

43rd Annual Report
2016-2017

BHAGAWATI GAS LIMITED
Formerly Bhagawati Gases Limited

**43rd Annual Report
2016-2017**

BOARD OF DIRECTORS

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

Chairman & Managing Director
Director
Director
Director

AUDITORS

Mohan L Jain & Co.
Chartered Accountants
403, Prabhat Kiran,
17, Rajender Place,
New Delhi - 110008

BANKER

Central Bank of India
State Bank of India

REGISTERED OFFICE

Banawas, Khetri Nagar,
Distt.-Jhunjhunu,
Rajasthan-333504

CORPORATE OFFICE

A-27B, Sector-16, Noida,
Uttar Pradesh-201301

REGISTRAR & TRANSFER AGENT Skyline
Financial Services Private Limited D-153 A,
1st Floor,
Okhla Industrial Area, Phase - I,
New Delhi - 110 020

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NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of members of Bhagawati Gas Limited (formerly Bhagawati Gases Limited) will be held on Saturday, September 30, 2017 at 11.00 A.M. at Banawas, Khetri Nagar-333504, Distt.-Jhunjhunu, Rajasthan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2017 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Rakesh Samrat Bhardwaj (DIN: 00029757), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution, as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and of the Board of Directors, M/s Mohan L. Jain & Co., Chartered Accountants, Delhi (FRN: 005345N) be and are hereby appointed as the Statutory Auditors of the company in place of M/s Chaturvedi & Partners, Chartered Accountants, (FRN: 307068E) whose term expires at the ensuing Annual General Meeting of the company at such remuneration as may be mutually agreed between the Board of Directors and the Auditors, in addition to the reimbursement of applicable taxes and actual out-of-pocket expenses incurred in connection with the audit of accounts of the company.

RESOLVED FURTHER THAT M/s Mohan L. Jain & Co., Chartered Accountants, Delhi (FRN: 005345N), if appointed, as the Statutory Auditors of the company, shall hold the office for a period of five years, from the conclusion of the 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting of the company (subject to ratification of the appointment by members at every Annual General Meeting).

RESOLVED FURTHER THAT the Board of Directors of the company (including its committee thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution.”

SPECIAL BUSINESS

4. **Regularisation of Ms. Shachi Bhardwaj (DIN: 07232850) as director of the company**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Shachi Bhardwaj (DIN: 07232850), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company (including its committee thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution.”

5. **Special Resolution for approval of the limits to grant loan(s)/give guarantee(s) or security(ies) and make investment in securities by the Company in terms of Section 186 of the Companies Act, 2013**

"**RESOLVED THAT** pursuant to Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any body corporate(s) / person (s); or (b) give any guarantee or to provide security in connection with a loan to any other body corporate(s) / person (s); or (c) acquire by way of subscription, purchase or otherwise, the securities of any body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding INR 15,00,00,000/- (Indian Rupees Fifteen Crore Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

Regd. office:
Banawas, Khetri Nagar,
Jhunjhunu,
Rajasthan-333504
CIN: L24111RJ1974PLC005789

For Bhagawati Gas Limited

Rakesh Samrat Bhardwaj
Managing Director
DIN:00029757

Date: 14th August, 2017

NOTES:

1. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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

3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. All documents referred to in the accompanying Notice are open for inspection at the Registered office of the company during the office hours on all working days between 11.00 A.M. to 1.00 P.M. before the date of Annual General Meeting
5. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (Form SH-13).
6. Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder, the Company may send notice of General Meeting, Director's report, Auditor's report, Audited Financial Statements and other documents through electronic mode. Further, pursuant to the first provisions to the Rule 18 of the Companies (Management & Administration) Amendment Rules 2015, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in de-mat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
7. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
8. The Register of Members and Share transfer books of the Company shall remain closed from Saturday, 23rd September, 2017 to Saturday, 30th September, 2017 (both days inclusive)
9. Shareholders seeking any information and having any query with regard to accounts are requested to write to the company in advance so as to enable the Management to keep the information ready.
10. Members are requested to bring their own copies of Annual Report; no spare copies will be available at the venue of meeting.

11. THE COMPANY WHOLE-HEARTEDLY WELCOMES MEMBERS/PROXIES AT THE ANNUAL GENERAL MEETING OF THE COMPANY. THE MEMBERS/ PROXIES MAY PLEASE NOTE THAT NO GIFTS/GIFT COUPONS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.
12. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file namely "BGL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - viii. Select "EVEN" (E-Voting Event Number) of Bhagawati Gas Limited. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to aroracs2@gmail.com, with a copy marked to evoting@nsdl.co.in
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the -downloads section of www.evoting.nsdl.com
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

Other Instructions:

- i. The e-voting period commences on Wednesday, September 27, 2017 (9.00 a.m. IST) and ends on Friday, September 29, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 29th August, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 29th August, 2017.
- iii. Deepak Arora & Associates, Practicing Company Secretary (Membership No. FCS 5104), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Deepak Arora & Associates, Practicing Company Secretary (Membership No. 5104), at the Registered Office of the Company on or before the date of Annual general meeting i.e. Saturday, September 30, 2017.
Members have the option to request for physical copy of the Ballot Form by sending an e-mail to bhagwatigases@gmail.com by mentioning their Folio / DP ID and Client ID No.
A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bglgroup.in and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 43rd AGM of the Company on September 30, 2017 and communicated to the Bombay Stock Exchange Limited where the shares of the Company is listed.

For Bhagawati Gas Limited

Regd. office:
Banawas, Khetri Nagar,
Jhunjhunu,
Rajasthan-333504
CIN: L24111RJ1974PLC005789
Date: 14th August, 2017

Rakesh Samrat Bhardwaj
Managing Director
DIN:00029757

ANNEXURE FORMING PART OF THE NOTICE

(Explanatory Statement pursuant to section 102 of the companies Act 2013)

ITEM No. 3:

This Explanatory statement is provided though strictly not required as per the provision of section 102(1) of the Companies Act, 2013 but required as per provisions of clause 1.2.5 of Secretarial Standards on General Meetings.

M/s Chaturvedi & Partners, Chartered Accountants, (FRN: 307068E) were appointed as the Statutory Auditors of the Company by the Members at their Annual General Meeting held in the year 2014 and thereafter each year till the year 2017. The present Auditors were last re-appointed at 42nd Annual General Meeting held on Friday, the 30th September, 2016 to hold the office from the conclusion of 42nd Annual General Meeting till conclusion of 43rd Annual General Meeting of the company.

The term of present auditors M/s Chaturvedi & Partners, Chartered Accountants, (FRN: 307068E) expires at the conclusion of the ensuing Annual General Meeting. The Audit Committee and the Board have placed on record their appreciation for the professional services rendered by them and their long association with the company as its auditors.

If approved by the Members, the appointment of M/s Mohan L. Jain & Co., Chartered Accountants, Delhi (FRN: 005345N) as a Statutory Auditor will be for a period of five Years commencing from the conclusion of 43rd Annual General Meeting till the Conclusion of 48th Annual General Meeting (subject to ratification of the appointment by the Members at every Annual General Meeting).

M/s Mohan L. Jain & Co., Chartered Accountants, Delhi (FRN: 005345N) have confirmed that their appointment, if made would be within the limits specified under section 141(3) (g) of the Act and that they are not disqualified to be appointed as statutory auditor in term of the provisions of section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors, Key Managerial Personnel (KMPs) and their relatives are concerned or interested in the resolution.

The Directors recommend the Ordinary resolution for your approval.

ITEM No. 4:

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Article of Association of the Company, Ms. Shachi Bhardwaj (DIN: 07232850) who was appointed as an Additional Director of the Company by the Board of directors holds office only up to the date of the ensuing Annual General Meeting.

Brief profile of Ms. Shachi Bhardwaj

Particulars	Ms. Shachi Bhardwaj
Date of Birth	17/10/1966
Date of Appointment	08/07/2015
Qualifications	Matric
Expertise in specific functional areas	Administrative
Directorships held in other public companies (excluding foreign companies and section 8 companies)	NIL
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	NIL
Number of shares held in the Company	977600

She has given his consent to act as a Director of the Company, along with a certificate in Form DIR-8 stating that she is not disqualified from being appointed as a Director in the Company in terms of Section 164 of the Companies Act, 2013.

In order to meet the requirements of the recent modification(s) brought in by the Companies Act, 2013, the Company has requested for, and received the following documents from Ms. Shachi Bhardwaj:

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualifications of Directors) Rules, 2014;
- Intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013 and
- MBP-1 (Notice of Interest by Director) pursuant to Section 184(1) read with Rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014.

The Board considers that his association would be of immense benefit to the Company. The Directors of your Company, therefore, recommend the Resolution in relation to appointment of Ms. Shachi Bhardwaj as Director, for the approval by the shareholders by way of an Ordinary Resolution.

Except for Ms. Shachi Bhardwaj, none of the Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

ITEM No. 5:

In order to make optimum use of funds and also to achieve long term strategic and business objectives, the Board of Directors of the Company propose to make investment in other bodies corporate or grant loan(s), give guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of Section 186(3) of the Companies Act, 2013 and the Rules made there under, the approval of Shareholders is required by way of Special Resolution in case the amount of investment, loan, guarantee or security proposed to be made exceeds sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account whichever is higher.

Accordingly, the Board of Directors of the Company propose to obtain approval of shareholders by way of special resolution as contained in the notice for an amount not exceeding INR 15,00,00,000/- (Indian Rupees Fifteen Crore Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution except to the extent of their respective Shareholding.

DIRECTOR'S REPORT

Your directors have pleasure in presenting their 43rd Annual Report, together with the financial statement of the Company, for the financial year ended 31st March, 2017 as follows:

FINANCIAL RESULTS

(Amount in `Lacs)

Particulars	2016-17	2015-2016
Gross Income	14	7
Gross Profit (before extra ordinary items, interest, depreciation and tax)	(48)	(47)
Bad debts written off	-	-
Interest	10	10
Depreciation	39	39
Provision for Tax	48	-
Net Profit/(Loss)	(49)	(96)

OPERATIONS REVIEW

The Company's oxygen plants at Khetri Nagar, Rajasthan continued to remain closed because its main purchaser Hindustan Copper Ltd (HCL) has not yet restarted its smelter plant operation. This resulted in huge financial losses to the Company.

