



बंगाल गैस कंपनी लिमिटेड
BENGAL GAS COMPANY LIMITED
(A JV Company of GAIL & GCGSCL)

ANNUAL REPORT
2020-2021



VISION STATEMENT:

To be a leading City Gas Distribution Company by keeping our approach ethical, credible, eco - friendly and customer centric, being innovative and a learning organization.



MISSION STATEMENT:

Provide Eco friendly energy solution with innovative technology to create Clean, Green, Safe & Healthy environment with emphasis on high level customer satisfaction.



CONTENTS

| | |
|--------------------------------|----|
| ❖ Board of Directors | 5 |
| ❖ Directors' Report | 7 |
| ❖ Secretarial Auditor's Report | 18 |
| ❖ Independent Auditor's Report | 23 |
| ❖ Financial Statements | 33 |
| ❖ Comments of C&AG | 61 |
| ❖ Notice of AGM | 64 |

BOARD OF DIRECTORS:



Shri E.S. Ranganathan
Chairman

w.e.f. 1st July 2020



Smt. Sunrita Hazra, IAS
Nominee Director



Shri Goutom Chakraborty
Nominee Director

w.e.f. 1st January 2021



Shri Biswanath Chakrabarti
Nominee Director

w.e.f. 9th February, 2021

Key Managerial Personnel



Shri Satyabrata Bairagi
Chief Executive Officer



Shri Pratul Kumar Ray
Chief Financial Officer

w.e.f. 20th July, 2021



Shri Gyanendra Singh
Company Secretary

w.e.f. 1st July, 2020

Statutory Auditor:

Vimal & Seksaria, Chartered Accountants,
31st G.C. Avenue, 1st Floor, Kolkata - 700013

Secretarial Auditor:

D. Raut & Associates, Company Secretaries,
8th Floor, R.No. 7A, 2A- G.C Avenue, Kolkata - 700013

Bankers:

State Bank of India, Salt Lake Branch, Kolkata - 700091

Registrar & Transfer Agent :

MCS Share Transfer Agent Ltd, F-65, 1st, Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020

Registered Office :

BENGAL GAS COMPANY LIMITED
CIN: U40300WB2019GOI229618
4th Floor, Block B, Finance Centre
CBD, Action Area II B, New Town,
Kolkata, North 24 Parganas, WB- 700161
Email: info@bgcl.co.in
Website: www. bgcl.co.in



Directors' Report



To,

The Members,

Your Directors take pleasure in presenting the Second Annual Report along with the Audited Accounts of the Company for the period starting from 01.04.2020 to 31.03.2021 i.e. Second Financial Year, together with the Auditors' Report and Comments on the accounts by the Comptroller and Auditor General of India (C&AG).

1. ABOUT COMPANY:

Your Company is a joint venture company of GAIL (India) Ltd, a Maharatna Company of Govt. of India and Greater Calcutta Gas Supply Corporation Ltd, (GCGSCL) an undertaking of West Bengal Government, holding equal equity at present.

Company was formed on 04.01.2019 pursuant to the JV agreement signed between the parties on 24th July 2018 for undertaking the project to lay, build, operate and expand City Gas Distribution (CGD) networks along with distribution and marketing of Compressed Natural Gas (CNG), Natural Gas, LNG, Auto LPG and any other gaseous fuels in the state of West Bengal.

The authorization in favor of GCGSCL to lay, build, operate and expand CGD network in Kolkata city and parts of adjoining districts of North 24 Parganas, South 24 Parganas, Howrah, Hooghly and Nadia ("Kolkata GA") have been transferred in the name of the company by PNGRB on 13.06.2019.

2. BUSINESS PLAN AND PRESENT STATE OF AFFAIRS OF THE COMPANY

Your Company has set the - following goals to achieve for the first five years after connectivity of the CGD network with GAIL's Jagdishpur-Haldia-Bokaro-Dhamra pipeline based on the terms and condition of the acceptance of authorization to GCGSCL by PNGRB:

- a) Connection of 14,18,000 nos. piped natural Gas domestic connection
- b) Construction of 130 nos. CNG Stations
- c) Construction of 28500 inch-KM of all types of Pipelines.
- d) Project Cost is Rs.4947.06 crores.

Your company has started commercial operation with effect from 22nd March 2021. The progress achieved by the company during the year under review is summarised below:

1. MOU has been signed with Hiland Park Resident Welfare Association, having 922 HH (CA-40) at Garia, towards acquisition of Bulk Domestic PNG consumers. Further, construction activities towards providing DPNG connections are in progress at following Multistoried residential complexes, where the MOUs were executed in the last Financial Year:
 - Urbana (Ph-I: 1170HH, Ph-II: 730HH) CA 40, Anandpur, KMC

DIRECTORS' REPORT

- Uniworld (Ph-I: 2892HH, Ph-II: 1619HH) CA14, Rajarhat, N24 PGRNS
 - Rose dale (615HH) CA14 Rajarhat, N 24 PGRNS
 - Alcove (5050HH) CA 3, Serampur, Baidya Bati, Hooghly
 - Sankalpa 3 (750HH), CA 14, Rajarhat, N 24 PGRNS
 - Anahita Complex (356HH), CA 14, Rajarhat, N24 PRGNS
2. CNG Sale Agreement executed with Oil Marketing Companies (OMCs) namely (IOCL, BPCL, HPCL) for setting up of Compressed Natural Gas (CNG) Stations at the respective OMC Retail Outlets (Ros). Accordingly, 2 Nos. of CNG stations have been created at Greenland RO of BPCL in Garia and at Champion Hub RO of IOCL in Newtown and commercial operations at these ROs have started since March 2021.
- Construction of CNG stations have been started in following Ros:
 - Smart RO of IOCL at Action Area – III, Newtown.
 - Leela service station of IOCL at Behala.
 - Carfill Station of BPCL at Kalyani
 - Drive IN service station of IOCL at Belgachia.
 - Manick Traders of BPCL at Chinar Park.
3. Land has been acquired for creation of Hook-up facility at Rajarambati, Dist.: Hoogly near IP-8 of GAIL's Jagdishpur Haldia Bokaro Dhamra Natural Gas Pipeline (JHBDPL). Hook Up Agreement has been executed with GAIL for providing Hook-up facilities at the said location. Further, land/locations have also been identified near SV-1F and SV-39 for developing 02 more Hooking up facilities with GAIL's JHBDPL.
4. CNG Sale Agreement with Hybrid facilities is under discussion with West Bengal Transport Corporation Ltd for development of CNG stations at various bus depots of West Bengal Transport Corporation.
 5. Gas Sales Agreement has been signed with GAIL (India) Ltd. for supply of PNG for Domestic sector and CNG for Transport sector.
 6. Your company has set up 24*7 O&M base and Customer Care Service Centre to provide round-the-clock hassle-free services to the CNG & PNG customers.
 7. Proposal for setting up CNG stations and other CGD installations at various locations on government land has been submitted and accordingly joint site visit has also been done with WBTC State Transport Dept, GCGSCL and HIDCO.
 8. A Plot No. IIE/14 (Pre. No.- 148-1111) of area 1466.55 SQ.M has been purchased from HIDCO in New Town for setting up Mega CNG Mother Station and same is in the Design & Engineering phase.
 9. Bank Guarantee amounting to Rs. 13.10 crores was submitted to PNGRB towards the performance security for the completion of minimum work programme as stipulated in the PNGRB Authorization letter dated 13.06.2019.
 10. Company is in the process of tie-up of Long-Term Debt funding for part-financing the

Project Cost for implementing City Gas Distribution network in the authorized areas of Kolkata GA, as per Business Plan approved by the Board of Directors. M/s SBI Capital Markets Limited, as Financial Advisors, are running the process for Debt Syndication through competitive bidding process. Company has already received in-principle sanctions from Banks in excess of the total debt requirement and presently approvals for final sanction are in process with the Banks. Company expects to achieve financial closure for the Project during the current fiscal year.

11. Your Company has planned to set up 90 CNG stations and create infrastructure for providing 3,50,000 domestic connections in coming two years. Accordingly, M/s. Mecon Ltd (EPMC) has floated the tenders. Tenders are at award stage/Price Bid opening stage.
12. Work order is already awarded for laying of steel pipe. Route survey of 200 KM steel pipeline and MDPE pipe have been completed.
13. Store space (open and covered) have been hired at Central Warehousing Corporation, Bon Hooghly, Kolkata and Ghosh Machineries, Bhadreswar in Hooghly district. Transit and Stores Insurance for the construction material have been obtained.

3. COMPANY PERFORMANCE:

Your company has started commercial operation with effect from 22nd March 2021. The Financial results for the period starting from 01.04.2020 to 31.03.2021 i.e., for the Second Financial Year, are summarized below:

3.1 Financial Results:

| Particulars | 01.04.2020 to 31.03.2021 (in Rs.) | to 4.01.2019 to 31.03.2020 (in Rs.) |
|--|--------------------------------------|--|
| Revenue from Operations | 19,440 | - |
| Other Income | 1,39,70,894 | 2,56,12,971 |
| Total Income | 1,39,90,334 | 2,56,12,971 |
| Expenses | | |
| Cost of Goods Sold | 8748 | |
| Employees benefit expenses | 1,93,58,336 | 2,23,93,507 |
| Depreciation and Amortization Expenses | 15,39,179 | 2,17,411 |
| Other Expenses | 1,39,93,318 | 1,38,80,345 |
| Total Expenses | 3,48,99,581 | 3,64,91,262 |
| Profit/(Loss) for the period | (2,09,09,247) | (1,08,78,291) |

- a) During the period, the company has incurred loss amounting to Rs.2,09,09,247. The other income is, largely from the interest earned on fixed deposit.
- b) Other Expenses majorly consists of Transportation of Gas, O & M of CNG Station, SHE, Vehicle Hiring, Retainership Expenses, etc.
- c) The employment benefit expenses are related to salary and allowances of the employees deputed by GAIL (India) Limited for seeding the marketing and operation activities. The salary and allowances of other KMPs and the employees deputed by promoter companies have been allocated to Capital Work in progress.

3.2. Dividend:

Since there is no profit from the operations during the year and company incurred Net Loss hence the Board has decided not to recommend any Dividend for the year 2020-21.

DIRECTORS' REPORT

3.3 Credit Rating:

During the year under review, your company has received a long-term issuer rating of "IND AA-/Stable Outlook" by M/s. India Ratings and Research Private Limited.

