

**46<sup>th</sup> Annual  
Report 2019-20**

**BHAGAWATI GAS LIMITED**

# CORPORATE INFORMATION

**46th  
Annual Report 2019-20**

## BOARD OF DIRECTORS

Mr. Rakesh Samrat Bhardwaj Chairman & Managing Director  
Mr. Ganga Charan Non-Executive Independent Director  
Mrs. Shachi Bhardwaj Non-Executive Director

## CHIEF FINANCIAL OFFICER COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Dyuman Samrat Bhardwaj Ms. Sanjana Sharma

## SECRETARIAL AUDITORS

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

## STATUTORY AUDITORS

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

## BANKER'S

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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## REGISTRAR & TRANSFER AGENT (R&TA)

### 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 46<sup>th</sup> Annual General Meeting ("**AGM**") of members of Bhagawati Gas Limited (the "**Company**") will be held on **Wednesday, December 30, 2020** at 11.30 A.M., Indian Standard Time ("**IST**") at the registered office of the company situated at Banawas, Khetri Nagar-333504, Distt.-Jhunjhunu, Rajasthan to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Shachi Bhardwaj (DIN - 07232850), who retires by rotation and being eligible, offers herself for re-appointment.

#### Regd. office:

#### **Bhagawati Gas Limited**

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

**E-mail:** bhagwatigases@gmail.com

**Tel No.:** +91-11 49120719

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

**CIN:** U24111RJ1974PLC005789

**Date:** December 04, 2020

**Place:** New Delhi

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

Sd/-

**Sanjana Sharma**  
Company Secretary

## NOTES:

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

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

2. Brief Resume of the Director seeking re-appointment as required under Companies Act according to Secretarial Standard and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR) Regulations, 2015} is annexed hereto along with the Annexure to Notice as per Schedule V of the Companies Act, 2013 forms part of Notice as "**Annexure-I**".
3. The Register of Members and Share transfer books of the Company shall remain closed from **Thursday, December 24, 2020 to Wednesday, December 30, 2020** (both days inclusive).
4. **SEBI encourages all shareholders to hold their shares in dematerialized form as this eliminates the possibility of damage/loss of physical share certificate(s) & cases of forgery and facilitates the ease and convenience of paperless trading of shares. Further, no stamp duty is payable on transfer of shares held in Demat form. It is also pertinent to mention that with effect from April 01, 2019, SEBI has prescribed that requests for effecting transfer of securities (except transmission or transposition cases) shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, we request you to convert your shareholdings from physical form to demat form at the earliest, in existing demat account or new demat account to be opened with any Depository Participant.**
5. Members who hold shares in physical form are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter and / or change in address or bank account, to R&TA of the Company and in case of shares held in electronic mode, to their respective Depository Participants.
6. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution/Authority Letter authorizing their representative to attend and vote on their behalf at the AGM, along with the Proxy Form/ Attendance Slip.
7. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its R&TA along with relevant Share Certificates. In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Members desirous of appointing their nominees for the shares held by them may apply in the Nomination Form (**Form SH-13**), as permitted under Section 72 of the Companies Act, 2013.
9. The notice of AGM is being sent to those members / beneficial owners whose name is appearing in the register of members /list of beneficiaries received from the depositories as

on **Friday, November 27, 2020** ("cut-off date").