DIVIDEND

In view of loss, the Board of Directors does not recommend any dividend for the year ended March 31, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DETAILS OF SUBSIDIARY AND ASSOCIATE COMPANIES

There are no subsidiaries or associate companies.

PUBLIC DEPOSITS

During the year, the Company has not invited or accepted any deposit from the public under Section 73 of the Companies Act, 2013. No public deposit is outstanding.

LISTING

The equity shares of Company are listed at Bombay Stock Exchange Limited (BSE). The Company has not paid the listing fee for the year 2016-17 to BSE due to financial constraint.

TRANSFER OF RESERVES

Your Company has suffered huge losses, so no amount has been transferred to the General reserves during the year.

SHARE CAPITAL

Paid up Share Capital of Company is 16742459 equity shares of Rs. 10/- each. There is no change in the Authorized, Issued, Subscribed and Paid up share capital of the Company during the period under review.

DIRECTORS, KEY MANAGERIAL PERSONS AND CHANGES THEREIN

Mrs. Shachi Bhardwaj (DIN: 07232850) was appointed as an additional director in terms of Section 161(1) of the Companies Act, 2013 and as per the Article of Association of the Company to hold office up to the date of this Annual General Meeting.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director. The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that she is not disqualified under Section 164(2) to act as Director.

In the opinion of the Board, she is eligible to be appointed as Director of the Company and her appointment required the approval of members at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies Act 2013, the Directors hereby confirm:

- i) That in preparation of annual accounts for the financial year, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That they have selected such accounting policies described in the notes to accounts which have been applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true & fair view of the state of affairs of the company at the end of financial year 2016-2017 and of the Profit & Loss of the company for the period under report;
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iii) We have prepared the annual accounts on a going concern basis;
- iv) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- v) 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.

MEETINGS

A calendar of meetings is prepared and circulated in advance to the Directors. During the year 04 (four) Board Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act 2013.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors namely, Mr. Ganga Charan (DIN: 00387567) and Mr. Kailash Chand Kedia (DIN: 01243510) have given their declarations that they met the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

DETAILS OF POLICIES

I. Nomination and Remuneration Policy

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

II. Risk Management Policy

Business Risk evaluation and Management is an ongoing process within the Organization. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Board has framed a Risk Management Policy for the Company. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

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

III. Whistle Blower Policy – Vigil Mechanism

Your Company has formulated a Vigil Mechanism Policy with a view to provide a mechanism for employees and directors of the Company to approach the Chairman of the Audit Committee to ensure adequate safeguards against victimization. This policy would help to create an environment wherein individuals feel free and secure to raise an alarm, whenever any fraudulent activity takes place or is likely to take place. It will also ensure that complainant(s) are protected from retribution, whether within or outside the organization. The detail of establishment of the Vigil Mechanism Policy is available on the Company's website at www.bglgroup.in.

IV. CORPORATE GOVERNANCE

As required by sub regulation (2) of Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on corporate governance is provided as **Annexure B** which forms part of the Directors' Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139,141, 142 of the Act and the rules framed thereunder, M/s Mohan L. Jain & Co., Chartered Accountants , Delhi is appointed as statutory auditor of the company in place of M/s Chaturvedi & Partners, Chartered Accountants, New Delhi (Firm Registration No. 307068E), whose term expires at the ensuing Annual General Meeting of the company at such remuneration as may be mutually agreed between the Board of Directors and the Auditors, in addition to the reimbursement of applicable taxes and actual out-of-pocket expenses incurred in connection with the audit of accounts of the company.

REPLY BY MANAGEMENT ON AUDITORS QUALIFIED OPINION:

- i. In respect of auditors' observation regarding non-provision for receivables, doubtful advances aggregating to Rs. 146,325,761 as to when and to what extent said amount would be recovered, it is submitted that company is trying to get confirmation from the customers/ external parties and expects to receive the same by the end of upcoming quarter i.e. 30th September, 2017.

- ii. In respect of auditors' observation regarding closure of company's plant during the year and doubt on company's ability to continue as going concern, the company is trying to arrange additional funds for obligations pertaining to borrowings, unpaid creditors and statutory dues.
- iii. In respect of auditors' observation regarding bank balance confirmation of Rs. 52,807, request has been forwarded to the bank and upon the receipt of the same, will be submitted to auditor.
- iv. In respect of auditors' observation regarding interest free inter corporate loan granted by the Company of Rs. 11,188,288, it is submitted that the Company and the borrower Company are considering the conversion of the said loan into equity. The terms of conversion are in process.
- v. In respect of auditors' observation regarding managerial remuneration, the excess managerial remuneration will be refunded in due course of time.

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

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

LOANS AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

During the year under review, all the transactions entered into by the company with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were in ordinary course of business and on arm's length basis. There was no materially significant transaction with the related parties during the financial year which were in conflict with the interests of the company. Disclosure of transactions with related parties as required under the Accounting Standard (AS-18) has been made in the notes forming part of Financial Statement. The prescribed Form AOC-2 is appended in **Annexure D** which forms part of this report.

MANAGERIAL REMUNERATION

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

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

There are no pecuniary relationships or transactions of the non executive independent director vis-à-vis the company for the period ending March 31, 2017.

BOARD'S EVALUATION

Pursuant to the provisions of Section 134 (3) (p) the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

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

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized recorded and reported correctly.

SECRETARIAL AUDITORS

As per provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company is required to appoint Secretarial Auditor to carry out secretarial audit of the Company. The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure F** and forms part of this report.

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

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

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure G**.

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

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

The Company has not received any complaint on sexual harassment during the financial period ended March 31, 2017.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration & other details as required U/S 197 read with relevant rule of the Companies (appointment & remuneration of managerial personnel) rule 2014. There is no employee under this category.

ACKNOWLEDGEMENT

Directors place on record their thanks for the assistance and co-operation received from Banks and all other customers for their continued support and patronage.

Your Directors also wish to place on record the dedicated and devoted services rendered by all personnel of the Company.

Regd. office:

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

Date: 14th August, 2017

For Bhagawati Gas Limited

Rakesh Samrat Bhardwaj
Managing Director
DIN:00029757

Annexure A

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

INDUSTRIAL GAS INDUSTRY

According to the report "India Industrial Gases Market Forecast & Opportunities, 2018" the industrial gases market in the country is expected to grow at CAGR of 14% by 2018. India's market for tonnage plants as well as merchant or small sized plants is witnessing growth as a result of growth in industrial as well as commercial market. The commercial market is influenced by growth in light engineering industry as well as metal fabrication industry, being clustered in northern and western regions of the country. Similarly, industrial gases market is influenced by growth in steel and refineries sector, being concentrated in eastern and southern part of the country. Positive government policies to drive investments in iron and steel sector, coupled with estimated domestic demand of more than 110 Million Metric Tonnes is expected to drive capacity addition in steel industry. This is further expected to drive demand for tonnage plants, positively impacting overall industrial gases market in India. Apart from this, capacity addition in refineries are driving demand for nitrogen gases, which are solely used to improve efficiency in refineries for processing of crude oil as well as pressure and purging applications.

FUTURE OUTLOOK

The Company is expecting that Hindustan Copper Ltd (HCL) may restart smelter operation at Khetrinagar in the near future and accordingly the oxygen plant of the company will also restart.

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

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

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

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

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

HUMAN RESOURCES

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

CORPORATE GOVERNANCE

The Company follows principle of effective Corporate Governance. The endeavor of the Company is not only to comply with regulatory requirements but also to practice Corporate Governance principles that lay emphasis on integrity, transparency and overall accountability. The Company adheres to most of the recommendations made by the SEBI and incorporated by the Stock Exchanges in the Standard Listing Agreement. However, due to paucity of funds and unavailability of qualified staff there was a delay in complying with the condition of Listing Agreement.

INTERNAL CONTROLS

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

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

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

CAUTIONARY STATEMENT

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

Annexure B

CORPORATE GOVERNANCE REPORT

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company follows principle of effective Corporate Governance. The endeavor of the Company is not only to comply with regulatory requirements but also to practice Corporate Governance principles that lay emphasis on integrity, transparency and overall accountability. The Company adheres to most of the recommendations made by the SEBI and incorporated by the Stock Exchanges in the Standard Listing Agreement. However, due to paucity of funds and unavailability of qualified staff there was a delay in complying with the condition of Listing Agreement.

2. BOARD OF DIRECTORS

The Board of Directors is at the core of our corporate governance practice and how the management serves and protects the long term interests of all our stakeholders. The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of four Directors. The Composition of the Board and directorships held as on 31st March, 2017:

Category	DIN No.	Name of the Director
Executive Director	00029757	Mr. Rakesh Samrat Bhardwaj
	07232850	Mrs. Shachi Bhardwaj
Non – Executive Independent Director	00387567	Mr. Ganga Charan
	01243510	Mr. Kailash Chand Kedia

3. BOARD MEETINGS, ATTENDANCE AND OTHER DIRECTORSHIPS

During the year under review, four (4) Board meetings were held on May 30, 2016, August 12, 2016, November 14, 2016 and February 14, 2017. The maximum time gap between any two consecutive meetings did not exceed 120 days. The attendance particulars are as follows:

Name of the Director	DIN No.	Attendance Particulars	Other Directorships	Board Committees		
		Board Meeting	Last AGM held on 30 th September, 2016	Chairmanship	Memberships	
Mr. Rakesh Samrat Bhardwaj	00029757	4	YES	07	1	3
Mr. Ganga Charan	00387567	4	YES	NIL	1	2

Mr. Kailash Chand Kedia	01243510	4	YES	NIL	2	1
Mrs. Shachi Bhardwaj	07232850	4	YES	NIL	NIL	NIL

4. AUDIT COMMITTEE

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

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

During the year under review four (4) meetings of Audit Committee were held on May 30, 2016, August 12, 2016, November 14, 2016 and February 14, 2017. The composition of the Audit Committee and the attendance of members at the meetings of the Audit Committee held during the financial year 2016-2017 are as follows:

Name of the Members	Category	Numbers of the Meetings attended
Mr. Kailash Chand Kedia	Independent	4
Mr. Rakesh Samrat Bhardwaj	Non-Independent	4
Mr. Ganga Charan	Independent	4

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

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

5. NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013, the Board re-constituted the Nomination Committee and Remuneration Committee into the Nomination and Remuneration Committee.