4. SHARE CAPITAL

During the year under review, Paid-up Share Capital of the company remained unchanged. Paid-up share capital of the company as on date of the close of the financial year was Rs. 50 crores.

4.1 Changes from the closure of Financial Year till the date of this report:

Company, after approval of the members in Extra Ordinary General Meeting, has increased its Authorized Share Capital from Rs. 100 crores to Rs. 2000 crores. Further, company issued 2,50,00,000 equity shares of Rs. 10 each to GAIL (India) Ltd as per the terms of the Joint Venture agreement. Consequently, paid-up capital of the company as on the date of this report stands increased to Rs. 75 crores.

Company has not issued any shares, details of which is required to be disclosed under Rule 4(4), 8(13) and 12(9) of the Companies (Share Capital and Debenture Rules) 2014.

5. EXTRACT OF ANNUAL RETURN UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013

Pursuant to the Companies (Management and Administration) Amendment Rules,

2020, a Company is not required to attach the Extract of the Annual Return with the Directors' Report in Form No. MGT-9, in case the web link of such Annual Return has been disclosed in the Board's Report in accordance with Section 92(3) of the Companies Act, 2013.

A copy of the Annual Return is placed on the website of your Company at https://bgcl.co.in/pdf/Draft-Annual%20Return-Form_MGT_7.pdf

6. BOARD MEETINGS AND ATTENDANCE

The Board Meetings are convened by giving appropriate advance notice after seeking approval of the Chairman. Resolutions are also passed by way of circulation in case of urgency. Detailed agenda notes are circulated in advance to the Board members for facilitating meaningful and informed decisions.

During the period from 01.04.2020 to 31.03.2021, 4 (four) Board Meetings were held on the following dates: -

| Director's Name | Designation | Date of Board Meetings and attendance | | | |
|-----------------------|------------------|---------------------------------------|------------|------------|------------|
| | | 18.06.2020 | 09.09.2020 | 20.10.2020 | 17.02.2021 |
| Gajendra Singh | Chairman | Yes | N/A | N/A | N/A |
| ES Ranganathan | Chairman | N/A | Yes | Yes | Yes |
| Rajeev Mathur | Nominee Director | Yes | Yes | Yes | N/A |
| Pritha Sarkar | Nominee Director | Yes | Yes | Yes | N/A |
| Sunrita Hazra | Nominee Director | Yes | Yes | Yes | Yes |
| Goutom Chakraborty | Nominee Director | N/A | N/A | N/A | Yes |
| Biswanath Chakrabarti | Nominee Director | N/A | N/A | N/A | Yes |

7. AUDIT COMMITTEE MEETING AND ATTENDANCE

Your Company has constituted the Audit Committee as per the provisions of the Companies Act, 2013. During the period from 01.04.2020 to 31.03.2021, 2 (two) Audit Committee Meetings were held. The details of the attendance of the members are indicated below:

| Member Name | Designation | Date of Audit Committee meetings attended | |
|-----------------------|-----------------|---|------------|
| | | 18.06.2020 | 17.02.2021 |
| Gajendra Singh | Chairman | Yes | N/A |
| E S Ranganathan | Chairman | N/A | Yes |
| Rajeev Mathur | Member | Yes | N/A |
| Pritha Sarkar | Member | Yes | N/A |
| Sunrita Hazra | Member | Yes | Yes |
| Goutom Chakraborty | Proposed Member | N/A | Yes |
| Biswanath Chakrabarti | Proposed Member | N/A | Yes |

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 185/186:

The Company has not provided any Loans & Advances or given any guarantees falling under the purview of Section 185/186 of the Companies Act, 2013.

9. DEPOSITS

The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 73 read with Companies (Acceptance of Deposits) Rules, 2014, during the financial year ended 31st March 2021.

As such, no amount of principal or interest payment is outstanding as on the date of Balance Sheet.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Relevant information on related party transactions in Form AOC-2 is provided as (**Annexure-A**) to the Boards' Report.

11. BOARD COMPOSITION

Being a Joint Venture company, composition of the Board is determined as per the JV agreement and Articles of the company. Each Party is entitled to nominate a Director on the Board of the Company for every 24% of the share capital held by them. At present equal number of Nominees from both the promoters holds the position as Non-Executive Directors. The appointments of all the Directors have been made taking into considerations all applicable provisions of the Companies Act, 2013, JV Agreement and Articles of Association of the Company.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

12.1 Changes among Board during the financial year under review:

During the year under review, Shri Gajendra Singh, Chairman of the company ceased to

be on the Board of the company due to his superannuation on 30th June 2020. Shri E S Ranganathan, Director (Mktg), GAIL (India) Ltd, was nominated as Chairman and Non-Executive Director on the Board of the company w.e.f. 01st July 2021. Another Director of the company Shri Rajeev Mathur superannuated on 31st December 2020 and Shri Goutom Chakraborty was appointed as Non-Executive Director in his place w.e.f. 1st January 2021. Smt. Pritha Sarkar, Secretary, Industry, Commerce & Enterprises, Govt. of West Bengal, who was on the Board of the company, was transferred and in her place Shri Biswanath Chakrabarti joined the Board of the company as Non-Executive Director w.e.f. 9th February 2021.

The Board appreciated and thanked the departing Directors for their valuable services offered to the company during their tenure as Directors of the company.

12.2 Key Managerial Personnel (KMPs)

The following executives deputed by their parent organization have been appointed Key Managerial Personnel:

| Sl. No. | Name | Designation | Parent Organization | From | To |
|---------|-----------------|--|---------------------|------------|-------|
| 1 | S. Bairagi | CEO | GAIL(India) Ltd. | 28.01.2019 | Cont. |
| 2 | R.K. Jaipuriyar | CFO | GAIL(India) Ltd. | 28.01.2019 | Cont. |
| 3 | Vijay Kumar Pal | Head (Projects) | GAIL(India) Ltd. | 28.01.2019 | Cont. |
| 4 | Jayant Roy | Head(C&P) | GAIL(India) Ltd. | 21.05.2019 | Cont. |
| 5 | T K De | Head (HR) | GAIL(India) Ltd. | 21.05.2019 | Cont. |
| 6 | P K Biswas | Head (Mktg.& Comm.) | GAIL(India) Ltd. | 28.01.2019 | Cont. |
| 7 | P P Ghosh | Head (Corporate Affairs & Co-ordination) | GCGSCL | 29.05.2019 | Cont. |

Shri R K Jaipuriyar who was appointed CFO (KMP) w.e.f. 28.01.2019 has been transferred and Shri Pratul Kumar Ray has been appointed as CFO (KMP) of the company in his place w.e.f. 20th July 2021.

Company has appointed Shri Gyanendra Singh as Company Secretary of the company w.e.f. 1st July 2020.

13. AUDITS

13.1 Auditor:

M/s VIMAL & SEKSARIA, Chartered Accountants, (Firm Reg. no. 319194E) were appointed as Statutory Auditors of the Company for the financial year 2020-21 by the Comptroller and Auditor General of India (C&AG) vide its letter dated 11.08.2020.

13.2 Auditors' Report and C & AG Comments:

The Auditors' Report does not contain any qualification or adverse remarks.

Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

C&AG has issued Non-Review Certificate on financial statements of the Company for the F.Y. 2020-21.

The Report given by the Statutory Auditors and Non-Review Certificate by C&AG on the financial statements for financial year 2020-21 forms part of the Annual Report.

13.3 Cost Audit

Since the turnover of the Company is below threshold limit specified in Section 148 of the Companies Act 2013, company is not required to maintain Cost Records and/or appoint a Cost Auditor as required under Companies (Cost records and Audit) Rules, 2014.

13.4 Secretarial Audit

Pursuant to Section 204 of the Companies Act, 2013, Your Company has appointed M/S. D. Raut & Associates CP No. 5232, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report confirming compliance by Practicing Company Secretary in Form MR-3 (**Annexure-B**) is self-explanatory and do not call for any further comments.

13.5 Internal Audit

The internal audit function was carried out by reputed external professional firm of Chartered Accountants. During the year under review, M/s. KASG & Co., Chartered Accountants, Kolkata has conducted internal audit of the company for the financial year 2020-21 and has submitted their report on 24.05.2021.

14. ANNUAL EVALUATION OF BOARD

MCA vide its notification dated 5th June 2015 has exempted Government companies from the requirements of the clause (e) & the clause (p) of Sub-section (3) of Section 134 of the Companies Act 2013.

15. SECRETARIAL STANDARDS

Company has complied with the requirements of Secretarial Standards (SS-1 & SS-2) issued, under Section 118(10) of the Companies Act 2013, by the Institute of Company Secretaries of India.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions relating to CSR are not applicable to the company.

17. SIGNIFICANT ORDER, MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no significant and material orders passed by any Regulators or Courts or Tribunal impacting the going concern status and future operations of the company. Further there have been no other material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

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

The Company has provided a gender friendly workplace with equal opportunity for men and women. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is in force to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints therewith or incidental thereto. During the year 2020-21, no complaint of sexual harassment was received by the Company.

19. PETROLEUM AND NATURAL GAS REGULATORY BOARD AUTHORIZATION

PNGRB vide its letter dated 19th August 2021 has approved amendments in the Terms and Conditions of authorization. As

the expected revised timeline for commissioning of the trunk pipeline is 31st December 2021, PNGRB has amended the date of start of contract year of the Kolkata GA from 01.04.2016 to 01.01.2022 and therefore the new start date shall be counted from 01.01.2022 and accordingly, the Financial Closure submission period is also shifted.

Further, the start date for exclusivity period of 300 months in respect of laying building or expending the CGD network and exclusivity period of 60 months for exemption from the purview of common carrier or contract carrier for the subject CGD network is also shifted from 02.02.2016 to 01.01.2022. All other Terms and Conditions of authorization will remain same.

20. HEALTH, SAFETY AND ENVIRONMENT (HSE)

Your Company believes that safety of its workforce and all its stakeholders is of critical importance to its functioning and success. In accordance with Company's HSE Policy and the guidelines issued by the Petroleum and Natural Gas Regulatory Board (PNGRB) from time to time, Your Company has implemented a robust HSE Management System to promote highest level of Safety, Health, Environment amongst it's stakeholders and also to ensure loss control during the implementation of the CGD activities.

