Paper at the AGM.

**The instructions for shareholders voting electronically are as under:**

- A. In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):
- The voting period begins on **Friday, September 27, 2019 (9.00 A.M. IST) and ends on Sunday, September 29, 2019 (5.00 P.M. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, September 20, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders / Members.
  - Now Enter your User ID:
    - For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
    - For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
    - For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
  - Next enter the Image Verification as displayed and Click on Login:
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used:
  - If you are a first time user follow the steps given below.

|     | <b>For Members holding shares in Demat Form and Physical Form</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul> |

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Dividend Bank Details <b>OR</b> Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN **190831052** for the relevant **<Bhagawati Gas Limited>** on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xx. **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### Other Instructions:

- i. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password?" option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
- ii. The e-voting period commences on **Friday, September 27, 2019 (9.00 A.M. IST) and ends on Sunday, September 29, 2019 (5.00 P.M. IST) (Both days inclusive)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **Friday, September 20, 2019 i.e. "Cut-off"** date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- iii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **Friday, September 20, 2019**.
- iv. **Mr. Deepak Arora, proprietor of M/s Deepak Arora & Associates**, Practicing Company Secretary (**Membership No. FCS 5104**), has been appointed as the Scrutinizer to scrutinize the e- voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- v. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, **Mr. Deepak Arora, Proprietor of Deepak Arora & Associates**, Practicing Company Secretary (Membership No. FCS 5104), at the Registered Office of the Company on or before the date of Annual general meeting i.e. **Monday, September 30, 2019**.

Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com) by mentioning their Folio / DP ID and Client ID No.

A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- vii. The results declared along with the Scrutinizer's Report shall be placed on the Company's

website [www.bglgroup.in](http://www.bglgroup.in) within the prescribed time of passing of the resolutions at the **45<sup>th</sup> AGM** of the Company on **Monday, September 30, 2019** and communicated to the BSE Limited where the shares of the Company were listed.

21. The Company is not providing Video Conferencing facility for this meeting.
22. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
23. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
24. The entire Annual Report is also available on the Company's website [www.bglgroup.in](http://www.bglgroup.in).

**Regd. office:**

**Bhagawati Gas Limited**

Regd. Office: Banawas, Khetri Nagar,

Jhunjhunu, Rajasthan-333504

E-mail: [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com)

Tel No.: +91-11 49120719

Website: [www.bglgroup.in](http://www.bglgroup.in)

CIN: L24111RJ1974PLC005789

**Date:** September 04, 2019

**Place:** New Delhi

**By the order of the Board of Directors**

*For* **Bhagawati Gas Limited**

Sd/-

**Gajendra Singh Shekhawat**

Company Secretary

## **ANNEXURE TO THE NOTICE OF 45<sup>th</sup> AGM**

As required under Section 102 of the Companies Act, 2013 (hereinafter referred to as "the Act") the following Explanatory Statement set out all material facts relating to the business mentioned under Item Nos. 3 – 5 of the accompanying Notice of AGM.

### **Item No. 3: Re-appointment of Mr. Rakesh Samrat Bhardwaj (DIN: 00029757) as Managing Director of the Company:**

Mr. Rakesh Samrat Bhardwaj (DIN: 00029757) completed his term as Managing Director of the company on 30<sup>th</sup> June, 2019. Mr. Rakesh Samrat Bhardwaj aged 57 years is an industrialist who is widely travelled person with experience in business and industry over 35 years. He is a Commerce Graduate from Calcutta University. He is one of the promoters of the company and was appointed as whole time director of the company with effect from 1<sup>st</sup> July, 1984 for a period of 5 years. Since then he is looking after day-to-day affairs of the company under the supervision of Board of Directors. He was appointed as Managing Director of the company with effect from 1<sup>st</sup> July 1989 and since then he is continuing as the Managing Director of the Company.

He is on the Board of the following companies, viz., (i) Bhagawati International Limited, (ii) Bhagawati Combat Systems Limited, (iii) Bhagawati Steel Private Limited, (iv) Bhagawati Heavy Equipments Maintenance and Services Private Limited, (v) Lavino Portfolios Private Limited (vi) Kamakshi Bricon Private Limited and (vii) Flow Tech Hotels Private Limited. He is also member of Stakeholder Relationship Committee and Audit Committee of the Board of Directors of Bhagawati Gas Limited.

The Board of Directors at their meeting held on May 30, 2019 has been re-appointed Mr. Rakesh Samrat Bhardwaj as Managing Director of the company for a period of 5 years with effect from 1<sup>st</sup> July 2019 to 30<sup>th</sup> June, 2024, subject to the approval of the shareholders in this General Meeting on such terms and condition as may be decided by the Board of Directors of the Company time to time and such terms and condition shall be revised after three years from the date of such appointment by passing ordinary or special resolution in general meeting as may be applicable after three years.

The Board of Directors has approved remuneration along with Perquisites & Allowances payable by the company to Mr. Rakesh Samrat Bhardwaj as Managing Director for the above mentioned period as specified in the resolution no. 3.

**Minimum Remuneration:** The above remuneration shall be subject to limits laid down under Section 197, 198 and schedule V of the Companies Act, 2013 or any statutory modifications and / or re-enactment thereof.

The terms and conditions of the said appointment may be revised, enhanced, altered and varied from time to time by the Board of Directors of the Company in such manner as may be agreed to by the Board within maximum amounts payable to Managing Director in terms of the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.

Copy of the Agreement executed between the Company and Mr. Rakesh Samrat Bhardwaj along with other relevant documents related to his appointment as Managing Director is open for inspection at the registered office of the Company during business hours on any working day prior to the date of meeting.

None of the directors except Mrs. Shachi Bhardwaj (whose interest is only to the extent of shareholding and being as Director), Mr. Dyuman Samrat Bhardwaj (whose interest is only to the extent of shareholding and being as Chief Financial Officer) and Mr. Rakesh Samrat Bhardwaj

(whose interest is only to the extent of shareholding and being re-appointment as Managing Director), Key Managerial Personnel or relatives of Directors or Key Managerial personnel has any interest financial or otherwise in the said resolution.

So, therefore now in terms of the provisions of section of the Companies Act, 2013, your Board of directors proposes the resolution no. 3 for your approval in this ensuing general meeting by way of **Special resolution**.

**Item No. 4: Re-appointment of Mr. Ganga Charan (DIN 00387567) as an Independent Director of the company for the second term.**

Being a listed company, the Company has to comply with the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) ("Act") which mandate a public limited company to appoint independent directors to the board of directors of the Company ("Board") as the tenure of Mr. Ganga Charan is going to be expired on **September 29, 2019**.

Further, in the opinion of the Board, **Mr. Ganga Charan (DIN 00387567)**, proposed to be re-appointed as an independent director for a term of Five (5) consecutive years with effect from September 30, 2019 of the Company of the Company, fulfils the conditions specified in the Act and the rules made there under. The Board considers that **Mr. Ganga Charan (DIN 00387567)**, re-appointment shall be of immense benefit to the Company and is desirable to avail his services as an independent director.

**Mr. Ganga Charan (DIN 00387567)** along with his relatives, does not hold any shares in the Company, has no relationship with any of the other directors of the Company and shall not be liable to retire by rotation. This resolution seeks the approval of shareholders for re-appointing him as an independent director of the Company pursuant to applicable provisions of the Act.

A copy of the draft letter of appointment of **Mr. Ganga Charan (DIN 00387567)** as an independent director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office of the Company during business hours.

Therefore in terms of the provisions of the Act, the Board proposes resolution no. 4 for the approval of shareholders in this general meeting by way of a **special resolution**.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Act) is concerned or interested in the proposed resolution, except in the ordinary course of business.

**Item No. 5: Re-appointment of Mr. Kailash Chand Kedia (DIN 01243510) as an Independent Director of the company for the second term.**

Being a listed company, the Company has to comply with the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) ("Act") which mandate a public limited company to appoint independent directors to the board of directors of the Company ("Board") as the tenure of Mr. Kailash Chand Kedia is going to be expired on **September 29, 2019**.

Further, in the opinion of the Board, **Mr. Kailash Chand Kedia (DIN 01243510)**, proposed to be re-appointed as an independent director for a term of Five (5) consecutive years with effect from

September 30, 2019 of the Company, fulfils the conditions specified in the Act and the rules made there under. The Board considers that **Mr. Kailash Chand Kedia (DIN 01243510)**, re-appointment shall be of immense benefit to the Company and is desirable to avail his services as an independent director.

**Mr. Kailash Chand Kedia (DIN 01243510)** along with his relatives, does not hold any shares in the Company, has no relationship with any of the other directors of the Company and shall not be liable to retire by rotation. This resolution seeks the approval of shareholders for re-appointing him as an independent director of the Company pursuant to applicable provisions of the Act.

A copy of the draft letter of appointment of **Mr. Kailash Chand Kedia (DIN 01243510)** as an independent director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office of the Company during business hours.

Therefore in terms of the provisions of the Act, the Board proposes resolution no. 5 for the approval of shareholders in this general meeting by way of a **special resolution**.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Act) is concerned or interested in the proposed resolution, except in the ordinary course of business.

#### **Item No. 6: Approval for Change of Name of Company from Bhagawati Gas Limited to Bhagawati Gases Limited**

Our company Bhagawati Gas Limited was incorporated vide certificate of Incorporation as issued by Registrar of Companies, Calcutta, West Bengal under the name of Bhagawati Gases Limited on November 16, 1974.

In the year 1990, the company has changed its registered office of the company from One State to another state i.e. West Bengal to Rajasthan by the order of Company Law Board, Eastern Region dated 30.10.1990 and certificate of registered office change as issued by the Registrar of Companies, Rajasthan on dated January 25, 1991.

In the year 1995, the company got listed with the Stock Exchange(s). After that in the year 2009, the Company has changed its name from "BHAGAWATI GASES LIMITED" to "BHAGAWATI GAS LIMITED" on dated 23/10/2009.

The trading of the company's shares was suspended on exchange and equity shares of the company has been delisted from platform of the exchange of BSE Limited w.e.f. May 11, 2018 as per public notice of BSE as published in financial express newspaper dated 12.05.2018. Further, the company has filed the appeal/petition against the delisting order of company before Securities Appellate Tribunal (SAT) on May 06, 2019.

The Promoters of the company being religious minded, propose this name with religious significance in mind. The Promoters belief that the changed name would help the company to bring positive energy thereby helping business to grow faster. Therefore, due to some religious reasons the company wants to change its name from the Bhagawati Gas Limited to Bhagawati Gases Limited as the name was given by the forefathers of promoters of the company.

In view of the above, the Board of Directors of the Company has decided and passed the resolution to change the name of the Company from **BHAGAWATI GAS LIMITED** to **BHAGAWATI GASES LIMITED** at their meeting held on 14.08.2019 and for obtaining the approval of name availability, the company has filed the RUN form with Registrar of Companies, Central Registration Centre,

Gurgaon and Registrar of Companies, Central Registration Centre, Gurgaon, has approved the new name vide its approval letter dated 04.09.2019 and as per the provisions of section 13 of the Companies Act, 2013, the change in the name of the company requires the approval of the members of the company by way of Special Resolution in General Meeting and subject to the approval of stock exchange(s) and further approval of Central Government (Powers delegated to Registrar of Companies).

Therefore in terms of the provisions of the Act, the Board proposes resolution no. 6 for the approval of shareholders in this general meeting by way of a **special resolution**.

None of the Directors of the Company is concerned or interested in the said Resolution except to the extent of their shareholding in the company.

**Regd. office:**

**Bhagawati Gas Limited**

Regd. Office: Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504

E-mail: bhagwatigases@gmail.com

Tel No.: +91-11 49120719

Website: www.bglgroup.in

CIN: L24111RJ1974PLC005789

**Date:** September 04, 2019

**Place:** New Delhi

**By the order of the Board of Directors**  
*For Bhagawati Gas Limited*

Sd/-  
**Gajendra Singh Shekhawat**  
Company Secretary

**Annexure-I**

Further, as stipulated under SS-2 & listing regulations, a brief profile of **Director(s)** is given as under:

| <b>Name</b>                                              | <b>Mr. Rakesh Samrat Bhardwaj</b>                                                                                                                                                                                                                                                                                                   | <b>Mr. Ganga Charan</b>                                                                                                  | <b>Mr. Kailash Chand Kedia</b>                                                                                                      |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                      | 00029757                                                                                                                                                                                                                                                                                                                            | 00387567                                                                                                                 | 01243510                                                                                                                            |
| Date of Birth                                            | 09 <sup>th</sup> July, 1962                                                                                                                                                                                                                                                                                                         | 31 <sup>st</sup> October, 1950                                                                                           | 01 <sup>st</sup> July, 1951                                                                                                         |
| Age                                                      | 57 years                                                                                                                                                                                                                                                                                                                            | 69 years                                                                                                                 | 68 years                                                                                                                            |
| Qualifications                                           | Bachelor of Commerce                                                                                                                                                                                                                                                                                                                | B. Tech in Mechanical Engineering                                                                                        | Bachelor of Commerce                                                                                                                |
| Experience in specific functional areas                  | Business & Industry                                                                                                                                                                                                                                                                                                                 | Business & Industry                                                                                                      | Finance & Taxation                                                                                                                  |
| Terms and Conditions of appointment                      | As per Appointment Letter                                                                                                                                                                                                                                                                                                           | As per Appointment Letter                                                                                                | As per Appointment Letter                                                                                                           |
| Details of remuneration                                  | Rs. 9,00,000                                                                                                                                                                                                                                                                                                                        | NIL                                                                                                                      | NIL                                                                                                                                 |
| Date of first appointment                                | 01 <sup>st</sup> July, 2004                                                                                                                                                                                                                                                                                                         | 10 <sup>th</sup> February, 2010                                                                                          | 02 <sup>nd</sup> January, 2007                                                                                                      |
| Shareholding in the Company                              | 23,47,610                                                                                                                                                                                                                                                                                                                           | NIL                                                                                                                      | NIL                                                                                                                                 |
| Relationship with other director / Manager and other KMP | Mrs. Shachi Bhardwaj & Mr. Dyuman Samrat Bhardwaj                                                                                                                                                                                                                                                                                   | NIL                                                                                                                      | NIL                                                                                                                                 |
| Directorships of other Board                             | (i) Bhagawati International Limited,<br>(ii) Bhagawati Combat System Limited,<br>(iii) Bhagawati Steel Private Limited,<br>(iv) Bhagawati Heavy Equipments Maintenance and Services Private Limited,<br>(v) Lavino Portfolios Private Limited<br>(vi) Kamakshi Bricon Private Limited and<br>(vii) Flow Tech Hotels Private Limited | NIL                                                                                                                      | NIL                                                                                                                                 |
| Membership/Chairmanship of Committees of other Board     | (i) Audit Committee<br>(ii) Stakeholder Relationship Committee                                                                                                                                                                                                                                                                      | (i) Audit Committee<br>(ii) Stakeholder Relationship Committee (Chairman)<br>(iii) Nomination and Remuneration Committee | (i) Audit Committee (Chairman)<br>(ii) Stakeholder Relationship Committee<br>(iii) Nomination and Remuneration Committee (Chairman) |

**ANNEXURE TO THE NOTICE****STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 [INCLUDING SECRETARIAL STANDARD – 2 AND SEBI (LODR) REGULATIONS, 2015, AS APPLICABLE] IN RESPECTS OF ITEM NO. 3 OF THE NOTICE.****I. General Information:**

- (1) Nature of industry:-

The nature of industry is GAS Industry & Water Treatment.

- (2) Date or expected date of commencement of commercial production:-

The Company started its commercial production in the year 1974.

- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.

- (4) Financial performance based on given indicators

The brief statement indicating our profit related figures is given below:

| Particulars                        | 2018-19       | 2017-18      |
|------------------------------------|---------------|--------------|
| Paid up Capital                    | 16,74,24,590  | 16,74,24,590 |
| Reserve and Surplus                | (87,50,158)   | (57,11,086)  |
| Total Income                       | 3,37,37,487   | 18,05,953    |
| Less: Expenditure and depreciation | 4,83,59,127   | 95,96,914    |
| Profit Before Tax (PBT)            | (1,46,21,640) | (77,90,961)  |
| Less: Current Tax                  | (1,28,12,493) | (4,45,949)   |
| Profit After Tax( PAT)             | (18,09,147)   | (73,45,012)  |

- (5) Foreign investments or collaborations, if any:- N.A.

**II. Information about the appointee:****a) Mr. Rakesh Samrat Bhardwaj****(1) Background Detail:**

Mr. Rakesh Samrat Bhardwaj (DIN: 00029757) completed his term as Managing Director of the company on 30<sup>th</sup> June, 2019. Mr. Rakesh Samrat Bhardwaj aged 57 years is an industrialist who is widely travelled person with experience in business and industry over 35 years. He is a Commerce Graduate from Calcutta University. He is one of the promoters of the company and was appointed as whole time director of the company with effect from 1<sup>st</sup> July 1984 for a period of 5 years. Since then he is looking after day-to-day affairs of the company under the supervision of Board of Directors. He was appointed as Managing Director of the company with effect from 1<sup>st</sup> July 1989 and since then he is continuing as the Managing Director of the Company.

**(2) Past Remuneration:**

Mr. Rakesh Samrat Bhardwaj was paid Rs. 9,00,000 as annual remuneration for the financial year 2018-19.

**(3) Recognition or awards:**

NIL

**(4) Job profile and his suitability:**

He is one of the promoters of the company and was appointed as whole time director of the company with effect from 1<sup>st</sup> July 1984 for a period of 5 years. Since then he is looking after day-to-day affairs of the company under the supervision of Board of Directors. He was appointed as Managing Director of the company with effect from 1<sup>st</sup> July 1989 and since then he is continuing as the Managing Director of the Company. Mr. Rakesh Samrat Bhardwaj aged 57 years is an industrialist who is widely travelled person with experience in business and industry over 35 years. He is a Commerce Graduate from Calcutta University.

**(5) Remuneration proposed:**

The terms of remuneration proposed are detailed in the Item No 3 of the Notice.

- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

For the responsibility shouldered by Mr. Rakesh Samrat Bhardwaj, Director of the Company in driving the Company's growth and Operational efficiency, the remuneration paid to him is commensurate and compares favourably with the compensations paid to the Directors of like sized and similarly positioned businesses.

- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any-

Mr. Rakesh Samrat Bhardwaj holds Equity shares of the Company. He is also the Husband of Mrs. Shachi Bhardwaj and Father of Mr. Dyuman Samrat Bhardwaj.

**III. Other information:****(1) Reasons of loss or inadequate profits:**

Your company is not carrying out any kind of operational activities due to closing of its Oxygen plant situated at Khetri Nagar, Rajasthan. The Company's oxygen plants at Khetri Nagar, Rajasthan continued to remain closed because its main purchaser Hindustan Copper Ltd. (HCL) has not yet restarted its smelter plant operations.

**(2) Steps taken or proposed to be taken for improvement:**

We are in process of increasing our capacity to bring economies of scale to our business and will certainly boost our profitability.

**(3) Expected increase in productivity and profits in measurable terms:**

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

**IV. Disclosures:**

The information, as required, is provided under Corporate Governance Section of the Annual Report 2018-19. The remuneration package proposed to be given to managerial personnel is as per the details given in the resolution. The Report on Corporate Governance in the Annual Report indicates

the remuneration paid to the managerial personnel as well as to all other Directors. There is no severance fee or stock option in the case of the aforesaid managerial personnel.

**Regd. office:**

**Bhagawati Gas Limited**

Regd. Office: Banawas, Khetri Nagar,

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CIN: L24111RJ1974PLC005789

**Date:** September 04, 2019

**Place:** New Delhi

**By the order of the Board of Directors**

*For* **Bhagawati Gas Limited**

Sd/-

**Gajendra Singh Shekhawat**

Company Secretary

## DIRECTOR'S REPORT

To  
The Shareholders,  
Bhagawati Gas Limited

Your directors have pleasure in presenting their 45th Annual Report on the business, operations and financial performance of the Bhagawati Gas Limited (the company), together with the Audited Financial Statements of the Company, for the financial year ended March 31, 2019 as follows:

### FINANCIAL RESULTS

The Financial Performance of the Company for the year ended on March 31, 2019 is as follows:

| Particulars                                                   | (Amount in lacs) |                |
|---------------------------------------------------------------|------------------|----------------|
|                                                               | FY 2018-19       | FY 2017-18     |
| Gross Income                                                  | 337.37           | 18.06          |
| Gross Profit                                                  |                  |                |
| (before extra ordinary items, interest, depreciation and tax) | (116.02)         | (41.94)        |
| Bad debts written off                                         | -                | -              |
| Interest                                                      | 12.73            | 7.73           |
| Depreciation                                                  | 17.47            | 28.23          |
| Provision for Tax                                             | (128.12)         | (4.46)         |
| <b>Net Profit/(Loss)</b>                                      | <b>(18.09)</b>   | <b>(73.45)</b> |
| Other comprehensive income                                    |                  |                |
| Items that will not be reclassified to profit or loss         | (12.67)          | 2.11           |
| (i) Remeasurements of the defined benefit plans               |                  |                |
| <b>Total Comprehensive Income for the year</b>                | <b>(30.77)</b>   | <b>(71.34)</b> |

### REVIEW OF OPERATIONS/BUSINESS OVERVIEW

Your company is not carrying out any kind of operational activities due to closing of its Oxygen Plant situated at Khetri Nagar, Rajasthan. The Company's oxygen plants at Khetri Nagar, Rajasthan continued to remain closed because its main purchaser Hindustan Copper Ltd. (HCL) has not yet restarted its smelter plant operation. This resulted in huge financial losses to the Company.

During the Financial Year 2018-2019, the company has started water effluent treatment business. The company is doing the business of treatment of waste water and water bodies like River, Lake, Pond, Drain etc. as well treatment of Industrial effluents by using Phycoremediation technology.

The company has received orders from Government of Bihar for cleaning of Ponds at Sitamarhi and the company has completed the job during the current Financial Year (2019-20). The company has also received another order from Clean Ganga Mission (a Govt. of India Undertaking) for cleaning of drain at Gulaothi, Bulandshahr, U.P. the work of which is under progress and hope to complete the same during this financial year. The company is in dialogue with various Govt. departments and is hopeful of getting good number of orders in the near future.

During the financial year 2018-19, company has received a net amount of FDR amounting of Rs. 17,10,21,285 (i.e. payments received are Rs. 8,55,10,643/- on 4th Oct 2018 and Rs. 8,55,10,643/-

on 12th Feb 2019 against the arbitration award from Hindustan Copper Limited (HCL) of Rs. 17,33,50,181/-(after deducting a amount of ITDS Rs. 23,28,896/- On 4th Oct 2018). As per the books of accounts, amount aggregating to Rs. 13,96,41,143/- was recoverable from HCL as on 31st March 2018. As on 31st March 2019, amount recoverable from HCL is Rs. 6,35,588 as interest income for the year ended 31 March 2019. Therefore, interest income booked for the amount received by the company during the financial year ended 31st March 2019 is Rs. 3,20,15,730. After receiving this award amount from HCL, company is hoping for better growth of Company and profits in the forthcoming years.

## **DIVIDEND**

In view of the losses during the year, the Board of Directors has not recommended any dividend for the year ended March 31, 2019.

## **TRANSFER TO RESERVES**

For the period under review the Board is not transferring any amount to General Reserve Account of the Company.

## **DEPOSITS**

During the year ended March 31, 2019, the Company has not invited or accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and rules framed there under. Hence, no public deposit is outstanding during the Financial Year 2018-19.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the FY 2018-19.

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), with respect to Directors' Responsibility Statement, your Directors confirm that:

- i) That in preparation of annual accounts for the financial year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
- ii) That they have selected such accounting policies described in the notes to accounts which have been applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true & fair view of the state of affairs of the company at the end of financial year 2018-2019 and of the Profit & Loss of the company for the period under report;
- iii) That 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;
- iv) We have prepared the annual accounts on a going concern basis;
- v) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

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

## **CAPITAL STRUCTURE OF THE COMPANY**

The Current Capital Structure of the Company is given below:-

### **❖ AUTHORISED SHARE CAPITAL**

During the financial year 2018-19, the Authorised Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs Equity Share) Equity Shares of Rs 10/- (Rupees Ten Each).

### **❖ ISSUED SHARE CAPITAL, SUBSCRIBED & PAID UP SHARE CAPITAL:-**

During the financial year 2018-19, the Issued, Subscribed and Paid up Share Capital of Company is Rs. 16,74,24,590/- (Rupees Sixteen Crores Seventy-Four Lakhs Twenty-Four Thousand Five Hundred Ninety Only) divided into 1,67,42,459 (One Crore Sixty-Seven Lakhs Forty-Two Thousand Four Hundred Fifty Nine only) equity shares of Rs. 10/- each.

There is no change in the Authorized, Issued, Subscribed and Paid up share capital of the Company during the period under review.

## **EXTRACT OF ANNUAL RETURN**

The Extracts of the annual return of the Company has been placed on the website of the Company and can be accessed at link [www.bglgroup.in](http://www.bglgroup.in). Relevant extract of Annual Return as on the financial year ended on March 31, 2019 is given in **Annexure-A** to this Report.

## **DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES**

During the financial year 2018-19, there are no subsidiaries or associate companies of the company.

## **BOARD OF DIRECTORS AND MEETINGS**

The members of the Company's Board of Directors are eminent persons of proven competence and integrity. Besides experience, strong financial acumen, strategic astuteness and leadership qualities, they have a significant degree of commitment towards the Company and devote adequate time to the meetings and preparation.

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board exhibits strong operational oversight with regular presentations in every quarterly meetings. The Board / committee meetings are pre-scheduled and a tentative annual calendar of the Board and Committee meetings is circulated to the Directors well in advance to help them plan their schedule and ensure meaningful participation in the meetings. Only in case of special and urgent business, if the need arises, the Board's/Committee's approval is taken by passing resolutions through circulation or by calling Board/Board Committee meetings at short notice, as permitted by law.