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

The Nomination and Remuneration Committee consists of three (03) members. The committee is chaired by Mr. Kailash Chand Kedia (Independent Director).

During the year, one (1) meeting of Nomination and Remuneration Committee was held on August 14, 2017 which was duly attended by all the Committee members.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings of the Nomination and Remuneration Committee held during the financial year 2016-2017 are as follows:

Name of the Members	Category	Numbers of the Meetings attended
Mr. Kailash Chand Kedia	Independent	1
Mr. Rakesh Samrat Bhardwaj	Non-Independent	1
Mr. Ganga Charan	Independent	1

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

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

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

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The Stakeholders' Relationship Committee consists of three members. The Committee is chaired by Mr. Ganga Charan (Independent Director).

During the year, four (4) meeting of Stakeholders' Relationship Committee was held on May 30, 2016, August 12, 2016, November 14, 2016 and February 14, 2017 which was duly attended by all the Committee members.

The composition of the Stakeholders' Relationship Committee and the attendance of members at the meetings of the Stakeholders' Relationship Committee held during the financial year 2016-2017 are as follows:

Name of the Members	Category	Numbers of the Meetings attended
Mr. Rakesh Samrat Bhardwaj	Non-Independent	4
Mr. Kailash ChandKedia	Independent	4
Mr. Ganga Charan	Independent	4

7. DIRECTORS' REMUNERATION

Name	Designation	Salary & Allowances	Contribution To Provident Fund	Other Benefits	Sitting Fees	Total
Mr. Rakesh Samrat Bhardwaj	Executive Director	6,00,000	0	0	0	6,00,000
Mrs. Shachi Bhardwaj	Executive Director	0	0	0	0	0
Mr. Ganga Charan	Non Executive Director	0	0	0	0	0
Mr. Kailash Chand Kedia	Non Executive Director	0	0	0	0	0

The Company doesn't pay any remuneration to its non-executive directors except sitting fee for attending the meetings of the board and committee thereof. The Company currently does not have Stock Option Schemes.

8. GENERAL MEETINGS

Financial Year Ended	Date	Time	Venue	Special Resolution Passed
2016	September 30, 2016	01.00 P.M	Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504	NA
2015	September 30, 2015	11.00 A.M	Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504	NA
2014	September 30, 2014	11.00 A.M	Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504	1. Appointment of Mr. Ganga Charan as an Independent Director. 2. Appointment of Mr. Kailash Chand Kedia as an Independent Director. 3. Re-appointment of Mr. Rakesh Samrat Bhardwaj as Managing Director of the Company. 4. Authorisation to sell, lease, charge and/or mortgage or otherwise dispose off all or any of the immovable and movable property, undertaking/assets of the company.
2013	September 30, 2013	11.00 A.M	Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504	

9. RESOLUTIONS PASSED THROUGH POSTAL BALLOT:

During the year no resolutions were passed through postal ballot.

10. DISCLOSURES CODE OF CONDUCT

The Company has adopted the Code of Conduct for EDs, Senior Management Personnel and other Executives of the Company. The Company has received confirmations from the EDs as well as Senior Management Personnel regarding compliance of the Code during the year under review. It has also adopted the Code of Conduct for NEDs of the Company. The Company has received confirmations from the NEDs regarding compliance of the Code for the year under review. Both the Codes are posted on the website of the Company.

DETAILS OF NON-COMPLIANCE

With regards to the matters related to capital markets, the Company has complied with all requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Regulation 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate is annexed to this report.

CEO AND CFO CERTIFICATION

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

RELATED PARTY TRANSACTIONS

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

WHISTLE BLOWER POLICY

The Company at present has formulated a Whistle Blower mechanism in place.

INFORMATION TO INVESTORS

Annual General Meeting

Date	September 30, 2017
Time	11.00 AM
Venue	Banawas, Khetrinagar – 333504, Distt – Jhunjhunu, Rajasthan
Financial Year	2016-17
Book Closure	September 23, 2017 to September 30, 2017

DISTRIBUTION OF SHAREHOLDING OF ORDINARY SHARES

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	20218	88.65	28986910	17.31
5001 To 10,000	1261	5.53	11284920	6.74

10001 To 20,000	599	2.63	9714730	5.8
20001 To 30,000	218	0.96	5718500	3.42
30001 To 40,000	118	0.52	4276180	2.55
40001 To 50,000	117	0.51	5677830	3.39
50001 To 1,00,000	149	0.65	11389250	6.8
1,00,000 and Above	127	0.56	90376270	53.98
Total	22807	100	167424590	100

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017

Category	No. of shares held	Percentage of shareholding
Promoter's Shareholding	5730443	34.23
Non Promoter's Shareholding	11012016	65.77
Others	0	0

LISTING ON STOCK EXCHANGES

The equity shares of the Company are listed on the following stock exchanges:

The Bombay Stock Exchange Limited (BSE)

P.J.Towers, Dalal Street, Fort,
Mumbai-400001

STOCK CODE:

For equity shares:

Bombay Stock Exchange Limited : 500051

International Security Identification Number : INE099C01010

CORPORATE IDENTITY NUMBER (CIN) : L24111RJ1974PLC005789

MARKET PRICE DATA: (AS OBTAINED FROM BSE)

Month	BHAGAWATI GAS LIMITED			
	High Price (in Rs.)	Low Price (in Rs.)	Close Price (in Rs.)	Volume
Apr-16	0.70	0.59	0.63	12476
May-16	0.60	0.50	0.54	19552
Jun-16	0.60	0.50	0.59	14566
Jul-16	0.80	0.55	0.64	50317
Aug-16	0.67	0.67	0.67	201
Sep-16	0.67	0.64	0.64	4028
Oct-16	0.61	0.58	0.58	885
Nov-16	0.60	0.55	0.57	9645
Dec-16	0.56	0.53	0.53	4247
Jan-17	0.55	0.51	0.55	60
Feb-17	0.55	0.53	0.53	4168
Mar-17	-	-	-	-

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Private Limited,
D-153 A, Okhla Industrial Area, Phase - I, New Delhi - 110 020

E- Mail	admin@skylinerta.com
Phone Nos.	011-26812682, 83
Fax No.	011-26812684

SHARE TRANSFER SYSTEM

In compliance of SEBI requirement, Share transfers are entertained, both under Demat Form and Physical Form. Share Transfers in respect of physical shares are normally effected within 10-15 days from the date of receipt.

STATUS OF INVESTORS' COMPLAINTS

The status of investors' complaints as on March 31, 2017 is as follows:	
Number of complaints as on April 1,2016	0
Number of complaints received during the financial year 2016-17	0
Number of complaints resolved up to March 31,2017	0
Number of complaints pending as on March 31,2017	0

DIRECTORS' SHAREHOLDING

Name of Directors	No. of Shares Held
Mr. Rakesh S Bhardwaj	2347610
Mrs. Shachi Bhardwaj	977600

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS

The Company has not issued any GDRs/ADRs/ Warrants & convertible instruments.

REGISTERED OFFICE & PLANT LOCATION

Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504.

Phone : 01593-221478-80

Fax : 01593-221477

CORPORATE OFFICE

A-27-B, Sector-16, Noida-201301, Uttar Pradesh.

Phone : 0120-4749901
Fax : 0120-4749919
E-mail : bhagwatigases@gmail.com

NAME, DESIGNATION AND CONTACT

Mr. Rakesh Samrat Bhardwaj Chairman& Managing Director, 0120-4749901

DETAILS OF THE COMPLIANCE OFFICER

Managing Director

Bhagawati Gas Limited

A-27-B, Sector-16, Noida-201301, Uttar Pradesh.

Phone : 0120-4749901

Fax : 0120-4749919

E-mail : bhagwatigases@gmail.com

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Rakesh Samrat Bhardwaj, Chairman & Managing Director of Bhagawati Gas Limited hereby declare that, as of March 31, 2017, all the Board members and senior management personnel have affirmed compliance with the Code of Ethics of the Company.

For Bhagawati Gas Limited

Place: Noida
Date: 14.08.2017

Rakesh Samrat Bhardwaj
Chairman & Managing Director

CERTIFICATION FROM CEO AND CFO**

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

We, hereby, to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statements for the year 2016-2017:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- b) There are no transactions, entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated to the auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year, if any;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
 - (iii) instances of fraud, whether or not significant, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Bhagawati Gas Limited

Place: Noida
Date: 14.08.2017

Rakesh Samrat Bhardwaj
Chairman & Managing Director

** Since there is no CEO or CFO in the Company, the above declaration is given by Mr. Rakesh Samrat Bhardwaj, Managing Director of the Company.