21. INTERNAL FINANCIAL CONTROL SYSTEMS

Internal controls are the mechanism, rules, and procedures implemented by a

company to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. Financial controls are processes, policies and procedures that are implemented to manage finances. Company has established Empowered Committee for Contract and Procurement (ECPC) for the purchase decision through committee meeting and deliberation. It has adopted C & P Procedure and has a documented Delegation of Powers. Policy matters are dealt with Board and procedural aspect of business is taken care by the CEO wherever applicable. The company has adequate internal control system and the transaction/processes are guided by delegation of power, policies, rules, guidelines and manuals framed. BGCL's internal controls are commensurate with the size and the nature of its operations.

22. BUSINESS RISK MANAGEMENT POLICY

Although the company doesn't have any specific risk management policy as on date. However, the Board reviews the means adopted by the company to mitigate the risk from time to time.

23. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Your Company has always been taking proper steps for the conservation of the energy keeping in mind the fact regarding the scarcity of energy in the Country.
- b) Your Company has always been trying to keep itself technologically updated from

time to time.

- c) There was no foreign exchange earnings and outgo during the year under review.

24. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

There were no funds which were credited or required to be transferred to Investor Education and Protection Fund (IEPF).

25. DIRECTORS RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of section 134 of Companies Act, 2013, the Directors, to the best of their knowledge and belief state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep gratitude for the untiring efforts put in by our JV Partners GAIL and GCGSCL in building up the Company by providing continuous support and assistance as a mentor to the company.

BGCL is also grateful to the PNGRB, Steering members and Nodal Officers of JV Partners, Officials of Govt. of West Bengal and GAIL Officials for their continued patronage.

The Company is thankful to the employees who are on deputation from JV Partners as well as other outsourced personnel, various Government Departments, PMC and other Agencies.

Your Directors are also grateful to the Banker of the Company for providing assistances from time to time.

For and on behalf of Board of Directors



(E.S.Ranganathan)

Chairman

DIN No. 07417640

Place : New Delhi

Date : 7/9/2021

Annexure- A

FORM NO. AOC -2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2021 which were not at arm's length basis.

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

| Name (s) of the related party & nature of relationship | Nature of Contracts/ arrangements / transactions | Duration of Contracts/ arrangements / transactions | Salient terms of the contracts or arrangements or transaction including the value, if any. | Date of approval by the Board | Amount paid as advances, if any |
|--|--|--|--|-------------------------------|---------------------------------|
| GAIL (India) Ltd, Promoter | Deputation of Employees | Regular transaction | Rs. 6,79,67,973 | 17.02.2021 | NIL |
| GCGSCL Promoter | Deputation of Employees | Regular transaction | Rs. 15,60,000/- | | NIL |
| GAIL (India) Ltd, Promoter | Reimbursement of expenses | Regular transaction | Rs. 69,11,372/- | | NIL |
| GAIL (India) Ltd, Promoter | Purchase of CBM and Compression services | Regular transaction | Rs. 55,974/- | 08.07.2019 | NIL |

For and on behalf of Board of Directors



(E.S.Ranganathan)
Chairman
DIN No. 07417640

Place: New Delhi
Date: 07.09.2021



Secretarial Auditor's Report



D. RAUT & ASSOCIATES
COMPANY SECRETARIES

2A-Ganesh Chandra Avenue,
Commerce House, 8th Floor,
Room No.7A, Kolkata-700013
E-mail : csdraut@gmail.com
Phone-033-22259585
Mob- 8981299034

Form No. MR-3

For the Financial Year ending March 31,2021 ('Audit Period')

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

To,

The Members

Bengal Gas Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bengal Gas Company Limited, an unlisted Public 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 **31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Company is not a listed Company. Hence, the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under are not applicable to it;
- (iii) The Company is not a listed Company. Hence, the Depositories Act, 1996 and the Regulations and Bye-laws framed there under are not applicable to it;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Company is not a listed company. Hence, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to it:~
 - 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, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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; and h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) The Company is a Joint Venture Company in between M/s GAIL (India) Limited (a Central Government undertaking) with Greater Calcutta Gas Supply Corporation Limited (a State Government Company) and is incorporated with the objective of laying of Gas pipelines and supply of Gas both for commercial and domestic consumption. The management has represented that except the normal laws that are applicable to all Companies, no specific laws were applicable to it during the Financial Year.

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

- (i) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by ICSI and made effective from 1st July, 2015.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) made effective from 1st December, 2015. *(The Company is not a listed company. Hence, various clauses of Listing Agreement/SEBI (LODR) Regulations are not applicable to it)*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and we have not found any such non-compliances for reporting it as specific observation in this Report.

Management Responsibility:

- 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 the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- 3. We have not verified the correctness and

appropriateness of financial records and Books of Accounts of the Company;

4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors and Non-Executive Directors. 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. Further the Company is not covered under Section 149 read with Sub Rule 1 of Rule 4 of Companies (Appointment of Directors), Rule, 2014 regarding Independent

Directors, as the Company is a Joint-Venture in between GAIL (India) Ltd and Greater Calcutta Gas Supply Corporation Ltd.

Majority decision is carried through while the dissenting members' views 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.

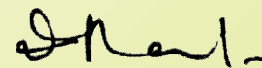
We further report that during the audit period there has been some specific events or actions having a major bearing on the Company's affair in pursuance of the Companies Act, 2013, rules and regulations:

1. The shareholders of the Company in the Annual General Meeting held on 21.10.2020 has passed special resolution:
 - a. In terms of the provisions of Section 180 (c) of the Companies Act, 2013, authorizing Board of Directors to make borrowings which might exceed paid up capital and free reserves to the extent of Rs. 3,250 crores.
 - b. In terms of the provisions of Section 180 (1) (a) of the Companies Act, 2013, authorizing the Board of Directors to hypothecate, charge, creation of security on the assets of the Company for the borrowings made by the Company.

Place : Kolkata
Dated :23/08/2021



This report to be read with the annexure 1 enclosed.



Name -Debendra Raut
ACS-16626 , CP-5232
UDIN:A016626C000818405

Our Secretarial Audit Report is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain the Secretarial records and to devise proper systems to ensure compliance of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. The Compliance of the provisions of the Act, and other applicable laws, rules, regulations, standards is the responsibility of management.

Responsibility of Secretarial Auditor:

2. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

4. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
6. The Liability of the issuer of the Audit Report is limited to the Professional Fee that he has received for this assignment.





Independent Auditor's Report

VIMAL & SEKSARIA

Chartered Accountants

31, Ganesh Chandra Avenue,
1st Floor, Kolkata - 700 013.

Ph: 2212 2638 / 4004 8654

INDEPENDENT AUDITORS' REPORT

To the Members of
BENGAL GAS COMPANY LIMITED

Report on the Audit of the Financial Statements

We have audited the financial statements of BENGAL GAS COMPANY LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including 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, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 and the loss and other comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 thereunder, 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 opinion.

Other Information

The Company's management are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the Financial Statements and our auditor's opinion 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 in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for the Financial Statements

The Company's management and 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, loss (including other comprehensive income), changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement 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 and Board of Directors are responsible for assessing the Company's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process. Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement 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 omissions, misinterpretations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3) (!) of the Act, we are also responsible for expression our opinion on whether the company has adequate financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management,
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Centra! Government of India in terms of sub - section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure - A, a statement on the ma ers specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our

- examination of those books,;
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) Pursuant to the Notification No. GSR 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub section (2) of Section 164 of the Companies Act, 2013 are not applicable to the Company, being a Government Company;
- f) Pursuant to Notification No. GSR 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of section 197 of the Companies Act, 2013, are not applicable to the Company, being a Government Company;
- g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B";
- h) As required by section 143 (5) of the Companies Act, 2013, our comments with regard to directions and additional directions issued by the Comptroller and Auditor General of India is given in "Annexure - C";
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations as at March, 31, 2021 which would impact its financial position.
 - In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

Dated: 27/05/2021

Place : Kolkata



For **VIMAL & SEKSARIA**
Chartered Accountants
[Firm Registration No. : 319194 E]

Sd/-

Ritesh Vimal

Partner

[Membership No. : 061327]
UDIN : 21061327AAAACA7424

ANNEXURE- A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (1) of the Independent Auditors' Report of even date to the members of BENGAL GAS COMPANY LIMITED on the Financial Statements as at 31st March 2021 and for the year ended on that date]

- i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of the immovable property as mentioned in Note No. 2 to the financial statements are in the name of the company.
- (ii) The Inventory has been physically verified by the management during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or Other Parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable.
- Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73, 74, 75 and 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) To the best of our knowledge and as per the information and explanations given to us, the Central Government has not specified the maintenance of cost records under sub - section (1) of Section 148 of the Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employee State Insurance, Income Tax, Goods & Services Tax, Duty of Customs, and other material statutory dues, as applicable, with the appropriate authorities. There are no undisputed statutory dues as at the last day of the year which have been outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, there no dues of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise or Value Added Tax which have

not been deposited on account of any dispute.

- (viii) The Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, hence the provisions of Clause 3 (viii) of the Order are not applicable to the Company.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3 (ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) As per notification no. GSR 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause

3 (xii) of the Order are not applicable to the Company.