The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to take an informed decision.

During the financial year 2018-19, **06 (Six)** Board Meetings were convened and held. The details of which are given in the **Corporate Governance Report**. The intervening gap between the Meetings was within the period prescribed under the Companies Act 2013.

## **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company 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. The Audit Committee evaluates the internal financial control system periodically.

The Company has identified and documented all key internal financial controls, which impact the financial statements. The financial controls are tested for operating effectiveness through ongoing monitoring and review process of the management and independently by the Internal Auditors. In our view the Internal Financial Controls, affecting the financial statements are adequate and are operating effectively.

The Audit Plan is aimed at evaluation of the efficacy and adequacy of internal control system and compliance, robustness of internal processes, policies and accounting procedures and compliance with laws and regulations. The respective Process Owners take the requisite corrective action, based on internal audit reports/findings. Further, the Internal Auditors place their significant audit observation & corrective actions thereon are presented to the Audit Committee for their review.

#### **DECLARATION BY INDEPENDENT DIRECTORS UNDER SECTION 149**

All the Independent Directors have given their declarations under section 149 (6) and section 149 (7) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as an Independent Director as specified in section 149 of the Companies Act, 2013 read with rules made thereunder as well as Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Independent Directors namely, Mr. Ganga Charan (DIN: 00387567) and Mr. Kailash Chand Kedia (DIN: 01243510) have given their declarations that they met the criteria of independence as prescribed as per above Section of the Companies Act, 2013.

In the opinion of the Board, they have fulfil the conditions as specified in the Act and the Rules made there under for the appointment as Independent Directors and are independent of the management.

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

As trustees of shareholders, Independent Directors play a pivotal role in upholding Corporate Governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring Independent Judgement on matters of strategy, risk management, controls and business performance.

On-going familiarisation program aims to provide insights into the Company and the business environment to enable all the Independent Directors to be updated of newer challenges, risks and opportunities relevant in the Company's context and to lend perspective to the strategic direction of the Company.

Your Company has put in place a Familiarisation Programme for Independent Directors to familiarise them with their roles, rights, responsibilities, nature of the Industry, Company's strategy, business plan, operations, markets, products, etc. The details of the Company's Familiarisation Programme are available on the Company's website [www.bglgroup.in](http://www.bglgroup.in).

#### **CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR**

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee (NRC) of the company has formulated

the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- ❖ **Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- ❖ **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- ❖ **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

For more details, please refer to the Corporate Governance Report, which is a part of this report.

## **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual Directors pursuant to the provisions of the Act and the Listing Regulations.

Pursuant to the provisions of Section 134 (3) (p) the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. The manner in which the performance evaluation was carried out is given in detail in the Corporate Governance Report, annexed to this Report.

While Independent directors in their separate meeting have carried out to assess the performance of Chairman and other Directors of the Board more particularly about their business acumen and contribution to the Company, the performance evaluation of the Independent Directors was carried out by the entire Board.

The Independent Directors expressed their satisfaction with the evaluation process, functioning such as adequacy of the composition of the Board of Directors and its Committees, Board culture, execution and performance of duties, obligations, responsibilities and governance.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

The Company is availing services of professionals for looking at the best practices prevalent in the industry and advising with respect to evaluation of board members. On the basis of recommendations of the professionals and the policy for performance evaluation of Independent Directors, Board, Committees and other individual directors, a process of evaluation was followed by the board for its own performance and that of its committees and individual directors.

## **CREDIT RATING**

There are no outstanding loans and advances on your company. Hence, this Provision is not applicable to your Company.

## **COMMITTEES OF THE BOARD**

Details of all the Committees along with their terms of reference, composition and meetings held during the year are provided in the Corporate Governance Report, which is a part of this report.

### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Board of Directors has formulated a Whistle Blower Policy/Vigil Mechanism which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013.

The Company's Whistle Blower Policy/Vigil Mechanism encourages Directors and employees to bring to the Company's attention, instances of unethical behavior, and actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation.

The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy/Vigil Mechanism is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistleblower Policy is available on the Company's corporate website at [www.bglgroup.in](http://www.bglgroup.in).

### **NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's Remuneration Policy is available on the Company's website at [www.bglgroup.in](http://www.bglgroup.in).

### **SELECTION AND PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS**

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

The NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidate's vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board. The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY**

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. There was no materially significant transaction with the related parties during the financial year which were in conflict with the interests of the company. Disclosure of transactions with related parties as required under the Accounting Standard has been made in the notes forming part of Financial Statement. All Related Party Transactions are subjected to independent review by a

reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and SEBI "LODR".

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134 (3) (h) of the Companies Act, 2013 is disclosed in **Form AOC-2** in **Annexure-B** is annexed to this report.

Your Directors draw attention of the members to Note 21 to the financial statement which sets out related party disclosures.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Directors of the Company are pleased to inform you that the provision of Section 135 of the Companies Act 2013 is not applicable on the company.

## **RISK MANAGEMENT POLICY**

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks. Business Risk evaluation and Management is an ongoing process within the Organization. In terms of regulation 17(9)(b) of the Listing Regulations and pursuant to Section 134(3)(n) of the Companies Act, 2013, the Board has framed a Risk Management Policy for the Company. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

The objective of Risk Management Policy at Bhagawati is to preserve shareholder value to the extent practically feasible and to ensure sustainable business growth with stability by identifying and mitigating major operating, and external business risk. In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to Risk Management, including the development of the Risk Register, in order to guide decisions on risk related issues. The specific objectives of the Risk Management Policy are:-

1. To ensure that all the current and future material risk exposures of the Company are identified, assessed, mitigated, monitored and reported.
2. To establish a framework for the Company's risk management process and to ensure Company wide implementation.
3. To ensure systematic and uniform assessment of risks related with construction projects.
4. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
5. To assure business growth with financial stability.

The effectiveness of Risk Mitigation plans shall be ensured through proper monitoring, evaluation of outcomes of mitigation plans and to look for the scope of its applicability in other areas in order to achieve overall objective of this policy.

At present the company has not identified any element of risk which may threaten the business (or) existence of the Company.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) (m) of the Companies Act, 2013 is given in **Annexure-C** which forms part of the Directors' Report.

## **CORPORATE GOVERNANCE**

As required by Regulation 34(3) read with Part E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on corporate governance is provided as **Annexure-D** which forms part of the Board's Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard.

## **AUDITOR'S OF THE COMPANY**

### **SECRETARIAL AUDITOR**

As per Section 204 of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company and other class of companies as may be prescribed, is required to appoint Secretarial Auditor to carry out secretarial Audit of the Company.

In consonance with the requirements of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and rules made there under, **M/s ATCS & Associates**, Company Secretaries in Practice, Jaipur, was appointed to conduct the secretarial audit of the Company for the financial year 2018-19 *vide* Board Resolution dated April 02, 2018 and further being re-appointed as the Secretarial Auditor to conduct the secretarial audit of the Company for the financial year 2019-20 *vide* Board Resolution dated May 30, 2019.

### **SECRETARIAL AUDITOR'S REPORT**

A Secretarial Audit Report issued by **M/s ATCS & Associates**, Company Secretaries in Practice, in respect of the secretarial audit of the Company for the financial year ended March 31, 2019, is given in **Annexure-E** to this Report and it carries the following qualifications:

1. The Company has not appointed Chief Financial Officer (KMP) as per the Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and recently company has appointed the same w.e.f. 11.03.2019 for compliance of section 203 of the Act.
2. Company has its Website but it is not maintained as per the requirement of the Act and SEBI Guidelines.
3. The trading of the company's shares was suspended on exchange and equity shares of the company has been delisted from platform of the exchange of BSE Limited w.e.f. May 11, 2018 as per public notice of BSE as published in financial express newspaper dated 12.05.2018
4. As per the Sub-regulation (3) of Regulation 23 of SEBI (Delisting of Equity Shares) Regulations, 2009, the promoters of the company has to acquire the delisted equity shares from the public shareholders by paying them the value determined by the valuer within three months from the date of delisting from the recognized stock exchange, subject to their option of retaining their shares but the promoters of the company has not done the same and filed the appeal/petition against delisting of company before Securities Appellate Tribunal (SAT) on May 06, 2019.
5. The Company has not published the notice for providing e-voting facility at Annual General Meeting to shareholders in Newspaper in compliance with Section 108 of the Companies Act, 2013 and read with rule 20 of the companies (Management and administration) rules, 2014.
6. Company has not complied with the provisions of Section 185 and 186 of Companies Act, 2013 for giving loans and advances to related parties.
7. The company has not complied with following regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations:

- (a) As per Regulations 7(3), 13(3), 24A, 27, 29, 31, 33, 40(9), 44, 47 of SEBI (LODR) Regulations, company has not complied with provisions of these regulations and the information was not submitted to Stock Exchange due to non-availability of Listing Centre of BSE Limited.
- (b) As per Regulation 31(2) hundred percent of shareholding of promoter(s) and promoter group is not in dematerialized form as required under Regulation 31 (2) of SEBI (LODR) Regulations, 2015.
- (c) As per Regulation 34, Annual Report was not submitted to the exchange.
- (d) As per Regulation 47, the company has not published the notice of Board Meeting in which company has approved the financial results of the company and not published the extract of financial results in the newspaper also in accordance with regulation 33.
- (e) The company has not filed the Reconciliation of Share Capital in term of Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996.
- (f) We have not checked the SEBI and other compliances of company on the BSE Limited platform due to delisted from the exchange and checked from the physical documents provided by the company.

### **Reply by Board:**

In respect of above stated qualifications, your directors would like to clarify that trading of shares of the Company was suspended before the closure of financial year 2016-17. During the financial year 2017-18, the Company has not received any kind of correspondence from BSE Limited regarding the delisting of shares of Company. The company delisted from the Exchange by the delisting order of BSE Limited and the same was published as the public notice in financial express newspaper dated 12.05.2018 by which company come to know about delisting.

The company is complying with all the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 but due to lack of expert professional advice and unavoidable circumstances, company has not make the necessary compliances during the audit period.

However, a positive communication has started of the Company with BSE Limited and the company has filed the petition with Securities Appellate Tribunal (SAT) against the delisting order of company on 06.05.2019 and it is under process.

and in regards violation of section 185 it is hereby informed that advances are given for expenses to be made for and on behalf of company which was not made till financial year close and hope this year all will be made NIL and in future will take care of it and for this and other non compliance now we have started to take proper advice from professional to take care in future so that it may not happen in future.

### **COST AUDITOR**

The requirement of Cost Audit in your industry has been excluded/ removed in the Companies (Cost Records and Audit) Rules, 2014, issued by the Ministry of Corporate Affairs vide its notification dated 30<sup>th</sup> June, 2014. Therefore, no appointment was made of the Cost Auditor to carry out the Cost Audit for the financial year ended March 31, 2019 and there is no requirement of maintenance of cost records as per section 148 of the Companies Act, 2013.

### **INTERNAL AUDITOR**

**M/s Jain Paras Bilala & Co.**, Chartered Accountant, Jaipur was appointed to conduct Internal Audit of the company for the financial year 2018-19 as required under Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and the reports of the Internal Auditors are reviewed by the Audit Committee from time to time. The observations and suggestions of the Internal Auditors are reviewed and necessary corrective/preventive actions are taken in consultation with the Audit Committee.

## **AUDITORS AND AUDITORS' REPORT**

Pursuant to the provisions of Section 139, 141, 142 of the Act and the rules framed thereunder, **M/s Mohan L. Jain & Co.**, Chartered Accountants, Delhi, having (FRN: 005345N) were appointed as Statutory Auditor of the company for a term of five consecutive years from the conclusion of the 43<sup>rd</sup> Annual General Meeting (AGM) of the Company till the conclusion of the 48<sup>th</sup> Annual general Meeting to be held in the year 2022. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

The requirement of seeking ratification of the members for continuance of Statutory Auditors appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 **w.e.f. May 7, 2018**. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2019 is a part of the Annual Report. The said Audit Report does not contain any qualification, reservation or adverse remark. During the financial year 2018-19, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

### **STATUTORY AUDITOR'S REPORT**

The qualification/observation of the Auditor's given in the Auditor's Report are self-explanatory and have been explained/ clarified, wherever necessary, in the notes to the Financial Statements except as under:

- i. Advances of Rs. 64.04 lacs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against is not considered necessary.
- ii. The Company has obligations pertaining to borrowings, unpaid creditors and statutory dues. The Management of the Company hopes to fulfill company's obligation in due course of time.
- iii. The Company is yet to receive Bank Balance Confirmation from a Bank for Rs.52,807/- included under cash and cash equivalents as on 31st Mar 2019. Accordingly, we are unable to comment upon the consequential impact, if any, on the statement.
- iv. The company has not complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments, guarantees and security, wherever applicable. As stated in Note 2, the Company had advanced a loan of Rs.18,60,861 (granted interest free loan) and Rs. 12,50,000 (Loan to related parties) outstanding as at March 31, 2019 to company in which directors are interested and to director respectively.

### **REPLY BY MANAGEMENT ON AUDITORS QUALIFIED OPINION:**

- i. In respect of auditors' observation regarding advances of Rs. 64.04 lacs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against is not considered necessary. it is submitted that company is trying to get confirmation from the customers/ external parties and expects to receive the same by the end of upcoming quarter i.e. 30th September, 2019.
- ii. In respect of auditors' observation the company is trying to arrange additional funds for obligations pertaining to borrowings, unpaid creditors and statutory dues.
- iii. In respect of auditors' observation regarding Company is yet to receive Bank Balance

Confirmation from a Bank for Rs.52,807/- included under cash and cash equivalents as on 31st Mar 2019, request has been forwarded to the bank and upon the receipt of the same, will be submitted to auditor.

- iv. In respect of auditors' observation regarding interest free inter corporate loan granted by the Company of Rs.18,60,861/- and loan to related parties of Rs. 12,60,000/-. It is submitted that the Company in future will take care of it and for this and other non compliance now we have started to take proper advice from professional to take care in future so that it may not happen in future.

#### **REPORTING OF FRAUD BY AUDITORS**

During the Financial year 2018-2019, the Statutory Auditors has not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

The particulars of loans given, guarantees given securities provided and investments made under the provisions of Section 186 of the Companies Act, 2013 are provided in the financial statement, which forms a part of the Annual Report.

#### **INVESTOR GRIEVANCE REDRESSAL**

As per regulation 13 of SEBI (Listing Obligation & disclosure Requirements), Regulations 2015, the number of complaints received and resolved to the satisfaction of investors during the year under review. There were no pending complaint or share transfer cases as on March 31, 2019, as per the certificate given by RTA.

#### **RECONCILIATION OF SHARE CAPITAL AUDIT REPORT**

Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon has to be submitted to the Stock Exchanges where the Company's shares are listed but currently company is not complying with listing compliance as the shares of the company is delisted from exchange and trading of its securities is not available on BSE Limited and Listing Centre of BSE Limited is also not available with the Company. The company has filed the petition with the Securities Appellate Tribunal (SAT) on dated May 05, 2019 against the order of exchange for delisting of Company's shares. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

#### **CODE OF CONDUCT**

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. The Code of Conduct is dealing with ethical issues and also foster a culture of accountability and integrity. The Code in accordance with the requirements of SEBI (LODR) Regulations, 2015 has been posted on the Company's website [www.bglgroup.in](http://www.bglgroup.in). All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

## **CONFLICT OF INTERESTS**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

BSE limited issued a Public Notice in Financial Express Newspaper dated May 12, 2018, according to that, the company has been delisted from the platform of exchange w.e.f May 11, 2018.

After closing of the financial year, your company has filed the petition with the Securities Appellate Tribunal (SAT) against the order of exchange for delisting of Company's shares. Apart from that, no orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

## **DISCLOSURE IN REFERENCE OF SUB RULE 1 CLAUSE (C) SUB CLAUSE (VIII) OF RULE 2 OF COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014**

During the period under review the Company has not accepted loan/borrowing from its Director in reference of sub rule 1 clause (c) sub clause (viii) of rule 2 of Companies (Acceptance of Deposits) rules, 2014.

## **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance sexual harassment at workplace. The company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set upto redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint on sexual harassment during the financial period ended March 31, 2019.

## **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES**

In accordance with Section 178 and other applicable provisions of the Act read with the Rule 6 of the Companies (Meeting of Boards and its Powers) Rules, 2014 issued there under and Regulation 19 of the LODR, 2015, the Board of Director formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee.

The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of the Annual Report.

The Managing Director and Whole-time Directors of your Company do not receive remuneration from any of the subsidiaries of your Company.

The details of employees/managerial persons remuneration as required is given u/s 197 of the Companies Act, 2013 read along with Rule 5(2) of the Companies (Appointment and remuneration of managerial personnel) Rule, 2014 as applicable is attached herewith as **Annexure- F**.

Apart from that, there are no employees in the company whose particulars are required to be disclosed in the Report.

## **CHANGES IN DIRECTORS, KEY MANAGERIAL PERSONNEL**

During the financial year 2018-19, Mr. Gokulanand Mukherjee, has resigned from the post of directorship w.e.f. April 02, 2018.

Mr. Rakesh Samrat Bhardwaj (DIN: 00029757) is liable to retire by rotation and being eligible to offers himself for re-appointment and tenure of Mr. Rakesh Samrat Bhardwaj (DIN: 00029757) being as a Managing Director is expired on June 30, 2019 and re-appointed *vide* Board Meeting dated **May 30, 2019** and placed herewith the Notice of ensuing general meeting of the Company to sought your approval as per the provisions of Companies Act.

Further, Board of directors has informed to the members of the company that during the financial year Ms. Shalini Chhonkar, has tendered her resignation from the post of Company Secretary and Compliance Officer of the Company w.e.f. **December 11, 2018**. In her place, Mr. Gajendra Singh Shekhawat, has been appointed on the post of Company Secretary cum Compliance Officer and Mr. Dyuman Samrat Bhardwaj, appointed on the post of Chief Financial Officer of the Company w.e.f. **March 11, 2019**.

Furthermore, the tenure of Independent Directors i.e. Mr. Ganga Charan and Mr. Kailash Chand Kedia is going to expire on **September 29, 2019** and being proposed by the Board of Directors for re-appointment for second term, subject to the approval of shareholders in the ensuing general meeting of the Company.

Thus, the Board of Directors of Bhagawati Gas Limited is a balanced one with an optimum mix of executive and non-executive directors. They show active participation at the board and committee meetings, which enhances the transparency and adds value to their decision making.

At present, the Board of company consists of **four (4)** Directors. The composition and category of Directors is as follows:

| <b>Name of Directors</b>   | <b>Category</b>                    | <b>DIN</b> |
|----------------------------|------------------------------------|------------|
| Mr. Rakesh Samrat Bhardwaj | Executive Director                 | 00029757   |
| Mrs. Shachi Bhardwaj       | Non-Executive Director             | 07232850   |
| Mr. Ganga Charan           | Non-Executive Independent Director | 00387567   |
| Mr. Kailash Chand Kedia    |                                    | 01243510   |

## **INSURANCE**

All the properties including buildings, plant and machinery and stocks have been adequately insured.

## **HEALTH, SAFETY AND ENVIRONMENT PROTECTION**

Company's Health and Safety Policy commits to comply with applicable legal and other requirements connected with occupational Health, Safety and Environment matters and provide a healthy and safe work environment to all employees of the Company.

## **HUMAN RESOURCE DEVELOPMENT**

A major part of the Company strategy is satiated towards our employees whose relentless support and devotion took our Company to great heights. With construction that binds the nation, our employees have been our core strength to deepen the roots. Therefore, as recognition of their perseverance and endeavour, Bhagawati bears the responsibility of their welfare providing them with many social amenities including Medical Expense, Provident Fund, Gratuity, and Leave Travel Allowance. A dedicated and competitive talent is braced in the mould of the vision and mission of the Company. The potential of each employee is advanced and skills are honed due to the provision of right opportunities to grow. This includes regular in-house and external training along for knowledge and skill development. A value-driven work environment with satisfaction and appreciation as well as professionalism has led us build an excellent team. We are having 13 employees as on March 31, 2019.

## **SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on board and general meetings.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT**

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2019 and the date of this report.

## **PROHIBITION OF INSIDER TRADING**

As per the provisions of Securities and Exchange Board of India ("SEBI" or "the Board") vide Notification No. LADNRO/GN/2014-15/21/85 has issued SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company have revised the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and also available at Company Website [www.bglgroup.in](http://www.bglgroup.in).

The code is applicable to all who covered under "Legitimate purposes" and Legitimate purpose' shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

## **TRANSFER OF UNCLAIMED DIVIDEND AND EQUITY SHARES TO IEPF**

Pursuant to applicable provisions of the Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investors Education & Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years. Further, according to the aforesaid Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. This Provision is not applicable to your Company.

## **MEETINGS OF INDEPENDENT DIRECTORS**

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put

forth their views to the Lead Independent Director.

During the year under review, the independent directors met on **Friday, June 01, 2018** *inter-alia*, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non- Executive directors.
- Evaluation of the quality, content and timeliness of flow of information between the management and the board that is necessary for the board to effectively and reasonably perform its duties.
- Review the mechanism of safeguard the interests of all Stakeholders.

## **COMPULSORY DELISTING OF COMPANIES**

The equity shares of Company were listed at BSE Limited (BSE). The Company has not paid the listing fee for the year 2016-17, 2017-18 and 2018-19 to BSE due to financial constraint. Recently, after closure of the financial year 2017-18 the company has been delisted from the platform of exchange w.e.f. May 11, 2018 under compulsory delisting of the companies as per notice issued by the BSE Limited in Financial Express Newspaper dated May 12, 2018.

The Exchange has issued public notice dated March 24, 2018 in terms of Regulation 22 (3) of SEBI (Delisting of Equity Shares) Regulations-2009, proposing to delist certain companies, which had been suspended for a period of more than 6 months on account of non compliance with various clause/regulations of the erstwhile Listing Agreement/Listing Regulations, 2015, from the exchange. The securities of the Company cease to be listed w.e.f. May 11, 2018 and therefore are not available for trading on the platform of Exchange.

In this regard, the company has made communication with BSE Limited that the company has not received any notice regarding delisting of the company and after that receive such notices from BSE LIMITED. Further, the payment of entire outstanding dues in respect of listing fees till the financial year 2018-19 has been paid by the company and the company has filed the petition with SAT on dated **May 06, 2019** to relist the securities of Bhagawati Gas Limited with BSE Limited against the order as passed by exchange on dated May 12, 2018.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report on the operations and financial position of the Company have been provided as **Annexure- G** which forms part of the Directors' Report.

## **DETAILS OF PECUNIARY RELATIONSHIPS OR TRANSACTIONS OF THE NON-EXECUTIVE INDEPENDENT DIRECTOR VIS-À-VIS THE COMPANY**

There are no pecuniary relationships or transactions of the non-executive independent director vis-à-vis the company for the period ending March 31, 2019.

## **GENERAL DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. As per rule 4(4) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
2. As per rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any

scheme.

3. There were no frauds found which have been reported to the Audit Committee / Board members as well as to the Central Government. Further, there was no fraud reported by auditors under section 143 (12) of the Companies Act, 2013.
4. As per rule 12(9) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option.

## **ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Central & State Government, Local Authorities, Clients, Vendors, Advisors, Consultants and Associates at all levels for their continued guidance and support. Your Directors also wish to place on record their deep sense of appreciation for their commitment, dedication and hard work put in by every member of the Company.