ANNEXURE C

Information as per under Section 134(3)(m) of the Companies Act, 2013 for the year ended 31st March, 2017

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

				(Amount in `)	
Particulars		2016-17	2015-2016		
a) Foreign Exchange Outflow					
-	Traveling Expenses (on Accrual Basis)	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00
b) Foreign Exchange Earning		0.00	0.00	0.00	0.00

ANNEXURE D

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies
(Accounts) Rules, 2014

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

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

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

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

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

ANNEXURE- E

Remuneration paid to Managing Director for the period ended 31.3.2017

Name	Designation	Salary & Allowances Fund	Contribution To Provident	Other Benefits	Sitting Fees	Total
Mr. Rakesh S Bhardwaj	Executive Chairman & Managing Director	6,00,000	0	0	0	6,00,000

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Bhagawati Gas Limited bearing CIN-L24111RJ1974PLC005789 (hereinafter called the company). Secretarial Audit was conducted in a manner that provides 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, 2017 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not applicable to the Company during the period of audit**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; - **Not applicable to the Company during the period of audit**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable to the Company during the period of audit**

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not applicable to the Company during the period of audit
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company during the period of audit**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not applicable to the Company during the period of audit**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the period of audit**
- (vi) We further report that, having regards to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the company has complied with other laws applicable to the company.
- (vii) We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
 - (j) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015
- (viii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:
- The company has not appointed Chief Financial Officer as per Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial
 - The Company Secretary resigned from the Company on 08th November, 2015 and till Date Company has not appointed another Company Secretary as per Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
 - The company has not appointed Internal Auditor as per Section 138 of the Companies Act, 2013 during the period under review.
 - Listing fees has not been paid from the year, 2015-2016, 2016-17 and 2017-2018 to the Bombay Stock Exchange.
 - The company has not filed intimation in terms of Regulation 30 of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - The company has filed quarterly compliance report on corporate governance in terms of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - The company has not filed the reconciliation of share capital in term of Regulation 55A

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all directors 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.

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.

For Renu Kathuria & Associates

Renu Kathuria
(Proprietor)
M.No.- 34023
COP No.- 16026

Date: 14.08.2017
Place: Faridabad

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

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

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis of 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 procedure on test check basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Renu Kathuria & Associates

Renu Kathuria
(Proprietor)
M.No.- 34023
COP No.- 16026

Date: 14.08.2017
Place: Faridabad

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	L24111RJ1974PLC005789
2. Registration Date	16/11/1974
3. Name of the Company	BHAGAWATI GAS LIMITED
4. Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/INDIAN NON GOVERNMENT COMPANY
5. Address of the Registered office & contact details	Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504
6. Whether listed company	LISTED
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

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

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

III. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	42450	4290493	4332943	25.88	42450	4290493	4332943	25.88	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	1397500	1397500	8.35	0	1397500	1397500	8.35	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	42450	5687993	5730443	34.23	42450	5687993	5730443	34.23	0
B. Public Shareholding									
1. Institutions									

a) Mutual Funds	0	24400	24400	0.15	0	24400	24400	0.15	0
b) Banks / FI	0	800	800	0	0	800	800	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify) Sub-total (B)(1):-	0	25200	25200	0.15	0	25200	25200	0.15	0

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	628737	811000	1439737	8.60	591560	811000	1402660	8.38	0.22
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6375612	1529375	7904987	47.22	6407964	1528375	7936339	47.40	0.18
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1136041	0	1136041	6.78	1140516	0	1140516	6.81	0.03

c) Others (specify)									
Non Resident Indians	66095	14100	80195	0.48	66395	14100	80495	0.48	0
HUF	425756	100	425856	2.54	426706	100	426806	2.55	0.01
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	8632241	2354575	10986816	65.62	8633141	2353675	10986816	65.62	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8632241	2379775	11012016	65.77	8633141	2378875	11012016	65.77	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	8674691	8067768	16742459	100	8675592	8066868	16742459	100	0

B) Shareholding of Promoter-

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RAKESH S BHARDWAJ	2347610	14.02	0.00	2347610	14.02	0.00	0.00
2	RAMPRATAP SHARMA	10	0.00	0.00	10	0.00	0.00	0.00
3	LAXMICHAND SHARMA	10	0.00	0.00	10	0.00	0.00	0.00
4	DHARAMPAL SAROWA	10	0.00	0.00	10	0.00	0.00	0.00
5	MANSACHARAN CHAKRABARTY	10	0.00	0.00	10	0.00	0.00	0.00
6	MURLIDHAR GUPTA	10	0.00	0.00	10	0.00	0.00	0.00
7	KANTA DEVI BHARDWAJ	33410	0.20	0.00	33410	0.20	0.00	0.00
8	GOKULA NANDA MUKHERJEE	500	0.00	0.00	500	0.00	0.00	0.00
9	SHASHI SHARMA	1000	0.01	0	1000	0.01	0	0
10	RAMRUP SHARMA	171810	1.03	0	171810	1.03	0	0
11	SUMAN SHARMA	6000	0.04	0	6000	0.04	0	0
12	SHACHI BHARDWAJ	977600	5.84	0	977600	5.84	0	0

13	SURESH KUMAR SHARMA	64650	0.39	0	64650	0.39	0	0
14	TARA DEVI SHARMA	11700	0.07	0	11700	0.07	0	0
15	DYUMAN BHARDWAJ	14000	0.08	0	14000	0.08	0	0
16	HIMANSHU SHARMA	449363	2.68	0	449363	2.68	0	0
17	VIVEK SHARMA	24400	0.15	0	24400	0.15	0	0
18	PADMAJA BHARDWA	34300	0.20	0	34300	0.20	0	0
19	B.P. BHARDWAJ	50100	0.30	0	50100	0.30	0	0
20	SARBATI DEVI SHARMA	146450	0.87	0	146450	0.87	0	0
21	BHAGAWATI INTERNATIONAL PVT LTD	25000	0.15	0	25000	0.15	0	0
22	LAVINO PORTFOLIOS PVT LTD	40000	0.24	0	40000	0.24	0	0
23	NGP INDUSTRIES PVT LTD	50000	0.30	0	50000	0.30	0	0
24	BLUE CROSS SERVICES PVT LTD	70000	0.42	0	70000	0.42	0	0
25	S K STEELS PVT LTD	81900	0.49	0	81900	0.49	0	0
26	BHAGAWATI OXYGEN LIMITED	90000	0.54	0	90000	0.54	0	0
27	BHAGAWATI STEEL PVT LTD	1040600	6.22	0	1040600	6.22	0	0

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

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

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year -1st April 2016./end of the year 31.03.2016		Shareholding at the end of year 31st March,2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AIR LIQUIDE INDIA HOLDING PVT. LTD.	784400	4.69	784400	4.69
2	PRABHA DAGA	20000	0.12	230000	1.37
3	PRAVEEN ELECTRONICS PVT LTD	103900	0.62	103900	0.62

4	KAYZAD SIRUS EGHLM	100000	0.60	100000	0.60
5	LGW LIMITED	91400	0.55	91400	0.55
6	LSE SECURITIES LTD.	64711	0.39	69030	0.41
7	DHEERAJ KUMAR LOHIA	64944	0.39	64944	0.39
8	VEENA KHEMKA	54000	0.32	54000	0.32
9	ADROIT FIN SER PVT LTD	42251	0.24	51553	0.31
10	RAJ KUMAR LOHIA	50779	0.30	50779	0.30
11	MMD SECURITIES PRIVATE LIMITED	79000	0.47	0	0

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rakesh Samrat Bhardwaj	2347610	14.02	2347610	14.02
2.	Shachi Bhardwaj	977600	5.84	977600	5.84

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,06,689	50,00,000	0	77,06,689
ii) Interest due but not paid	4,03,781	0	0	4,03,781
iii) Interest accrued but not due	31,10,470	50,00,000	0	81,10,470
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition	10,48,992	0	0	10,48,992
* Reduction	0	0	0	0
Net Change	10,48,992	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	3,755,681	50,00,000	0	87,55,681
ii) Interest due but not paid	13,50,462	0	0	13,50,462
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	51,06,143	50,00,000	0	1,01,06,143

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Rakesh Bhardwaj (MD)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600000	600000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	600000	600000
	Ceiling as per the Act		

FORM NO. MGT – 12

([Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule 21 (1) (C) of the Companies (Management and Administration) Rules, 2014]

BALLOT FORM**BHAGAWATI GAS LIMITED**

(CIN : L24111RJ1974PLC005789)

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

E-mail bhagwatigases@gmail.com Fax: +91 120 474 9919

Sr.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered Folio No. / *DP ID and Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special Resolution/s enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sr. No.	Resolutions	No. of shares held by me	I assent to the resolution	I dissent from the resolution
ORDINARY BUSINESS				
1.	To receive, consider, and adopt Financial Statements for the year ended 31 st March, 2017 and the Auditors and Directors reports thereon.			
2.	To appoint Rakesh Samrat Bhardwaj (DIN: 00029757), who retires by rotation and being eligible offers herself/himself for re-appointment.			

3.	To appoint M/s Mohan L. Jain & Co., Chartered Accountants, (FRN: 005345N) Chartered Accountants, as Statutory Auditors of the Company in place of M/s Chaturvedi & Partners, Chartered Accountants (FRN: 307068E)			
4	To regularize Ms. Shachi Bhardwaj (DIN: 07232850) as director of the company			
5	To take approval of the limits to grant loan(s)/give guarantee(s) or security(ies) and make investment in securities by the Company in terms of Section 186 of the Companies Act, 2013			

BHAGAWATI GAS LIMITED

(CIN : L24111RJ1974PLC005789)

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

E-mail : bhagwatigases@gmail.com Fax: +91 120 474 9919

ATTENDANCE SLIP FOR THE 43rd ANNUAL GENERAL MEETING

I/We here by record my/our presence at the 43rd Annual General Meeting of the company at the registered office of the Company at Banawas, Khetri Nagar, Jhunjhunu, Rajasthan-333504 on

Client ID & DP ID/Registered Folio No.

Full Name of Shareholder / Proxy

If Proxy, Full Name of Shareholder

.....

Signature of Shareholder/Proxy

Note:

1. Please complete the Client ID & DP ID/Registered Folio and name, sign this Attendance slip and handover at the entrance of the meeting hall.
2. Electronic copy of the Annual Report for FY 2016-2017 and the notice of the Annual general Meeting (AGM) along with Attendance Slip and proxy Form is being sent to all the members whose email address is registered within the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy Annual Report for FY 2016-17 and the Notice of the Annual general Meeting (AGM) along with Attendance Slip and proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

BHAGAWATI GAS LIMITED

(CIN : L24111RJ1974PLC005789)

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

E-mail : bhagwatigases@gmail.com Fax: +91 120 474 9919

E-Voting particulars

EVEN (E-Voting Event Number)	USER ID	Password/PIN

Note: Please read instructions given at Point 12 of the Notice of the 43rd Annual General Meeting carefully before voting electronically.