- (xiii) According to the information and explanations given to us and bases on our examination of the records of the Company, all transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non - cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45 - IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For VIMAL & SEKSARIA

Chartered Accountants

[Firm Registration No. : 319194 E]

Sd/-

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN : 21061327AAAACA7424

Dated: 27/05/2021

Place : Kolkata



ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 (g) of the Independent Auditor's Report of even date to the members of BENGAL GAS COMPANY LIMITED on the Financial Statements for the year ended March 31, 2021

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

We have audited the internal financial controls over financial reporting of BENGAL GAS COMPANY LIMITED ("the Company") as of 31st March 2021 in conjunction with our audit of the IND AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's 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 (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system, over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial

Dated: 27/05/2021

Place : Kolkata



Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for 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 **VIMAL & SEKSARIA**

Chartered Accountants

[Firm Registration No. : 319194 E]

Sd/-

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN : 21061327AAAACA7424

ANNEXURE - C

TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 (h) of the Independent Auditor's Report of even date to the members of BENGAL GAS COMPANY LIMITED on the Financial Statements for the year ended March 31, 2021

Replies to the Directions issued to Statutory Auditors under Section 143 (5) of the Companies Act. 2013

| Sr.No | Point | Reply |
|-------|---|--|
| 1. | Whether the company has system in place to process all the accounting transactions through IT system ? If yes, the implications of processing of accounting transactions outside the IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | On the basis of the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been using Tally ERP 9 for its accounting of financial and stock transactions. No transactions are processed out of the IT system hence there is no adverse financial implication on the integrity of the accounts. |
| 2. | Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan ? If yes, the financial impact may be stated. | The company has not taken any loan from any lender hence there is no restructuring of loan or case of waiver / write off of debts/loans/interest etc. |
| 3. | Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions ? List the cases of deviation. | No funds have been received or are receivable for specific schemes from Central/State agencies. |

For **VIMAL & SEKSARIA**
Chartered Accountants
[Firm Registration No. : 319194 E]

Sd/-
Ritesh Vimal
Partner

[Membership No. : 061327]
UDIN : 21061327AAAACA7424



Dated: 27/05/2021
Place : Kolkata



Financial Statements

BENGAL GAS COMPANY LIMITED

Balance Sheet as at 31st March 2021

| Particulars | Notes | As at 31st March 2021 Amount (Rs.) | As at 31st March 2020 Amount (Rs.) |
|---|-------|--|--|
| ASSETS | | | |
| Non-current Assets | | | |
| (a) Property, plant and equipment | 2 | 5,32,17,525 | 38,07,023 |
| (b) Capital work in progress | 3 | 45,42,47,546 | 11,58,45,585 |
| (c) Non Current Tax Assets | 4 | 37,14,051 | 25,61,285 |
| Total Non-current Assets | | 51,11,79,122 | 12,22,13,893 |
| Current Assets | | | |
| (a) Inventories | 5 | 35,787 | — |
| (b) Financial assets | | | |
| (i) Trade Receivables | 6 | 20,412 | — |
| (ii) Cash and Cash equivalents | 7 | 16,23,84,020 | 27,68,50,252 |
| (iii) Bank Balances other than (ii) above | 8 | 23,74,57,970 | 23,19,97,689 |
| (iv) Loans & Other Receivables | 9 | 19,42,110 | — |
| (v) Other Financial Assets | 10 | 4,16,955 | 29,15,821 |
| (c) Other Current Assets | 11 | 9,69,14,929 | 20,42,281 |
| Total Current Assets | | 49,91,72,184 | 51,38,06,044 |
| Total Assets | | 1,01,03,51,306 | 63,60,19,937 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 12 | 50,00,00,000 | 50,00,00,000 |
| (b) Other equity | 13 | 21,82,12,462 | (1,08,78,291) |
| Total equity | | 71,82,12,462 | 48,91,21,709 |
| Liabilities | | | |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Other Financial Liabilities | 14 | 2,12,20,774 | 1,88,124 |
| (b) Other current liabilities | 15 | 27,09,18,070 | 14,67,10,104 |
| Total current liabilities | | 29,21,38,844 | 14,68,98,228 |
| Total liabilities | | 29,21,38,844 | 14,68,98,228 |
| Total Equity and Liabilities | | 1,01,03,51,306 | 63,60,19,937 |

The accompanying notes forming part of the financial statements

This is the Balance Sheet referred to in our report of even date



For **VIMAL & SEKSARIA**

Chartered Accountants
[Firm Registration No. : 319194 E]

Sd/-

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN :

21061327AAAACA7424

For and on behalf of Board

Sd/-

(E S Ranganathan)

Chairman

Sd/-

(Sunita Hazra)

Director

Sd/-

(S. Bairagi)

CEO

Sd/-

(R. K. Jaipuriyar)

CFO

Sd/-

(G. Singh)

CS

Dated: 27/05/2021

Place : Kolkata

BENGAL GAS COMPANY LIMITED

Statement of Profit and Loss for the financial year ended 31st March 2021

| | Notes | | For the period ended 31st March 2020 Amount (Rs.) |
|--|-------|----------------------|---|
| I Income | | | |
| Revenue from Operations | 16 | 19,440 | — |
| Other income | 17 | 1,39,70,894 | 2,56,12,971 |
| Total Income | | <u>1,39,70,894</u> | <u>2,56,12,971</u> |
| II Expenses | | | |
| Purchase of Stock In Trade | | 44,535 | — |
| Changes in Inventories of Stock in Trade | 18 | (35,787) | — |
| Employee Benefit Expenses | 19 | 1,93,58,336 | 2,23,93,507 |
| Depreciation and Amortisation Expenses | 2 | 15,39,179 | 2,17,411 |
| Other Expenses | 20 | 1,39,93,318 | 1,38,80,345 |
| Total Expenses | | <u>3,48,99,581</u> | <u>3,64,91,262</u> |
| III Profit /(Loss) Before Tax | | <u>(2,09,09,247)</u> | <u>(1,08,78,291)</u> |
| IV Tax Expense | | | |
| Current tax | | — | — |
| V Profit / (Loss) for the period | | <u>(2,09,09,247)</u> | <u>(1,08,78,291)</u> |
| VI Other comprehensive income | | — | — |
| VII Total Comprehensive Income / (Expense) for the year | | <u>(2,09,09,247)</u> | <u>(1,08,78,291)</u> |
| VIII Earnings / (Loss) per equity share (In Rupees): | | | |
| (Face value of share of Rs 10 each) | | | |
| Basic | | (0.42) | (0.22) |
| Diluted | | (0.42) | (0.22) |

* Comparative figures are for the period 04th January 2019 to 31st March 2020
The accompanying notes forming part of the financial statements
This is the Statement of Profit & Loss referred to in our report of even date



For **VIMAL & SEKSARIA**

Chartered Accountants
[Firm Registration No. : 319194 E]

Sd/-

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN :

21061327AAAACA7424

For and on behalf of Board

Sd/-

(E S Ranganathan)

Chairman

Sd/-

(Sunita Hazra)

Director

Sd/-

(S. Bairagi)

CEO

Sd/-

(R. K. Jaipuriyar)

CFO

Sd/-

(G. Singh)

CS

Dated: 27/05/2021

Place : Kolkata

BENGAL GAS COMPANY LIMITED

Statement of Cash Flows for the financial year ended 31st March 2021

| Particulars | For the period ended 31st March 2021 | | For the period ended 31st March 2020 | |
|---|---|-----------------------|---|-----------------------|
| | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) | Amount (Rs.) |
| A. Cash flow from Operating activities : | | | | |
| Profit / Loss before tax | | (2,09,09,247) | | (1,08,78,291) |
| Adjustments for | | | | |
| Depreciation | 15,39,179 | | 2,17,411 | |
| Interest Income | (1,39,58,894) | (1,24,19,715) | (2,56,12,971) | (2,53,95,560) |
| Operating profit before working capital changes | | (3,33,28,962) | | (3,62,73,851) |
| Adjustments for (increase) / decrease in working capital | | | | |
| Loans & Other Receivable | (19,42,110) | | — | |
| Inventories | (35,787) | | — | |
| Trade Receivables | (20,412) | | — | |
| Other Financial Assets | 24,98,866 | | (29,15,821) | |
| Other Current Assets | (9,48,72,648) | | (20,42,281) | |
| Other Financial Liabilities | 2,10,32,650 | | 1,88,124 | |
| Other Current Liabilities | 12,42,07,966 | 5,08,68,524 | 14,67,10,104 | 14,19,40,126 |
| Cash generated from operations | | 1,75,39,562 | | 10,56,66,275 |
| Income tax paid | | (11,52,766) | | (25,61,285) |
| Net cash generated from operating activities | | 1,63,86,796 | | 10,31,04,990 |
| B. Cash Flow from Investing activities: | | | | |
| Purchase of Fixed Assets | (5,09,49,680) | | (39,63,535) | |
| Purchase of Intangible Assets | — | | (60,900) | |
| Expenses on Capital Work in Progress | (33,84,01,961) | | (11,58,45,585) | |
| Fixed Deposit | (54,60,281) | | (23,19,97,689) | |
| Interest received | 1,39,58,894 | (38,08,53,028) | 2,56,12,971 | (32,62,54,737) |
| Net cash flow from investing activities | | (38,08,53,028) | | (32,62,54,737) |
| C. Cash Flow from financing activities: | | | | |
| Issue of Shares | | — | | 50,00,00,000 |
| Share Application Money | | 25,00,00,000 | | — |
| Net cash from financing activities | | 25,00,00,000 | | 50,00,00,000 |
| Net increase/(decrease) in cash and cash equivalents | | (11,44,66,232) | | 27,68,50,252 |
| Cash and cash equivalents at the beginning of the period | | 27,68,50,252 | | 27,68,50,252 |
| Cash and cash equivalents at the end of the period | | 16,23,84,020 | | 27,68,50,252 |
| Cash and Cash equivalents comprises of | | | | |
| Balance with Banks | | | | |
| Balance in Bank Accounts | | 8,23,73,364 | | 1,99,43,415 |
| Cheques in Hand | | 10,656 | | — |
| Fixed Deposits with original maturity of less than 3 months | | 8,00,00,000 | | 25,69,06,837 |
| | | 16,23,84,020 | | 27,68,50,252 |

* Comparative figures are for the period 04th January 2019 to 31st March 2020

The accompanying notes forming part of the financial statements

This is the Statement of Profit & Loss referred to in our report of even date



For **VIMAL & SEKSARIA**

Chartered Accountants
[Firm Registration No. : 319194 E]

Sd/-

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN :

21061327AAAACA7424

For and on behalf of Board

Sd/-

(E S Ranganathan)
Chairman

Sd/-

(Sunita Hazra)
Director

Sd/-

(S. Bairagi)
CEO

Sd/-

(R. K. Jaipuriyar)
CFO

Sd/-

(G. Singh)
CS

Dated: 27/05/2021

Place : Kolkata

BENGAL GAS COMPANY LIMITED

Statement of Changes in Equity
for the year ended 31st March 2021

| Particulars | As at | As at |
|---|---------------------------------|---------------------------------|
| | 31st March 2021 Amount (Rs.) | 31st March 2020 Amount (Rs.) |
| A Equity Share Capital | | |
| Opening Balance | 50,00,00,000 | — |
| Equity Share Capital issued during the period | — | 50,00,00,000 |
| | <u>50,00,00,000</u> | <u>50,00,00,000</u> |