**For and on behalf of the Board of Directors**  
*For* **Bhagawati Gas Limited**

**Regd. Office:**

Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: L24111RJ1974PLC005789

**Date:** August 14, 2019

**Place:** New Delhi

Sd/-  
**Rakesh Samrat Bhardwaj**  
Chairman & Managing Director  
DIN:00029757

**ANNEXURE-A TO BOARD'S REPORT****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN  
(As on financial year ended on 31.03.2019)**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

|    |                                                                                           |                                                                                                                                                                                                                                                                                                                                     |
|----|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <b>CIN</b>                                                                                | L24111RJ1974PLC005789                                                                                                                                                                                                                                                                                                               |
| 2. | <b>Registration Date</b>                                                                  | 16/11/1974                                                                                                                                                                                                                                                                                                                          |
| 3. | <b>Name of the Company</b>                                                                | BHAGAWATI GAS LIMITED                                                                                                                                                                                                                                                                                                               |
| 4. | <b>Category/Sub-category of the Company</b>                                               | Company Limited by Shares<br>Public Non-Government Company                                                                                                                                                                                                                                                                          |
| 5. | <b>Address of the Registered office &amp; contact details</b>                             | Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan<br>333504<br>Telephone: 01593-221478/80<br>Fax: 01593-221477<br>E-mail: <a href="mailto:bhagwatigases@gmail.com">bhagwatigases@gmail.com</a><br>Website: <a href="http://www.bglgroup.in">www.bglgroup.in</a>                                                                     |
| 6. | <b>Whether listed company</b>                                                             | Maintaining Listing Status on MCA portal but trading suspended and currently delisted from the Stock Exchange w.e.f. 12.05.2018 for which restoration application is filed with SAT on 06.05.2019 which is under process.                                                                                                           |
| 7. | <b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b> | Skyline Financial Services Private Limited,<br>Address: D-153 A, 1st Floor, Okhla Industrial Area,<br>Phase - I, New Delhi - 110 020<br>Telephone: 011-40450193-97 & 011-26812682-83<br>E-mail: <a href="mailto:info@skylinerta.com">info@skylinerta.com</a><br>Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a> |

**II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1      | NIL                                              | NA                              | NA                                 |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES** - There are no holding, subsidiary or associate companies.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category- wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2018] | No. of Shares held at the end of the year[As on 31-March-2019] | % change during |
|--------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------|-----------------|
|--------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------|-----------------|

|                                    |                                                                             | Demat        | Physical       | Total          | % of<br>Total<br>Shares | Demat        | Physical       | Total          | % of<br>Total<br>Shares | the<br>year |
|------------------------------------|-----------------------------------------------------------------------------|--------------|----------------|----------------|-------------------------|--------------|----------------|----------------|-------------------------|-------------|
| A.                                 | Promoters                                                                   |              |                |                |                         |              |                |                |                         |             |
| (1)                                | Indian                                                                      |              |                |                |                         |              |                |                |                         |             |
| a)                                 | Individual/<br>HUF                                                          | 42450        | 4290493        | 4332943        | 25.88                   | 42450        | 4290493        | 4332943        | 25.88                   | 0           |
| b)                                 | Central Govt.                                                               | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| c)                                 | State<br>Govt.(s)                                                           | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| d)                                 | Bodies Corp.                                                                | 0            | 1397500        | 1397500        | 8.35                    | 0            | 1397500        | 1397500        | 8.35                    | 0           |
| e)                                 | Banks / FI                                                                  | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| f)                                 | Any other                                                                   | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| <b>Sub Total (A)<br/>(1)</b>       |                                                                             | <b>42450</b> | <b>5687993</b> | <b>5730443</b> | <b>34.23</b>            | <b>42450</b> | <b>5687993</b> | <b>5730443</b> | <b>34.23</b>            | <b>0</b>    |
| 2.                                 | Foreign                                                                     | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| a)                                 | NRI<br>Individuals                                                          | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| b)                                 | Other<br>Individuals                                                        | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| c)                                 | Bodies Corp.                                                                | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| d)                                 | Any Other                                                                   | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| <b>Sub Total (A)<br/>(2)</b>       |                                                                             | <b>0</b>     | <b>0</b>       | <b>0</b>       | <b>0</b>                | <b>0</b>     | <b>0</b>       | <b>0</b>       | <b>0</b>                | <b>0</b>    |
| <b>Total (A) (1) +<br/>(A) (2)</b> |                                                                             | <b>42450</b> | <b>5687993</b> | <b>5730443</b> | <b>34.23</b>            | <b>42450</b> | <b>5687993</b> | <b>5730443</b> | <b>34.23</b>            | <b>0</b>    |
| B.                                 | Public<br>Shareholding                                                      |              |                |                |                         |              |                |                |                         |             |
| 1.                                 | Institutions                                                                |              |                |                |                         |              |                |                |                         |             |
| a)                                 | Mutual Funds                                                                | 0            | 24400          | 24400          | 0.15                    | 0            | 24400          | 24400          | 0.15                    | 0           |
| b)                                 | Banks / FI                                                                  | 0            | 800            | 800            | 0                       | 0            | 800            | 800            | 0                       | 0           |
| c)                                 | Central Govt.                                                               | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| d)                                 | State<br>Govt.(s)                                                           | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| e)                                 | Venture<br>Capital Funds                                                    | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| f)                                 | Insurance<br>Companies                                                      | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| g)                                 | Foreign<br>Portfolio<br>Investors/For<br>eign<br>Institutional<br>Investors | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| h)                                 | Foreign<br>Venture<br>Capital Funds                                         | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| i)                                 | <b>Others<br/>(specify)</b>                                                 | 0            | 0              | 0              | 0                       | 0            | 0              | 0              | 0                       | 0           |
| <b>Sub-total<br/>(B)(1):-</b>      |                                                                             | <b>0</b>     | <b>25200</b>   | <b>25200</b>   | <b>0.15</b>             | <b>0</b>     | <b>25200</b>   | <b>25200</b>   | <b>0.15</b>             | <b>0</b>    |

|                                                    |                                                                               |                |                |                 |              |                |                |                 |              |          |
|----------------------------------------------------|-------------------------------------------------------------------------------|----------------|----------------|-----------------|--------------|----------------|----------------|-----------------|--------------|----------|
| 2.                                                 | Non-Institutions                                                              |                |                |                 |              |                |                |                 |              |          |
| a)                                                 | Bodies Corp.                                                                  |                |                |                 |              |                |                |                 |              |          |
| i)                                                 | Indian                                                                        | 528847         | 814400         | 1343247         | 8.02         | 466790         | 814400         | 1281190         | 7.65         | -0.37    |
| ii)                                                | Overseas                                                                      | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
| b)                                                 | Individuals                                                                   |                |                |                 |              |                |                |                 |              |          |
| i)                                                 | Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 5677262        | 1524875        | 7202137         | 43.02        | 5698858        | 1514775        | 7213633         | 43.09        | 0.07     |
| ii)                                                | Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh | 1929661        | 0              | 1929661         | 11.53        | 1977422        | 0              | 1977422         | 11.81        | 0.28     |
| c)                                                 | Others (specify)                                                              |                |                |                 |              |                |                |                 |              |          |
|                                                    | Non Resident Indians                                                          | 68165          | 14100          | 82265           | 0.49         | 68865          | 14100          | 82965           | 0.50         | 0.01     |
|                                                    | HUF                                                                           | 429406         | 100            | 429506          | 2.57         | 431406         | 100            | 431506          | 2.58         | 0.01     |
|                                                    | Overseas Corporate Bodies                                                     | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
|                                                    | Foreign Nationals                                                             | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
|                                                    | Clearing Members                                                              | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
|                                                    | Trusts                                                                        | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
|                                                    | Foreign Bodies -D R                                                           | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
| <b>Sub-total (B)(2):-</b>                          |                                                                               | <b>8633341</b> | <b>2353475</b> | <b>10986816</b> | <b>65.62</b> | <b>8643441</b> | <b>2343375</b> | <b>10986816</b> | <b>65.62</b> | <b>0</b> |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b> |                                                                               | <b>8633341</b> | <b>2378675</b> | <b>11012016</b> | <b>65.77</b> | <b>8643441</b> | <b>2368575</b> | <b>11012016</b> | <b>65.77</b> | <b>0</b> |
| C.                                                 | Shares held by Custodian for GDRs & ADRs                                      | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
| D.                                                 | IEPF                                                                          | 0              | 0              | 0               | 0            | 0              | 0              | 0               | 0            | 0        |
| <b>Grand Total (A+B+C)</b>                         |                                                                               | <b>8675791</b> | <b>8066668</b> | <b>16742459</b> | <b>100</b>   | <b>8685891</b> | <b>8056568</b> | <b>16742459</b> | <b>100</b>   | <b>0</b> |

**(ii) Shareholding of Promoters & Promoter Group-**

| S.No. | Shareholder's Name              | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year |                                  |                                                  | % change in shareholding during the year |
|-------|---------------------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|       |                                 | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |                                          |
| 1     | Rakesh S Bhardwaj               | 2347610                                   | 14.02                            | 0.00                                             | 2347610                             | 14.02                            | 0.00                                             | 0.00                                     |
| 2     | Bhagawati Steel Pvt Ltd         | 1040600                                   | 6.22                             | 0.00                                             | 1040600                             | 6.22                             | 0.00                                             | 0.00                                     |
| 3     | Shachi Bhardwaj                 | 977600                                    | 5.78                             | 0.00                                             | 977600                              | 5.84                             | 0.00                                             | 0.00                                     |
| 4     | Himanshu Sharma                 | 449363                                    | 2.68                             | 0.00                                             | 449363                              | 2.68                             | 0.00                                             | 0.00                                     |
| 5     | Ramrup Sharma                   | 171810                                    | 1.03                             | 0.00                                             | 171810                              | 1.03                             | 0.00                                             | 0.00                                     |
| 6     | Sarbati Devi Sharma             | 146450                                    | 0.87                             | 0.00                                             | 146450                              | 0.87                             | 0.00                                             | 0.00                                     |
| 7     | Bhagawati Oxygen Limited        | 90000                                     | 0.54                             | 0.00                                             | 90000                               | 0.54                             | 0.00                                             | 0.00                                     |
| 8     | S K Steels Pvt Ltd              | 81900                                     | 0.49                             | 0.00                                             | 81900                               | 0.49                             | 0.00                                             | 0.00                                     |
| 9     | Blue Cross Services Pvt Ltd     | 70000                                     | 0.42                             | 0.00                                             | 70000                               | 0.42                             | 0.00                                             | 0.00                                     |
| 10    | Suresh Kumar Sharma             | 64650                                     | 0.39                             | 0.00                                             | 64650                               | 0.39                             | 0.00                                             | 0.00                                     |
| 11    | B.P. Bhardwaj                   | 50100                                     | 0.30                             | 0.00                                             | 50100                               | 0.30                             | 0.00                                             | 0.00                                     |
| 12    | Ngp Industries Pvt Ltd          | 50000                                     | 0.30                             | 0.00                                             | 50000                               | 0.30                             | 0.00                                             | 0.00                                     |
| 13    | Lavino Portfolios Pvt Ltd       | 40000                                     | 0.24                             | 0.00                                             | 40000                               | 0.24                             | 0.00                                             | 0.00                                     |
| 14    | Padmaja Bhardwaj                | 34300                                     | 0.20                             | 0.00                                             | 34300                               | 0.20                             | 0.00                                             | 0.00                                     |
| 15    | Kanta Devi Bhardwaj             | 33410                                     | 0.20                             | 0.00                                             | 33410                               | 0.20                             | 0.00                                             | 0.00                                     |
| 16    | Vivek Sharma                    | 24400                                     | 0.15                             | 0.00                                             | 24400                               | 0.15                             | 0.00                                             | 0.00                                     |
| 17    | Bhagawati International Pvt Ltd | 25000                                     | 0.15                             | 0.00                                             | 25000                               | 0.15                             | 0.00                                             | 0.00                                     |
| 18    | Dyuman Bhardwaj                 | 14000                                     | 0.08                             | 0.00                                             | 14000                               | 0.08                             | 0.00                                             | 0.00                                     |
| 19    | Tara Devi Sharma                | 11700                                     | 0.07                             | 0.00                                             | 11700                               | 0.07                             | 0.00                                             | 0.00                                     |
| 20    | Suman Sharma                    | 6000                                      | 0.04                             | 0.00                                             | 6000                                | 0.04                             | 0.00                                             | 0.00                                     |
| 21    | Shashi Sharma                   | 1000                                      | 0.01                             | 0.00                                             | 1000                                | 0.01                             | 0.00                                             | 0.00                                     |
| 22    | Gokula Nanda Mukherjee          | 500                                       | 0.00                             | 0.00                                             | 500                                 | 0.00                             | 0.00                                             | 0.00                                     |
| 23    | Rampratap Sharma                | 10                                        | 0.00                             | 0.00                                             | 10                                  | 0.00                             | 0.00                                             | 0.00                                     |
| 24    | Laxmichand Sharma               | 10                                        | 0.00                             | 0.00                                             | 10                                  | 0.00                             | 0.00                                             | 0.00                                     |
| 25    | Dharampal Sarowa                | 10                                        | 0.00                             | 0.00                                             | 10                                  | 0.00                             | 0.00                                             | 0.00                                     |
| 26    | Mansacharan Chakrabarty         | 10                                        | 0.00                             | 0.00                                             | 10                                  | 0.00                             | 0.00                                             | 0.00                                     |
| 27    | Murlidhar Gupta                 | 10                                        | 0.00                             | 0.00                                             | 10                                  | 0.00                             | 0.00                                             | 0.00                                     |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| S. No. | Particulars | Shareholding at the beginning of the year | Cumulative Shareholding during the year |
|--------|-------------|-------------------------------------------|-----------------------------------------|
|--------|-------------|-------------------------------------------|-----------------------------------------|

|  |                                                                                                                                                                                                            | No. of shares          | % of total shares of the company | No. of shares          | % of total shares of the company |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|----------------------------------|------------------------|----------------------------------|
|  | At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | 57,30,443<br>No change | 34.23<br>No change               | 57,30,443<br>No change | 34.23<br>No change               |
|  | At the end of the year                                                                                                                                                                                     | 57,30,443              | 34.23                            | 57,30,443              | 34.23                            |

**(iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

| S. No. | For Each of the Top 10 Shareholders | Shareholding at the Beginning of the year April 01, 2018 |                                  | Shareholding at the end of year March 31, 2019 |                                  |
|--------|-------------------------------------|----------------------------------------------------------|----------------------------------|------------------------------------------------|----------------------------------|
|        |                                     | No. of shares                                            | % of total shares of the company | No. of shares                                  | % of total shares of the company |
| 1      | Air Liquide India Holding Pvt. Ltd. | 784400                                                   | 4.69                             | 784400                                         | 4.69                             |
| 2      | Prem Lata Daga                      | 265000                                                   | 1.58                             | 265000                                         | 1.58                             |
| 3      | Praveen Electronics Pvt Ltd         | 103900                                                   | 0.62                             | 103900                                         | 0.62                             |
| 4      | Kayzad Sirus Eghlim                 | 100000                                                   | 0.60                             | 100000                                         | 0.60                             |
| 5      | LGW Limited                         | 91400                                                    | 0.55                             | 91400                                          | 0.55                             |
| 6      | Dheeraj Kumar Lohia                 | 64944                                                    | 0.39                             | 64944                                          | 0.39                             |
| 7      | Veena Khemka                        | 54000                                                    | 0.32                             | 54000                                          | 0.32                             |
| 8      | Rajanikant G Dafade                 | 55400                                                    | 0.33                             | 55400                                          | 0.33                             |
| 9      | Mita Dipak Shah                     | 50000                                                    | 0.30                             | 50000                                          | 0.30                             |
| 10     | Raj Kumar Lohia                     | 50779                                                    | 0.30                             | 50779                                          | 0.30                             |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----|------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|    |                                                                  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1. | Mr. Rakesh Samrat Bhardwaj                                       | 2347610                                   | 14.02                            | 2347610                                 | 14.02                            |
| 2. | Mrs. Shachi Bhardwaj                                             | 977600                                    | 5.84                             | 977600                                  | 5.84                             |
| 3. | Mr. Dyuman Samrat Bhardwaj                                       | 14000                                     | 0.08                             | 14000                                   | 0.08                             |

**(vi) INDEBTEDNESS-Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

| Particulars                                                | Secured Loans excluding deposits | Unsecured Loans  | Deposits | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|------------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                  |          |                    |
| i) Principal Amount                                        | 30,67,681                        | 46,00,000        | 0        | 76,67,681          |
| ii) Interest due but not paid                              | 21,13,621                        | 0                | 0        | 21,13,621          |
| iii) Interest accrued but not due                          | 0                                | 0                | 0        | 0                  |
| <b>Total (i+ii+iii)</b>                                    | <b>51,81,302</b>                 | <b>46,00,000</b> | <b>0</b> | <b>97,81,302</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                  |          |                    |
| * Addition                                                 | 0                                | 0                | 0        | 0                  |

|                                               |           |                  |          |                  |
|-----------------------------------------------|-----------|------------------|----------|------------------|
| * Reduction                                   | 51,81,302 | 18,00,000        | 0        | 69,81,302        |
| Net Change                                    | 51,81,302 | 18,00,000        | 0        | 69,81,302        |
| Indebtedness at the end of the financial year |           |                  |          |                  |
| i) Principal Amount                           | 0         | 28,00,000        | 0        | 28,00,000        |
| ii) Interest due but not paid                 | 0         | 0                | 0        | 0                |
| iii) Interest accrued but not due             | 0         | 0                | 0        | 0                |
| <b>Total (i+ii+iii)</b>                       | <b>0</b>  | <b>28,00,000</b> | <b>0</b> | <b>28,00,000</b> |

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### (A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

| S. No. | Particulars of Remuneration<br>Designation                                      | Rakesh S. Bhardwaj<br>Managing Director                                          | Total Amount<br>(Rs. in lacs) |
|--------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------|-------------------------------|
| 1      | <b>Gross salary</b>                                                             |                                                                                  |                               |
| (a)    | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 9,00,000                                                                         | 9,00,000                      |
| (b)    | Value of perquisites u/s 17(2) Income-tax Act, 1961                             | NIL                                                                              | NIL                           |
| (c)    | Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | NIL                                                                              | NIL                           |
| 2      | Stock Option                                                                    | NIL                                                                              | NIL                           |
| 3      | Sweat Equity                                                                    | NIL                                                                              | NIL                           |
| 4      | Commission<br>- as % of profit<br>- others, specify...                          | NIL                                                                              | NIL                           |
| 5      | Others, please specify                                                          | NIL                                                                              | NIL                           |
|        | <b>Total (A)</b>                                                                | <b>9,00,000</b>                                                                  | <b>9,00,000</b>               |
|        | Ceiling as per the Act                                                          | Ceiling as per the Act (As per Part-II of Schedule V of the Companies Act, 2013) |                               |

### (B) Remuneration to other directors

| S. No. | Particulars of Remuneration                | Name of Directors                                                                |                  | Total Amount<br>(Rs./Lac) |
|--------|--------------------------------------------|----------------------------------------------------------------------------------|------------------|---------------------------|
|        |                                            | Mrs. Shachi Bhardwaj                                                             | Mr. Ganga Charan |                           |
| 1.     | <b>Independent Directors</b>               |                                                                                  |                  |                           |
|        | Fee for attending board/committee meetings | 0                                                                                | 15,000           | 0                         |
|        | Commission                                 | 0                                                                                | 0                | 0                         |
|        | Others                                     | 0                                                                                | 0                | 0                         |
|        | <b>Total (1)</b>                           | <b>0</b>                                                                         | <b>15,000</b>    | <b>15,000</b>             |
| 2.     | <b>Other Non-Executive Directors</b>       |                                                                                  |                  |                           |
|        | Fee for Attending board/committee meetings | 0                                                                                | 0                | 0                         |
|        | Commission                                 | 0                                                                                | 0                | 0                         |
|        | Others, please specify (Professional Fees) | 2,00,000                                                                         | 0                | 2,00,000                  |
|        | <b>Total (2)</b>                           | <b>2,00,000</b>                                                                  | <b>0</b>         | <b>2,00,000</b>           |
|        | <b>Total (1+2)</b>                         | <b>2,00,000</b>                                                                  | <b>15,000</b>    | <b>2,15,000</b>           |
|        | <b>Total Managerial Remuneration</b>       | <b>2,00,000</b>                                                                  | <b>15,000</b>    | <b>2,15,000</b>           |
|        | <b>Overall Ceiling as per the Act</b>      | Ceiling as per the Act (As per Part-II of Schedule V of the Companies Act, 2013) |                  |                           |

**(C) REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP) OTHER THAN MD/MANAGER/WT D**

| S. No. | Particulars of Remuneration                                                         | Name of KMP            |                           | Total Amount (In Rs.) |
|--------|-------------------------------------------------------------------------------------|------------------------|---------------------------|-----------------------|
|        | Name                                                                                | Mr. Dyuman S. Bhardwaj | Mr. Gajendra S. Shekhawat |                       |
|        | Designation                                                                         | CFO                    | CS                        |                       |
| 1.     | Gross Salary                                                                        | 4,00,000*              | -                         | 4,00,000              |
|        | (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 | -                      | -                         | -                     |
|        | (b) Value of perquisites u/s 17(2) Income tax Act, 1961                             | -                      | -                         | -                     |
|        | c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961               | -                      | -                         | -                     |
| 2.     | Stock Option                                                                        | -                      | -                         | -                     |
| 3.     | Sweat Equity                                                                        | -                      | -                         | -                     |
| 4.     | Commission                                                                          | -                      | -                         | -                     |
|        | -As % of profit                                                                     | -                      | -                         | -                     |
|        | -others, specify                                                                    | -                      | -                         | -                     |
| 5.     | Others, please specify (Bonus)                                                      | -                      | -                         | -                     |
|        | <b>Total</b>                                                                        | <b>4,00,000</b>        |                           | <b>4,00,000</b>       |

\*He is appointed on the Board w.e.f. March 11, 2019 as Chief financial officer of the company on monthly remuneration of Rs. 75,000/- per months and before it he was getting a monthly remuneration in the capacity of employee of company.

**(D) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                         | Section of the Companies Act/SEBI (LODR) Regulations | Brief Description | Details of Penalty /Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT]/ SEBI/BSE /SAT | Appeal made, if any (give Details) |
|------------------------------|------------------------------------------------------|-------------------|----------------------------------------------------------|---------------------------------------------|------------------------------------|
| A. COMPANY                   |                                                      |                   |                                                          |                                             |                                    |
| Penalty                      | None                                                 |                   |                                                          |                                             |                                    |
| Punishment                   |                                                      |                   |                                                          |                                             |                                    |
| Compounding                  |                                                      |                   |                                                          |                                             |                                    |
| B. DIRECTORS                 |                                                      |                   |                                                          |                                             |                                    |
| Penalty                      | None                                                 |                   |                                                          |                                             |                                    |
| Punishment                   |                                                      |                   |                                                          |                                             |                                    |
| Compounding                  |                                                      |                   |                                                          |                                             |                                    |
| C. OTHER OFFICERS IN DEFAULT |                                                      |                   |                                                          |                                             |                                    |
| Penalty                      | None                                                 |                   |                                                          |                                             |                                    |
| Punishment                   |                                                      |                   |                                                          |                                             |                                    |
| Compounding                  |                                                      |                   |                                                          |                                             |                                    |

**For and on behalf of the Board of Directors**  
For **Bhagawati Gas Limited**

**Regd. Office:**  
Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: L24111RJ1974PLC005789  
**Date:** August 14, 2019  
**Place:** New Delhi

Sd/-  
**Rakesh Samrat Bhardwaj**  
Chairman & Managing Director  
DIN:00029757

**ANNEXURE-B TO BOARD'S REPORT****FORM NO. AOC -2**

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

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

| <b>Sl. No.</b> | <b>Particulars</b>                                                                                                | <b>Details</b> |
|----------------|-------------------------------------------------------------------------------------------------------------------|----------------|
| a)             | Name (s) of the related party & nature of relationship                                                            | Not Applicable |
| b)             | Nature of contracts/arrangements/transaction                                                                      | Not Applicable |
| c)             | Duration of the contracts/arrangements/transaction                                                                | Not Applicable |
| d)             | Salient terms of the contracts or arrangements or transaction including the value, if any                         | Not Applicable |
| e)             | Justification for entering into such contracts or arrangements or transactions'                                   | Not Applicable |
| f)             | Date of approval by the Board                                                                                     | Not Applicable |
| g)             | Amount paid as advances, if any                                                                                   | Not Applicable |
| h)             | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Not Applicable |

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

| <b>Sl. No.</b> | <b>Particulars</b>                                                                                                | <b>Details</b> |
|----------------|-------------------------------------------------------------------------------------------------------------------|----------------|
| a)             | Name (s) of the related party & nature of relationship                                                            | Not Applicable |
| b)             | Nature of contracts/arrangements/transaction                                                                      | Not Applicable |
| c)             | Duration of the contracts/arrangements/transaction                                                                | Not Applicable |
| d)             | Salient terms of the contracts or arrangements or transaction including the value, if any                         | Not Applicable |
| e)             | Justification for entering into such contracts or arrangements or transactions'                                   | Not Applicable |
| f)             | Date of approval by the Board                                                                                     | Not Applicable |
| g)             | Amount paid as advances, if any                                                                                   | Not Applicable |
| h)             | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Not Applicable |

**For and on behalf of the Board of Directors**  
*For Bhagawati Gas Limited*

**Regd. Office:**

Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: L24111RJ1974PLC005789

**Date:** August 14, 2019

**Place:** New Delhi

Sd/-  
**Rakesh Samrat Bhardwaj**  
Chairman & Managing Director  
DIN:00029757

## ANNEXURE-C TO BOARD'S REPORT

### Information as per under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of companies (Accounts) Rules, 2014 for the year ended March 31, 2019.

- A. Conservation of Energy- Not Applicable as the operations of the Company has been temporarily closed.
- B. Research & Development
- a) Specific area in which R & D carried out by the Company: Research and Development not carried as the manufacturing operations are shut down due to shut down of smelter of Hindustan Copper Limited.
  - b) Benefits derived as a result of the above Research & Development : Not applicable
  - c) Future Plan of Action: Research and Development activities shall be resumed on resumption of manufacturing activity.
  - d) Expenditure on R & D: Not applicable.
- C. Technology absorption, adaptation & innovation
- a) Efforts made towards technology absorption, adaptation and innovation: The Company has successfully absorbed the technology of the plants supplied by the manufacturers.
  - b) Benefits derived as a result of the above efforts: Not applicable.
  - c) Particulars relating to imported technology: Nil
- D. Foreign Exchange Earnings and Outflow

| <b>(Amount in Rs.)</b>                 |                |                |
|----------------------------------------|----------------|----------------|
| <b>Particulars</b>                     | <b>2018-19</b> | <b>2017-18</b> |
| Foreign Exchange Outflow               |                |                |
| -Traveling Expenses (on Accrual Basis) | 0              | 0              |
| <b>Total</b>                           | 0              | 0              |
| Foreign Exchange Earning               | 0              | 0              |

**For and on behalf of the Board of Directors**  
*For Bhagawati Gas Limited*

#### Regd. Office:

Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: L24111RJ1974PLC005789

**Date:** August 14, 2019

**Place:** New Delhi

Sd/-  
**Rakesh Samrat Bhardwaj**  
Chairman & Managing Director  
DIN:00029757

## **CORPORATE GOVERNANCE REPORT**

Corporate governance is set of principles or guidelines on which a company is governed. It ensures that the corporate works in a way it supposed to work to achieve the desired goals. It makes the corporations accountable to each stakeholder including, directors, shareholders, employees, customers etc. The term governance itself explains the meaning that it is an act of managing a corporate entity. The entity of a corporation is separate from its officials which makes corporate governance an important subject to study. Corporate governance plays an important role to protect the rights of thousands of shareholders, who have ownership in the company but do not play an active role in governing day to day business activities.

Corporate Governance is about maximizing shareholder value sustainably while ensuring fairness to all stakeholders. It is a systematic continuous process by which companies are directed and controlled to enhance their wealth-generating capacity and long term success. The pillars of successful Corporate Governance are accountability, transparency, fairness, assurance, leadership and stakeholder management. Effective Corporate Governance practices build the strong foundations on which commercial enterprises are built to succeed and sustain.