**Form No. MGT-11
FORM OF PROXY**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Amendment Rules, 2015

BHAGAWATI GAS LIMITED
(CIN : L24111RJ1974PLC005789)
Regd. Office : Banawas, Khetri Nagar, Jhunjhunu, Rajasthan-333504
E-mail : bhagwatigases@gmail.com Fax: +91 120 474 9919

43rd ANNUAL GENERAL MEETING
Saturday, 30th September. 2017 at 11.00 a.m.

Name of the Member (s)	
Registered address:	
E-mail Id:	
Folio No./Client ID:	

I/We being the member (s) of shares of the Limited, hereby appoint:

1. Name:
Address:
E-mail Id:
Signature:or failing him/her

2. Name:
Address:
E-mail Id:
Signature:or failing him/her

3. Name:
Address:
E-mail Id:
Signature:or failing him/her

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company to be held on Saturday, 30th September, 2017 at 11.00 A.M. at Banawas, Khetrinagar-333504, Jhunjhunu, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolution	Vote		
		For	Against	Abstain
Ordinary Business				
1.	To receive, consider, and adopt Financial Statements for the year ended 31st March, 2017 and the Auditors and Directors reports thereon.			
2.	To appoint Rakesh Samrat Bhardwaj (DIN: 00029757) who retires by rotation and being eligible offers herself/himself for re-appointment.			
3.	To appoint M/s Mohan L. Jain & Co., Chartered Accountants, (FRN: 005345N) Chartered Accountants, as Statutory Auditors of the Company in place of M/s Chaturvedi & Partners, Chartered Accountants (FRN: 307068E)			
4.	To regularize Ms. Shachi Bhardwaj (DIN: 07232850) as director of the company			
5.	To take approval of the limits to grant loan(s)/give guarantee(s) or security(ies) and make investment in securities by the Company in terms of Section 186 of the Companies Act, 2013			

Signed this onday,, 2017

Signature of shareholder.....Signature of Proxy holder(s).....

Affix Revenue Stamp

1. The Proxy to be effective should be deposited at the Registered office of the company not less than **FORTY EIGHT HOURS** before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. ^ This is optional. Please put a tick mark (___) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

INDEPENDENT AUDITORS' REPORT

To the Members of BHAGAWATI GAS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **BHAGAWATI GAS LIMITED** ("the Company"), which comprises of the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss and the Cash Flow Statement of the Company for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

We refer to

1. Note 27 to the financial statements, in respect of receivables aggregating to Rs. 13, 96, 41,143 Lakhs and advances of Rs. 66, 84,618 Lakhs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against is not considered necessary. In view of non-availability of confirmation of balances and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable and consequential impact, if any, on the financial statement.
2. Note 29 to the financial statements, during the year, the company's plant remained closed. The company has obligations pertaining to borrowings, unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to pay the borrowings, creditors and other statutory obligations notwithstanding the current level of no operating activities. This may cast doubt on the Company's ability to continue as going concern. The statement does not include any adjustment in this respect. Accordingly, we are unable to comment upon the consequential impact, if any, on the financial statement.
3. The company is yet to receive Bank Balance Confirmation from a bank for Rs. 52,807 included under cash and bank balances. Accordingly, we are unable to comment upon the consequential impact, if any, on the Financial Statement

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in paragraph '1' and possible effects of the matters described in paragraph '2' and '3' of the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017 and its loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "**Annexure-A**" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and except for the matters described in the Basis for Qualified Opinion paragraph and paragraph 2(i) (iv), 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 appears from our examination of those books.
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

- d. Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The matters described in the Basis for Qualified Opinion above, in our opinion, may have an adverse effect on the functioning of the Company.
- f. On the basis of written representations received from the directors, as on March 31, 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act except for three directors (Mr. Gokulanand Mukherjee, DIN 00038221, Mr. Ganga Charan, DIN 00387567 and Mr. Kailash Chand Kedia DIN 01243510) who have not provided any information/representation in respect of their qualification for appointment as a director in terms of Section 164 (2) of the Act. Accordingly, we are unable to comment in respect above.
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph and under the annexure referred to in paragraph 1 of Report on other Legal and Regulatory requirements.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses a disclaimer of opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- i. With respect to 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, we report as under:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements – Refer Note 25 and 26 to the financial statements.
 - ii. Except for the effects of matters described in the basis for qualified opinion paragraph, the Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund for the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report whether the disclosures to the extent stated in note 38 to the financial statement are in accordance with books of account maintained by the Company and as produced to us by the management.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

New Delhi
May 30, 2017

Annexure to The Independent Auditors' Report

(Refer to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

- (i)
 - (a) The Company has maintained records showing particulars including quantitative details and situation of fixed assets. However, comprehensive description of assets and current locations are yet to be incorporated in the assets records.
 - (b) Fixed assets were not physically verified by the management during the year. Accordingly, we are unable to comment whether there exists any material discrepancy or whether any adjustment is required.
 - (c) The title deed of immovable properties is held in the name of the Company.
- (ii) Physical verification of inventory has been conducted by the Management at reasonable interval. Discrepancies, if any, noticed on such verification has been properly dealt within the books of account.
- (iii) The Company has granted interest free loan of Rs. 11,188,288 to a body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) In our opinion, in absence of any terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act. We are unable to comment whether the same are prejudicial to the interest of the Company.
 - (b) In absence of specific terms related to repayment (Refer Note 28), we are unable to comment whether the receipt of principal amount is regular;
 - (c) In view of (iii) (b) above, we are unable to comment whether there is any overdue amount in respect of this loan.
- (iv) According to the information and explanation given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments, guarantees and security, wherever applicable. As stated in Note 28, the Company had an amount of Rs. 11,188,288 outstanding as at March 31, 2017 to a company in which directors are interested. In view of pending allotment of equity, we are unable to comment whether the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of such loans and advances.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under. Accordingly the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) There being no operations/ activities during the year no cost records have been maintained by the Company pursuant to the Rules made by the Central Government under Section 148(1) of the Companies Act, 2013.

- (vii) (a) According to the information and explanation given to us and records of the Company examined by us, in our Opinion, the Company has not been regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service-tax, cess and other material statutory dues, as applicable with the appropriate authorities. There has been delay in number of cases in depositing these dues with the appropriate authorities. As informed to us, the company did not have any dues on account of Excise duty and Custom duty. There were no undisputed statutory dues outstanding as at March 31, 2017 for a period of more than six months from the date they became payable except for Service tax as below:

Nature of the Statute	Nature of Dues	Amount	Period to which Amount relates	Due date	Date of Payment
Service Tax	Service Tax	158,997	Opening Balance and April 2016 to September 2016	6 th of succeeding month	Not paid

- (b) According to the information and explanation given to us and records of the Company examined by us, there are no dues outstanding in respect of value added tax/sales tax, service tax, income tax which has not been deposited on account of dispute.

- (viii) In our opinion and according to the information and explanations given to us, the Company has no dues to financial institutions, government and debenture holders. Details of defaults made in repayment of dues to banks are given below:

Central bank of India A/C No. 3207352107						
Principal Installment	Interest Charged & Due	Total Amount Due	Due Date	Amount of default	Date of payment	Period upto 31/03/2017 (in day)
241,666		241,666	30/11/2014	200,000	13/05/2016	531
				41,666	21/07/2016	600
241,666		241,666	31/12/2014	8,334	21/07/2016	569
				50,000	26/07/2016	574
				110,000	29/09/2016	639
				73,332	15/10/2016	655
241,666		241,666	31/01/2015	226,668	15/10/2016	624
				14,998	18/11/2016	658
241,666		241,666	28/02/2015	241,666	18/11/2016	630
241,666		241,666	31/03/2015	241,666	18/11/2106	599

241,666		241,666	30/04/2015	101,670	18/11/2106	569
				139,996	09/12/2016	590
241,666		241,666	31/05/2015	241,666	09/12/2016	559
159,338		159,338	30/06/2015	14,338	09/12/2016	529
				50,000	15/12/2016	535
				40,000	18/02/2017	600
				55,000	23/03/2017	633
	42,463	42,463	31/10/2015	42,463	Outstanding	518
	68,625	68,625	30/11/2015	68,625	Outstanding	488
	72,672	72,672	31/12/2015	72,672	Outstanding	457
	73,143	73,143	31/01/2016	73,143	Outstanding	426
	70,111	70,111	39/02/2016	70,111	Outstanding	397
	76,767	76,767	31/03/2016	76,767	Outstanding	366
	85,056	85,056	30/04/2016	85,056	Outstanding	336
	85,922	85,922	31/05/2016	85,922	Outstanding	305
	79,587	79,587	30/06/2016	79,587	Outstanding	275
	89,468	89,468	31/07/2016	89,468	Outstanding	244
	88,389	88,389	31/08/2016	88,389	Outstanding	213
	83,249	83,249	30/09/2016	83,249	Outstanding	183
	88,107	88,107	31/10/2016	88,107	Outstanding	152
	80,005	80,005	30/11/2016	80,005	Outstanding	122
	70,555	70,555	31/12/2016	70,555	Outstanding	91
	65,312	65,312	31/01/2017	65,312	Outstanding	60
	64,215	64,215	28/02/2017	64,215	Outstanding	32
	66,816	66,816	31/03,2017	66,816	Outstanding	1

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public

offer (including debt instruments) during the year. Accordingly the clause (ix) of paragraph 3 of the order is not applicable to the company.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanation given to us and based on the audit procedure conducted by us, Managerial remuneration of Rs 6,00,000 paid/provided was in excess of the minimum remuneration allowable as per provisions of Section 197 read with the Schedule V of the Act.