B Other Equity

For the year ended 31st March 2021

| | Other Equity | | |
|----------------------------------|--|----------------------|---------------------|
| | Share Application Money Pending Allotment | Retained Earnings | Total |
| Balance as at 01st April, 2020 | | (1,08,78,291) | (1,08,78,291) |
| Profit / (Loss) for the year | | (2,09,09,247) | (2,09,09,247) |
| Share Application Money Received | 25,00,00,000 | — | 25,00,00,000 |
| Balance as at 31st March 2021 | <u>25,00,00,000</u> | <u>(3,17,87,538)</u> | <u>21,82,12,462</u> |

| | Other Equity Retained Earnings |
|--------------------------------|--------------------------------------|
| Profit / (Loss) for the period | (1,08,78,291) |
| Balance as at 31st March, 2020 | <u>(1,08,78,291)</u> |

The accompanying notes forming part of the financial statements
This is the Statement of Charges in Equity referred to in our report of even date

For **VIMAL & SEKSARIA**

Chartered Accountants
[Firm Registration No. : 319194 E]

Sd/-

Ritesh Vimal

Partner

[Membership No. : 061327]

UDIN :

21061327AAAACA7424

For and on behalf of Board

Sd/-

(E S Ranganathan)
Chairman

Sd/-

(Sunita Hazra)
Director

Sd/-

(S. Bairagi)
CEO

Sd/-

(R. K. Jaipuriyar)
CFO

Sd/-

(G. Singh)
CS

Dated: 27/05/2021

Place : Kolkata



BENGAL GAS COMPANY LIMITED

Notes forming part of the Financial Statements for the year ended 31st March 2021

1 A. Corporate Information and Significant Accounting Policies Corporate Information / Company Overview

Bengal Gas Company Limited ("BGCL" or the company) is a limited company domiciled in India and was incorporated on 4th January 2019. The Company is a joint venture of GAIL (India) Limited, a Government of India undertaking and Greater Calcutta Gas Supply Corporation Limited (GCGSCL), a Government of West Bengal Enterprise. These companies are having equal equity of 50 % each in BGCL. The registered office of the company is located at 4th Floor, Block B, Finance Centre CBD, Action Area - II B, New Town, Kolkata, West Bengal - 700 156. The company has been incorporated to develop City Gas Distribution (CGD) network in Kolkata and parts of adjoining districts of North 24 Parganas, South 24 Parganas, Howrah, Hooghly and Nadia to cater to gas supply to customers in the domestic, transport, and commercial sectors.

The financial Statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors on 27th May 2021.

Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (ind - AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules,

2016. The financial statements have been prepared as a going concern on accrual basis of accounting.

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparation of these Financial Statements.

The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy. The Company's Financial Statement is presented in Indian Rupees (INR), which is also its functional currency and all values are rounded to the nearest Rupee.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division 11) to the Companies Act, 2013. As the operating cycle cannot be identified in normal course due to special nature of industry, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

Accounting Policies

1.1 Property Plant and Equipment (PPE)

- a) Tangible Assets

- (i) Property, Plant and Equipment are stated at original cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation/amortization and cumulative impairment losses (if any). Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.
- (ii) Stores & Spares which meet the definition of PPE (whether as component or otherwise) and satisfy the recognition criteria, are capitalized as PPE in the underlying asset. Major inspection / overhaul / repair is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.
- (iii) Technical know-how / license fee incurred at the time of procurement of PPE are capitalised as a part of the underlying asset.
- b) Intangible Assets
Intangible assets like Right of Use (RoU), Software, Licenses which are expected to

provide future enduring economic benefits are capitalized as intangible Assets and are stated at their cost of acquisition less accumulated amortization and any accumulated impairment loss.

1.2 Capital Work In Progress

- (a) The capital work in progress includes Construction Stores including Material in Transit / Equipment / Services, etc. received at site for use in the projects.
 - (b) All revenue expenses incurred during Construction Period, which are exclusively attributable to acquisition / construction of the asset, are capitalized at the time of commissioning of such assets.
 - (c) Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress,
 - (d) Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.
- ### **1.3 Foreign Currency Transaction :**
- (a) Functional Currency of the Company is Indian Rupee (INR).
 - (b) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.
 - (c) Monetary items (such as Cash, Receivables, Loans, Payables, etc.)

denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.

- (d) Non-monetary items (such as Investments, Property plant and equipment, etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transactions.
- (e) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss.
- (f) 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 is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case may be.

1.4 Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

1.5 Inventories

Stock in Trade of Compressed Natural Gas (CNG) is valued at cost on First in First out (FIFO) basis or net realizable value, whichever is lower.

1.6 Revenue Recognition

- (a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes contributions by customers towards assets over which Company has control.
- (b) Insurance claims (if any) are accounted for on the basis of claims admitted by the insurers.
- (c) Claims (including interest on delayed realization from customers) are accounted for, when there is significant certainty that the claims are realizable.
- (d) Interest income and expenses are reported on an accrual basis using the effective interest method.

1.7 Depreciation / Amortisation

- (a) Tangible Assets

Depreciation on Tangible PPE is provided in accordance with the manner and useful life as specified in Schedule II of the Companies Act, 2013, on straight line method (SLM) on pro-rata basis (monthly pro-rata for bought out assets).

(b) Intangible Assets

- (i) Intangible assets comprising software and licenses are amortized on Straight Line Method (SLM) over the useful life from the date of capitalization which is considered not exceeding five years.

Right of Use (Roll) having indefinite life (for which there is no foreseeable limit to the period over which they are expected to generate net cash flows given the fact that these rights can be used even after the life of the respective asset) are not amortised, but are tested for impairment annually.

- (ii) After impairment of assets, if any, depreciation is provided on the revised carrying amount of assets over its remaining useful life.

1.8 Employee Benefits

The Company at present does not have any employees. All employees of the company are arranged on deputation from Holding / Associate companies on fixed term basis. Claims raised by the Holding / Associate companies in respect of such employees deputed to the company is considered as an employee benefit. No Short Term / Long Term Employment obligations other than those payable to the Holding / Associate companies are envisaged and hence not been considered. The company is not required to take registration and comply with the Employee Provident Fund and Miscellaneous Provisions Act, 1952.

1.9 Impairment of Non - Financial Assets

The Carrying amount of cash generating unit are reviewed at each reporting date. In case there is any indication of impairment based on Internal/ External factors, impairment loss is recognized wherever the carrying amount of asset exceeds its recoverable amount.

1.10 Provision, Contingent Liabilities, Contingent Assets and Capital Commitments

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities / assets are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.
- (b) Estimated amount of contracts remaining to be executed on capital accounts are disclosed each case above Rs. 5 lacs.

1.11 Taxes on Income

- (a) Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.
- (b) Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial

reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date. Deferred Tax Asset is recognized when it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

1.12 Cash and Cash Equivalents

Cash and cash equivalents consists of cash at bank and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.13 Segment Reporting

Presently the company has only one operating and reporting segment i.e. City Gas Distribution Network which is based on the information reported to the chief operating decision maker (CODM) in accordance with the requirements of Indian Accounting Standard 108 - "Operating Segment Reporting", notified under the Companies (Indian Accounting Standards) Rules, 2015.

1.14 Earnings Per Share

Basic earnings per equity share are computed by dividing the net profit after tax attributable to the equity shareholders by the weighted

average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

1.15 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Company as a lessee (Assets taken on lease)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of use assets representing the right to use the underlying assets.

i) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease

term reflects the Company exercising the option to terminate.

ii) Determination of discount rate as a lessee
In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease

iii) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset

iv) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

b) Company as lessor (Assets given on lease)

When the company acts as lessor, it determines at the lease commencement whether lease is finance lease or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables and finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the

net investment outstanding in respect of the lease.

1.16 Liquidated Damages / Price Reduction Schedule

Amount recovered towards Liquidated Damages / Price Reduction Schedule are adjusted / appropriated as and when the matter is settled.

1.17 Cash Flow Statement

Cash Flow statement is prepared in accordance with the indirect method prescribed in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

1.18 Fair Value Measurement

The Company measures financial instruments including derivatives and specific investments (other than subsidiary, joint venture and associates), at fair value at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets (i) Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through Statement of Profit and Loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(ii) Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

(iii) Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- Financial assets carried at amortised cost

A financial asset other than derivatives and specific investments, 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.

- Financial assets at fair value through other comprehensive Income

A financial asset other than derivatives comprising specific investment 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.

- Financial assets at fair value through Statement of Profit and Loss

A financial asset comprising derivatives which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(v) Impairment of other financial assets

The Company assesses impairment based on expected credit losses (ECL) model for

measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

(b) Financial Liabilities (i) Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through Statement of Profit and Loss.

(ii) Initial recognition and measurement

AM financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

(iii) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below :-

- Financial liabilities carried at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

- Financial liabilities at fair value through Statement of Profit & Loss

Financial liabilities at fair value through Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit and Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category comprises derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss. (iv) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1B Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial

statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures, contingent liabilities/assets at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

1 Judgements

In the process of applying the Company's accounting policies, management has made the judgements, which have the most significant effect on the amounts recognized in the financial statements:

1.1 Contingencies

Contingent liabilities and assets which may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and

other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involve the exercise of significant judgements and the use of estimates regarding the outcome of future events.

2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company determines its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.1 Impairment of non - financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, recent market transactions are taken into account. If

no such transactions can be identified, an appropriate valuation model is used.

2.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.3 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgements in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Impairment of investment in subsidiaries, joint ventures or associates is based on the impairment calculations using discounted cash flow/net asset value method, valuation report of external agencies, Investee Company's past history etc.