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

**BHAGAWATI GAS LIMITED** ('the Company' or 'BGL') has always been committed to maintain sound corporate governance standards and ethical business practices. The Company follows principle of effective Corporate Governance. The endeavor of the Company is not only to comply with regulatory requirements but also to practice Corporate Governance principles that lay emphasis on integrity, transparency and overall accountability. The Company adheres to most of the recommendations made by the SEBI and incorporated by the Stock Exchanges in the Standard Listing Agreement. However, due to paucity of funds and unavailability of qualified staff there was a delay in complying with the condition of Listing Agreement. The securities of the Company got delisted w.e.f. May 11, 2018 and therefore securities are not available for trading on the platform of Exchange and company has not been complied with the regulations of SEBI (LODR) Regulations, 2015 for submission of required documents of information to Stock Exchange.

The Company has an active and Independent Board of Directors that provides supervisory, strategic advice and direction. Your Company believes that all actions and plans should be supported by adequate systems and procedures in order to ensure that the decision making process across different levels of management is well-informed and conforms to the highest standards of corporate behavior.

A report in line with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below as a part of Board's Report along with a certificate issued by the Practicing Company Secretary regarding compliances with the provisions of Corporate Governance.

### **APPROPRIATE GOVERNANCE STRUCTURE WITH DEFINED ROLES AND RESPONSIBILITIES:**

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established 3 (Three) Committees to discharge its responsibilities in an effective manner. Bhagawati's Company Secretary acts as the Secretary to all the Committees of the Board. The Chairman and Managing Director (CMD) and the Directors provide overall direction and guidance to the Board. In the operations and functioning of the Company, they are assisted by a core group of senior level executives.

## CORPORATE GOVERNANCE GUIDELINES

SEBI has constituted a committee on June 2, 2017, under the Chairmanship of Uday Kotak, to address corporate governance gaps and to enhance long term standards necessary to shape a strong and resilient governance apparatus for listed companies in India. SEBI, at its board meeting held on March 28, 2018, accepted several recommendations of the Kotak Committee with or without modifications along with timelines for implementation. We welcome the steps taken by SEBI based on recommendations of the Kotak Committee, which we are sure will go a long way in improving the corporate governance practices in the Indian listed entities.

The Board has defined a set of corporate governance best practices and guidelines to help fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes to review and evaluate our operations as and when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board may change these guidelines regularly to achieve our stated objectives.

## BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance, objective judgment and at the same time monitors the strategic direction of the Company. The Company is headed by an Executive Chairman. The Board draws upon its powers and manages the affairs of the company within the framework set out in the Companies Act, Memorandum of Association, Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and internal codes/procedures of the company etc.

## SIZE AND COMPOSITION OF THE BOARD

The Board of Directors is at the core of our corporate governance practice and how the management serves and protects the long term interests of all our stakeholders. The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company.

As on March 31, 2019, the Company's Board comprised of four Directors which includes One Whole Time functional Director, One Non-executive Director and Two Non-Executive Independent Directors. The Composition of the Board and directorships is as mentioned below:

| S. No. | Name of the Director(s)    | DIN      | No. of Equity Shares | Category                             |
|--------|----------------------------|----------|----------------------|--------------------------------------|
| 1      | Mr. Rakesh Samrat Bhardwaj | 00029757 | 23,47,610            | Chairman & Managing Director         |
| 2      | Mrs. Shachi Bhardwaj       | 07232850 | 9,77,600             | Non – Executive Director             |
| 3      | Mr. Ganga Charan           | 00387567 | -                    | Non – Executive Independent Director |
| 4      | Mr. Kailash Chand Kedia    | 01243510 | -                    |                                      |

## BOARD MEETINGS, ATTENDANCE AND OTHER DIRECTORSHIPS

The Company follows a methodized process of decision-making by the Board and its Committees. The meeting dates are usually finalized in accordance with a pre-determined meeting calendar for the year and consultation with all Directors, in order to ensure presence of all Board Members in its Meetings. All Agenda and explanatory notes (*except for price sensitive information, which are circulated separately before the meeting*) are normally sent to the Directors well in advance for the Meetings of the Board and Committees thereof. To address specific urgent business needs, sometimes meetings are also called at shorter notice in compliance of the applicable statutory provisions and utmost efforts are made to adhere to the minimum notice & agenda period.

The Chairman & Managing Director of the Company decides inclusion of any matter in the agenda for discussion in the Meeting of the Board/Committees thereof. The Meetings of the Board of Directors are normally held at Corporate Office of the Company during office hours. The Company is also complying with the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Meetings of Board and Shareholders.

During the financial year 2018-19 under review, **Six (6)** meetings of the Board of Directors were held on (i) April 02, 2018, (ii) May 30, 2018, (iii) August 14, 2018, (iv) November 14, 2018, (v) February 14, 2019, and (vi) March 11, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

## ANNUAL GENERAL MEETING (AGM)

The last Annual General Meeting of the Company was held on Thursday, September 27, 2018.

**Directors' attendance at the Board Meetings held during the FY 2018-19 and the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of the other companies etc. are as follows:**

| Sr. No | Name of the Director*      | DIN      | Meeting s held during the tenure | Board Meetings |                            | Attendan ce at Last AGM (held on September 27, 2018) | As on March 31, 2019         |                                       |            |
|--------|----------------------------|----------|----------------------------------|----------------|----------------------------|------------------------------------------------------|------------------------------|---------------------------------------|------------|
|        |                            |          |                                  | Attende d      | Percenta ge of attendanc e |                                                      | No of other Director ships** | No. of other Committee Memberships*** |            |
|        |                            |          |                                  |                |                            |                                                      |                              | As Chairm an                          | As Mem ber |
| 1.     | Mr. Rakesh Samrat Bhardwaj | 00029757 | 6                                | 6              | 100                        | Yes                                                  | -                            | -                                     | -          |
| 2.     | Mrs. Shachi Bhardwaj       | 07232850 | 6                                | 6              | 100                        | Yes                                                  | -                            | -                                     | -          |
| 3.     | Mr. Kailash Chand Kedia    | 01243510 | 6                                | 6              | 100                        | Yes                                                  | -                            | -                                     | -          |
| 4.     | Mr. Ganga Charan           | 00387567 | 6                                | 6              | 100                        | Yes                                                  | -                            | -                                     | -          |

\* None of the directors hold directorships in more than 20 companies of which directorships in public companies does not exceed 10 in line with the provisions of Section 165 of the Act and No independent director of the Company holds the position of independent director in more than 7 listed companies as required under the Listing Regulations

\*\* Does not include Directorship in Private Companies, Section 8 Companies under the Companies Act, 2013 and foreign Companies.

\*\*\* Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Stakeholders' Relationship Committee in accordance with the provisions of Regulation 26(1)(b).

## Details of Directorship in Other Listed Entities

| Name of the Director(s)    | Name of listed entities | Category of Directorship |
|----------------------------|-------------------------|--------------------------|
| Mr. Rakesh Samrat Bhardwaj | Nil                     | Nil                      |
| Mrs. Shachi Bhardwaj       | Nil                     | Nil                      |
| Mr. Kailash Chand Kedia    | Nil                     | Nil                      |
| Mr. Ganga Charan           | Nil                     | Nil                      |

## INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

- a. Annual operating plans and budgets and any updates.
- b. Capital budgets and any updates.
- c. Quarterly, Half Yearly and Annual Financial Results and Board's Report, etc.
- d. Minutes of meetings of audit committee and other committees of the board of directors.
- e. All Related Party transactions.
- f. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
- g. Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
- h. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- i. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- j. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- k. Details of any joint venture or collaboration agreement.
- l. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- m. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- n. Sale of material nature of investments, subsidiaries, assets which is not in normal course of business.
- o. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- p. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc., if any.
- q. Quarterly Report on Reconciliation of Share Capital Audit, Corporate Governance Report and status of Investor Grievances.

## MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS/DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR *INTER-SE*;

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, subsidiaries or relatives, except as detailed below.

Detailed information on materially significant related party transactions is enclosed as **Annexure-B** to the Board's report.

| Sr. No. | Name of Director                                             | Relationship                                                                               |
|---------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 1.      | Mr. Rakesh Samrat Bhardwaj<br>(Chairman & Managing Director) | Mr. Rakesh Samrat Bhardwaj and Mrs. Shachi Bhardwaj related to each other as husband-wife. |
| 2.      | Mrs. Shachi Bhardwaj (Non-Executive Director)                |                                                                                            |

## SHAREHOLDING OF INDEPENDENT DIRECTOR(S)

As on March 31, 2019, Any Independent Director did not hold any shares and convertible instruments of the Company.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

Further, in accordance with the requirements of SEBI (LODR) Regulations, 2015, the Company also organizes Familiarization Programme for the Independent Directors to enlighten them about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

The details of such programmes imparted to Independent Directors are available on the Company's website and can be accessed at the web link-[www.bglgroup.in](http://www.bglgroup.in).

## KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Bhagawati Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committee. The Board members are committed to ensuring that the Board is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

| Definitions of Director qualifications |                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gas                                    | A significant background in technology and in-depth insight into the various elements of Gas Industry, transmission & distribution, renewable energy sector and the challenges/ aspects/nuances of Gas Industry in India and abroad, knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.                      |
| Planning                               | Extended Planning Experience for enterprises, resulting in a practical understanding of organization, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long - term growth.                                                                                                                   |
| Technical                              | Significant backgrounds in technology, resulting in knowledge of how to anticipate technological trends, generates disruptive innovation, and extends or create new business modules.                                                                                                                                                                                                   |
| Finance                                | Leadership of a Financial Firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions. |
| Legal                                  | A particular attribute, quality, property, or possession that an individual must have in order to be eligible to fill an office or perform a public duty or function.                                                                                                                                                                                                                   |
| Board service and Corporate Governance | Service on a public company board to develop insight about maintaining board and management accountability, protecting shareholder interests, and observing appropriate integration plans.                                                                                                                                                                                              |
| Administrative                         | Skills that is required for success in administration, such as communicating, computing, organizing, planning, scheduling, or staffing.                                                                                                                                                                                                                                                 |

In the below table, the specific area of focus or expertise of Individual Board members have been highlighted. However the absence of mark against member's name does not necessarily mean the member does not possess the corresponding qualification or skills.

| Name of Director           | Area of Operation  |          |           |         |       |                                        |                |
|----------------------------|--------------------|----------|-----------|---------|-------|----------------------------------------|----------------|
|                            | Oil & Gas Industry | Planning | Technical | Finance | Legal | Board service and Corporate Governance | Administrative |
| Mr. Rakesh Samrat Bhardwaj | ✓                  | ✓        | ✓         | ✓       | ✓     | ✓                                      | ✓              |
| Mrs. Shachi Bhardwaj       | ✓                  | ✓        | ✓         | -       | -     | ✓                                      | -              |
| Mr. Kailash Chand Kedia    | -                  | -        | -         | -       |       | ✓                                      | -              |
| Mr. Ganga Charan           | -                  | -        | -         | -       | -     | ✓                                      | -              |

**Note:**

The Board is always responsible for the selection of new director(s). The Board delegated the selection procedure and process to the Nomination and Remuneration Committee. The committee based on the defined criteria, makes recommendation to the Board on the induction of new Director.

**INDEPENDENT DIRECTOR:**

The Companies Act, 2013 and the Listing Regulation define an 'Independent Director' as a person who is not a promoter or employee or one of the key managerial personnel of the company or its subsidiaries. They also state that the person should not have a pecuniary relationship or transaction with the company or its subsidiaries, apart from receiving sitting fees as an Independent Director.

All the Independent Directors have given their declarations under section 149 (6) and section 149 (7) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfil the conditions relating to their status as an Independent Director as specified in section 149 of the Companies Act, 2013 read with rules made thereunder as well as Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

**DETAILED REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR**

During the financial year 2018-19, Mr. Gokulanand Mukherjee, has resigned from the post of directorship as Independent Director w.e.f. April 02, 2018 due to personal reasons.

**COMMITTEES OF THE BOARD OF DIRECTOR(S)**

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them. As on March 31, 2019, the Board had the following committee;

## BOARD AND COMMITTEE COMPOSITION

| Name of Director           | Board    | Audit Committee | Nomination & Remuneration Committee* | Stakeholder Relationship Committee |
|----------------------------|----------|-----------------|--------------------------------------|------------------------------------|
| Mr. Rakesh Samrat Bhardwaj | Chairman | Member          | Member                               | Member                             |
| Mrs. Shachi Bhardwaj       | Member   | -               | Member                               | -                                  |
| Mr. Kailash Chand Kedia    | Member   | Chairman        | Chairman                             | Member                             |
| Mr. Ganga Charan           | Member   | Member          | Member                               | Chairman                           |

*\*The committee has been reconstituted on November 14, 2018*

## AUDIT COMMITTEE

The Company has complied with the requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as regards composition of Audit Committee.

The Audit Committee consists of three (03) members. All the members of the committee have good financial and accounting knowledge. The committee is chaired by Mr. Kailash Chand Kedia.

During the year under review five (5) meetings of Audit Committee were held on **(i)** April 02, 2018, **(ii)** May 30, 2018, **(iii)** August 14, 2018, **(iv)** November 14, 2018, and **(v)** February 14, 2019. The composition of the Audit Committee and the attendance of members at the meetings of the Audit Committee held during the financial year 2018-2019 are as follows:

| Sl. No | Name of Member(s)          | Designation | Numbers of the Meetings  |              | % of attendance<br>(C)=(B)/(A) |
|--------|----------------------------|-------------|--------------------------|--------------|--------------------------------|
|        |                            |             | Held during the year (A) | Attended (B) |                                |
| 1      | Mr. Kailash Chand Kedia    | Chairman    | 5                        | 5            | 100                            |
| 2      | Mr. Rakesh Samrat Bhardwaj | Member      | 5                        | 5            | 100                            |
| 3      | Mr. Ganga Charan           | Member      | 5                        | 5            | 100                            |

The Audit Committee meetings were also attended by the statutory auditors, wherever necessary. The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly/half yearly/annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the management discussion and analysis of financial condition and result of operations and also statutory compliance issue. The committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

In addition, the committee has discharged such other role/function as envisaged under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

### The terms of reference of the Audit Committee are as under:

**a)** To comply with the requirements in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;

- b)** To comply with the requirements relating to Audit Committee as envisaged in Listing Regulations, as amended from time to time;
- c)** To comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

## **NOMINATION AND REMUNERATION COMMITTEE**

In terms of Section 178 of the Companies Act, 2013, the Board re-constituted the Nomination and Remuneration Committee *vide* Board Resolution dated **November 14, 2018** due to change in the existing composition of members i.e. Mr. Rakesh Samrat Bhardwaj is outgoing member and Mrs. Shachi Bhardwaj is incoming member in the committee.

The Company has complied with the requirements of the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 as regards composition of Nomination and Remuneration Committee.

The Nomination and Remuneration Committee consists of three (03) members. The committee is chaired by Mr. Kailash Chand Kedia (Non-Executive Independent Director). The purpose of the committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with criteria approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

During the year, Two (2) meetings of Nomination and Remuneration Committee was held on **(i)** April 02, 2018, and **(ii)** March 11, 2019, which was duly attended by all the Committee members.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings of the Nomination and Remuneration Committee held during the financial year 2018-2019, are as follows:

| Sl. No | Name of Member(s)           | Designation | Numbers of the Meetings  |              | % of attendance<br>(C)=(B)/(A) |
|--------|-----------------------------|-------------|--------------------------|--------------|--------------------------------|
|        |                             |             | Held during the year (A) | Attended (B) |                                |
| 1      | Mr. Kailash Chand Kedia     | Chairman    | 2                        | 2            | 100                            |
| 2      | Mrs. Shachi Bhardwaj*       | Member      | 1                        | 1            | 100                            |
| 3      | Mr. Ganga Charan            | Member      | 2                        | 2            | 100                            |
| 4      | Mr. Rakesh Samrat Bhardwaj* | Member      | 1                        | 1            | 100                            |

**\*The committee has been reconstituted on November 14, 2018.**

The purpose of the committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with the criteria approved by the Board and to recommend for approval by the Board, nominees for election at the AGM of the shareholders.

The Committee also discharges Board's responsibilities relating to compensation of the Company's EDs and senior management. The Committee has overall responsibility of approving and evaluating the compensation plans, policies and programmes for EDs and the senior management. The Committee reviews and recommend to the Board, to approve for the EDs, the base salary, incentives/commission, other benefits, compensation or arrangements and executive employment agreements.

The Committee further recommend to the Board, the remuneration package of the executive directors. Remuneration of the executive directors is governed by the external competitive environment, track record, potential and performance of the executive and performance of the company.

**The terms of reference of Nomination and Remuneration Committee to the extent applicable to Bhagawati are as under:**

- (a) To comply with the requirements in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time; and
- (b) To comply with the requirements relating to Nomination and Remuneration Committee as envisaged in Listing Regulations, as amended from time to time;

**Performance evaluation criteria for independent directors**

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate inter se board member, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmark established by global peers etc. which is in compliance with applicable laws, regulations and guidelines.

**Remuneration to Directors in Fiscal 2018-2019**

The Company pays remuneration to its Executive Director-Managing Director & Whole-time Director and others by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year 2018-19.

**Given below are the details of remuneration paid to Directors during the financial year 2018-19:**

| (Amount in Rs.)                        |          |              |       |              |        |                    |
|----------------------------------------|----------|--------------|-------|--------------|--------|--------------------|
| Name of Director                       | Salary   | Sitting fees | Bonus | Stock option | Others | Total Remuneration |
| Executive Director (Managing Director) |          |              |       |              |        |                    |
| <b>Mr. Rakesh Samrat Bhardwaj</b>      | 9,00,000 | -            | -     | -            | -      | <b>9,00,000</b>    |
| Non-Executive Director                 |          |              |       |              |        |                    |
| <b>Mrs. Shachi Bhardwaj</b>            | 2,00,000 | -            | -     | -            | -      | <b>2,00,000</b>    |
| Non-Executive Independent Director     |          |              |       |              |        |                    |
| <b>Mr. Kailash Chand Kedia</b>         | -        | -            | -     | -            | -      | -                  |
| <b>Mr. Ganga Charan</b>                | -        | 15,000       | -     | -            | -      | <b>15,000</b>      |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

In terms of Section 178 of the Companies Act, 2013, the Board re-named the "Investors' Grievance Committee" as the "Stakeholders' Relationship Committee." The remit of the Committee is to consider and resolve the grievances of the security holders of the company, including complaints relating to transfer and transmission of securities, non receipt of dividends and such other grievance as may be raised by the security holders from time to time.

The Stakeholders' Relationship Committee consists of three members out of which Mr. Ganga Charan & Mr. Kailash Chand Kedia are Non-Executive Independent Directors and Mr. Rakesh Samrat Bhardwaj is executive director. The Committee is heading by Mr. Ganga Charan as a Non-Executive Independent Director.

During the year, two (2) meetings of Stakeholders' Relationship Committee was held on **(i)** August

14, 2018, and (ii) February 14, 2019, which was duly attended by all the Committee members.

The composition of the Stakeholders' Relationship Committee and the attendance of members at the meetings of the Stakeholders' Relationship Committee held during the financial year 2018-2019 are as follows:

| Sl. No | Name of Member(s)          | Designation | Numbers of the Meetings  |              | % of attendance<br>(C)=(B)/(A) |
|--------|----------------------------|-------------|--------------------------|--------------|--------------------------------|
|        |                            |             | Held during the year (A) | Attended (B) |                                |
| 1      | Mr. Ganga Charan           | Chairman    | 2                        | 2            | 100                            |
| 2      | Mr. Rakesh Samrat Bhardwaj | Member      | 2                        | 2            | 100                            |
| 3      | Mr. Kailash Chand Kedia    | Member      | 2                        | 2            | 100                            |

**Terms of reference of the Committee *inter-alia* include the following:**

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non- receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**STATUS OF SHAREHOLDERS/INVESTORS GRIEVANCES**

The Company has been attending to all investor grievances/complaints expeditiously and promptly to the satisfaction of stakeholder(s). The status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of Listing Regulations for the financial year 2018-19, is as follows:

| Particulars                                    | Number of Complaints |
|------------------------------------------------|----------------------|
| Pending at the beginning of the financial year | Nil                  |
| Received during the financial year             | Nil                  |
| Disposed during the financial year             | Nil                  |
| Remaining unresolved as on March 31, 2019      | Nil                  |

**NAME, DESIGNATION AND ADDRESS OF COMPANY SECRETARY:**

**Mr. Gajendra Singh Shekhawat**

Company Secretary cum Compliance Officer

Bhagawati Gas Limited

S-492/A, Greater Kailash-I,

New Delhi-110048

Tel No.: 011-49120719

Email: [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com)

Website: [www.bglgroup.in](http://www.bglgroup.in)

**MEETING OF INDEPENDENT DIRECTORS**

As required under the provisions of Companies Act, 2013 and Regulation 27 of The Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on **Friday, June 01, 2018** wherein Independent Directors reviewed the performance of Non-Independent Directors including chairman and the Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors and assessed the adequacy quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

**Criteria for Evaluation of Independent Director and the Board:** Following are the criteria for evaluation of performance of Directors:

**Executive Director:** The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the Board from time to time.

**Non-Executive / Independent Director:** The Non-Executive / Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a. Act objectively and constructively while exercising their duties;
- b. Exercise their responsibilities in a bona fide manner in the interest of the Company
- c. Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d. Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e. Refrain from any action that would lead to loss of his independence;
- f. Inform the Board immediately when they lose their independence;
- g. Assist the Company in implementing the best corporate governance practices;
- h. Strive to attend all meetings of the Board of Directors and the Committees;
- i. Participate constructively and actively in the committees of the Board in which they are chairpersons or members
- j. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- k. Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

## GENERAL BODY MEETING

The last three Annual General Meetings were held as under:

| Financial Year Ended | Date               | Time      | Venue                                                    | Special Resolution Passed                                                                                   |
|----------------------|--------------------|-----------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| 2018                 | September 27, 2018 | 11.00 A.M | Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504 | NA                                                                                                          |
| 2017                 | September 30, 2017 | 11.00 A.M | Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504 | 1. Grant loan(s), / give guarantee(s) or security (ies) and make investment in securities by the company in |

|      |                    |           |                                                          |                       |
|------|--------------------|-----------|----------------------------------------------------------|-----------------------|
|      |                    |           |                                                          | terms of section 186. |
| 2016 | September 30, 2016 | 01.00 P.M | Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504 | NA                    |

## **EXTRA-ORDINARY GENERAL MEETING**

Details of Extra-Ordinary General Meeting held during the Financial Year 2018-19. There was no Extra-Ordinary General Meeting held during the financial year 2018-19.

## **WHETHER ANY SPECIAL RESOLUTION PASSED LAST YEAR THROUGH POSTAL BALLOT**

No special resolution was passed through postal ballot last year.

## **WHETHER ANY SPECIAL RESOLUTION IS PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT**

No Special Resolution requiring to be passed through special resolution is being proposed at ensuing Annual General Meeting of the Company.

## **MEANS OF COMMUNICATION/COMMUNICATION TO SHAREHOLDERS:**

The Company recognizes the rights of shareholders & communications as key elements of the overall Corporate Governance framework and therefore emphasizes on continuous, efficient and relevant communication with shareholders and other stakeholders.

A dedicated Investor Relations Cell has been set up in the Company for interaction with the analysts and providing timely information and to hold analyst meetings in order to keep the investors updated about the matters related to the Company and to develop an appropriate feedback system that directs the information flow and communication between the management and investors. The Company communicates with its shareholders through its Annual Reports, General Meetings and disclosures on its website and through Stock Exchanges.

The Company's website ([www.bglgroup.in](http://www.bglgroup.in)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form. The Annual Report containing, *inter-alia*, Audited Financial Statement, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website. The main channel of communication to the shareholders is through Annual Report.

The Annual General Meeting is a platform for face-to-face communication with the shareholders, where the Chairman, Managing/Whole Time Director makes presentation on the performance, operating and financial results of the Company. The Chairman, Managing/Whole Time Director and other Key Managerial Personnel also respond to the specific queries of the shareholders.

As mandated by the Ministry of Corporate Affairs (MCA) documents like Notices, Annual Report, ECS advices for dividends, etc. were sent to the shareholders at their email address, as registered with their Depository Participants/ Company/ RTA. This helped in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

The Company also intimates to the Stock Exchanges all price sensitive matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on such matters, wherever necessary.

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, media releases (Notice of Board Meetings & extract of financial

results publishing in the Financial Express & Lokmatt), among others are also filed electronically on the Listing Centre but due to delisting and non-availability of trading platform it is not possible to communicate the same with BSE Limited through the Listing Centre. As on date no records are available on BSE website related to Bhagawati Gas Limited.

## **GENERAL SHAREHOLDER(S) INFORMATION**

### **Annual General Meeting**

|                        |                                                                                                   |
|------------------------|---------------------------------------------------------------------------------------------------|
| <b>DATE &amp; TIME</b> | Monday, September 30, 2019 at 11.00 A.M.                                                          |
| <b>VENUE OF AGM</b>    | Banawas, Khetrinagar – 333504, Distt – Jhunjhunu, Rajasthan.                                      |
| <b>FINANCIAL YEAR</b>  | 2018-19                                                                                           |
| <b>BOOK CLOSURE</b>    | Tuesday, September 24, 2019 to Monday, September 30, 2019<br><b>(both days inclusive)</b>         |
| <b>E-VOTING DATES</b>  | Friday, September 27, 2019 (9.00AM) to Sunday, September 29, 2019 (5.00 PM) (both days inclusive) |

### **FINANCIAL YEAR**

The Company's Financial Year begins on April 1<sup>st</sup> and ends on March 31<sup>st</sup> every year. The address of our registered office is Banawas, Khetrinagar – 333504, Distt – Jhunjhunu, Rajasthan.