(xii) Company is not a Nidhi Company. Accordingly, the clause (xii) of paragraph 3 of the order is not applicable to the company.

(xiii) In our opinion and according to the information and explanations given to us, the company has not complied with section 177 and 188 of Companies Act, 2013, where applicable in relation to the transactions with the related parties. The details in relation to the transactions with the related parties have been disclosed in the Financial Statements as required by the applicable accounting standards. The detail of non-compliance of section 177 and 188 of Companies Act, 2013 are as follows:

Nature of the related party relationship	Nature of Transaction	Amount (in Rs.)	Remarks
Company under common control	Advances given	1,160,937	No Approval

(xiv) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the clause (xiv) of paragraph 3 of the order is not applicable to the company.

(xv) According to the information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the clause (xvi) of paragraph 3 of the order is not applicable to the company.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

New Delhi
May 30, 2017

ANUJ MAHANSARIA
Partner
Membership No. 500819

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BHAGAWATI GAS LIMITED

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

We were engaged to audit the internal financial controls over financial reporting of Bhagawati Gas Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my/our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on any of the recognised internal control frameworks or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

New Delhi
May 30, 2017

ANUJ MAHANSARIA
Partner
Membership No. 500819

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789
Balance Sheet as at March 31, 2017

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	167,424,590	167,424,590
(b) Reserves and Surplus	2	1,124,220	5,967,636
2 Non - Current Liabilities			
(a) Long Term borrowings	3	3,755,681	2,706,689
(b) Deferred Tax liabilities(Net)	4	7,383,686	12,216,488
(c) Long-Term Provisions	4	2,407,568	2,612,350
3 Current - Liabilities			
(a) Short - Term Borrowings	5	5,000,000	5,000,000
(b) Trade Payables	6	-	-
A Due to Micro Enterprises and Small Enterprises		-	-
B. Other Creditors		1,344,456	1,344,456
(c) Other Current Liabilities	7	51,418,350	53,964,331
(d) Short Term Provisions	8	1,949,299	1,410,790
Total		241,807,850	252,647,330
II. Assets			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	55,154,376	58,256,481
(b) Long - Term Loans and Advances	10	15,428,221	15,792,904
(c) Other Non-Current Assets	11	-	-
2 Current Assets			
(a) Current Investments	12	100,000	176,962
(b) Inventories	13	-	-
(c) Trade receivables	14	57,731,233	57,731,233
(d) Cash and Bank Balance	15	2,646,707	1,657,825
(e) Short-Term Loans and Advances	16	28,729,403	37,122,015
(f) Other Current Assets	17	82,017,910	81,909,910
Total		241,807,850	252,647,330

The accompanying notes are integral part of the Financial statements

1 to 39

As per our report of even date attached.

For CHATURVEDI & PARTNERS
 Membership No. 500819
 Firm Registration No. 307068E

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANUJ MAHANSARIA
 Partner
 Membership No. 500819

Rakesh S. Bhardwaj
 Chairman & Managing Director

Kailash Chand Kedia
 Director

New Delhi
 May 30, 2017

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789

Statement of Profit and Loss for the Year ended March 31, 2017

Particulars	Note No.	Year Ended	March	Year Ended	March
		31, 2017	31, 2016	31, 2016	31, 2016
			()		()
INCOME					
I Revenue from Operations	18	-	-	-	-
II Other Income	19	1,439,990	712,597	712,597	712,597
III Total Revenue(I + II)		1,439,990	712,597	712,597	712,597
IV Expenses:					
Employee Benefits Expenses	20	2,741,965	2,688,981	2,688,981	2,688,981
Finance Costs	21	976,537	962,424	962,424	962,424
Depreciation and Amortisation Expense	9	3,940,845	3,940,841	3,940,841	3,940,841
Other Expenses	22	3,456,859	2,738,331	2,738,331	2,738,331
Total Expenses		11,116,206	10,330,577	10,330,577	10,330,577
V Loss before Exceptional and Extraordinary Items and Tax (III-IV)		(9,676,216)	(9,617,980)	(9,617,980)	(9,617,980)
VI Prior Period Expense	23	-	-	-	-
VII Loss before Extraordinary Items and Tax (V-VI)		(9,676,216)	(9,617,980)	(9,617,980)	(9,617,980)
VIII Extraordinary Item		-	-	-	-
IX Loss before tax (VII-VIII)		(9,676,216)	(9,617,980)	(9,617,980)	(9,617,980)
X Tax Expense:					
(1) Current Tax		-	-	-	-
(2) Deferred Tax		4,832,800	-	-	-
XI Loss for the year (IX-X)		(4,843,416)	(9,617,980)	(9,617,980)	(9,617,980)
XII Loss per equity share:					
Basic and Diluted		(0.29)	(0.57)	(0.57)	(0.57)

The accompanying notes are integral part of the Financial statements

1 to 39

As per our report of even date attached.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANUJ MAHANSARIA
Partner
Membership No. 500819

Rakesh S. Bhardwaj
Chairman & Managing Director
DIN- 00029757

Kailash Chand Kedia
Director
DIN- 01243510

New Delhi
May 30, 2017

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Amount in	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year before Taxation	(9,676,216)	(9,617,980)
Adjustments for		
Depreciation and Amortisation	3,940,845	3,940,842
Profit on Sale of Fixed Assets	(971,990)	-
Profit on Sale of Investment	-	(319,200)
Doubtful debts written off	-	-
Interest/Financial Charges	976,537	962,424
Excess Provision Written back	-	-
Interest Income	(468,000)	(360,000)
	3,477,392	4,224,066
Operating profit before working capital changes	(6,198,824)	(5,393,914)
Changes in assets and liabilities		
(Increase)/Decrease in Inventories	-	522,631
(Increase)/Decrease in Loans and Advances	8,392,612	119,785
Increase/(Decrease) in Current Liabilities & Provisions	(258,947)	4,948,312
Cash generated from operating activities	1,934,841	196,814
Taxes (Paid)/Refund	364,683	(36,000)
Net cash provided by operating activities	2,299,524	160,814
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of Fixed Assets	1,170,000	-
Proceeds from sale of Investments	76,962	1,117,200
Purchase of Investment	-	(26,962)
Purchase of Fixed Assets	(1,036,750)	-
Interest Received	360,000	360,000
	570,212	1,450,238
Net cash used in investing activities	570,212	1,450,238
CASH FLOW FROM FINANCING ACTIVITIES		
Term loan taken /(Repaid)	(1,851,000)	(982,643)
Interest / Finance charges Paid	(29,856)	(558,643)
Increase in Unsecured Loans	-	1,500,000
	(1,880,856)	(41,286)
Net cash provided by financing activities	(1,880,856)	(41,286)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	988,880	1,569,766
Cash and cash equivalents at the beginning of the year	1,657,825	88,058
Cash and cash equivalents at the end of the year	2,646,707	1,657,825

Notes

1. The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Figures in brackets indicate cash outflow.
3. Previous year figures have been regrouped and recast wherever necessary to conform to current year classification.
4. Cash & Cash Equivalents include:

Cash in Hand	1,084,048	1,590,783
Balances with Scheduled Banks		
- In Current Accounts	1,562,659	67,042
	2,646,707	1,657,825

As per our report of even date attached

Chartered Accountants
Firm Registration No.307068E

ANUJ MAHANSARIA
Partner
Membership No. 500819

Rakesh S. Bhardwaj
Chairman & Managing Director
DIN- 00029757

Kailash Chand Kedia
Director
DIN- 01243510

New Delhi
May 30,2017

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789
Notes forming part of the Balance Sheet as at March 31,2017

Note No.	As at March 31, 2017	As at March 31,2016		
1 SHARE CAPITAL				
Authorised Share Capital 25,000,000 (Previous Year 25,000,000) Equity Shares of ₹10/- each	250,000,000	250,000,000		
Issued , Subscribed & Paid up 16,742,459 (Previous Year 16,742,459) Equity Share of ₹10/- each (fully paid up)	167,424,590	167,424,590		
Total	167,424,590	167,424,590		
a) The reconciliation of number of shares outstanding is set out below:				
Number of Equity Shares at the beginning	16,742,459	16,742,459		
Add: Number of Equity Shares Issued during the year	-	-		
Number of Equity Shares at the end	16,742,459	16,742,459		
b) Details of Shareholders holding more than 5 percent Shares :				
Name	% Held	As at March 31, 2017 Number of Shares	% Held	As at March 31,2016 Number of Shares
Equity Shares				
Rakesh Samrat Bhardwaj	14.02	2,347,610	9.40	1,573,370
Shachi Bhardwaj	5.84	977,600	5.84	977,600
Bhagawati Steels Private Limited	6.22	1,040,600	6.22	1,040,600
		4,365,810		3,591,570
2 Reserves and Surplus				
Securities Premium Reserve Balance at the beginning and end of the year		66,700,165		66,700,165
General Reserve Balance at the beginning and end of the year		12,511,248		12,511,248
Surplus/(Loss) in Statement of Profit and Loss Balance at the beginning of the year		(73,243,777)		(63,625,797)
Add : (Loss) for the year		(4,843,416)		(9,617,980)
Total		(78,087,193)		(73,243,777)
Total		1,124,220		5,967,636
3 Long Term Borrowings				
Secured From Banks		3,755,681		2,706,689
Total		3,755,681		2,706,689

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789
Notes forming part of the Balance Sheet as at March 31,2017

Note No.	As at March 31, 2017	As at March 31,2016
4 Long-term Provisions		
Provision for Employment Benefits		
For Gratuity	1,293,131	1,510,997
For Leave Encashment	1,114,437	1,101,353
Total	2,407,568	2,612,350
5 Short Term borrowings		
Unsecured		
From Director (interest free)	1,500,000	1,500,000
From Others	3,500,000	3,500,000
Total	5,000,000	5,000,000
Term and Condition		
1. Loan is repayable on demand		
2. Interest rate @15% on monthly balance rest.		
6 Trade Payables		
Due to Micro Small and Medium Enterprises (Refer note 30)	-	-
Other Sundry Creditors	1,344,456	1,344,456
Total	1,344,456	1,344,456
7 Other Current Liabilities		
Current maturities of Long Term Debt	-	2,899,992
Interest accrued and due on borrowings	1,350,462	403,781
Security from Customers	5,019,913	2,505,823
Other payables		
i. Employee Benefits Payable	6,872,315	5,419,429
ii. Withholding and other taxes payable	199,624	296,905
iii. Others	37,976,036	42,438,401
Total	51,418,350	53,964,331
8 Short-term Provisions		
Provision for Employee Benefits :		
For Gratuity	1,731,477	1,324,410
For Leave Encashment	217,822	86,380
Total	1,949,299	1,410,790

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789
Notes to the Financial Statements

(a) Term Loans availed from Bank by way of securities. Details are as follows:

Name of Lender	Rate of Interest	March 31, 2017	March 31, 2016	Security
Central Bank Of India T/ L A/C No 3207352107	BPLR+4.50%	3,755,681	5,606,681	Secured by way of book debts, receivables, second charge on the block of assets of the Company and personal guarantee of the Chairman & Managing Director.
Total		3,755,681	5,606,681	
Current maturities of long-term Borrowings		-	(2,899,992)	
Grand Total		3,755,681	2,706,689	

Default in Borrower Schedule :

Details of defaults in repayment of Interest as on the Balance Sheet date.