BENGAL GAS COMPANY LIMITED

Notes forming part of the Financial Statements for the year ended 31st March 2021

2. Property, Plant & Equipment

| Property, Plant & Equipment for the financial year ended 31st March 2021 | | | | | | | | | |
|--|----------------------------|--------------------------------|---|-----------------------------|----------------------------|-----------------|---|-----------------------------|-----------------------------|
| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Amount (Rs.) Net Block |
| | As at 1st April 2020 | Addition during the Year | Sale/ Disposal during the year | As at 31st March 2021 | As at 1st April 2020 | For the year | Sale/ Disposal during the year | As at 31st March 2021 | As at 31st March 2021 |
| Tangible Assets | | | | | | | | | |
| Land (Rajarambati) | — | 40,42,039 | — | 40,42,039 | — | — | — | — | 40,42,039 |
| Plant and Machinery | — | 4,55,40,799 | 4,55,40,799 | — | 2,84,474 | — | 2,84,474 | 4,52,56,325 | |
| Furniture & Fixture | 12,09,698 | — | — | 12,09,698 | 67,037 | 1,14,921 | — | 1,81,959 | 10,27,739 |
| Computers & Peripherals | 26,62,080 | 13,04,018 | — | 39,66,098 | 1,40,513 | 11,18,402 | — | 12,58,916 | 27,07,182 |
| Electrical Equipment | 91,757 | 62,824 | — | 1,54,581 | 726 | 9,214 | — | 9,941 | 1,44,640 |
| | 39,63,535 | 5,09,49,680 | — | 5,49,13,215 | 2,08,277 | 15,27,012 | — | 17,35,289 | 5,31,77,926 |
| Intangible Assets | | | | | | | | | |
| Software | 60,900 | — | — | 60,900 | 9,134 | 12,167 | — | 21,301 | 39,599 |
| | 60,900 | — | — | 60,900 | 9,134 | 12,167 | — | 21,301 | 39,599 |
| | 40,24,435 | 5,09,49,680 | — | 5,49,74,115 | 2,17,411 | 15,39,179 | — | 17,56,590 | 5,32,17,525 |

| Property, Plant & Equipment for the financial year ended 31st March 2020 | | | | | | | | | |
|--|----------------------------|--------------------------------|---|-----------------------------|----------------------------|-----------------|---|-----------------------------|-----------------------------|
| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Amount (Rs.) Net Block |
| | As at 1st April 2020 | Addition during the Year | Sale/ Disposal during the year | As at 31st March 2021 | As at 1st April 2020 | For the year | Sale/ Disposal during the year | As at 31st March 2021 | As at 31st March 2021 |
| Tangible Assets | | | | | | | | | |
| Furniture & Fixture | — | 12,09,698 | — | 12,09,698 | — | 67,037 | — | 67,037 | 11,42,660 |
| Computers & Peripherals | — | 26,62,080 | — | 26,62,080 | — | 1,40,513 | 1,40,513 | — | 25,21,567 |
| Electrical Equipment | — | 91,757 | — | 91,757 | — | 726 | 726 | — | 91,030 |
| | — | 39,63,535 | — | 39,63,535 | — | 2,08,277 | — | 2,08,277 | 37,55,257 |
| Intangible Assets | | | | | | | | | |
| Software | — | 60,900 | — | 60,900 | — | 9,134 | — | 9,134 | 51,766 |
| | — | 60,900 | — | 60,900 | — | 9,134 | — | 9,134 | 51,766 |
| | — | 40,24,435 | — | 40,24,435 | — | 2,17,411 | — | 2,17,411 | 38,07,023 |

BENGAL GAS COMPANY LIMITED

Notes forming part of the Financial Statements for the period ended 31st March 2020

3. Capital Work in Progress

| Capital Work in Progress for the financial year ended 31st March, 2021 | | | | |
|--|----------------------------|---------------------------------|--------------------------------------|-----------------------------|
| Particulars | Gross Block | | | Amount (Rs.) Net Block |
| | As at 1st April 2020 | Additions during the year | Capitalisation during the year | As at 31st March 2020 |
| Tangible Assets | | | | |
| Construction of City Gas Distribution Network | 11,58,45,585 | 18,51,26,062 | 4,55,40,799 | 25,54,30,847 |
| Capital Stores including Material in Transit | — | 19,66,63,034 | — | 19,66,63,034 |
| | 11,58,45,585 | 38,17,89,096 | 4,55,40,799 | 45,20,93,881 |
| Intangible assets | — | 21,53,665 | — | 21,53,665 |
| | — | 21,53,665 | — | 21,53,665 |
| | 11,58,45,585 | 38,39,42,761 | 4,55,40,799 | 45,42,47,546 |

| Capital Work in Progress for the financial year ended 31st March, 2021 | | | | |
|--|--------------------|---------------------------------|--------------------------------------|-----------------------------|
| Particulars | Gross Block | | | Amount (Rs.) Net Block |
| | Opening Balance | Additions during the year | Capitalisation during the year | As at 31st March 2020 |
| Tangible Assets | | | | |
| Construction of City Gas Distribution Network | — | 11,58,45,585 | — | 11,58,45,585 |
| | — | 11,58,45,585 | — | 11,58,45,585 |
| Intangible assets | — | — | — | — |
| | — | 11,58,45,585 | — | 11,58,45,585 |

BENGAL GAS COMPANY LIMITED

Notes forming part of the Financial Statements for the period ended 31st March 2021

| Particulars | As at 31st March 2021 Amount (Rs.) | As at 31st March 2020 Amount (Rs.) |
|--|--|--|
| 4. Non Current Tax Assets | | |
| Tax Ducted at Source Receivable | 37,14,051 | 25,61,285 |
| | 37,14,051 | 25,61,285 |
| 5. Inventories | | |
| [Refer to Note No. 1.5 of Significant Accounting Policies for valuation methods] | | |
| <u>Stock in Trade</u> | | |
| Stock of Compressed Natural Gas (CNG) | 35,787 | — |
| | 35,787 | — |
| 6. Trade Receivables | | |
| (Unsecured, Considered Good) | | |
| Due for less than six months | 20,412 | — |
| | 20,412 | — |
| 7. Cash and Cash Equivalents | | |
| Balances with banks | | |
| - In current accounts | 8,23,73,364 | 1,99,43,415 |
| - Cheque in hand | 10,656 | — |
| Fixed Deposit with original Maturity less than three months | 8,00,00,000 | 25,69,06,837 |
| | 16,23,84,020 | 27,68,50,252 |

| Particulars | As at 31st March 2021 Amount (Rs.) | As at 31st March 2020 Amount (Rs.) |
|--|--|--|
| 8. Bank Balance other than Cash and Cash Equivalents | | |
| Fixed Deposits with original maturity more than three months but less than twelve months [Includes Fixed Deposits of Rs. 13,49,51,000 (Previous year : Rs. 13,10,00,000) under Bank Lien against Bank Guarantee] | 23,19,97,689 | 23,19,97,689 |
| | 23,19,97,689 | 23,19,97,689 |
| 9. Loans and Other Receivables (Unsecured, Considered Good) | | |
| Security Deposits | 19,42,110 | — |
| | 19,42,110 | — |
| 10. Other Current Financial Assets | | |
| Interest Accrued but not due | 4,16,955 | 29,15,821 |
| | 4,16,955 | 29,15,821 |
| 11. Other Current Assets (Unsecured, Considered Good) | | |
| Advance for Capital Assets | 9,56,58,520 | — |
| Other Advances | 1,13,640 | 50,000 |
| Pre - Paid Expences | 11,42,769 | 19,92,281 |
| | 9,69,14,929 | 20,42,281 |

| Particulars | As at 31st March 2021 Amount (Rs.) | As at 31st March 2020 Amount (Rs.) |
|---|--|--|
| 12. Equity share capital | | |
| Authorised | | |
| 10,00,00,000 Equity shares of Rs.10 each | 1,00,00,00,000 | 1,00,00,00,000 |
| Issued, Subscribed & Fully Paid up | | |
| 5,00,00,000 Equity shares of Rs.10 each fully paid up in Cash | 50,00,00,000 | 50,00,00,000 |
| | 50,00,00,000 | 50,00,00,000 |

(a) Reconciliation of no. of Shares and amount outstanding at the end of the reporting period

| | As at 31st March 2021 | | As at 31st March 2020 | |
|--|-----------------------|---------------------|-----------------------|---------------------|
| | Numbers | Amount (Rs.) | Numbers | Amount (Rs.) |
| Equity Shares | | | | |
| At beginning of the year | 5,00,00,000 | 50,00,00,000 | — | — |
| Equity Shares Issued during the period | — | — | 5,00,00,000 | 50,00,00,000 |
| Outstanding at the end of the period | 5,00,00,000 | 50,00,00,000 | 5,00,00,000 | 50,00,00,000 |

(b) Terms and rights attached to the equity shares

The Company has only one class of Equity shares having face value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Holders of the equity shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholders holding more than 5 % shares in the company

| | As at 31st March 2021 | | As at 31st March 2020 | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Numbers | Percentage of Holding | Numbers | Percentage of Holding |
| GAIL India Ltd. | 2,50,00,000 | 50% | 2,50,00,000 | 50% |
| Greater Calcutta Gas Supply Corporation Ltd. | 2,50,00,000 | 50% | 2,50,00,000 | 50% |

| Particulars | As at 31st March 2021 Amount (Rs.) | As at 31st March 2020 Amount (Rs.) |
|---|--|--|
| 13. Other Equity | | |
| Retained Earnings | | |
| Opening Balance of Profit / (Loss) | (1,08,78,291) | — |
| Profit / (Loss) for the year | (2,09,09,247) | (1,08,78,291) |
| | (3,17,87,538) | (1,08,78,291) |
| Share Application Money pending allotment | 25,00,00,000 | — |
| Share Application Money received during the year | 25,00,00,000 | — |
| | 21,82,12,462 | (1,08,78,291) |
| <p>- Share application money pending allotment has been received from GAIL (India) Ltd.</p> <p>- The shares have been allotted on 19th May 2021</p> <p>- The authorised capital of the company is sufficient to cover the share capital amount on allotment of shares out of the above share application money</p> <p>- No amount is refundable out of the above share application money and no interest is payable</p> | | |
| 14. Other Financial Liabilities - Current | | |
| Deposits / Retention Money from Contractors / Others | 2,12,20,774 | 1,88,124 |
| | 2,12,20,774 | 1,88,124 |
| 15. Other Current Liabilities | | |
| Statutory Liabilities | 30,40,967 | 29,27,078 |
| Other Liabilities | 26,78,77,103 | 14,37,83,026 |
| [Includes Rs.18,43,20,618 (Previous Year: Rs. 10,78,62,635) | | |
| Payable to Related Parties] | | |
| | 27,09,18,070 | 14,67,10,104 |

| Particulars | For the Year Ended 31st March 2021 Amount (Rs.) | *For the Period Ended 31st March 2020 Amount (Rs.) |
|---|--|---|
| 16. Revenue from Operations | | |
| Sale of Products - Gas | 19,440 | — |
| | 19,440 | — |
| 17. Other Income | | |
| Interest income | 1,39,58,894 | 2,56,12,971 |
| Miscellaneous Income | 12,000 | — |
| | 1,39,70,894 | 2,56,12,971 |
| 18. Changes in Inventories of Stock in Trade | | |
| <u>Opening Stock of Stock in Trade</u> | | |
| Compressed Natural Gas (CNG) | — | — |
| <u>Closing Stock of Stock in Trade</u> | | |
| Compressed Natural Gas (CNG) | 35,787 | — |
| | 35,787 | — |
| 19. Employee Benefit Expenses | | |
| Employee Cost | 1,93,58,336 | 2,23,93,507 |
| | 1,93,58,336 | 2,23,93,507 |