### **LISTING ON STOCK EXCHANGE**

The equity shares of the Company were listed on the following stock exchanges but during this year company got delisted from the Stock Exchange by the order of exchange:

**Name:** BSE Limited (BSE)

**Address:** P.J.Towers, Dalal Street, Fort, Mumbai-400001

**Stock Code:** 500051

**International Security Identification Number (ISIN):** INE099C01010

### **STOCK MARKET PRICE DATA: (AS OBTAINED FROM BSE)**

As on date, the company is delisted from BSE Limited and due to delisting of equity shares of the company, equity shares of the company is not trading on stock exchange. Therefore, this clause is not applicable on company.

### **REGISTRAR & TRANSFER AGENT (R&TA)**

Skyline Financial Services Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transfer of shares, transmission of shares, transposition of shares, name deletion, change of address, amongst others. Following below are the contact details related to R&TA:

|                |                                                                                                                                |
|----------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>NAME</b>    | <b>Skyline Financial Services Private Limited</b>                                                                              |
| <b>E- MAIL</b> | <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a> or <a href="mailto:info@skylinerta.com">info@skylinerta.com</a> |

|                           |                                                          |
|---------------------------|----------------------------------------------------------|
| <b>REGISTERED ADDRESS</b> | A, Okhla Industrial Area, Phase - I, New Delhi - 110 020 |
| <b>PHONE NOS.</b>         | 011-26812682 or 011-40450193-97 & 011-26812682-83        |

## SHARE TRANSFER SYSTEM

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares, requests for deletion of name of the shareholder etc. to the designated officials of the Company. However, the transaction in respect of issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of Share Certificates are approved by the Shareholder's Committee of the Board of Directors of the Company.

All the documents received from shareholders are scrutinized by the Company's RTA. The shares lodged for transfer, etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

In all cases of transfer of shares in physical mode an intimation letter is being sent to transferor(s) informing them of the lodgement of shares for transfer and in case of any objection to said transfer to revert within fifteen days with copy to transferee(s).

A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has not filed a copy of the certificate with the Stock Exchanges due to delisted from BSE Limited and listing centre is also not available with company.

## DISTRIBUTION OF SHAREHOLDING OF ORDINARY SHARES

Distribution of shareholding of shares of the Company as on March 31, 2019 is as follows:

| Share or Debenture holding Nominal Value (Rs.) | Number of Shareholders | % to Total Numbers | Share or Debenture holding Amount (Rs.) | % to Total Amount |
|------------------------------------------------|------------------------|--------------------|-----------------------------------------|-------------------|
| 1                                              | 2                      | 3                  | 4                                       | 5                 |
| Up To 5,000                                    | 20253                  | 88.6               | 29089570                                | 17.37             |
| 5001 To 10,000                                 | 1270                   | 5.56               | 11366430                                | 6.79              |
| 10001 To 20,000                                | 608                    | 2.66               | 9878480                                 | 5.9               |
| 20001 To 30,000                                | 217                    | 0.95               | 5704240                                 | 3.41              |
| 30001 To 40,000                                | 119                    | 0.52               | 4316180                                 | 2.58              |
| 40001 To 50,000                                | 118                    | 0.52               | 5719590                                 | 3.42              |
| 50001 To 1,00,000                              | 148                    | 0.65               | 11305500                                | 6.75              |
| 1,00,000 and Above                             | 127                    | 0.56               | 90044600                                | 53.78             |
| <b>Total</b>                                   | <b>22860</b>           | <b>100</b>         | <b>167424590</b>                        | <b>100</b>        |

## SHAREHOLDING PATTERN AS ON MARCH 31, 2019

| Sr. No       | Category of Shareholders                                                                                           | Number of Shares held | Shareholding (%) |
|--------------|--------------------------------------------------------------------------------------------------------------------|-----------------------|------------------|
| 1            | Promoters & promoter group                                                                                         | 5730443               | 34.23            |
| 2            | Mutual Funds                                                                                                       | 24400                 | 0.15             |
| 3            | Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions) | 800                   | 0.00             |
| 4            | Foreign Portfolio Investors                                                                                        | -                     | -                |
| 5            | Private Corporate Bodies                                                                                           | 1277990               | 7.63             |
| 6            | Indian Public                                                                                                      | 9625861               | 57.50            |
| 7            | NRIs/OCBs /Foreign Nationals                                                                                       | 82965                 | 0.49             |
| 8            | Any other                                                                                                          | -                     | -                |
| <b>TOTAL</b> |                                                                                                                    | <b>16742459</b>       | <b>100.00</b>    |

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

Bhagawati Shares were tradable in the both under Electronic Form & Physical Form before the delisting of shares of company from exchange and trading platform is also not available for trading of securities of company on exchange. We have established connectivity with the National Security Depository Limited and Central Depository Services (India) Limited (CDSL) through M/s. Skyline Services Pvt. Ltd, Registrar and Share Transfer Agents. The ISIN allotted to our shares under the Depository system is INE099C01010.

As on March 31, 2019, 51.88% shareholding of the Company is in dematerialized form and rest of shareholding of company is in physical form and shareholding of company is not in compliance with Regulation 31(2) of the Listing Regulations.

| Category     | No. of Shares held | Shareholders (%) | Voting Strength (%) |
|--------------|--------------------|------------------|---------------------|
| Physical     | 8056568            | 48.12%           | 48.12%              |
| Electronic   | 8685891            | 51.88%           | 51.88%              |
| <b>Total</b> | <b>16742459</b>    | <b>100%</b>      | <b>100%</b>         |

## OUTSTANDING GDR'S /ADR'S / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2019.

## PLANT LOCATION & REGISTERED OFFICE ADDRESS

The plant of company is situated at Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504 and the same is registered office of company also. The following details are the contact details for further correspondence:

Name : Bhagawati Gas Limited  
Phone : 01593-221478-80  
Fax : 01593-221477  
E-mail : [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com)

## CORPORATE OFFICE & ADDRESS FOR CORRESPONDENCE

The corporate office of the company is situated at S-492/A, Greater Kailash-I, New Delhi- 110048

and following details are the contact details for any further correspondence:

Phone : 011-49120719  
E-mail : [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com)

#### **NAME, DESIGNATION AND CONTACT NO OF COMPLIANCE OFFICER**

**Mr. Rakesh Samrat Bhardwaj**

Chairman & Managing Director,

**Address:** S-492/A, Greater Kailash-I, New Delhi- 110048

**Phone No.:** 011-49120719

**E-mail:** [rakesh.samrat@gmail.com](mailto:rakesh.samrat@gmail.com)

#### **CREDIT RATING**

There are no outstanding loans and advances on your company. Hence, this Provision is not applicable to your Company.

#### **OTHER DISCLOSURES**

#### **DETAILS OF NON-COMPLIANCE**

With regards to the matters related to capital markets, the Company has complied with all requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the submissions of disclosures/information to the Stock Exchange. The company has not filed the related information's with Stock Exchange due to non-availability of Listing Centre after delisted from the BSE Limited.

#### **WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has a Whistle Blower policy for establishing a vigil mechanism for Directors and employees. The policy has been hosted on the website of the Company at [www.bglgroup.in](http://www.bglgroup.in). We affirm that no personnel has been denied access to the Audit Committee. The Company at present has formulated a Whistle Blower mechanism in place.

In compliance of Section 177 of the Companies Act, 2013 and as per regulation 22 of SEBI (LODR) Amendment, 2018 the Company has formulated Vigil Mechanism/Whistle Blower Policy that aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Standards, Code of Conduct or policy adopted by the Company from time to time. Bhagawati is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of these Standards, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of these Standards cannot be undermined.

### **Annual Affirmation in terms of Whistle Blower Policy of the Company**

During the financial year 2018-19, no person has been denied access to the Competent Authority and necessary system has been put in place, to provide protection to the complainant, wherever required.

Sd/-  
**Rakesh Samrat Bhardwaj**  
Chairman and Managing Director  
DIN: 00029757

Date: 14.08.2019

Place: New Delhi

### **COMPLIANCE WITH MANDATORY REQUIREMENTS**

The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations.

In compliance with Regulation 34 of the Listing Regulations, a Certificate from the Auditors on its compliances form an integral part of this Annual Report.

### **WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES & IS DISCLOSED**

The policy has been hosted on the website of the Company at [www.bglgroup.in](http://www.bglgroup.in).

### **DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES**

The Company has in place a mechanism to inform the Board members about the Risk assessment, mitigation plans and periodical reviews faced by the Company. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of the Company's internal Financial controls. The Audit Committee is periodically briefed on the steps taken to mitigate the risks.

Presently, the Company is not dealing in commodities and commodity hedging activities.

### **DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

All the Corporate benefit against those shares like bonus shares, split, dividend etc, would also be transferred to Unclaimed Suspense Account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Presently, The Company does not any unclaimed corporate benefits.

### **DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENTS AS SPECIFIED UNDER REGULATION 32 (7A)**

During the Year, the company has not made any Preferential Allotment or Qualified Institutions placements as specified under Regulation 32 (7A). Hence, reporting is not applicable to the Company.

### **A CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF COMPANIES BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY**

In compliance with Regulation 34 of the Listing Regulations, a Certificate from the Auditors on its compliances form an integral part of this Annual Report.

#### **RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED**

All the recommendation of the committees are submitted to the Board for their approval. During the year all the recommendation of the Committees were accepted by the Board.

#### **TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES ON A CONSOLIDATED BASIS TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows-

| <b>(Amount in Rs.)</b>  |                       |                       |
|-------------------------|-----------------------|-----------------------|
| <b>Type of Services</b> | <b>Fiscal 2018-19</b> | <b>Fiscal 2017-18</b> |
| Audit Fees              | 2,20,000              | 2,22,128              |

#### **DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company's Policy on Prevention of Sexual Harassment at workplace is in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

The Company conducts sessions for employees across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the Financial Year 2018-19 no complaint were received by the Company and the same were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

| <b>No. of complaints filed during the Financial Year</b> | <b>No. of Complaints disposed of during the Financial Year</b> | <b>No. of Complaints pending as on end of the Financial Year</b> |
|----------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|
| Nil                                                      | Nil                                                            | Nil                                                              |

#### **NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB-PARA'S (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED**

The Company has complied all mandatory requirements of Corporate Governance Report of Sub-Para's (2) To (10) above.

#### **DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS**

The Company has complied with all mandatory requirements of Listing Regulations and has implemented the following non mandatory requirements:

- **Shareholders Rights:** Presently the company is not sending half yearly communication. But the Company is in process to start the sending half yearly reports covering financial results were sent to the members at their registered addresses.
- **Modified opinion(s) in the Audit Report:** It is always the company's endeavor to present unqualified financial statements. There are no audit modified opinions in the company's financial statement for the year under review.
- **Reporting of Internal Auditor:** The Internal Auditor is directly reporting to Audit Committee

**DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT**

Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of Listing Regulations required information has been hosted on the Company's website [www.bglgroup.in](http://www.bglgroup.in).

**CODE FOR PREVENTION OF INSIDER TRADING IN EQUITY SHARES/SECURITIES**

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a comprehensive Code for Prevention of Insider Trading in Bhagawati Equity Shares/ Securities ("Code") to preserve the confidentiality and to prevent misuse of unpublished price sensitive information and adopted new policy in supersession of the earlier Code for Prevention of Insider Trading. The main objective of the Code is to restrain an insider of the Company to derive any benefit or assist others to derive any benefit, from the access and possession of unpublished price sensitive information about the Company, which is not in the public domain.

The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares/ securities of the Company and the consequences of non-compliance. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence of the said Code. A copy of the Code has been posted on the Company's website at [www.bglgroup.in](http://www.bglgroup.in).

In line with the requirement of the said Code, whenever some unpublished price sensitive information is submitted to the Board for consideration and approval, the trading window is being closed from time to time. Notice of the closure of trading window is issued to designated employees and concerned persons well in advance and proper announcements are also made on the website of the Company as well as to Stock Exchanges where the shares of the Company are listed, restraining them from dealing in securities of the Company when the window is closed.

**RELATED PARTY TRANSACTIONS**

All transactions entered into with related parties as defined under Section 188 of the Companies Act, 2013 and Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year all related party transactions were on an arm's length price basis and in the ordinary course of business. The Board of Directors has adopted a policy on Related Party Transactions and the same has been prepared but yet to be uploaded on the website of the Company.

In line with the said Policy, all the Related Party Transactions were approved by the Audit Committee and/ or by the Board of Directors, as the case may be. The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard and other applicable

provisions of Companies Act, 2013. Further, a status report on Related Party transactions is put up for information of Audit Committee and Board of Directors on quarterly basis. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report. The policy has been hosted on the website of the Company at [www.bglgroup.in](http://www.bglgroup.in).

## **MD AND CFO CERTIFICATION**

As required by Regulation 17 read with Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the MD and CFO have given appropriate certifications to the Board of Directors.

## **CERTIFICATE ON COMPLIANCE WITH THE REGULATION OF CORPORATE GOVERNANCE**

Certificate from the Company's secretarial Auditor, ATCS and Associates, confirming compliance with condition of corporate governance, as stipulated under Regulation 34 of the Listing Regulation is attached to this report.

## **CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

The Board of Directors of the Company had approved and adopted "Code of Business Conduct and Ethics for Board Members and Senior Management", in line with Companies Act, 2013 and Listing Regulations and adopted in supersession of the earlier Code of Conduct.

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors, Key Managerial Personnel and Members of Senior management of the Company. It has been laid down in alignment with Company's mission and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Business Conduct and Ethics is available on the website of the Company at [www.bglgroup.in](http://www.bglgroup.in). Based on the affirmation received from the Board Members and Senior Management Personnel, a declaration regarding Compliance of Code of Business Conduct and Ethics from Chairman and Managing Director of the Company is as under.

### **Declaration for Compliance with Code of Conduct of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

All Board Members and Senior Management have affirmed compliance with the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company for the financial year ended March 31, 2019.

Sd/-  
**Rakesh Samrat Bhardwaj**  
Chairman and Managing Director  
DIN: 00029757

Date : 14.08.2019  
Place: New Delhi

## **DECLARATION:**

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations

with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2019.

**For & on behalf of Board of Directors  
Bhagawati Gas Limited**

Sd/-

Rakesh Samrat Bhardwaj  
Chairman & Managing Director  
**DIN:** 00029757

**Date:** 14.08.2019

**Place:** New Delhi

**Certificate from Company Secretary in Practice  
(Pursuant to clause 10 of part C of Schedule V of LODR)**

In pursuance of sub clause (i) of clause 10 of part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirement) regulations, 2015 (LODR) in respect of Bhagawati Gas Limited CIN: L24111RJ1974PLC005789 I hereby certify that :

On the basis of the written representation/declaration received from the Directors and taken on record by Board of Directors, as on March 31, 2019, none of the Directors on the board of the Company as stated below, has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/Ministry of Corporate Affairs or any statutory authority.

| <b>SI. No.</b> | <b>Name of Director</b> | <b>Director Number (DIN)</b> | <b>Identification</b> |
|----------------|-------------------------|------------------------------|-----------------------|
| 1              | RAKESH SAMRAT BHARDWAJ  | 00029757                     |                       |
| 2              | GANGA CHARAN            | 00387567                     |                       |
| 3              | KAILASH CHAND KEDIA     | 01243510                     |                       |
| 4              | SHACHI BHARDWAJ         | 07232850                     |                       |

*For* **M/S ATCS & ASSOCIATES**  
**Practicing Company Secretaries**

Sd/-

CS Deepak Arora  
(Partner)  
M. No. - 5104  
COP No. - 3641

**Date:** 14.08.2019

**Place:** Jaipur

**CERTIFICATION FROM MD AND CFO\*\***

**IN TERMS OF REGULATION 17 READ WITH REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To

The Board of Directors,  
**Bhagawati Gas Limited**

We the undersigned, in our respective capacities as Managing Director, and Chief Financial Officer of ("the Company") to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statements for the year 2018-2019:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions, entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year, if any;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - (iii) Instances of fraud, whether or not significant, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For & on behalf of Board of Directors  
Bhagawati Gas Limited**

Sd/-

Sd/-

**Date:**14.08.2019  
**Place:** New Delhi

**Rakesh Samrat Bhardwaj**  
Chairman and Managing Director

**Dyuman Samrat Bhardwaj**  
Chief Financial Officer

*\*\*Since there is no CEO in the Company, the above declaration is given by Mr. Rakesh Samrat Bhardwaj, Managing Director & Mr. Dyuman Samrat Bhardwaj, Chief Financial Officer of the Company.*

## Certificate on Corporate Governance

To

The Members,  
Bhagawati Gas Limited  
Banawas, Khetrinagar, Distt.-Jhunjhunu,  
Rajasthan-333504.

We have examined the compliance of the conditions of Corporate Governance by Bhagawati Gas Limited ("the Company") for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Note:** During the financial year 2018-19, the equity shares of company got delisted from the exchange of BSE Limited w.e.f. May 11, 2018 as per public notice of BSE as published in financial express newspaper dated 12.05.2018, for which company has filed the appeal/petition against delisting of company before Securities Appellate Tribunal (SAT) on May 06, 2019, which is under process.

For **M/S ATCS & ASSOCIATES**  
**Practicing Company Secretaries**

Sd/-

CS Deepak Arora  
(Partner)  
M. No. - 5104  
COP No. - 3641

**Date:** 14.08.2019

**Place:** Jaipur

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,

The Members,  
Bhagawati Gas Limited  
Banawas, Khetri Nagar Jhunjhunu-333504,  
Rajasthan.

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

Based on our verification of the Company'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 **March 31, 2019** ("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 **March 31, 2019** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable to the Company during the Audit Period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable to the Company during the Audit Period**)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,

2014; **(Not applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof; and

(j) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit Period)**

(vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

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

- i. Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Ltd and CSE Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

1. The Company has not appointed Chief Financial Officer (KMP) as per the Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and recently company has appointed the same w.e.f. 11.03.2019 for compliance of section 203 of the Act.
2. Company has its Website but it is not maintained as per the requirement of the Act and SEBI Guidelines.
3. The trading of the company's shares was suspended on exchange and the equity shares of the company has been delisted from platform of the exchange of BSE Limited w.e.f. May 11, 2018 as per public notice of BSE as published in financial express newspaper dated 12.05.2018.
4. As per the Sub-regulation (3) of Regulation 23 of SEBI (Delisting of Equity Shares) Regulations, 2009, the promoters of the company has to acquire the delisted equity shares from the public shareholders by paying them the value determined by the valuer within three months from the date of delisting from the recognized stock exchange, subject to their option of retaining their shares but the promoters of the company has not done the same and filed the appeal/petition against delisting of company before Securities Appellate Tribunal (SAT) on May 06, 2019.
5. The Company has not published the notice for providing e-voting facility at Annual General Meeting to shareholders in Newspaper in compliance with Section 108 of the Companies Act, 2013 and read with rule 20 of the companies (Management and administration) rules, 2014.
6. Company has not complied with the provisions of Section 185 and 186 of Companies Act, 2013 for giving loans and advances to related parties.
7. The company has not complied with following regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations:

- a) As per Regulations 7(3), 13(3), 24A, 27, 29, 31, 33, 40(9), 44, 47 of SEBI (LODR) Regulations, company has not complied with provisions of these regulations and the information was not submitted to Stock Exchange due to non-availability of Listing Centre of BSE Limited.
- b) As per Regulation 31(2) hundred percent of shareholding of promoter(s) and promoter group is not in dematerialized form as required under Regulation 31 (2) of SEBI (LODR) Regulations, 2015.
- c) As per Regulation 34, Annual Report was not submitted to the exchange.
- d) As per Regulation 47, the company has not published the notice of Board Meeting in which company has approved the financial results of the company and not published the extract of financial results in the newspaper also in accordance with regulation 33.
- e) The company has not filed the Reconciliation of Share Capital in term of Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996.
- f) We have not checked the SEBI and other compliances of company on the BSE Limited platform due to delisted from the exchange and checked from the physical documents provided by the company.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of Board and Committee meetings were carried with requisite majority. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** 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. Apart from this during the audit period, the Company has not undertaken any events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

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

**For M/S ATCS & ASSOCIATES  
Practicing Company Secretaries**

Sd/-  
CS Deepak Arora  
(Partner)  
M. No.:- 5104  
COP No.:- 3641

**Date:** 30.05.2019  
**Place:** Jaipur

To,

The Members,  
Bhagawati Gas Limited  
Banawas, Khetri Nagar Jhunjhunu,  
Rajasthan- 333504

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. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
- 4 We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax & Goods and Service Tax.
- 5 Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
- 6 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.
- 7 The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s ATCS & Associates  
Practicing Company Secretaries**

Sd/-  
**CS Deepak Arora**  
(Partner)  
M. No.:- 5104  
COP No.:- 3641

**Date:** 30.05.2019

**Place:** Jaipur

**ANNEXURE-F TO BOARD'S REPORT**

Remuneration paid to Key Managerial Persons & Directors for the period ended 31.03.2019.

| <b>Name</b>                | <b>Designation</b>                 | <b>Salary &amp; Allowances Fund</b> | <b>Contribution To Provident</b> | <b>Other Benefits</b> | <b>Sitting Fees</b> | <b>Total</b>     |
|----------------------------|------------------------------------|-------------------------------------|----------------------------------|-----------------------|---------------------|------------------|
| Mr. Rakesh S Bhardwaj      | Chairman & Managing Director       | 9,00,000                            | 0                                | 0                     | 0                   | 9,00,000         |
| Mrs. Shachi Bhardwaj       | Director                           | 2,00,000                            | 0                                | 0                     | 0                   | 2,00,000         |
| Mr. Dyuman Samrat Bhardwaj | Chief Financial Officer            | 4,00,000                            | 0                                | 0                     | 0                   | 4,00,000         |
| Mr. Ganga Charan           | Non-Executive Independent Director | -                                   | -                                | -                     | 15,000              | 15,000           |
| <b>Total</b>               |                                    | <b>15,00,000</b>                    | <b>0</b>                         | <b>0</b>              | <b>15000</b>        | <b>15,15,000</b> |

**For & on behalf of Board of Directors  
Bhagawati Gas Limited**

Sd/-

Rakesh Samrat Bhardwaj  
Chairman & Managing Director  
**DIN:** 00029757

**Date:** 14.08.2019

**Place:** New Delhi

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

The Management of the Company is pleased to present its report on the Industry Scenario including on the Company's performance during the financial year 2018-19.

**BUSINESS ENVIRONMENT****Global Business Environment**

The oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment. The Government of India has adopted several policies to fulfil the increasing demand. The government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others. Today, it attracts both domestic and foreign investment, as attested by the presence of Reliance Industries Ltd (RIL) and Cairn India.

While a year ago, the economic activity was accelerating in almost all regions of the world and the global economy was projected to grow at 3.9% in 2018 and 2019, the World Economic Outlook by the International Monetary Fund (IMF) projects a decline in growth in 2019 for 70% of the global economy. Global growth, which peaked at close to 4% in 2017, softened to 3.6% in 2018, and is projected to decline further to 3.3% in 2019. The global economy continues to expand but the expansion has weakened significantly, especially in the second half of 2018, owing to the escalation of US-China trade tensions, disruptions in the auto sector in Germany, tighter credit policies in China, weakening financial market sentiment and trade policy uncertainty alongside the normalization of monetary policy in the larger advanced economies. With investors generally lowering exposure to riskier assets, emerging market economies experienced net capital outflows during 2018.

The World Bank has also downgraded its outlook for the global economy this year, citing rising trade tension, weakening manufacturing activity and growing financial stress in emerging-market countries. It expects the world economy to grow 2.9% in 2019, the second straight year of slowing growth, from 3% in 2018 and 3.1% in 2017.

Crude oil prices have been volatile since August 2018, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. Prices of metals and agricultural commodities have softened slightly since August 2018, in part due to subdued demand from China. Consumer price inflation has generally remained contained in the recent months in advanced economies, but has inched up in the United States where above-trend growth continues.

Among emerging market economies, inflationary pressures are easing with the drop in oil prices. For some, this easing has been partially offset by the pass-through of currency depreciations to domestic prices. Emerging market equity indices have sold off over this period, in the context of rising trade tensions and higher risk aversion. Concerns about inflationary effects from earlier oil price increases and, in some cases, closing output gaps or pass-through from currency depreciations have led central banks in many emerging market economies (Chile, Indonesia, Mexico, Philippines, Russia, South Africa, and Thailand) to raise policy rates since the fall.

During the year 2018, the mix of fuels in global power generation has shifted significantly, with renewables gaining share substituting coal, nuclear and hydro. The share of natural gas is flat at around 20%. In contrast, the strong growth of power demand in developing economies means there is a greater scope for renewables to increase. However, as renewables do not grow sufficiently quickly to meet all of the additional power demand, coal consumption has also increased.

Renewables account for around two-thirds of the increase in power generation, with their share in the global power sector increasing to around 30%. In contrast, the share of coal would decline significantly, such that by 2040 it is expected to be surpassed by renewables as the primary source of energy in the global power sector. Almost all of the growth in power demand stems from developing economies, led by China and India. Demand growth in the OECD is much smaller, reflecting both slower economic growth and a weaker responsiveness of power demand to economic growth in more mature, developed economies.

Electric vehicles continue to grow rapidly, with their impact amplified by growth of autonomous vehicles. The number of electric vehicles is expected to reach around 350 million by 2040, of which around 300 million would be passenger cars. This is equivalent to around 15% of all cars and 12% of light duty trucks. The use of electric passenger cars would be amplified by the emergence of autonomous cars from the early 2020s offering low cost, shared-mobility services, predominantly in electric cars. As a result, around 25% of passenger vehicle kilometers would be powered by electricity by the year 2040.