Particulars	Default Days as at March 31, 2017	Amount in Rs.
Interest on Term Loan from Banks		
	518	42,463
	488	68,625
	457	72,672
	426	73,143
	397	70,111
	366	76,767
	336	85,056
	305	85,922
	275	79,587
	244	89,468
	213	88,389
	183	83,249
	152	88,107
	122	80,005
	91	70,555
	60	65,312
	32	64,215
	1	66,816
		1,350,462

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789
Notes Forming Part of the Balance Sheet as at March 31,2017

NOTE 9. :- FIXED ASSETS

PARTICULARS	Rate of Depn. (%)	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As At April 1,2016 (AT COST)	Additions during the year	Sales/Adj- ustments	AS AT March, 31,2017 (AT COST)	Upto March 31,2016	For the Current Year	Sales/Adj- ustments	Upto March 31,2017	As At March 31,2017	As At March 31,2016
		()	()	()	()	()	()	()	()	()	()
Tangible Assets											
Own Assets:											
Freehold Land		6,675,340	-	-	6,675,340	-				6,675,340	6,675,340
Building	1.63	53,287,099	-	-	53,287,099	28,558,575	1,399,313		29,957,888	23,329,211	24,728,524
Lease Hold Improvement		7,141,212	-	-	7,141,212	5,718,848	137,578		5,856,426	1,284,786	1,422,364
Plant & Machinery	4.75	143,857,729	1,004,750	4,346,648	140,515,831	119,907,145	2,322,271	4,148,638	118,080,778	22,435,053	23,950,584
Truck & Tankers	16.21	1,469,102	-	-	1,469,102	1,415,115	40	-	1,415,155	53,947	53,987
Furniture & Fixture	6.33	3,101,756	-	-	3,101,756	2,817,042	63,475	-	2,880,517	221,239	284,714
Office Equipment	4.75	7,512,470	32,000	-	7,544,470	6,481,292	18,168	-	6,499,460	1,045,010	1,031,178
Vehicles	16.21	6,008,055	-	-	6,008,055	5,898,265	-		5,898,265	109,790	109,790
Total Tangible Assets		229,052,763	1,036,750	4,346,648	225,742,865	170,796,282	3,940,845	4,148,638	170,588,489	55,154,376	58,256,481
For previous year		229,052,763	-	-	229,052,763	166,855,441	3,940,841	-	170,796,282	58,256,481	

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789
Notes forming part of the Balance Sheet as at March 31,2017

Note No.	As at March 31,2017	As at March 31,2016
10 Long Terms Loans and Advances		
Capital advances	6,828,654	6,828,654
Advance Tax including Tax Deducted at Source	1,088,542	1,453,225
-MAT Credit Entitlement	7,511,025	7,511,025
Total	15,428,221	15,792,904
11 Other Non-Current Assets		
- In Deposit Accounts with more than 12 months maturity	-	-
- Interest Accrued	-	-
Total	-	-
12 Current Investments		
<u>Other Investments</u>		
Investment in Equity Fund	-	76,962
<u>Investment in Equity Shares</u>		
In Equity Shares - Quoted , Fully paid up 10,000 (10,000) Bhagawati Oxygen Limited of Rs. 10 each	100,000	100,000
In Equity Shares - Quoted , Fully paid up 65,000 (65,000) Chaturvedi Metal Private Limited of Rs. 10 each	650,000	650,000
Less:- Provision for diminution in value of Shares	(650,000)	(650,000)
Total	100,000	176,962
13 Inventories		
Finished Goods	546,672	522,631
Provision for obsolescence/write off	(546,672)	(522,631)
Total	-	-
14 Trade Receivables		
<u>Unsecured, Considered Good</u>		
Out standing for a period exceeding six months from the date they are due for repayment (Refer note 27)	57,731,233	57,731,233
Others	-	-
Total	57,731,233	57,731,233
15 Cash and Bank Balance		
Cash On Hand	1,084,048	1,590,783
Balances With Banks :- - In Current Accounts	1,562,659	67,042
<u>Other Bank Balances</u>		
- In Deposit Accounts with more than 3 months and less than 12 month maturity	-	-
Total	2,646,707	1,657,825
16 Short Term Loans and Advances		
<u>Unsecured Considered Good</u>		
-Loans to Related Parties (Refer note 28)	11,188,288	16,727,232
-Loan To Body Corporate	3,324,000	3,972,000
- Security deposits	132,270	150,541
-Other loans and advances	13,534,492	15,692,541
Deposit with Government Authority	550,353	579,701
<u>Unsecured Considered Doubtful</u>		
- Other Advances	2,162,900	2,162,900
Less:- Provision for Doubtful Debts	(2,162,900)	(2,162,900)
Total	28,729,403	37,122,015
17 Other Current Assets		
Other Receivables from customers (Refer note 27)	81,909,910	81,909,910
Interest accrued on deposits	108,000	-
Total	82,017,910	81,909,910

BHAGAWATI GAS LIMITED
CIN - L24111RJ1974PLC005789

Notes forming part of Statement of Profit and Loss for the Period ended March 31, 2017

Note No.	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
18 REVENUE FROM OPERATIONS		
Sale of Product	-	-
Other Operating Revenue	-	-
Total	-	-
19 OTHER INCOME		
Interest Income	468,000	360,000
Profit on sale of shares	-	319,200
Profit on Sale of Fixed Asset	971,990	-
Profit on Sale of Investments	-	33,397
Total	1,439,990	712,597
20 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus (Refer note 34)	2,704,151	2,657,618
Contribution to Provident and other Funds	2,106	27,583
Staff Welfare Expenses	35,708	3,780
Total	2,741,965	2,688,981
21 FINANCE COST		
Interest Expense		
-On Fixed Loans	946,681	888,445
-On Others	29,856	73,979
Total	976,537	962,424
22 OTHER EXPENSES		
Travelling & Conveyance	440,761	335,715
Power & Water Charges	126,297	278,399
Rent	42,000	42,000
Balances/Bad Debts Written Off	25,795	-
Auditors Remunertions	222,128	221,746
Security Services Expenses	660,631	610,112
Legal & Professional Charges	173,601	290,768
Telephone Expenses	182,275	93,819
Repairs And Maintenance - Others	139,478	-
Insurance Chargess	2,562	41,927
Other Miscellaneous Expenses	894,659	301,214
Provision for obscelence/write off inventory	546,672	522,631
Total	3,456,859	2,738,331

Note 23

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

- i) Financial Statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013.
- ii) The company follows the mercantile system of accounting & recognizes income & expenditure on accrual basis except those with significant uncertainties.
- iii) All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III of the Act.

2. Fixed Assets

Fixed assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes, incidental expenses and borrowing costs related to such acquisition or construction.

3. Depreciation

Depreciation on fixed assets is provided on a pro-rata basis at SLM rates prescribed in schedule II Part A to companies Act 2013.

4. Inventories

Inventories have been valued at lower of cost or net realizable value. In respect of stores and spares, cost has been arrived at on FIFO basis. Scrap has been valued at estimated net realizable value.

5. Revenue Recognition

- i) Revenue from sales is recognized on dispatch of goods from the factory. Sales are inclusive of excise duty but exclusive of sales tax.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

6. Foreign Currency Transactions

- i) Transactions denominated in the foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- ii) Monetary items denominated in foreign currencies other than those covered by forward exchange contracts are translated in to rupee equivalent at the rates of exchange prevailing on the Balance Sheet date. In the case of forward contract the difference between the forward rate and the exchange rate on the date of transaction is recognized as income or expense over the life of the contract.
- iii) All exchange differences arising on settlement/ conversion of foreign currency transactions, are recognized as income or expenses in the Profit & Loss account, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted in the carrying cost of the asset.

7. Investments

Investments are classified in to current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are valued at cost. A provision

for diminution is made to recognize a decline, other than temporary, in the value of long term investments.

8. Employee Benefits

- i) **Defined Contribution Plan:** the Company's contribution paid/payable for the year to defined contribution retirement benefit schemes are charged to Profit and Loss Account.
- ii) **Defined Benefit Plan:** The Company's liabilities towards defined benefits schemes are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account in the period of occurrence of such gains and losses.
- iii) **Short Term Employee Benefits:** Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized undiscounted during the period employee renders services.

9. Segment Reporting

The business of the company consists of manufacturing of single product *i.e.* Gases. Therefore the Accounting Standard (AS-17) on Segment Reporting is not applicable.

10. Leases

Finance leases or similar arrangement, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized and disclosed as leased assets. Finance charges are charged directly against income.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a basis, which reflect the time pattern of such payment appropriately.