Comparative figures are for the period 04th January 2019 to 31st March 2020

| Particulars | For the Year Ended 31st March 2021 Amount (Rs.) | *For the Period Ended 31st March 2020 Amount (Rs.) |
|--|--|---|
| 20 Other Expenses | | |
| Operation and Maintenance Services | 22,29,812 | — |
| Safety Health Environment Services | 11,80,000 | — |
| Transportation of Gas | 15,90,717 | — |
| Payment to Auditors | 1,97,800 | 1,68,000 |
| Advertisement | 2,20,829 | 3,32,428 |
| Board Meeting Expenses | 5,52,586 | 1,56,537 |
| Computer Accessories & Maintenance | 7,20,886 | 5,57,306 |
| Miscellaneous Expenses | 5,51,525 | 2,56,247 |
| Internal Audit Fees | 41,300 | — |
| Secretarial Audit Fees | 40,000 | — |
| Office Rent | 4,29,821 | — |
| Pantry Charges | 2,81,130 | — |
| Foundation Day Expense | — | 13,57,000 |
| Preliminary Expenses | — | 76,95,636 |
| Printing & Stationery | 5,42,011 | 2,49,758 |
| Professional Fees | 13,81,950 | — |
| Retainership Expenses | 15,69,466 | 10,44,300 |
| Security Charges | 6,81,788 | — |
| Telephone Expenses | 67,124 | — |
| Travelling Expenses | 2,74,290 | 13,61,793 |
| Vehicle Hire Charges | 14,40,285 | 7,01,340 |
| | 1,39,93,318 | 1,38,80,345 |
| 20.1 Payment to Auditors | | |
| Statutory Audit Fees (Including GST) | 1,38,800 | 1,18,000 |
| Out of Pocket Expenses (including GST) | 59,000 | 50,000 |
| | 1,97,800 | 1,68,000 |

* Comparative figures are for the period 04th January 2019 to 31st March 2020

21. During the year ended 31st March 2021, there were no employees on the rolls of the company. The employees in various capacities are deputed in the company by the Holding /Associate companies. Salary and Allowances payment of employees deputed in company are being paid by their respective Holding / Associate companies and accounted for through debit notes / advices / invoices raised. The provisions in respect of employees benefits and disclosures requirements in terms of IND AS 19 has not been provided in accounts as the same has been complied by the Holding / Associate Companies.

22. Contingent Liabilities and Commitments :

(a) Contingent Liabilities :-

The company has given bank guarantee of Rs. 13,10,00,000 (Previous Year : Rs. 13,10,00,000) for request of authorization of Kolkata CGD Network to Petroleum & Natural Gas Regulatory Board (PNGRB). The non fund based loan has been availed from State Bank of India, Salt Lake Electronic Complex Branch, Sector V, Bidhannagar, Kolkata 700 091 for a period of 3 years. Security of Rs. 13,10,00,000 (Previous Year : Rs. 13, 10,00,000) has been pledged with the bank in the form of fixed deposit.

The company has also given bank guarantee of Rs. 39,51,000 (Previous Year : Rs. Nil) for payment security for the offtake of CBM gas to GAIL (India) Limited. Security of Rs.39,51,000 (Previous Year : Rs.Nil) has been pledged with the State Bank of India, Salt Lake Electronic Complex Branch, Sector V, Bidhannagar, Kolkata 700 091 in the form of fixed deposit.

(b) Capital Commitment:-

The estimated amount of contracts over Rs. 5 lacs amounting to Rs.373.41 Crores (Previous Year : Rs.105.14 Crores) are remaining to be executed on capital accounts and not provided for.

23. Related Party Disclosures:

(a) List of Related Parties:

(i) Key Management Personnel

| Key Management Personnel Designation | Name of Incumbent |
|--------------------------------------|--|
| Chairman and Director | Mr. Gajendra Singh (up to 30 th June, 2020) |
| Chairman and Director | Mr. E.S. Ranganathan (w.e.f- 1 st July, 2020) |
| Director | Mr. Rajeev Mathur (up to 31 st December, 2020) |
| Director | Mr. Gautam Chakraborty (w.e.f.- 1 st January, 2021) |
| Director | Ms. Pritha Sarkar (up to 8 th February, 2021) |
| Director | Mr. Biswanath Chakraborty (w.e.f.- 9 th February, 2021) |
| Director | Ms. Sunrita Hazra |
| Chief Executive Officer | Mr. S. Bairagi |
| Chief Financial Officer | Mr. R.KJaipurayar |
| Company Secretary | Mr. Gyanendra Singh (w.e.f.- 1 st July, 2020) |

(ii) Companies

| Name of Company | Relation |
|--|-------------------|
| GAIL (India) Ltd. | Holding Company |
| Greater Calcutta Gas Supply Corporation Ltd. | Associate Company |

(b) Transaction with Related Parties :

| Name of Related Party | For the Period Ended 31 st March 2021 Amount (Rs.) | For the Period Ended 31 st March 2020 Amount (Rs.) |
|---|---|---|
| (i) Issue of Share Capital GAIL (India) Ltd. | — | 25,00,00,000 |
| Greater Calcutta Gas Supply Corporation Ltd. | — | 25,00,00,000 |
| (ii) Receipt of Share Application Money (Pending allotment of shares) GAIL (India) Ltd. | 25,00,00,000 | — |
| (ii) Services Received for - Deputation of Employees GAIL (India) Ltd. | 6,79,67,973 | 7,04,48,355 |
| Greater Calcutta Gas Supply Corporation Ltd. | 15,60,000 | 12,58,774 |
| (iii) Services Received for- Reimbursement of Expenses GAIL (India) Ltd. | 69,11,372 | 3,06,78,575 |
| Greater Calcutta Gas Supply Corporation Ltd. | — | 54,76,930 |
| (iv) Purchase of CBM and Compression services GAIL (India) Ltd. | 55,974 | — |
| (v) Amounts Payable GAIL (India) Ltd. | 17,60,24,914 | 10,11,26,930 |
| Greater Calcutta Gas Supply Corporation Ltd. | 82,95,704 | 67,35,704 |

(c) Terms and Conditions of transactions with related parties

Transactions with related parties are made on normal commercial terms and conditions and at arm's length price.

24. Earnings Per Share :

Basic and diluted earnings / (loss) per share is calculated by dividing the profit / (loss) during the period attributable to equity shareholders of the Company by the weighted number of equity shares outstanding during the year.

| Particulars | For the Period Ended 31 st March 2021 | For the Period Ended 31 st March 2020 |
|--|--|--|
| Profit/ (loss) after tax attributable to equity shareholders | (2,09,09,247) | (1,08,78,291) |
| Weighted average number of equity shares outstanding during the year | 5,00,00,000 | 5,00,00,000 |
| Nominal value per share | 10.00 | 10.00 |
| Basic and diluted earnings / (loss) per share | (0.42) | (0.22) |

20. Financial instruments- Fair values and risk management

(a) Financial instruments - by category and fair values hierarchy

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

(i) As at 31st March 2021

| Particulars | Carrying Value | | | | Fair Value Measurement Using | | |
|---|----------------|-------|----------------|--------------|------------------------------|---------|---------|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | | |
| Current | | | | | | | |
| Trade Receivable | | | 20,412 | 20,412 | | | |
| Cash Equivalents | | | | | | | |
| - Balances With Bank | — | — | 8,23,73,364 | 8,23,73,364 | — | — | — |
| - Cheque in hand | — | — | 10,656 | 10,656 | — | — | — |
| - Deposits with original maturity of less than 3 months | — | — | 8,00,00,000 | 8,00,00,000 | — | — | — |
| - Balances other than cash and cash equivalents | — | — | 23,74,57,970 | 23,74,57,970 | — | — | — |
| Loans & Other Receivables | — | — | 19,42,110 | 19,42,110 | | | |
| Other financial assets | — | — | 4,16,955 | 4,16,955 | — | — | — |
| Total | — | — | 40,22,21,467 | 40,22,21,467 | — | — | — |
| Financial liabilities | | | | | | | |
| Current | | | | | | | |
| Other current financial liabilities | — | — | 2,12,20,774 | 2,12,20,774 | — | — | — |
| Total | — | — | 2,12,20,774 | 2,12,20,774 | — | — | — |

| Particulars | Carrying Value | | | | Fair Value Measurement Using | | |
|---|----------------|-------|----------------|--------------|------------------------------|---------|---------|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 |
| Financial Assets | | | | | | | |
| Current | | | | | | | |
| Cash | | | | | | | |
| Cash Equivalents | | | | | | | |
| - Balances With Bank | — | — | 1,99,43,415 | 1,99,43,415 | — | — | — |
| - Deposits with original maturity of less than 3 months | — | — | 25,69,06,837 | 25,69,06,837 | — | — | — |
| - Balances other than cash and cash equivalents | — | — | 23,19,97,689 | 23,19,97,689 | — | — | — |
| Other financial assets | — | — | 29,15,821 | 29,15,821 | — | — | — |
| Total | — | — | 51,17,63,762 | 51,17,63,762 | — | — | — |
| Financial liabilities | | | | | | | |
| Current | | | | | | | |
| Other current financial liabilities | — | — | 1,88,124 | 1,88,124 | — | — | — |
| Total | — | — | 1,88,124 | 1,88,124 | — | — | — |

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature.

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk - Foreign exchange; and
- Market risk - Interest rate

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the Management periodically to reflect changes in market conditions and the Company's activities.

26. Allocation of Project Related Expenses to Capital Work In Progress

| Particulars | As at 31st March 2021 Amount (Rs.) | As at 31st March 2020 Amount (Rs.) |
|--------------------------|--|--|
| Pre - Operative Expenses | 2,90,29,483 | 3,19,73,782 |
| Employee Cost | 9,03,22,364 | 4,93,13,623 |
| Vehicle Hire Charges | 56,71,477 | 16,65,628 |
| Travelling Expenses | 22,94,651 | 24,11,076 |
| Office Rent | 1,55,16,932 | 72,35,760 |
| Bank Guarantee Fee | 12,78,432 | 5,58,584 |
| Advertisement | 20,21,615 | 18,13,826 |
| Fee & Other Charges | 14,21,795 | 5,00,000 |
| Workshop Expenses | 49,534 | 41,300 |
| Insurance Charges | 25,40,148 | — |
| | 15,01,46,430 | 9,55,13,578 |

21. The company has considered the possible effects that may result from the COVID -19 impact on the carrying amount of property, plant and equipment, receivables, Stock in Trade and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external source of information and concluded that no adjustments are required to the financial results. The company will continue to monitor the developing scenario for any material changes.
28. Previous Years figures have been re grouped or re arranged wherever necessary. The company was incorporated on 04th January 2019 hence the financial statements of the previous period are from date of incorporation i.e. 04* January 2019 to 31st March 2020.