## **Indian Business Environment**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Indian economy is presently 6th largest in the world, up from 11th position five years ago. In terms of purchasing power parity, India ranks 3rd largest in the world after China and USA. India is also the 3rd largest start-up base in the world with over 4,750 technology start-ups. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation and higher education enrolment, among other factors. With the improvement in the economic scenario and investments in various sectors of the economy, India is expected to become a 5 trillion dollar economy by 2024-25.

The rupee has recovered with the pullback in oil prices, after plunging to a record low against the dollar in October 2018. The rally may be expected to extend into next year, as cheaper oil prices reduce the import bill and help narrow the current account deficit. India's equity and debt are also expected to become more attractive to foreign investors, as growth prospects improve and inflation pressures ease.

The participation of short-term markets transaction in the country have remained low at about 11% this year and continued to be under 10% since past 10 years. Power exchange-based markets have grown from 0.8% of total energy generation in the country to around 4% in the past 10 years. In most of the developed markets, exchanges have a market share of 40% to 80%. Exchange based transactions have yet to grow significantly for a more competitive, efficient and transparent electricity market in India.

The IMF, World Bank and RBI have reposed confidence in India's growth prospects and predicted a higher growth trajectory in the years ahead. For the financial year 2019-20, IMF has predicted India's growth forecast at 7.3%, World Bank has estimated a growth rate of 7.5% and RBI has forecasted a growth rate of 7.0%. Further, Bloomberg has predicted a 7.6% expansion in the country's GDP in fiscal 2020, up from a projected 7.2% in fiscal 2019 and 6.7% in fiscal 2018 and has estimated a growth potential of 8% - 8.5%.

## **INDUSTRY STRUCTURE AND DEVELOPMENT**

### **Industry Overview**

The oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

The Government of India has adopted several policies to fulfil the increasing demand. The government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others. Today, it attracts both domestic and foreign investment, as attested by the presence of Reliance Industries Ltd (RIL)

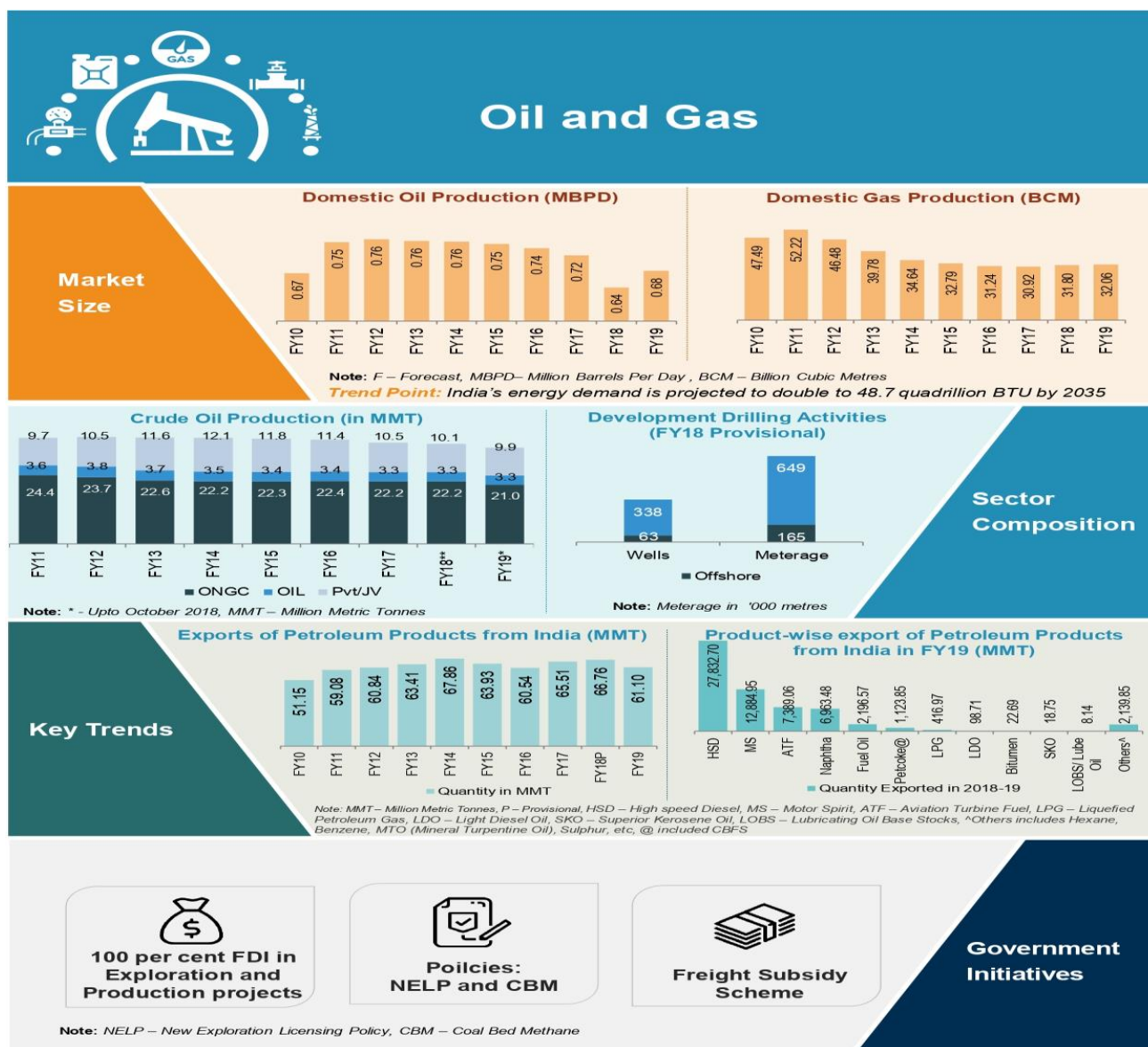
and Cairn India.

## Market Size

India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Oil imports rose sharply to US\$ 87.37 billion in 2017-18 from US\$ 70.72 billion in 2016-17. India retained its spot as the third largest consumer of oil in the world in 2017 with consumption of 4.69 mbpd of oil in 2017, compared to 4.56 mbpd in 2016.

India was the fourth-largest Liquefied Natural Gas (LNG) importer in 2017 after Japan, South Korea and China. LNG imports increased to 26.11 bcm in 2017-18 from 24.48 bcm in 2016-17.

Gas pipeline infrastructure in the country stood at 16,226 km at the beginning of February 2019.



## OPPORTUNITIES

Some of the major initiatives taken by the Government of India to promote oil and gas sector are:

- The Government of India is planning to set up around 5,000 compressed bio gas (CBG) plants by 2023.
- Government of India is planning to invest Rs 70,000 crore (US\$ 9.97 billion) to expand the gas pipeline network across the country.
- In September 2018, Government of India approved fiscal incentives to attract investments and technology to improve recovery from oil fields which is expected to lead to hydrocarbon production worth Rs 50 lakh crore (US\$ 745.82 billion) in the next twenty years.
- State-run oil firms are planning investments worth Rs 723 crore (US\$ 111.30 million) in Uttar Pradesh to improve the liquefied petroleum gas (LPG) infrastructure in a bid to promote clean energy and generate employment, according to Mr Dharmendra Pradhan, Minister of Petroleum and Natural Gas, Government of India.
- A gas exchange is planned in order to bring market-driven pricing in the energy market of India and the proposal for the same is ready to be taken to the Union Cabinet, according to Mr Dharmendra Pradhan, Minister of Petroleum and Natural Gas, Government of India.
- The Oil Ministry plans to set up bio-CNG (compressed natural gas) plants and allied infrastructure at a cost of Rs 7,000 crore (US\$ 1.10 billion) to promote the use of clean fuel.

## **THREATS, RISKS AND CONCERNS**

The Company is concerned about prevailing exposure norms, financial position, entry of new players in the market, rising competition from banks & multilateral agencies, uncertain business environment, fluctuation in rupee, likely increase in cost of capital due to volatile market conditions. Further, the state of business and policy environment in the country also has a cascading effect on the interest-rate regime, cost and availability of raw materials and gestation period & capital outlays required for raw material. General economic conditions may also affect the capacity and production of the company.

## **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

As on date your company is not doing any kind of business activity at the plant situated at Khetri Nagar, Jhunjhunu. Therefore, as on date your company has no performance but the Company is doing the business of treatment of waste water and water bodies like River, Lake, Pond, Drain etc. as well treatment of Industrial effluents by using Phycoremediation technology.

## **OUTLOOK**

The main plant of your company situated at Khetri Nagar is currently shut down due to the shutting down the operations of its main purchaser i.e. Hindustan Copper Ltd. The Company is expecting that Hindustan Copper Ltd (HCL) may restart smelter operation at Khetri Nagar in the near future and accordingly the oxygen plant of the company will also restart.

But the increasing government regulations and focus on water and water management such as the Swachh Bharat Mission, the Clean Ganga initiative, the National Rural Drinking Water Programme, along- with stricter enforcement of the environmental norms for polluted water discharge, reduced carbon footprint, waste water treatment and requirement of zero liquid discharge plants from various industries will also drive the demand for water and wastewater treatment solutions.

During the period under review, your company took the initiative to diversify its activities and decided to enter into the business of Waste water treatment through phyco remediation technology. Technical papers have been prepared and technical presentation has been conducted before various Government Departments including "Navami Ganga Authority". Your company is expecting to get good business in this area in the coming years.

Rapid urbanization, dwindling fresh water reserves, a widening demand-supply gap and a depleting groundwater table will keep the water treatment business thriving for a long time. An Ernst & Young (E&Y) study says the Indian water sector could require investment of around \$130 billion till Wastewater management, in particular, is emerging as a key thrust area. Water availability is a huge challenge for everyone today in industry, and decisions on industrial locations are now taking into account the availability of adequate water. Public awareness is also growing very fast with the Internet explosion as information flows across geographies in minutes.

The Indian water and wastewater market is growing at a steady rate of 10-12 percent every year. Government-related projects contribute over 50 percent of the revenues in this market while private sector funds constitute the rest of it.

With the growing rate of industrialization and urbanization India faces up with the major challenge of providing for the robust and clean water supplies for all domestic and commercial needs. Also, a conscious effort is on from Government in regards to reduce the pollution levels amongst country's fresh water river sources and better accommodate the guidelines and regulations for maintaining the clean sources of water.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company maintains an adequate system of Internal Controls including suitable monitoring procedures to ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegation of powers and guidelines for accounting has been issued for uniform compliance. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audit of Office/plant are conducted by the in-house Internal Audit Division and external professional audit firm. The Internal Audit covers all major areas of operations, including identified critical/risk areas, as per the Annual Internal Audit Programme. The Audit Committee of Directors periodically reviews the significant findings of different Audits, as prescribed in the Companies Act, 2013 and in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## **FINANCIAL AND OPERATIONAL PERFORMANCE**

As on date your company is not doing any kind of business activity at the plant situated at Khetri Nagar, Jhunjhunu. But during the period under review, your company diversifies its business activities and decided to enter into the business of Waste water treatment through phyco remediation technology. Technical papers have been prepared and technical presentation has been conducted before various Government Departments including "Navami Ganga Authority". Your company is expecting to get good business in this area in coming years.

## **KEY FINANCIAL RATIOS**

As per the recent amendments to the SEBI Listing Obligations & Disclosure Requirements (LODR), we give below additional information in respect of financial parameters that are applicable to our company:

Detail of Significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanation therefore as under:

| <b>Particulars</b>       | <b>FY 2018-19</b>             | <b>FY 2017-18</b> |
|--------------------------|-------------------------------|-------------------|
| Debtor Turnover Ratio    | Not applicable to the Company |                   |
| Inventory Turnover Ratio | Not applicable to the Company |                   |
| Interest Coverage Ratio  | -1049.00%                     | -907.00%          |
| Current Ratio            | 4.15%                         | 2.75%             |
| Debt Equity Ratio        | 0.02%                         | 0.05%             |
| Operating Profit Margin  | Not applicable to the Company |                   |
| Net Profit Margin        | Not applicable to the Company |                   |

There is no profits in the company since from last many years, therefore the return on networth of the company is negative.

## **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Your company considers human resources a key element. The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents and is reviewed on an ongoing basis. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve customer satisfaction. As on March 31, 2019, the Company's total Manpower stood 13 employees.

## **INTERNAL CONTROLS**

The Company has adequate systems of internal control in place. This is to ensure that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded, and reported correctly.

The internal control systems are supplemented by an extensive program of internal audits. The internal audit function is empowered to examine the adequacy, relevance and effectiveness of control systems, compliance with policies, plans and statutory requirements.

The top management and the Audit Committee of the Board review the findings and recommendations of the internal audit panel.

## **CAUTIONARY STATEMENT**

The Management Discussion and Analysis Report contains some forward looking statements based upon the information and data available with the Company, assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Hence it is cautioned that the actual results may differ from those expressed or implied in this report.

**For & on behalf of Board of Directors  
Bhagawati Gas Limited**

Sd/-

Rakesh Samrat Bhardwaj  
Chairman & Managing Director  
**DIN: 00029757**

**Date:** 14.08.2019

**Place:** New Delhi

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BHAGAWATI GAS LIMITED**

#### **Report on the Financial Statements**

##### **Opinion**

We have audited the accompanying financial statements of Bhagawati Gas Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

##### **Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section in our report. We are independent of the company in accordance with Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

- (i) Advances of Rs. 64.04 lacs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against is not considered necessary.
- (ii) The Company has obligations pertaining to borrowings, unpaid creditors and statutory dues. The Management of the Company hopes to fulfill company's obligation in due course of time.

Accordingly, financial statements are prepared on going concern basis. The financial statement does not include any adjustment in respect of impairment, if any, on fixed assets.

- (i) The Company is yet to receive Bank Balance Confirmation from a Bank for Rs.52,807/- included under cash and cash equivalents as on 31st Mar 2019. Accordingly, we are unable to comment upon the consequential impact, if any, on the statement.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's report including Annexures to Board's report, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 liquidate the company or to cease operations, or has no realistic alternative but to do so. That Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the audit of 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 auditors report that includes our opinion. Reasonable assurance is a high level of assurance, but not guarantees that an audit is 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 the 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 due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or to override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are relevant to the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of the accounting based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to our report 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. However, future events or conditions may cause the company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - 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.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The financial statements dealt with by this report are in agreement with the books of account.
  - In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Company as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- 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”.
3. The Company was required to comply with SEBI (Listing Obligation and Disclosure Requirements), 2015. However, due to noncompliance with its provisions, the Company has been delisted from Bombay Stock Exchange.
4. With respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
- The Company, as detailed in Note 28(a) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position.
  - The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Mohan L Jain & Co**  
Chartered Accountants  
Firm Registration No. **005345N**

**Ankush Jain**  
**Partner**  
Membership No. 540194

Place: New Delhi  
Date: 30th May, 2019

**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Bhagawati Gas Limited**

Statement referred to in the paragraph 'Report on Other Legal and Regulatory Requirements of our report of even date to the members of Bhagawati Gas Limited on the financial statements for the year ended 31 March 2019.

**(i) Fixed assets:**

- (a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b)** As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased programme of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c)** As explained to us, title deeds of immovable properties are held in the name of the Company.

**(ii) Inventories:**

- (a)** The Company does not have any inventory during the current financial year. Accordingly, the provisions of clause 3(ii) of the Order (physical verification of inventory) are not applicable to the Company.

**(iii) Granting of loans to certain parties:**

According to the information and explanation given to us, the Company has granted interest free loan of Rs.18,60,861 to a body corporate covered by Section 2(76) of the Companies Act, 2013 ('Act');

- I. In our opinion, in absence of any terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act. We are unable to comment whether the same are prejudicial to the interest of the Company.
- II. In absence of specific terms related to repayment, we are unable to comment whether the receipt of principal amount is regular;
- III. In view of (iii)(II) above, we are unable to comment whether there is any overdue amount in respect of this loan.

**(iv) Loans and investments:**

- (a)** According to the information and explanation given to us, the company has not complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments, guarantees and security, wherever applicable. As stated in Note 2, the Company had advanced a loan of Rs.18,60,861 and Rs. 12,50,000 outstanding as at March 31, 2019 to company in which directors are interested and to director respectively. In our opinion, the Company has not complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of such loans and advances.

**(v) Acceptance of Deposits:**

- (a)** The Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

**(vi) Maintenance of cost records:**

- (a) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

**(vii) Deposit of statutory dues:**

- (a) According to the records of the company and information and explanations given to us, the Company has not been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.

| Nature of the Statute | Nature of Dues | Amount   | Period to which Amount relates              | Due date                             | Date of Payment |
|-----------------------|----------------|----------|---------------------------------------------|--------------------------------------|-----------------|
| Service Tax           | Service Tax    | 1,96,853 | Opening Balance and April 2017 to June 2017 | 6 <sup>th</sup> of Succeeding month  | Not paid        |
| Sales Tax             | Sales Tax      | 12,445   | Opening Balance                             | 20 <sup>th</sup> of Succeeding month | Not Paid        |

- (b) According to the information and explanations given to us, there are no dues in respect of Income-tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other material statutory dues that have not been deposited with the appropriate authorities on account of any dispute.

**(viii) Default in repayment of dues:**

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, government and banks. The Company has not issued any debentures.

**(ix) Application of term loans/public issue/follow on offer:**

- (a) In our opinion and according to the information and explanations given to us, monies raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised.

**(x) Fraud reporting:**

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

**(xi) Managerial remuneration:**

- (a) According to the information and explanation given to us and based on the audit procedure conducted by us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with the Schedule V of the Act.

**(xii) Nidhi Company:**

(a) The Company is not Nidhi Company as per Companies Act 2013. Accordingly, the provision of clause 3(xii) of the Order is not applicable.

**(xiii) Related party transactions:**

(a) In our opinion and according to the information and explanations given to us, the company has been complied with Section 188 of the Act, where applicable in relation to the transactions with the related parties. The details in relation to the transactions with the related parties have been disclosed in the Financial Statements as required by the applicable accounting standards.

**(xiv) Preferential allotment/private placement:**

(a) According to the information and explanation given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**(xv) Non-cash transactions:**

(a) According to the information and explanations given to us and based on the examination of records, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of Section 192 of the Act. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

(xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Mohan L Jain & Co.**

*Chartered Accountants*

(Firm Registration No: 005345N)

**Ankush Jain**

Partner

Membership No: 540194

Place: New Delhi

Date: 30th May, 2019

## **"ANNEXURE-B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENT OF BHAGAWATI GAS LIMITED**

### **Report on the Internal Financial Controls 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 Bhagawati Gas Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the 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 ("ICAI"). 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 ("Guidance Note") 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, and the Guidance Note 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mohan L Jain & Co**  
Chartered Accountants  
Firm Registration No. **005345N**

**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date: 30th May 2019

**BHAGAWATI GAS LIMITED**

Standalone Balance Sheet as at March 31, 2019

(Amount in Rs.)

|                                      | Notes | As at<br>31 March, 2019 | As at<br>31 March, 2018 |
|--------------------------------------|-------|-------------------------|-------------------------|
| <b>ASSETS</b>                        |       |                         |                         |
| <b>Non-current assets</b>            |       |                         |                         |
| Property, plant and equipment        | 1     | 2,79,81,043             | 4,95,07,730             |
| Financial assets                     |       |                         |                         |
| Loans                                | 2 A   | 83,24,206               | 69,33,654               |
| Income tax assets (net)              | 3     | 87,31,845               | 86,35,567               |
| <b>Total non-current assets</b>      |       | <b>4,50,37,094</b>      | <b>6,50,76,951</b>      |
| <b>Current assets</b>                |       |                         |                         |
| Financial assets                     |       |                         |                         |
| Investments                          | 4     | 1,44,500                | 3,10,000                |
| Trade receivables                    | 5     | 6,35,588                | 5,77,31,233             |
| Cash and cash equivalents            | 5     | 13,11,06,043            | 9,84,757                |
| Loans                                | 2 B   | 58,37,061               | 1,54,79,868             |
| Other financial assets               | 7     | -                       | 8,19,09,910             |
| Deferred tax Asset (Net)             |       | 58,74,755               | -                       |
| Other current assets                 | 8     | 1,35,67,895             | 1,47,99,784             |
| <b>Total current assets</b>          |       | <b>15,71,65,842</b>     | <b>17,12,15,552</b>     |
| <b>Total assets</b>                  |       | <b>20,22,02,936</b>     | <b>23,62,92,503</b>     |
| <b>EQUITY AND LIABILITIES</b>        |       |                         |                         |
| <b>Equity</b>                        |       |                         |                         |
| Equity share capital                 | 9     | 16,74,24,590            | 16,74,24,590            |
| Other equity                         | 10    | (87,50,158)             | (57,11,086)             |
| <b>Total equity</b>                  |       | <b>15,86,74,432</b>     | <b>16,17,13,504</b>     |
| <b>Liabilities</b>                   |       |                         |                         |
| <b>Non-current liabilities</b>       |       |                         |                         |
| Financial liabilities                |       |                         |                         |
| Borrowings                           | 11 A  | -                       | 30,67,681               |
| Provisions                           | 12 A  | 56,21,494               | 24,65,266               |
| Deferred tax liabilities (net)       |       | -                       | 69,37,738               |
| <b>Total non-current liabilities</b> |       | <b>56,21,494</b>        | <b>1,24,70,685</b>      |
| <b>Current liabilities</b>           |       |                         |                         |
| Financial liabilities                |       |                         |                         |
| Borrowings                           | 11 B  | 28,00,000               | 46,00,000               |
| Trade payables                       | 13    | 8,00,000                | 13,44,456               |
| Other financial liabilities          | 14    | 2,99,87,531             | 4,65,23,973             |
| Other current liabilities            | 15    | 22,74,724               | 76,66,213               |
| Provisions                           | 12B   | 20,44,755               | 19,73,672               |
| <b>Total current liabilities</b>     |       | <b>3,79,07,010</b>      | <b>6,21,08,314</b>      |
| <b>Total liabilities</b>             |       | <b>20,22,02,936</b>     | <b>23,62,92,503</b>     |

The accompanying notes are integral part of the standalone financial statements.

This is the standalone balance sheet referred to in our report of even date.

**For Mohan L Jain & Co.**  
Chartered Accountants  
Firm registration no.: 005345N

**For and on behalf of the Board of Directors**

Sd/-

**Ankush Jain**

Partner

Membership No.: 540194

Sd/-

**Rakesh S. Bhardwaj**

Chairman and Managing Director

[DIN:00029757]

Sd/-

**Shachi Bhardwaj**

Director

[DIN:07232850]

Sd/-

**Gajendra S. Shekhawat**

Company Secretary

Sd/-

**Dyuman S. Bhardwaj**

Chief Financial Officer

Place: New Delhi

Date: 30th May, 2019

**BHAGAWATI GAS LIMITED**

Standalone statement of profit and loss for the year ended 31 March, 2019

**(Amount in Rs.)**

|                                                        | <b>NOTE</b> | <b>For the year ended<br/>31 March, 2019</b> | <b>For the year ended<br/>31 March, 2018</b> |
|--------------------------------------------------------|-------------|----------------------------------------------|----------------------------------------------|
| <b>Income</b>                                          |             |                                              |                                              |
| Revenue from operations                                |             | -                                            | -                                            |
| Other income                                           | 16          | 3,37,37,487                                  | 18,05,953                                    |
|                                                        |             | <b>3,37,37,487</b>                           | <b>18,05,953</b>                             |
| <b>Expenses</b>                                        |             |                                              |                                              |
| Employee benefits expense                              | 17          | 61,69,045                                    | 28,81,085                                    |
| Finance costs                                          | 18          | 12,73,036                                    | 7,73,419                                     |
| Depreciation and amortisation expense                  | 1           | 17,46,951                                    | 28,23,379                                    |
| Other expenses                                         | 19          | 3,91,70,095                                  | 31,19,031                                    |
|                                                        |             | <b>4,83,59,127</b>                           | <b>95,96,914</b>                             |
| <b>Profit before tax</b>                               |             | <b>(1,46,21,640)</b>                         | <b>(77,90,961)</b>                           |
| Tax expense                                            |             |                                              |                                              |
| Current tax                                            |             | -                                            | -                                            |
| Deferred tax                                           |             | (1,28,12,493)                                | (4,45,949)                                   |
| <b>Profit after tax</b>                                |             | <b>(18,09,147)</b>                           | <b>(73,45,012)</b>                           |
| <b>Other comprehensive income</b>                      |             |                                              |                                              |
| Items that will not be reclassified to profit or loss  |             |                                              |                                              |
| Re-measurement gains (losses) on defined benefit plans |             | (12,67,432)                                  | 2,10,706                                     |
| <b>Total comprehensive income for the year</b>         |             | <b>(30,76,579)</b>                           | <b>(71,34,306)</b>                           |
| <b>Earnings per equity share</b>                       | 20          |                                              |                                              |
| Basic (in Rs.)                                         |             | (0.18)                                       | (0.43)                                       |
| Diluted (in Rs.)                                       |             | (0.18)                                       | (0.43)                                       |

The accompanying notes are integral part of the standalone financial statements.