11. Earnings per Share

The earnings considered in ascertaining the company's Earnings per Share (EPS) comprises the Net Profit or Loss for the period after tax and extra ordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year. The number of shares for computation of diluted EPS comprises of weighted average number of equity shares considered for deriving basic EPS and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year unless they are issued at a later date. The diluted potential equity shares are adjusted for the proceeds receivable assuming that the shares are actually issued at fair value. The number of shares and potentially dilutive shares are adjusted for shares splits/reverse share splits (consolidation of shares) and bonus shares, as appropriate.

12. Taxes on Income

Tax expense for the year comprises of current tax and deferred tax. Current taxes are computed at the current rate of tax in accordance with provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between taxable profit and the profit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses under tax laws to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Profit & Loss Account in the year of change.

13. Impairment

The carrying values of assets of the cash-generating units at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

14. Contingent Liabilities

Contingent liabilities are determined on the basis of available information and are disclosed by way of note to accounts.

(Amount in `)

24. Contingent liabilities not provided for:

Particulars	As at March 31, 2017	As at March 31, 2016
Counter Guarantee given to bankers for guarantees issued by the banker (Net of margins)	Nil	Nil
Security provided against amount withdrawn from the Hon'ble High Court. (refer note 25)	23,083,887	23,083,887

- 25.** The company had, in an earlier year, won an arbitration award in respect of an amount aggregating to ` 23,083,887 recoverable from Hindustan Copper Limited (HCL) along with interest. The Additional District Judge, Khetri, Rajasthan has dismissed the appeal filed by HCL against the arbitration award and passed an order for decree. The HCL has preferred an appeal against the said order in the High Court of Judicature for Rajasthan at Jaipur Bench, Jaipur. The Hon'ble High Court have admitted HCL's appeal and granted interim stay and directed HCL to deposit the award amount of ` 23,083,887. The Honorable Supreme Court on an appeal of HCL had modified the award and the company was permitted to withdraw the said amount by furnishing security to the satisfaction of the Court.
- 26.** An arbitration award in respect of an amount aggregating to ` 107,980,044 claimed from HCL is passed by the arbitral tribunal in favour of the company. Hindustan Copper Limited (HCL) has preferred an application under Section 34 of The Arbitration and Conciliation Act, 1996 against the award in the court of the District Judge, Jhunjhunu. The Hon'ble Court of District Judge, Jhunjhunu, has dismissed the said application filed by HCL. The HCL has preferred an Appeal against the said order in the High Court of Judicature for Rajasthan at Jaipur Bench, Jaipur. The Hon'ble High Court have admitted HCL's appeal and granted interim stay and directed HCL to deposit 25% of the award amount i.e. ` 26,995,011 within ten weeks from 25.5.2015 and that amount can be withdrawn by the company by furnishing Security and / Undertaking to the satisfaction of the Court.
- 27.** Receivables aggregating to Rs. 13,96,41,143 Lakhs and Advances of Rs. 66,84,618 Lakhs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against is not considered necessary.
- 28.** The company had outstanding interest free loan aggregating to ` 11,188,288 as at March 31, 2017 given to a borrower company. The borrower company has given a proposal to the Company to convert its borrowings into Equity. The company is still in the process of finalization/ acceptance of the proposal. Pending such finalization/acceptance, the same is presented as loans to related parties under Note 16.
- 29.** During the year, the Company's plant remains closed. The Company has obligations pertaining to borrowings, unpaid creditors and statutory dues, these matters require the Company to generate additional cash flows to pay the borrowings, creditors and other statutory obligations. The Management of the company hope to fulfil company's obligation in due course of time. The Management of the company is evaluating other business operations for the foreseeable future. Accordingly, financial statements are prepared on going concern basis. The financial statement does not include any adjustment in respect of impairment, if any, on fixed assets.
- 30.** There are no dues of micro, small and medium enterprises. The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis to information available with the company.

31. Related Party Disclosure:

List of related parties

Relationship	Name of the related party
Parties under common control	Bhagawati International Limited Bhagawati Combat Systems Limited Lavino Portfolios Private Limited Kamakshi Bricon Private Limited Flow Tech Hotels Private Limited
Director/Key management personnel and their relatives	Mr. Rakesh S. Bhardwaj (Managing Director) Mrs. Shachi Bhardwaj (Relative of Managing Director) Mr. Vivek Sharma (Whole Time Director) Mr. Kailash Chand Kedia (Director)

Summary of the Transactions with the above related parties are given below:

Nature of transaction	Director/Key management personnel and their relatives		Parties under common control		Total	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Advances Given	-	-	1,160,937	1,500,180	1,160,937	1,500,180
Advances Received	-	-	-	-	-	-
Advances Repaid	-	-	6,699,881	2,143,056	6,699,881	2,143,056
Remuneration	600,000	6,00,000	-	-	600,000	600,000
Balance outstanding at the year end						
Debit balances			11,188,288	16,727,232	11,188,288	16,727,232
Credit balances	7,540,304	12,617,292	4,022,174	4,022,174	11,562,478	16,639,466

Disclosure of Material Transactions with Related Parties:

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Advances Given		
Bhagawati International Limited	11,60,937	1,500,180
Advances Repaid		
Bhagawati International Limited	6,699,881	2,143,056

32. Following are the major components of deferred tax liabilities / (assets):

Component	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liabilities		
Difference in depreciation between accounting books and tax return	9,700,648	15,307,042
Total	(9,700,648)	15,307,042

Deferred Tax (Assets)		
Provision for retirement benefits	1,346,272	(1,748,900)
Others	970,690	(1,341,654)
Total	17,084,334	(3,090,554)
Net Deferred Tax (Liability)/Assets	(7,383,686)	12,216,488

33. Earnings per Share

Basic and diluted earnings per share	Year Ended March 31, 2017	Year Ended March 31, 2016
A. Number of shares	16,742,459	16,742,459
B. Weighted average number of shares during the year	16,742,459	16,742,459
C. Profit/Loss after tax (in Rs.)	(4,843,416)	(96,17,979)
D. Basic & Diluted EPS (in Rs.)	(0.29)	(0.57)

34. Managerial Remuneration

Managerial remuneration paid during the financial year to the executive directors.

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Mr. Rakesh S. Bhardwaj (<i>Managing Director</i>)		
Salary & allowances	6,00,000	6,00,000
Contribution to Provident Fund	-	-
Other benefits	-	-
Total (A)	6,00,000	6,00,000

Since the employee-wise break-up of liability on account of gratuity and leave encashment based on actuarial valuation is not ascertainable, the amount relatable to Managing Director could not be included in the above figures.

35. Payment to Auditors

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
(A) Statutory Auditors		
Audit Fee	194,648	194,650
Tax Audit Fee	-	-
Limited Review of Results	27,480	27,096
Total (A)	2,22,128	2,21,746

36. Balance due to/from various parties are subject to confirmations/ reconciliations thereof. Management does not consider any adjustment on completion of reconciliation/confirmation.

37. Employee Benefits

The following table sets out the status of the gratuity plan and leave encashment and the amounts recognized in the Company's financial statements as at March 31, 2017.

i) Gratuity Plan (*Non-Funded*):

Particulars	As at March 31, 2017	As at March 31, 2016
Change in Benefit Obligation		
Liability at the beginning of the year	28,35,407	26,96,508
Interest Cost	2,26,833	2,15,721
Past Service Cost	-	-
Current Service Cost	1,03,286	1,02,525
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	(1,40,918)	(1,79,347)
Liability at the end of the year	(30,24,608)	(28,35,407)
Expenses recognized in the Income Statement		
Current service cost	1,03,286	1,02,525
Past service Cost	-	-
Interest cost	2,26,833	2,15,721
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognized	(1,40,918)	(1,79,347)
Expense recognized in the Profit and Loss Account	(1,89,201)	(1,38,899)
Assumptions		
Discount rate	8.00%	8.00%
Salary Escalation	5.50%	5.50%

ii) Leave Encashment

Particulars	As at March 31, 2017	As at March 31, 2016
Change in Benefit Obligation		
Liability at the beginning of the year	11,87,734	11,96,468
Interest Cost	95,019	95,717
Past Service Cost	-	-
Current Service Cost	52,315	47,986
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	(2,809)	(1,52,437)
Liability at the end of the year	13,32,259	11,87,734
Expenses recognized in the Income Statement		
Current service cost	52,315	47,986
Past service Cost	-	-
Interest cost	95,019	95,717
Expected return on plan assets	-	-
Net Actuarial (gain)/loss to be recognized	(2,809)	(1,52,437)
Expense recognized in the Profit and Loss Account	144,525	(8,734)
Assumptions		
Discount rate	8.00%	8.00%
Salary Escalation	5.50%	5.50%

38. As per Notification dated March 30, 2017, issued by Ministry of Corporate Affairs, details of the Specified Bank Notes (SBN) held & transacted during the period from November 8, 2016 to December 30, 2016 as provided in the table below:

Particulars	SBNs	Other denomination notes	Total
Closing Balance as at 8th November 2016	52,00,500	34,581	52,35,081
Transactions between 9th November 2016 and 30th December 2016			
Add : Withdrawal from bank accounts	-	35,000	35,000
Add: Receipts for permitted transactions	-	-	-
Add : Receipts for non - permitted transactions	-	6,01,250	6,01,250
Less : Paid for permitted transactions	-	-	-
Less : Paid for non - permitted transactions	-	-	-
Less: Deposited in bank accounts	52,00,500	-	52,00,500
Closing balance as at 30th December 2016	-	670,831	6,70,831

39.Figures of previous year have been regrouped or rearranged wherever found necessary.

As per our report of even date attached.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E

FOR AND ON BEHALF OF THE BOARD

ANUJ MAHANSARIA
Partner
Membership No.500819

RAKESH S. BHARDWAJ
Chairman & Managing Director
DIN - 00029757

KAILASH CHAND KEDIA
Director
DIN - 01243510

New Delhi
May 30, 2017