For **VIMAL & SEKSARIA**
Chartered Accountants
[Firm Registration No. : 319194 E]

Sd/-
Ritesh Vimal
Partner

[Membership No. : 061327]
UDIN :
21061327AAAACA7424

Dated: 27/05/2021
Place : Kolkata

For and on behalf of Board

Sd/-
(E S Ranganathan)
Chairman

Sd/-
(Sunita Hazra)
Director

Sd/-
(S. Bairagi)
CEO

Sd/-
(R. K. Jaipurayar)
CFO

Sd/-
(G. Singh)
CS



Comments of C&AG

गोपनीय

संख्या.:DGA(Energy)/REP/ACs-BGCL/2021-22/ 137



सत्यमेव जयते

भारतीय लेखापरीक्षा एवं लेखा विभाग
महानिदेशक लेखापरीक्षा (ऊर्जा) का कार्यालय
नयी दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE
DIRECTOR GENERAL OF AUDIT (ENERGY)
NEW DELHI

दिनांक/ Dated: 07 .07.2021

सेवा में,

अध्यक्ष
बंगाल गैस कंपनी लिमिटेड
कोलकाता

विषय: 31 मार्च 2021 को समाप्त वर्ष के लिए बंगाल गैस कंपनी लिमिटेड, कोलकाता के वार्षिक लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

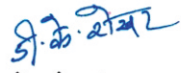
महोदय,

मैं, बंगाल गैस कंपनी लिमिटेड, कोलकाता के 31 मार्च 2021 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अद्योषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।


(डी. के. शेखर)
महानिदेशक

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BENGAL GAS COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Bengal Gas Company Limited for the* year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Bengal Gas Company Limited for the period ended 31 March 2021 under Section 143(6)(a) of the Act.

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



(D. K. Sekar)

Director General of Audit (Energy),
Delhi

Place : New Delhi

Dated: 7 July, 2021



Notice of the AGM

BENGAL GAS COMPANY LIMITED

(A JV Company of GAIL & GCGSCL)

CIN U40300WB2019GOI229618

4th Floor, Flinnco Contro, CBD Action Aroa-IIB, New Town, Kolkata-700161

Website: www.bgcl.co.in; Email: info@bgcl.co.in

Telephone No. 033-23248070

NOTICE OF THE 2nd ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2nd Annual General Meeting of the Members of the Company will be held on 29th September 2021, at 11.30 a.m. (1ST) for the transaction of the following businesses in physical mode/through two-way video conferencing in conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs, Government of India: -

A. ORDINARY BUSINESSES:

1) To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March 2021 and the Report of the Board of Directors and the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon and to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Audited Financial Statement of the Company for the financial year ended 31st March 2021 and the Report of the Board of Directors and that of the Statutory Auditors and the Comments of the Comptroller & Auditor General of India thereon be and are hereby received, considered and adopted.

2) To appoint a Director in place of Smt. Sunrita Hazra (DIN No. 03087356) who

retires by rotation and being eligible, offers herself for re-appointment and to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT Smt. Sunrita Hazra (DIN No. 03087356) be and is hereby re-appointed as Director of the Company liable to retire by rotation.

3) To authorize the Board of Directors of the Company to fix remuneration of the Statutory Auditors of the Company in terms of provisions of Section 142 of the Companies Act, 2013 and other applicable provisions, if any, and to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company to be appointed by the Comptroller & Auditor General of India for the Financial Year 2021 - 22.

B. SPECIAL BUSINESS:

4) Provision for conversion of outstanding Rupee Facility, if any, into Equity in Terms of Facility (Rupee Loan) Agreement.

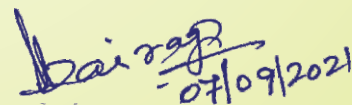
To consider and if thought fit, to pass with or without modification(s), the following Resolution as SPECIAL RESOLUTION:

RESOLVED THAT in accordance with the provisions of Section 62(3) and/or other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the company be and are hereby accorded to the terms and conditions, inter alia, contained in the term facilities (Rupee Loan Agreement) in respect of an option offered to each of the Rupee Lenders to convert the whole or part of the outstanding Rupee Facility of the Company (when due or payable) into fully paid up equity Shares of the Company at par value or fair value (as ascertained in accordance with applicable laws, regulation and guidelines), and in the manner specified in a notice in writing to be given by the Rupee Lenders to the Company (hereinafter referred to as the "Notice of Conversion") and in accordance with the following conditions:

I) The conversion right reserved as aforesaid may be exercised by the Rupee Lenders upon the occurrence of a payment event of default, but after expiry of cure period, if any, as provided under the Rupee Loan Agreement or upon failure to repay the debt/amount due under the loan pursuant to the acceleration/calling up of loan due to an event of default as provided under the Rupee Loan Agreement and Transaction Documents, as the case may be;

- II) On receipt of the Notice of Conversion, the Company shall allot and issue the requisite number of fully paid-up Shares to the Rupee Lenders or such other person identified by the Rupee Lenders as from the date of conversion and the Rupee Lenders shall accept the same in satisfaction of the part of the Rupee Facility so converted;
- III) The part of the Rupee Facility so converted shall cease to carry interest as from the date of conversion and the Rupee Facility shall stand correspondingly reduced. Upon such conversion, the repayment instalments payable after the date of conversion as per the Rupee Loan Agreement, if any, shall stand reduced proportionately by the amounts of the Rupee Facility so converted. The shares so allotted and issued to the Rupee Lenders or such other person identified by the Rupee Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said Shares shall rank pari-passu with the existing equity shares of the Company in all respects.

By Order of the Board of Directors,
for Bengal Gas Company Limited,



S. Bairagi
07/09/2021

S. Bairagi
(Chief Executive Officer)

Dated: 07.09.2021

BENGAL GAS COMPANY LIMITED

(A JV Company of GAIL & GCGSCL)

CIN U40300WB2019GOI229618

4th Floor, Flinnco Contro, CBD Action Aroa-IIB, New Town, Kolkata-700161

Website: www.bgcl.co.in; Email: info@bgcl.co.in

Telephone No. 033-23248070

Notes:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No. 10/2021 dated June 23, 2021 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' and General Circular No.02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM'/'the Meeting') through VC/OAVM, without the physical presence of the Members at a common venue.
2. The deemed venue for the AGM will be the Registered Office of the Company.
3. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM facility, the facility of appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.
4. Attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of Companies Act, 2013.
5. In terms of the aforesaid Circulars, the businesses set out in the Notice will be transacted by the members by participating through VC facility and voting shall be done in accordance with the requirements of the aforesaid Circulars which provides that if the number of members present in a meeting is less than 50, the Chairman may decide to conduct a vote by show of hands unless a demand for poll is made by any member in accordance with the requirements of Section 109 of the Act.
6. To facilitate the smooth conduct of voting on Poll, if demanded in accordance with the requirements of Section 109, members are required to convey their vote at cs@bgcl.co.in
7. Corporate members are required to send to the Company a certified copy of the Board Resolution at cs@bgcl.co.in pursuant to section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the Meeting. A person

authorised by resolution under Section 113(1) of the Companies Act, 2013, shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate which he/she represents.

8. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours

(10.00 am to 5.00 pm) on all working days between Monday and Friday of every week, up to and including the date of the Annual General Meeting of the Company.9. The link to attend the AGM and/or any other instructions will be shared, separately, via email before the meeting for the convenience of the members.

EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT 2013

4) Bengal Gas Company Ltd has arranged project debt of Rs. 2,968.24 Crore through Rupee Term Loan to part fund the estimated Project Cost of Rs. 4,947.06 Crore for implementing City Gas Distribution (CGD) network in Geographical Area (GA) of Kolkata Municipal Corporation and parts of adjoining districts of North 24 Parganas, South 24 Parganas, Howrah, Hooghly and Nadia through a consortium Banks. One of the conditions of the debt term sheet stipulates

furnishing of approval of shareholders of the company as per the provisions of Section 62(3) of Companies Act, 2013 for conversion of loan into equity.

Board of Directors of your Company recommends the Special Resolution as set out in Item No. 4 in the accompanying Notice for approval of the Members.

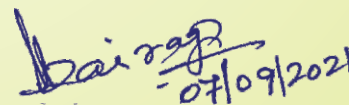
None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution.

Dated: 07.09.2021

Registered Office:

4th Floor, Block B, Finance Centre
CBD, Action Area II B, New Town,
Kolkata, North 24 Parganas, WB- 700161

By Order of the Board of Directors,
for Bengal Gas Company Limited,



S. Bairagi
07/09/2021

S. Bairagi
(Chief Executive Officer)

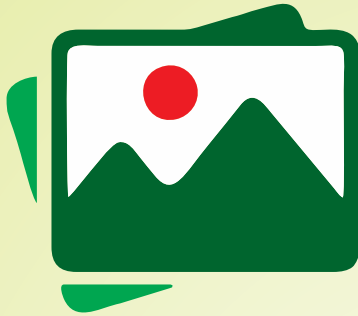


PHOTO GALLERY



Visit of Chairman at O & M base of BGCL



First AGM of the Company



Commencement of Commercial Operation



Signing of Mutual Aid Agreement
between BGCL and EOGPL



Third Foundation day of Bengal Gas Company Ltd



Onsite Mockdrill during PNGRB T4S Audit



Inauguration of CNG facility by Chairman, BGCL



Review of CNG Station operation by BGCL official



World Environment Day Celebration



REGISTERED OFFICE :
BENGAL GAS COMPANY LIMITED

CIN: U40300WB2019GOI229618

4th Floor, Block B, Finance Centre
CBD, Action Area II B, New Town,
Kolkata, North 24 Parganas, WB- 700161

Email: info@bgcl.co.in

Website: www.bgcl.co.in