This is the standalone statement of profit or loss referred to in our report of even date

**For Mohan L Jain & Co.**

Chartered Accountants

Firm registration no.: 005345N

**For and on behalf of the Board of Directors**

Sd/-

**Ankush Jain**

Partner

Membership No.: 540194

Sd/-

**Rakesh S. Bhardwaj**

Chairman and Managing

Director

[DIN:00029757]

Sd/-

**Shachi Bhardwaj**

Director

[DIN:07232850]

Sd/-

**Gajendra S. Shekhawat**

Company Secretary

Sd/-

**Dyuman S. Bhardwaj**

Chief Financial Officer

Place: New Delhi

Date: 30th May, 2019

**BHAGAWATI GAS LIMITED**

Standalone cash flow statement for the year ended 31 March, 2019

**(Amount in Rs.)**

| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                                               | <b>For the year ended<br/>31 March, 2019</b> | <b>For the year ended<br/>31 March, 2018</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| Profit before tax                                                                                                                            | (1,46,21,640)                                | (77,90,961)                                  |
| <b>Adjustments for:</b>                                                                                                                      |                                              |                                              |
| Depreciation of property, plant and equipments                                                                                               | 17,46,951                                    | 28,23,379                                    |
| Loss on sale of property, plant and equipments (net)                                                                                         | 1,77,15,742                                  | (14,45,953)                                  |
| Interest income on bank deposits and financial assets measured at amortised cost                                                             | (17,21,757)                                  | (3,60,000)                                   |
| Net (gain)/loss arising on financial instruments at FVTPL                                                                                    | 1,65,500                                     | 89,000                                       |
| Finance costs                                                                                                                                | 12,73,036                                    | 7,73,419                                     |
| Bad debts written off                                                                                                                        | 1,19,34,800                                  | -                                            |
| Provision for employee benefits (net)                                                                                                        | -                                            | 2,10,706                                     |
| <b>Operating profit before working capital changes</b>                                                                                       | <b>1,64,92,632</b>                           | <b>(57,00,410)</b>                           |
| <b>Movement in working capital</b>                                                                                                           |                                              |                                              |
| Other current financial assets                                                                                                               | 8,19,09,910                                  | -                                            |
| Other current assets                                                                                                                         | 12,31,889                                    | -                                            |
| Increase/(decrease) in current assets                                                                                                        | (58,74,755)                                  | -                                            |
| Trade receivables                                                                                                                            | 5,70,95,645                                  | -                                            |
| Other non-current assets                                                                                                                     | (96,278)                                     | -                                            |
| Other current financial and non-financial liabilities                                                                                        | (2,87,94,585)                                | 20,36,050                                    |
| Other non-current liabilities                                                                                                                | 31,56,228                                    | 57,698                                       |
| Trade payables                                                                                                                               | (5,44,456)                                   | -                                            |
| <b>Cash flow from operations</b>                                                                                                             | <b>12,45,76,230</b>                          | <b>(36,06,662)</b>                           |
| Income tax paid (net of refunds)                                                                                                             | -                                            | <b>(36,000)</b>                              |
| <b>Net cash flow from operating activities (A)</b>                                                                                           | <b>12,45,76,230</b>                          | <b>(36,42,662)</b>                           |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                                               |                                              |                                              |
| Purchase of property, plant and equipment, capital work-in-progress and intangible assets (including capital advances and capital creditors) | -                                            | (80,780)                                     |
| Current and non-current loans                                                                                                                | 82,52,255                                    | (15,50,249)                                  |
| Interest received                                                                                                                            | 17,21,757                                    | 3,60,000                                     |
| Proceeds from sale/disposal of property, plant and equipment                                                                                 | 17,11,760                                    | 43,50,000                                    |
| <b>Net cash used in investing activities (B)</b>                                                                                             | <b>1,16,85,772</b>                           | <b>30,78,971</b>                             |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                                                               |                                              |                                              |
| Repayment of borrowings                                                                                                                      | (30,67,681)                                  | (6,88,000)                                   |
| (Repayment)/proceeds from short-term borrowings (net)                                                                                        | (18,00,000)                                  | (4,00,000)                                   |
| Finance cost paid                                                                                                                            | (12,73,036)                                  | (10,260)                                     |
| <b>Net cash used in financing activities (C)</b>                                                                                             | <b>(61,40,717)</b>                           | <b>(10,98,260)</b>                           |

|                                                                               |                     |                 |
|-------------------------------------------------------------------------------|---------------------|-----------------|
| Increase/(decrease) in cash and cash equivalents (A+B+C)                      | 13,01,21,285        | (16,61,952)     |
| Cash and cash equivalents at the beginning of the year                        | 9,84,757            | 26,46,707       |
| <b>Cash and cash equivalents at the end of the year (refer note 6)</b>        | <b>13,11,06,042</b> | <b>9,84,757</b> |
|                                                                               |                     |                 |
| <b>Reconciliation of cash and cash equivalents as per cash flow statement</b> |                     |                 |
| Cash in hand                                                                  | 7,65,500            | 9,09,532        |
| Balances with banks                                                           |                     |                 |
| In current accounts                                                           | 4,33,65,453         | 75,225          |
| Cheques in hand                                                               | 3,00,000            | -               |
| Bank deposits with original maturity                                          | 8,66,75,090         | -               |
|                                                                               | <b>13,11,06,042</b> | <b>9,84,757</b> |

The accompanying notes are integral part of the standalone financial statements.  
This is the standalone cash flow statement referred to in our report of even date.

**For Mohan L Jain & Co.**  
Chartered Accountants  
Firm registration no.: 005345N

**For and on behalf of the Board of Directors**

Sd/-

**Ankush Jain**  
Partner  
Membership No.: 540194

Sd/-

**Rakesh S. Bhardwaj**  
Chairman and Managing Director  
[DIN:00029757]

Sd/-

**Shachi Bhardwaj**  
Director  
[DIN:07232850]

Sd/-

Place: New Delhi  
Date: 30th May, 2019

**Gajendra S. Shekhawat**  
Company Secretary

Sd/-

**Dyuman S. Bhardwaj**  
Chief Financial Officer

**BHAGAWATI GAS LIMITED**

Standalone statement of changes in equity for the year ended 31 March, 2019

**A. Equity Share Capital****(Amount in Rs.)**

| Balance at the beginning of 1st April, 2017 | Changes in equity share capital during the year 2017-18 | Balance as at 31st March, 2018 | Balance at the beginning of 1st April, 2018 | Changes in equity share capital during the year 2018-19 | Balance as at 31st March, 2019 |
|---------------------------------------------|---------------------------------------------------------|--------------------------------|---------------------------------------------|---------------------------------------------------------|--------------------------------|
| 16,74,24,590                                | -                                                       | 16,74,24,590                   | 16,74,24,590                                | -                                                       | 16,74,24,590                   |

**B. Other Equity**

| Particulars | Reserves and Surplus       |                 |                   | Remeasurements of the defined benefit plans | Total |
|-------------|----------------------------|-----------------|-------------------|---------------------------------------------|-------|
|             | Securities Premium Account | General Reserve | Retained Earnings |                                             |       |

**As on 31st March, 2018**

|                                                   |                    |                    |                      |                 |                    |
|---------------------------------------------------|--------------------|--------------------|----------------------|-----------------|--------------------|
| <b>Balance at the beginning of 1st April 2017</b> | <b>6,67,00,165</b> | <b>1,25,11,248</b> | <b>(7,77,88,193)</b> | <b>-</b>        | <b>14,23,220</b>   |
| Total Comprehensive Income for the year           | -                  | -                  | (73,45,012)          | 2,10,706        | (71,34,306)        |
| <b>Balance at the end of 31st March 2018</b>      | <b>6,67,00,165</b> | <b>1,25,11,248</b> | <b>(8,51,33,205)</b> | <b>2,10,706</b> | <b>(57,11,086)</b> |

**As on 31st March, 2019**

|                                                         |                    |                    |                      |                    |                    |
|---------------------------------------------------------|--------------------|--------------------|----------------------|--------------------|--------------------|
| <b>Balance at the beginning of the reporting period</b> | <b>6,67,00,165</b> | <b>1,25,11,248</b> | <b>(8,51,33,205)</b> | <b>2,10,706</b>    | <b>(57,11,086)</b> |
| Total Comprehensive Income for the year                 | -                  | -                  | (18,09,147)          | (12,67,432)        | (30,76,579)        |
| <b>Balance at the end of reporting period</b>           | <b>6,67,00,165</b> | <b>1,25,11,248</b> | <b>(8,69,04,852)</b> | <b>(10,56,726)</b> | <b>(87,50,165)</b> |

The accompanying notes are integral part of the standalone financial statement.

This is the standalone statement of changes in equity referred to in our report of even date.

**For Mohan L Jain & Co.**

Chartered Accountants

Firm registration no.: 005345N

**For and on behalf of the Board of Directors**

Sd/-

Sd/-

Sd/-

**Ankush Jain**  
Partner  
Membership No.: 540194

**Rakesh S. Bhardwaj**  
Chairman and Managing Director  
[DIN:00029757]

**Shachi Bhardwaj**  
Director  
[DIN:07232850]

Sd/-

Sd/-

Place: New Delhi  
Date: 30th May, 2019

**Gajendra S. Shekhawat**  
Company Secretary

**Dyuman S. Bhardwaj**  
Chief Financial Officer

## **NOTES TO THE FINANCIAL STATEMENTS**

### **A. CORPORATE INFORMATION**

Bhagawati Gas Limited ('the Company') is a company incorporated in India. The principal activity of the Company is now cleaning of water bodies.

### **B. Accounting Policies**

#### **B.1 Statement of compliance**

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards noticed under the relevant provisions of the companies Act, 2013.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirement of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016.

#### **B.2 BASIS OF PREPARATION AND PRESENTATION**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

#### **B.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Property, plant and equipment:**

Under the previous GAAP (erstwhile Indian GAAP), Property Plant and Equipments, were carried in the balance sheet at historical cost. The Company has elected to regard those values of property as deemed cost as at April 1, 2016 (date of transition to Ind AS).

##### **Recognition and de-recognition**

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, taxes and duties, labor cost and other direct costs incurred up to the date the asset is ready for its intended use.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-progress.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

### **Subsequent measurement (depreciation)**

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on the Written down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

Pursuant to the enactment of the Companies Act, 2013 (the Act), cost of leasehold improvements is being amortised over the remaining period of lease of the premises. Plant and machinery - distribution equipment is being depreciated over a period of 10 years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **(b) Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### **(c) Intangible assets:**

#### **Recognition and de-recognition**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Subsequent measurement (amortisation)

The cost of intangible asset is amortized over a period of its useful life from the date of its acquisition.

Computer software is being depreciated over a period of 5 years.

#### **(d) Development Expenses**

Revenue expenditure pertaining to pre-production activity is charged to the Profit and Loss Statement. Development costs of shows are charged to the Profit and Loss Statement unless a shows's feasibility has been established, in which case such expenditure is recognised as work-in-progress.

#### **(e) Borrowing Cost**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably.

Other borrowing costs are recognised as an expense in the year in which they are incurred.

#### **(f) Inventories**

Items of inventories are measured at lower of cost and net realisable value.

#### **(g) Impairment of non-financial assets**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

#### **(h) Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

#### **(i) Employee Benefits**

##### **Short Term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

##### **Post-Employment Benefits Defined Contribution Plans**

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

##### **Defined Benefit Plans**

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

##### **Employee Separation Costs**

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is charged to the Profit and Loss Statement in the year of exercise of option by the employee.

## **(j) Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

### **- Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

### **- Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

## **(k) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

## **(l) Foreign currencies**

Company's financial statements are presented in INR, which is also its functional currency.

### **Transactions and balances**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of fixed assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of

non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **(m) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following condition are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- it can be reliably measured and it is reasonable to expect ultimate collection

#### **(n) Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **(o) Financial Instruments**

##### **Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting

##### ***II Subsequent measurement***

##### **Non Derivative Financial Instruments**

##### **(i) Financial assets carried at amortised cost (AC):**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income (FVTOCI):**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

**(iii) Financial assets at fair value through profit or loss (FVTPL):**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

**Equity instruments**

All equity investments in scope of Ind-AS 109 are measured at fair value either as at FVTOCI or FVTPL. The company makes such election on instrument-by-instrument basis.

For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**Impairment of financial assets**

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables
- d) Trade receivables or any contractual right to receive cash or another financial asset
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### ***III. De-recognition of financial instruments***

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### ***IV. Fair value of financial instruments***

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may vary from actual realization on future date.

## **C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Recoverability of advances/receivables** – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management

uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**BHAGAWATI GAS LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2019.

**Note 1**

Property, plant and equipment

**(Amount in Rs.)**

| <b>PARTICULARS</b>     | <b>Gross Block</b>          |                             |                               |                             | <b>Depreciation</b>        |                           |                               |                             | <b>Net Block</b>            |                             |
|------------------------|-----------------------------|-----------------------------|-------------------------------|-----------------------------|----------------------------|---------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                        | <b>As at 31 March, 2018</b> | <b>Additions/Adjustment</b> | <b>Deductions/Adjustments</b> | <b>As at 31 March, 2019</b> | <b>Upto 31 March, 2018</b> | <b>For Current period</b> | <b>Deductions/Adjustments</b> | <b>As at 31 March, 2019</b> | <b>As at 31 March, 2019</b> | <b>As at 31 March, 2018</b> |
| Freehold Land          | 6 6,75,340                  | -                           | -                             | 66,75,340                   | -                          | -                         | -                             | -                           | 6 6,75,340                  | 6 6,75,340                  |
| Building               | 5,32,87,099                 | -                           | -                             | 5 ,32,87,099                | 3 ,13,46,314               | 17,54,203                 | -                             | 3,31,00,517                 | 2,01,86,582                 | 2 ,19,40,785                |
| Lease Hold Improvement | 7 1,41,212                  | -                           | -                             | 71,41,212                   | 5 9,88,958                 | 33,133                    | -                             | 6 0,22,091                  | 11,19,121                   | 1 1,52,253                  |
| Plant & Machinery      | 3,81,00,500                 | -                           | 3 ,76,35,624                  | 4,64,876                    | 1 ,97,79,882               | (41,905)                  | 1 ,92,73,101                  | 4 ,64,876                   | -                           | 1 ,83,20,618                |
| Truck & Tankers        | 1 4,69,102                  |                             | 14,69,102                     | -                           | 1 4,15,155                 | -                         | 14,15,155                     | -                           | -                           | 53,947                      |
| Furniture & Fixture    | 3 1,01,756                  | -                           | 31,01,756                     | -                           | 2 9,66,464                 | -                         | 29,66,464                     | -                           | -                           | 1 ,35,292                   |
| Office Equipment       | 7 6,25,250                  | -                           | 76,25,250                     | -                           | 6 5,05,540                 | 1,520                     | 65,07,060                     | -                           | -                           | 1 1,19,710                  |
| Vehicles               | 6 0,08,055                  | -                           | 60,08,055                     | -                           | 5 8,98,265                 | -                         | 58,98,265                     | -                           | -                           | 1 ,09,790                   |
| <b>Total</b>           | <b>12,34,08,314</b>         | <b>-</b>                    | <b>5,58,39,787</b>            | <b>6,75,68,527</b>          | <b>7,39,00,578</b>         | <b>17,46,951</b>          | <b>3,60,60,045</b>            | <b>3,95,87,484</b>          | <b>2,79,81,043</b>          | <b>4,95,07,730</b>          |

**BHAGAWATI GAS LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2019.

(Amount in Rs.)

| <b>Note 2</b>                                                  | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|----------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>A. Loans - non current<br/>(Unsecured, considered good)</b> |                                 |                                 |
| Loan                                                           | 70,74,206                       | 69,33,654                       |
| Loan to related party (Refer Note 21)                          | 12,50,000                       | -                               |
|                                                                | <b>83,24,206</b>                | <b>69,33,654</b>                |

(Amount in Rs.)

|                                                            |                                 |                                 |
|------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>B. Loans - current<br/>(Unsecured, considered good)</b> | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| Loan                                                       | 39,72,000                       | 36,48,000                       |
| Loan to related party (Refer Note 21)                      | 18,60,861                       | 1,17,16,188                     |
| Security deposits                                          | 4,200                           | 1,15,680                        |
|                                                            | <b>58,37,061</b>                | <b>1,54,79,868</b>              |

(Amount in Rs.)

|                                |                                 |                                 |
|--------------------------------|---------------------------------|---------------------------------|
| <b>Note 3</b>                  | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| <b>Income tax assets (net)</b> |                                 |                                 |
| Advance tax (net of provision) | 45,43,576                       | 10,24,206                       |
| MAT credit entitlement         | 40,87,933                       | 75,11,025                       |
| Fringe benefit tax             | 1,00,336                        | 1,00,336                        |
|                                | <b>87,31,845</b>                | <b>86,35,567</b>                |

(Amount in Rs.)

|                                                                                                           |                                 |                                 |
|-----------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Note 4</b>                                                                                             | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| <b>A. Investments<br/>In equity shares - quoted</b>                                                       |                                 |                                 |
| Bhagawati Oxygen Limited<br>[10,000 equity shares (31 March 2018: 10,000<br>equity shares) of Rs 10 each] | 1,44,500                        | 3,10,000                        |
|                                                                                                           | <b>1,44,500</b>                 | <b>3,10,000</b>                 |

(Amount in Rs.)

|                                                                          |                                 |                                 |
|--------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Note 4.1</b>                                                          | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| <b>Category wise current investments</b>                                 |                                 |                                 |
| Financial assets measured at fair value through profit<br>& loss (FVTPL) | 1,44,500                        | 3,10,000                        |
|                                                                          | <b>1,44,500</b>                 | <b>3,10,000</b>                 |

(Amount in Rs.)

|                                                                                       |                                 |                                 |
|---------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Note 5</b>                                                                         | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| <b>Trade receivables<br/>(Unsecured considered good, unless otherwise<br/>stated)</b> |                                 |                                 |
| Considered good                                                                       | 6,35,588                        | 5,77,31,233                     |
| Considered doubtful                                                                   | -                               | -                               |
|                                                                                       | <b>6,35,588</b>                 | <b>5,77,31,233</b>              |

(Amount in Rs.)

| <b>Note 6</b>                    | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|----------------------------------|---------------------------------|---------------------------------|
| <b>Cash and cash equivalents</b> |                                 |                                 |
| Cash in hand                     | 7,65,500                        | 9,09,532                        |
| Balances with banks              | -                               | -                               |
| In current accounts              | 4,33,65,453                     | 75,225                          |
| Cheques in hand                  | 3,00,000                        | -                               |
| In deposit accounts              | 8,66,75,090                     | -                               |
|                                  | <b>13,11,06,043</b>             | <b>9,84,757</b>                 |

(Amount in Rs.)

| <b>Note 7</b>                                                                                        | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Other financial assets - current<br/>(Unsecured considered good, unless otherwise<br/>stated)</b> |                                 |                                 |
| Other receivables                                                                                    |                                 |                                 |
| Considered good                                                                                      | -                               | 8,19,09,910                     |
| Considered doubtful                                                                                  | -                               | -                               |
|                                                                                                      | <b>-</b>                        | <b>8,19,09,910</b>              |

(Amount in Rs.)

| <b>Note 8</b>                              | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|--------------------------------------------|---------------------------------|---------------------------------|
| <b>Other current assets</b>                |                                 |                                 |
| Advance to material/service providers      | 1,22,12,370                     | 1,42,34,431                     |
| Advance to related parties (Refer Note 21) | 9,04,540                        | 15,000                          |
| Balances with government authorities       | 4,50,985                        | 5,50,353                        |
|                                            | <b>1,35,67,895-</b>             | <b>1,47,99,784</b>              |

(Amount in Rs.)

| <b>Note 9</b>                                                                                                                               | <b>As at<br/>31 March, 2019</b> |                            | <b>As at<br/>31 March, 2018</b> |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|
| <b>Equity share capital</b>                                                                                                                 |                                 |                            |                                 |                            |
| <b>i. Authorised</b>                                                                                                                        | <b>Number</b>                   | <b>Amount<br/>(in Rs.)</b> | <b>Number</b>                   | <b>Amount<br/>(in Rs.)</b> |
| Equity Shares of Rs. 10 each                                                                                                                | 2,50,00,000                     | 25,00,00,000               | 2,50,00,000                     | 25,00,00,000               |
|                                                                                                                                             |                                 | <b>25,00,00,000</b>        |                                 | <b>25,00,00,000</b>        |
| <b>ii. Issued, subscribed and<br/>paid up</b>                                                                                               |                                 |                            |                                 |                            |
| Equity Shares of Rs. 10 each                                                                                                                | 1,67,42,459                     | 16,74,24,590               | 1,67,42,459                     | 16,74,24,590               |
|                                                                                                                                             |                                 | <b>16,74,24,590</b>        |                                 | <b>16,74,24,590</b>        |
| <b>iii. Reconciliation of number<br/>of equity shares<br/>outstanding at the<br/>beginning and at the end of<br/>the year Equity shares</b> |                                 |                            |                                 |                            |
| Balance at the beginning of the<br>year                                                                                                     | 1,67,42,459                     | 16,74,24,590               | 1,67,42,459                     | 16,74,24,590               |
| Add: Call money received                                                                                                                    | -                               | -                          | -                               | -                          |
| <b>Balance at the end of the<br/>year</b>                                                                                                   | <b>1,67,42,459</b>              | <b>16,74,24,590</b>        | <b>1,67,42,459</b>              | <b>16,74,24,590</b>        |

| <b>iv. Details of shareholders holding more than 5% of equity share capital</b> | <b>Number</b> | <b>%</b> | <b>Number</b> | <b>%</b> |
|---------------------------------------------------------------------------------|---------------|----------|---------------|----------|
| <b>Name of the equity shareholder</b>                                           |               |          |               |          |
| Rakesh Samrat Bhardwaj                                                          | 23,47,610     | 14.02%   | 23,47,610     | 14.02%   |
| Shachi Bhardwaj                                                                 | 9,77,600      | 5.84%    | 9,77,600      | 5.84%    |
| Bhagawati Steels Private Limited                                                | 10,40,600     | 6.22%    | 10,40,600     | 6.22%    |

(Amount in Rs.)

| <b>Note 10</b>             | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|----------------------------|---------------------------------|---------------------------------|
| <b>Other equity</b>        |                                 |                                 |
| <b>Particulars</b>         |                                 |                                 |
| Securities Premium Account | 6,67,00,165                     | 6,67,00,165                     |
| General Reserve            | 1,25,11,248                     | 1,25,11,248                     |
| Retained Earnings          | (8,79,61,571)                   | (8,49,22,499)                   |
| <b>Total</b>               | <b>(87,50,158)</b>              | <b>(57,11,086)</b>              |

(Amount in Rs.)

| <b>Note 11</b>                          | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|-----------------------------------------|---------------------------------|---------------------------------|
| <b>A. Borrowings - non-current</b>      |                                 |                                 |
| Secured loans                           |                                 |                                 |
| Term loans                              | -                               | -                               |
| From banks                              | -                               | 30,67,681                       |
|                                         | -                               | <b>30,67,681</b>                |
| <b>B. Borrowings - current</b>          |                                 |                                 |
| <b>Unsecured loans</b>                  |                                 |                                 |
| Loan from related party (Refer Note 21) | -                               | 11,00,000                       |
| Loan from others                        | 28,00,000                       | 35,00,000                       |
|                                         | <b>28,00,000</b>                | <b>46,00,000</b>                |

(Amount in Rs.)

| <b>Note 12</b>                     | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|------------------------------------|---------------------------------|---------------------------------|
| <b>A. Provisions - non-current</b> |                                 |                                 |
| Provision for employee benefits:   |                                 |                                 |
| Gratuity                           | 24,93,826                       | 13,42,630                       |
| Compensated absences               | 31,27,668                       | 11,22,636                       |
|                                    | <b>56,21,494</b>                | <b>24,65,266</b>                |
| <b>B. Provisions - current</b>     |                                 |                                 |
| Provision for employee benefits:   |                                 |                                 |
| Gratuity                           | 18,52,897                       | 17,81,731                       |
| Compensated absences               | 1,91,858                        | 1,91,941                        |
|                                    | <b>20,44,755</b>                | <b>19,73,672</b>                |

(Amount in Rs.)

| <b>Note 13</b>                  | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|---------------------------------|---------------------------------|---------------------------------|
| <b>Trade payables - current</b> |                                 |                                 |

|                                     |                 |                  |
|-------------------------------------|-----------------|------------------|
| Due to micro and small enterprises* | -               | -                |
| Payable to related parties          | -               | -                |
| Due to others                       | 8,00,000        | 13,44,456        |
|                                     | <b>8,00,000</b> | <b>13,44,456</b> |

\*Based on the information available with the Company, none of its vendors are registered under the Micro, Small and Medium Enterprises Act, 2006. Accordingly no separate disclosure has been made under the Micro, Small and Medium Enterprises Act, 2006.