10. 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.
11. Pursuant to the provisions of the Companies Act, 2013 read with the Rules framed thereunder, the Company may send notice of General Meeting, Director's report, Auditor's report, Audited Financial Statements and other documents through electronic mode. Further, pursuant to the first provisions to the Rule 18 of the Companies (Management & Administration) Amendment Rules 2015, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, Members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the Company.
12. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
13. 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.
14. Members are requested to bring their own copies of Annual Report; no spare copies will be available at the venue of meeting.
15. 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.
16. Pursuant to SEBI circular dated April 20, 2018, the Company is required to update the PAN and Bank details of shareholders holding shares in physical form, in case their folios do not have or are having incomplete details with regard to PAN and Bank particulars. Accordingly, the Company has sent reminder letters to such shareholders, requesting them to furnish their PAN and Bank details to the Company for updation. Shareholders holding shares in physical form are requested to update the same along with requisite supporting documents.
17. Members may note that the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed at the 43<sup>rd</sup> Annual General Meeting, held on September 30, 2017 and are eligible to hold their office until conclusion of 48<sup>th</sup> Annual General Meeting to be held in 2022.
18. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding maintained under Section 170 of the Companies Act, 2013, Register of contracts and arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice, will be available for inspection by the Members at the Registered Office of the Company on all working days during business hours and at the time of AGM of the Company at the venue of the Meeting.
19. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder read with Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings as issued by ICSI, Company is offering e-voting facility to the shareholders to enable them to cast their vote electronically on the items as mentioned in the Notice. For this purpose, the company has engaged the services of **Central Depository Services (India) Limited (CDSL)** for providing e-voting facility to enable the shareholders to exercise their right to vote through electronic means in respect of businesses to be transacted in the AGM. Those shareholders, who do not opt to cast their vote through e-voting, may cast their vote through Ballot Paper at the AGM.

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

- A. In case a Member receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):
- i. The voting period begins on **Sunday, December 27, 2020 (9.00 A.M. IST) and ends on Tuesday, December 29, 2020 (5.00 P.M. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Wednesday, December 23, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - iv. Click on Shareholders / Members.
  - v. Now Enter your User ID:
    - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
    - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
    - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
  - vi. Next enter the Image Verification as displayed and Click on Login:
  - vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used:
  - viii. If you are a first time user follow the steps given below.

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

Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
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- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN: **201203012** for the relevant <**Bhagawati Gas Limited**> on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xx. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

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

#### Other Instructions:

- i. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password?" option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.
- ii. The e-voting period commences on **Sunday December 27, 2020 (9.00 A.M. IST) and ends on Tuesday, December 29, 2020 (5.00 P.M. IST) (Both days inclusive)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **Wednesday, December 23, 2020 i.e. "Cut-off"** date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- iii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **Wednesday, December 23, 2020 i.e. "Cut-off"** date.
- iv. **Mr. Deepak Arora, Partner of M/s Deepak Arora & Associates**, Practicing Company Secretary (**Membership No. FCS 5104**), has been appointed as the Scrutinizer to scrutinize the e- voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- v. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- vi. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, **Mr. Deepak Arora, Partner of Deepak Arora & Associates**, Practicing Company Secretary (Membership No. FCS 5104), at the Registered Office of the Company on or before the date of Annual general meeting i.e. **Wednesday, December 30, 2020**.

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

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

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



website [www.bglgroup.in](http://www.bglgroup.in) within the prescribed time of passing of the resolutions at the **46<sup>th</sup> AGM** of the Company on **Wednesday, December 30, 2020** and communicated to the BSE Limited where the shares of the Company were listed.

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

**Regd. office:**

**Bhagawati Gas Limited**

Regd. Office: Banawas, Khetri Nagar,

Jhunjhunu, Rajasthan-333504

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

Tel No.: +91-11 49120719

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

CIN: U24111RJ1974PLC005789

**Date:** December 04, 2020

**Place:** New Delhi

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

Sd/-

**Sanjana Sharma**  
Company Secretary

**Annexure-I**

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

<b>Name</b>	<b>Mrs. Shachi Bhardwaj</b>
DIN	07232850
Date of Birth	17/10/1966
Age	54 Years
Qualifications	Matrix
Experience in specific functional areas	Business & Industry
Terms and Conditions of appointment	As per Appointment Letter
Last drawn Remuneration Details along with remuneration sought to be paid	Rs. 6,00,000/-
Date of first appointment	08/07/2015
Shareholding in the Company	97,7600
Relationship with other director/ Manager and other KMP	Mr. Rakesh Samrat Bhardwaj & Mr. Dyuman Samrat Bhardwaj
Directorships of other Board	(i) Dyuman Private Limited
Membership/Chairmanship of Committees of other Board	1. Nomination and Remuneration Committee