(Amount in Rs.)

| <b>Note 14</b>                                      | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|-----------------------------------------------------|---------------------------------|---------------------------------|
| <b>Other financial liabilities - current</b>        |                                 |                                 |
| Other payables                                      | 2,86,09,299                     | 3,12,73,287                     |
| Payable to related parties ( <i>Refer Note 21</i> ) | 9,14,142                        | 1,06,17,152                     |
| Security deposit received                           | 4,64,090                        | 25,19,913                       |
| Interest accrued but not due on borrowings          | -                               | 21,13,621                       |
|                                                     | <b>2,99,87,531</b>              | <b>4,65,23,973</b>              |
|                                                     |                                 |                                 |
| <b>Note 15</b>                                      | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
| <b>Other current liabilities</b>                    |                                 |                                 |
| Payable to statutory authorities                    | 3,24,298                        | 2,96,088                        |
| Employee payables                                   | 19,50,426                       | 73,70,125                       |
|                                                     | <b>22,74,724</b>                | <b>76,66,213</b>                |

(Amount in Rs.)

| <b>Note 16</b>                                        | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|-------------------------------------------------------|---------------------------------|---------------------------------|
| <b>Other income</b>                                   |                                 |                                 |
| Interest income on bank deposits                      | 17,21,757                       | 3,60,000                        |
| Other interest income ( <i>Refer note 24</i> )        | 3,20,15,730                     | -                               |
| Profit on sale of property, plant and equipment (net) | -                               | 14,45,953                       |
|                                                       | <b>3,37,37,487</b>              | <b>18,05,953</b>                |

(Amount in Rs.)

| <b>Note 17</b>                   | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|----------------------------------|---------------------------------|---------------------------------|
| <b>Employee benefits expense</b> |                                 |                                 |
| Salaries and wages               | 35,97,476                       | 25,40,946                       |
| Other employee benefits          | 24,55,421                       | 3,19,219                        |
| Staff welfare expenses           | 1,16,148                        | 20,920                          |
|                                  | <b>61,69,045</b>                | <b>28,81,085</b>                |

(Amount in Rs.)

| <b>Note 18</b>         | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|------------------------|---------------------------------|---------------------------------|
| <b>Finance costs</b>   |                                 |                                 |
| Interest on term loans | 4,45,431                        | 7,63,159                        |
| Interest others        | 8,27,605                        | 10,260                          |
|                        | <b>12,73,036</b>                | <b>7,73,419</b>                 |

(Amount in Rs.)

| <b>Note 19</b> | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|----------------|---------------------------------|---------------------------------|
|----------------|---------------------------------|---------------------------------|

|                                                     |                    |                  |
|-----------------------------------------------------|--------------------|------------------|
| <b>Other expenses</b>                               |                    |                  |
| Travelling and conveyance                           | 16,86,650          | 4,73,663         |
| Electricity charges                                 | 92,827             | 72,524           |
| Balances/Bad debts written off                      | 1,19,34,800        | 1,10,393         |
| Auditor's remuneration                              | 2,20,000           | 2,22,128         |
| Security expenses                                   | 9,76,829           | 3,57,254         |
| Legal and professional                              | 15,09,200          | 1,38,149         |
| Communication expenses                              | 1,08,153           | 1,32,158         |
| Repairs and maintenance                             |                    |                  |
| Others                                              | 86,949             | 95,966           |
| Building                                            | 6,50,000           | -                |
| Insurance                                           | 3,437              | 3,602            |
| Loss on sale of property, plant and equipment (net) | 1,77,15,742        | -                |
| Net Loss FVTPL                                      | 1,65,500           | 89,000           |
| Miscellaneous expenses                              | 40,20,008          | 14,24,194        |
|                                                     | <b>3,91,70,095</b> | <b>31,19,031</b> |

**Note 20**  
**Earnings per share (EPS)**

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders. Basic earnings per share are computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

**(Amount in Rs.)**

|                                                                                | <b>As at<br/>31 March, 2019</b> | <b>As at<br/>31 March, 2018</b> |
|--------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Profit attributable to equity shareholders                                     | (30,76,579)                     | (71,34,306)                     |
| Profit attributable to equity shareholders adjusted for the effect of dilution | <b>(30,76,579)</b>              | <b>(71,34,306)</b>              |
|                                                                                |                                 |                                 |
| Weighted average number of equity shares for basic EPS*                        | 1,67,42,459                     | 1,67,42,459                     |
| Weighted average number of equity shares adjusted for the effect of dilution   | 1,67,42,459                     | 1,67,42,459                     |
|                                                                                |                                 |                                 |
| <b>Earnings per equity share</b>                                               |                                 |                                 |
| Basic                                                                          | (0.18)                          | (0.43)                          |
| Diluted                                                                        | (0.18)                          | (0.43)                          |

**Note 21**

**Related party transactions**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end balances with them as identified and certified by the management are given below:

**i) Entities under common control**

Bhagawati International Limited  
Kamakshi Bricon Private Limited  
Lavino Portfolios Private Limited  
Bhagwati Steel Private Limited

**ii) Key management personnel (KMP)**

|                        |          |
|------------------------|----------|
| Rakesh Samrat Bhardwaj | Director |
| Ganga Charan           | Director |
| Kailash Chand Kedia    | Director |
| Shachi Bhardwaj        | Director |

### iii) Relatives of KMP

| Name of Relatives                                    | Relationship with KMP                                  |
|------------------------------------------------------|--------------------------------------------------------|
| Mr. Dyuman Samrat Bhardwaj (Chief Financial Officer) | Son of Mr. Rakesh S. Bhardwaj and Mrs. Shachi Bhardwaj |

### (a) Transactions with related parties carried out in the ordinary course of business:

(Amount in Rs.)

| S No.    | Particulars                       | Year      | Related parties               |                                              | Total    |
|----------|-----------------------------------|-----------|-------------------------------|----------------------------------------------|----------|
|          |                                   |           | Entities under common control | Key management personnel and their relatives |          |
| <b>1</b> | <b>Salaries</b>                   |           |                               |                                              |          |
|          | Rakesh Samrat Bhardwaj            | 31-Mar-19 | -                             | 9,00,000                                     | 9,00,000 |
|          |                                   | 31-Mar-18 | -                             | 6,00,000                                     | 6,00,000 |
|          | Shachi Bhardwaj                   | 31-Mar-19 | -                             | 2,00,000                                     | 2,00,000 |
|          |                                   | 31-Mar-18 | -                             | -                                            | -        |
|          | Dyuman Samrat Bhardwaj            | 31-Mar-19 | -                             | 4,00,000                                     | 4,00,000 |
|          |                                   | 31-Mar-18 | -                             | -                                            | -        |
| <b>2</b> | <b>Expenses paid on behalf of</b> |           |                               |                                              |          |
|          | Rakesh Samrat Bhardwaj            | 31-Mar-19 | -                             | 9,13,005                                     | 9,13,005 |
|          |                                   | 31-Mar-18 | -                             | -                                            | -        |

### (b) Closing balance with related parties in the ordinary course of business:

(Amount in Rs.)

| S No.    | Particulars                                  | Year      | Related parties               |                                              | Total       |
|----------|----------------------------------------------|-----------|-------------------------------|----------------------------------------------|-------------|
|          |                                              |           | Entities under common control | Key management personnel and their relatives |             |
| <b>1</b> | <b>Loan to related party</b>                 |           |                               |                                              |             |
|          | Kailash Chand Kedia                          | 31-Mar-19 | -                             | 12,50,000                                    | 12,50,000   |
|          |                                              | 31-Mar-18 | -                             | -                                            | -           |
|          | Bhagawati International Limited              | 31-Mar-19 | 18,60,861                     | -                                            | 18,60,861   |
|          |                                              | 31-Mar-18 | 1,17,16,188                   | -                                            | 1,17,16,188 |
| <b>2</b> | <b>Advance to related parties</b>            |           |                               |                                              |             |
|          | Lavino Portfolios Private Limited            | 31-Mar-19 | 9,04,540                      | -                                            | 9,04,540    |
|          |                                              | 31-Mar-18 | 15,000                        | -                                            | 15,000      |
|          | Dyuman Samrat Bhardwaj                       | 31-Mar-19 | -                             | 8,95,000                                     | 8,95,000    |
|          |                                              | 31-Mar-18 | -                             | -                                            | -           |
| <b>3</b> | <b>Loan from related party</b>               |           |                               |                                              |             |
|          | Kailash Chand Kedia                          | 31-Mar-19 | -                             | -                                            | -           |
|          |                                              | 31-Mar-18 | -                             | 11,00,000                                    | 11,00,000   |
| <b>4</b> | <b>Other financial liabilities - current</b> |           |                               |                                              |             |

|  |                                 |           |           |           |           |
|--|---------------------------------|-----------|-----------|-----------|-----------|
|  | Bhagawati Steel Private Limited | 31-Mar-19 | 9,14,142  | -         | 9,14,142  |
|  |                                 | 31-Mar-18 | 9,14,142  | -         | 9,14,142  |
|  | Kamakshi Bricon Private Limited | 31-Mar-19 | -         | -         | -         |
|  |                                 | 31-Mar-18 | 40,22,174 | -         | 40,22,174 |
|  | Rakesh Samrat Bhardwaj          | 31-Mar-19 | -         | -         | -         |
|  |                                 | 31-Mar-18 | -         | 20,48,756 | 20,48,756 |
|  | Shachi Bhardwaj                 | 31-Mar-19 | -         | -         | -         |
|  |                                 | 31-Mar-18 | -         | 36,32,080 | 36,32,080 |

## Note 22

### Capital management

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To maintain optimum capital structure and to reduce cost of capital

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements. The Company has complied with debt covenants as per the terms of the borrowing facility arrangements. The Company manages its capital requirements by overseeing the gearing ratio.

| Particulars              | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------|---------------------|---------------------|
| Total borrowings         | 28,00,000           | 76,67,681           |
| Total equity             | 15,86,74,432        | 16,17,13,504        |
| Net debt to equity ratio | 2%                  | 5%                  |

## Note 23

Contingent liabilities and commitments:

| Particulars                                                                                              | As at 31 March 2019 | As at 31 March 2018 |
|----------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Counter Guarantee given to bankers for gaurantees issued by the banker (Net of margins) (Refer note 24 ) | 8,66,75,090         | Nil                 |

## Note 24

The company had, in earlier year, won arbitration award recoverable from Hindustan Copper Limited (HCL). On 11th May 2016, HCL deposited Rs. 17,33,50,181/- in court by way of FDR. On 4th Oct 2018, ITDS amounting to Rs. 23,28,896/- is deducted from interest and reversed by bank from principal amount of FDR. Therefore, net amount of FDR received by the company during the financial year ended 31st March 2019 is Rs. 17,10,21,285 (i.e. payments received are Rs. 8,55,10,643/- on 4th Oct 2018 and Rs. 8,55,10,643/- on 12th Feb 2019. As per the books of accounts, amount aggregating to Rs. 13,96,41,143/- was recoverable from HCL as on 31st March 2018. As on 31st March 2019, amount recoverable from HCL is Rs. Amount booked as interest income for the year ended 31 March 2019 is Rs. 6,35,588. Therefore, interest income booked for the amount received by the company during the financial year ended 31st March 2019 is Rs. 3,20,15,730 (i.e. Rs. 17,33,50,181 - Rs. 23,28,896 - Rs. 13,96,41,143 + Rs. 6,35,588).

## Note 25

### Defined benefit plans:

The Company provides gratuity (which is unfunded) as employee benefit schemes to its employees. The following table sets out the status of the defined benefit scheme and the amount recognized in the financial statements.

#### i) Reconciliation of opening and closing balances of Defined Benefit Obligation:

| Particulars                                         | (Amount in Rs.)          |                          |
|-----------------------------------------------------|--------------------------|--------------------------|
|                                                     | Gratuity                 |                          |
|                                                     | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Defined Benefit obligation at beginning of the year | 31,24,361                | 30,24,608                |
| Current Service Cost                                | 1,70,005                 | 1,02,971                 |
| Interest Cost                                       | 2,25,579                 | 2,07,488                 |
| Actuarial (gain)/ loss                              | 12,67,432                | (2,10,706)               |
| Benefits paid                                       | (4,40,654)               | -                        |
| Defined Benefit obligation at year end              | 43,46,723                | 31,24,361                |

#### ii) Expenses recognised during the year:

| Particulars                                         | (Amount in Rs.)          |                          |
|-----------------------------------------------------|--------------------------|--------------------------|
|                                                     | Gratuity                 |                          |
|                                                     | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| <b>In Income Statement</b>                          |                          |                          |
| Current Service Cost                                | 1,70,005                 | 1,02,971                 |
| Interest Cost                                       | 2,25,579                 | 2,07,488                 |
| <b>Net Cost</b>                                     | <b>3,95,584</b>          | <b>3,10,459</b>          |
| <b>In Other Comprehensive Income</b>                |                          |                          |
| Actuarial (gain)/loss on defined benefit obligation | 12,67,432                | (2,10,706)               |
| <b>Net (Income) / Expense recognized in OCI</b>     | <b>12,67,432</b>         | <b>(2,10,706)</b>        |

#### iii) Actuarial assumptions:

| Particulars                                        | (Amount in Rs.)          |                          |
|----------------------------------------------------|--------------------------|--------------------------|
|                                                    | Gratuity                 |                          |
|                                                    | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Mortality Table (IALM)                             | 2006-08                  | 2006-08                  |
| Discount rate (per annum)                          | 7.49                     | 7.22                     |
| Expected rate of return on plan assets (per annum) | -                        | -                        |
| Rate of escalation in salary (per annum)           | 5.50                     | 5.50                     |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

#### iv) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in Rs.)

| Particulars                                          | Gratuity         |           |
|------------------------------------------------------|------------------|-----------|
|                                                      | As at 31st March |           |
|                                                      | 2019             | 2018      |
| <b>a) Impact of the change in discount rate</b>      |                  |           |
| Present value of obligation at the end of the period | 43,46,723        | 31,24,361 |
| i) Impact due to increase of 0.5%                    | (41,562)         | (27,465)  |
| ii) Impact due to decrease of 0.5%                   | 42,892           | 28,276    |
| <b>b) Impact of the change in salary increase</b>    |                  |           |
| Present value of obligation at the end of the period | 43,46,723        | 31,24,361 |
| i) Impact due to increase of 0.5%                    | 43,503           | (28,607)  |
| ii) Impact due to decrease of 0.5%                   | (42,530)         | 28,037    |

These plan typically expose the Company to actuarial risks such as : investment risk, interest risk, longevity risk and salary risk.

#### a) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

#### b) Interest risk

A decrease in the bond interest rate will increase the plan liability.

#### c) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and other their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### d) Salary risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

### Note 26

The company now is majorly engaged in work related to cleaning of water bodies. There are no revenue from operations during the year ended 31st March 2019 and hence segment reporting is not applicable.

### Note 27

Previous year figures have been regrouped, wherever considered necessary.

The accompanying notes are integral part of the standalone financial statements.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

**For Mohan L Jain & Co.**  
Chartered Accountants  
Firm registration no.: 005345N

**For and on behalf of the Board of Directors**

Sd/-

Sd/-

Sd/-

**Ankush Jain**  
Partner  
Membership No.: 540194

**Rakesh S. Bhardwaj**  
Chairman and Managing Director  
[DIN:00029757]

**Shachi Bhardwaj**  
Director  
[DIN:07232850]

Sd/-

Sd/-

Place: New Delhi  
Date: 30th May, 2019

**Gajendra S. Shekhawat**  
Company Secretary

**Dyuman S. Bhardwaj**  
Chief Financial Officer

**BHAGAWATI GAS LIMITED**

(CIN: L24111RJ1974PLC005789)

**Regd. Office:** Banawas, Khetri Nagar, Jhunjhunu, Rajasthan-333504**E-mail:** [bhagwatiqases@gmail.com](mailto:bhagwatiqases@gmail.com) **Tel No.:** +91-11 49120719 **Website:** [www.bglgroup.in](http://www.bglgroup.in)**FORM NO. MGT – 12****(BALLOT/POLLING FORM)**

[Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (C) of the Companies (Management and Administration) Rules, 2014]

| Sr. No. | Particulars                                                                                                      | Details |
|---------|------------------------------------------------------------------------------------------------------------------|---------|
| 1.      | Name of the First Named Shareholder<br><b>(In block letters)</b>                                                 |         |
| 2.      | Name of the Joint holder (s), if any                                                                             |         |
| 3.      | Postal address                                                                                                   |         |
| 4.      | No. of Shares                                                                                                    |         |
| 5.      | Registered Folio No. / *DP ID and Client ID No. (*Applicable to investors holding shares in dematerialized form) |         |
| 6.      | Class of Shares                                                                                                  |         |

I/We hereby exercise my/our vote in respect of Ordinary/ Special Resolution/s enumerated below, by recording my/our assent or dissent to the below mentioned resolutions by placing a tick (✓) in the following manner:

| Item No.                 | Resolutions                                                                                                                             | No. of shares held by me/ours | I/we assent to the resolution | I/we dissent from the resolution |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|----------------------------------|
| <b>ORDINARY BUSINESS</b> |                                                                                                                                         |                               |                               |                                  |
| 1.                       | To receive, consider, and adopt Financial Statements for the year ended March 31, 2019 and the Auditors and Directors reports thereon.  |                               |                               |                                  |
| 2.                       | To re-appoint Mr. Rakesh Samrat Bhardwaj (DIN: 00029757), who retires by rotation and being eligible offers himself for re-appointment. |                               |                               |                                  |
| <b>SPECIAL BUSINESS</b>  |                                                                                                                                         |                               |                               |                                  |
| 3.                       | Re-appointment of Mr. Rakesh Samrat Bhardwaj (Din: 00029757) as Managing Director of the Company                                        |                               |                               |                                  |
| 4.                       | Re-appointment of Mr. Ganga Charan as an Independent Director of the Company for Second Term                                            |                               |                               |                                  |
| 5.                       | Re-appointment of Mr. Kailash Chand Kedia as an Independent Director of the Company for Second Term                                     |                               |                               |                                  |
| 6.                       | Approval for Change of Name of Company from Bhagawati Gas Limited to Bhagawati Gases Limited.                                           |                               |                               |                                  |

-----  
(Signature of the shareholder)

Place:

Date:

**BHAGAWATI GAS LIMITED**

(CIN: L24111RJ1974PLC005789)

**Regd. Office:** Banawas, Khetri Nagar, Jhunjhunu, Rajasthan-333504**E-mail:** [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com) **Tel No.:** +91-11 49120719 **Website:** [www.bglgroup.in](http://www.bglgroup.in)**ATTENDANCE SLIP FOR THE 45<sup>th</sup> ANNUAL GENERAL MEETING**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

45TH ANNUAL GENERAL MEETING TO BE HELD ON **MONDAY, SEPTEMBER 30, 2019** AT 11:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT BANAWAS, KHETRI NAGAR, JHUNJHUNU, RAJASTHAN-333504.

|                                                                                                 |  |
|-------------------------------------------------------------------------------------------------|--|
| Name & Address of the attending Member(s)                                                       |  |
| Joint Holder 1                                                                                  |  |
| Joint Holder 2                                                                                  |  |
| *Folio No.                                                                                      |  |
| DP ID No.                                                                                       |  |
| Client ID No.                                                                                   |  |
| No. of Shares held                                                                              |  |
| NAME OF PROXY (IN BLOCK LETTERS)<br>to be filled in, if the proxy attends instead of the member |  |

I/We, hereby record my/our presence at the 45<sup>th</sup> Annual General Meeting of the company held on **Monday, September 30, 2019** at **11.00 A.M.** at the registered office of the Company situated at Banawas, Khetri Nagar, Jhunjhunu, Rajasthan-333504.

*\*Applicable in case of shares held in Physical form.*

-----  
Member's/Proxy's Name in Block Letters

-----  
Signature of Shareholder/Proxy

**Notes:**

1. Please complete the Client ID & DP ID/Registered Folio and name, sign this Attendance slip and handover at the entrance of the meeting hall.
2. Electronic copy of the Annual Report for FY 2018-19 and the notice of the Annual general Meeting (AGM) along with Attendance Slip and proxy Form is being sent to all the members whose email address is registered within the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy Annual Report for FY 2018-19 and the Notice of the Annual general Meeting (AGM) along with Attendance Slip and proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

**E-Voting particulars**

| <b>EVEN (E-Voting Event Number)</b> | <b>USER ID</b> | <b>Password/PIN</b> |
|-------------------------------------|----------------|---------------------|
| <b>190831052</b>                    |                |                     |

**Note:** Please read the instructions provided in Notice of the 45th Annual General Meeting. The e-voting period starts from 09:00 a.m. on **Friday, September 27, 2019** and ends at 05:00 p.m. on **Sunday, September 29, 2019 (Both days inclusive)**. The voting module shall be disabled by CDSL for voting thereafter.

**BHAGAWATI GAS LIMITED**

(CIN: L24111RJ1974PLC005789)

**Regd. Office:** Banawas, Khetri Nagar, Jhunjhunu, Rajasthan-333504**E-mail:** [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com) **Tel No.:** +91-11 49120719 **Website:** [www.bqlgroup.in](http://www.bqlgroup.in)**PROXY FORM (FORM NO. MGT-11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Amendment Rules, 2015]

|                       |                      |
|-----------------------|----------------------|
| Name of the Member(s) | Folio No./Client ID: |
| Registered address:   |                      |
| No. of Shares held:   | E-mail Id:           |

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

|                    |                        |            |  |
|--------------------|------------------------|------------|--|
| 1.                 | Name of the Member(s): | Signature: |  |
|                    | Address:               |            |  |
|                    | E-mail Id:             |            |  |
| or failing him/her |                        |            |  |
| 2.                 | Name of the Member(s): | Signature: |  |
|                    | Address:               |            |  |
|                    | E-mail Id:             |            |  |
| or failing him/her |                        |            |  |
| 3.                 | Name of the Member(s): | Signature: |  |
|                    | Address:               |            |  |
|                    | E-mail Id:             |            |  |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 45<sup>th</sup> Annual General Meeting of the Company, to be held on **Monday, September 30, 2019** at 11.00 A.M. at registered office of the company situated at Banawas, Khetri nagar-333504, Jhunjhunu, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

| S. No.            | Resolution                                                                                                                             | Vote |         |         |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------|------|---------|---------|
|                   |                                                                                                                                        | For  | Against | Abstain |
| Ordinary Business |                                                                                                                                        |      |         |         |
| 1.                | To receive, consider, and adopt Financial Statements for the year ended March 31, 2019 and the Auditors and Directors reports thereon. |      |         |         |
| 2.                | To appoint Rakesh Samrat Bhardwaj (DIN: 00029757) who retires by rotation and being eligible offers himself for re-appointment.        |      |         |         |
| Special Business  |                                                                                                                                        |      |         |         |
| 3.                | Re-appointment of Mr. Rakesh Samrat Bhardwaj (Din: 00029757) as Managing Director of the Company                                       |      |         |         |

|    |                                                                                                     |  |  |  |
|----|-----------------------------------------------------------------------------------------------------|--|--|--|
| 4. | Re-appointment of Mr. Ganga Charan as an Independent Director of the Company for Second Term        |  |  |  |
| 5. | Re-appointment of Mr. Kailash Chand Kedia as an Independent Director of the Company for Second Term |  |  |  |
| 6. | Approval for Change of Name of Company from Bhagawati Gas Limited to Bhagawati Gases Limited.       |  |  |  |

Signed this on .....day, ....., 2019

Affix  
Revenue  
Stamp of  
Rs. 1

Signature of shareholder.....Signature of Proxy holder(s).....

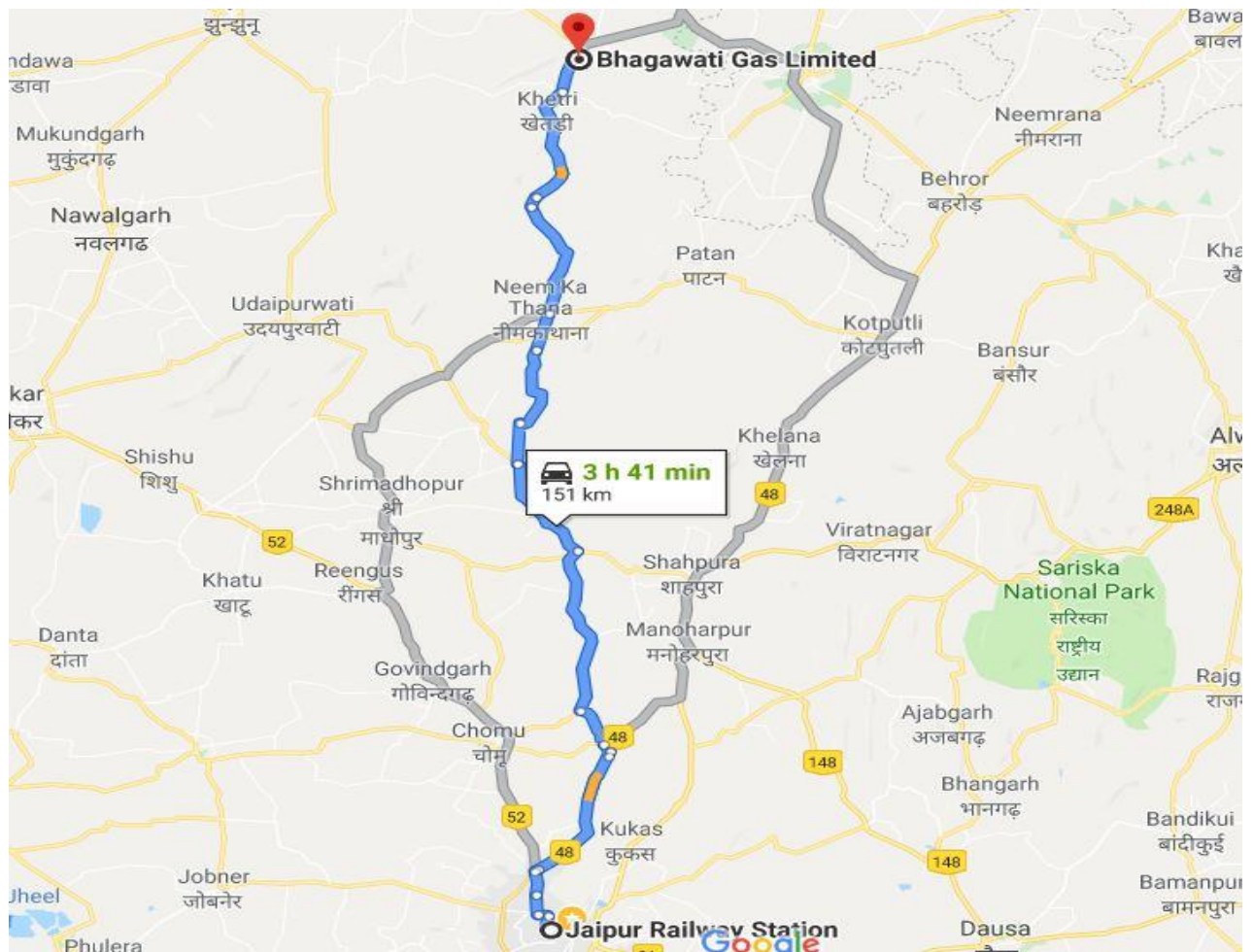
**Notes:**

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than **48** hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

^ This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

### ROUTE MAP:

Route Map to the AGM Venue: Bhagawati Gas Limited, Banawas, Khetri nagar-333504, Jhunjhunu, Rajasthan, India



[illegible]

If undelivered, please return to  
**BHAGAWATI GAS LIMITED**  
**Corp. Off.:** S-492/A, Greater Kailash-I,  
New Delhi-110048  
**Ph. No. -** +91-11-4912 0719