## DIRECTOR'S REPORT

Dear Shareholders/Members,  
Bhagawati Gas Limited

Your directors have pleasure in presenting their **46<sup>th</sup> Annual Report** on the business, operations and financial performance of the Bhagawati Gas Limited (the "**Company**" or "**BGL**"), together with the Audited Financial Statements of the Company, for the financial year ended March 31, 2020 as follows:

### 1. FINANCIAL RESULTS

The Financial Performance of the Company for the financial year ended on March 31, 2020 is as follows:

Particulars	(Amount in lacs)	
	FY 2019-20	FY 2018-19
Gross Revenue	113.39	337.37
Total expenses	213.87	483.58
<b>Profit / (loss) before tax</b>	<b>(100.48)</b>	<b>(146.21)</b>
<b>Tax expenses</b>		
Current tax	-	-
Deferred tax	(1.51)	(128.12)
<b>Total Tax Expense</b>	<b>(1.51)</b>	<b>(128.12)</b>
<b>Profit After Tax</b>	<b>(98.97)</b>	<b>(18.09)</b>
Other comprehensive income Items that will not be reclassified to profit or loss (Net of Taxes)	(2.88)	(12.67)
<b>Total Comprehensive Income for the year</b>	<b>(101.85)</b>	<b>(30.76)</b>

### 2. IMPACT OF COVID-19 PANDEMIC

COVID-19 Pandemic has caused unprecedented economic disruption globally and in India. The Company is sensitive about the impact of the Pandemic, not only on the human life but on businesses and industrial activity across the globe, which will be realised only over next few months. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government and local bodies to ensure safety of workforce across all its projects and offices. The Company has taken various safeties for the safety of all employees.

The Central Government, the State Governments and the local Municipal Authorities have been announcing lockdowns to contain COVID-19 outbreak and the same has been adhered to.

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are highly uncertain, including, among other things, evolving impact on bill collections from consumers and support from respective State Governments and banks & financial institutions. The Company has incurred substantial losses due to lockdown. However, the impact of Covid-19 situation on the Company's business is not immediately ascertainable at this stage. It is difficult to ascertain the actual loss but the Company has incurred heavy cash losses.

### **3. REVIEW OF OPERATIONS/BUSINESS OVERVIEW**

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

The company has commenced water effluent treatment business in the financial year 2018-2019 and is continuing the same. In this business activity the company treats the waste water and water bodies like River, Lake, Pond, etc. as well as treats the Industrial effluents by using Phycoremediation technology.

Bhagawati Gas Ltd (BGL) has been engaged in Bioremediation of waste water by innovative Micro Algae based Phycoremediation Technology. The technology has been marketed in Delhi / Bihar / UP / Rajasthan / Punjab/ Tamil Nadu and Telangana. To prove the efficacy of the technology BGL has done few pilot projects. BGL has also treated the flowing drain under Ganga Rejuvenation program of Jal Shakti Mantralaya. Many more are under pipeline to be executed. We have entered into an agreement with National Federation of Farmers Procurement Processing and Retailing Co-operative of India(NACOF) a Semi Government Company for jointly undertake the projects across the country.

BGL is actively involved in promoting Phycoremediation Technology for water treatment. As a result many States are now focusing on in-situ treatment of waste water by Bioremediation technology. Since Micro Algae based Phycoremediation technology is much ahead of any other bioremediation method we are confident of achieving our long term targets. As our business activity involves more of physical on site activity.

During the year under review, the company earned a revenue of Rs. 2,140,000/-and income from other sources is Rs. 9,199,481/- therefore the total Income of the Company was Rs. 11,339,481/- against Rs. 33,737,487/- in the previous year. The Company has incurred a Loss of Rs. 10,185,266/-as compared to a Loss of Rs. 3,076,,579/- in the previous year. The company is hoping for better growth of Company and profits in the forthcoming years.

### **4. DIVIDEND**

In view of the losses during the financial year, the Board of Directors has not recommended any dividend for the financial year ended March 31, 2020. There was no interim dividend declared during reporting period.

### **5. TRANSFER TO RESERVES**

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

### **6. CAPITAL STRUCTURE OF THE COMPANY**

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

#### **❖ AUTHORISED SHARE CAPITAL**

There is no change in the Authorised capital of the company during the financial year 2019-20, the Authorised Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs Equity Share) Equity Shares of Rs 10/- each (Rupees Ten

each).

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

There is no change in the Issued, Subscribed and Paid Up share capital of the Company during the financial year 2019-20, the Issued, Subscribed and Paid up Share Capital of Company is Rs. 16,74,24,590/- (Rupees Sixteen Crores Seventy-Four Lakhs Twenty-Four Thousand Five Hundred Ninety Only) divided into 1,67,42,459 (One Crore Sixty-Seven Lakhs Forty-Two Thousand Four Hundred Fifty Nine only) equity shares of Rs. 10/- each (Rupees Ten each).

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

During the financial year 2019-20, there are no subsidiaries or associate companies of the Company.

#### **8. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs)**

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

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

During the financial year 2019-20, Mr. Kailash Chand Kedia (DIN: 01243510), has resigned from the post of directorship w.e.f. November 05, 2019. Apart from there was no changes in Board of Directors of the Company.

After closing of the financial year, Mr. Gajendra Singh Shekhawat (Membership No. A47095), Company secretary of the Company ceased from the post of Company secretary of the Company w.e.f. 20th November, 2020 and Ms. Sanjana Sharma (Membership No. A61874), has been appointed as Company Secretary Cum Compliance Officer of the Company w.e.f. 21<sup>th</sup> November, 2020

Thus, during the financial year Board of Directors of the Company was not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors due to resignation of Mr. Kailash Chand Kedia from the post of Directorship. They show active participation at the board and committee meetings, which enhances the transparency and adds value to their decision making. The Board of the Company is headed by an Executive Chairman. Chairman takes the strategic decisions, frames the policy guidelines and extends wholehearted support to Executive Directors, business heads and associates.

As on March 31, 2020, the Board of company consists of **Three (3)** Directors. The composition and category of Directors is as follows:

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

During the financial year 2019-20, 04 (Four) Board Meetings were convened and held. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The details of which are given in the Corporate Governance Report.

### **Retirement by Rotation-**

Mrs. Shachi Bhardwaj (DIN: 07232850) is liable to retire by rotation and being eligible to offers herself for re-appointment and placed herewith the Notice of ensuing general meeting of the Company to sought your approval as per the provisions of Companies Act.

## **9. COMMITTEES OF THE BOARD**

The Board Committees constitution is in acquiescence of provisions of the Companies Act, 2013, the relevant rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of all the Committees along with their terms of reference, composition and meetings held during the year are provided in the Corporate Governance Report, which is a part of this report.

## **10. DEPOSITS**

During the financial year ended March 31, 2020, the Company has not invited or accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and rules framed there under. Hence, no public deposit is outstanding during the financial year 2019-20.

## **11. EXTRACT OF ANNUAL RETURN**

The Extracts of the annual return of the Company has been placed on the website of the Company and can be accessed at link [www.bglgroup.in](http://www.bglgroup.in) Relevant extract of Annual Return as on the financial year ended on March 31, 2020 is given in "**Annexure-A**" to this Report.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant Board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

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

- a) That in preparation of annual accounts for the financial year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
- b) 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 2019-20 and of the Profit & Loss of the company for the period under report;
- c) 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;
- d) We have prepared the annual accounts on a going concern basis;
- e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

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

### **13. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013 read with Rule 8(5)(viii) of the Companies(Accounts) Rules, 2014, The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

The Board of Directors of the Company have adopted various policies like Policy on determining Material Subsidiary, Policy on Determination of Materiality of Events of Information, Whistle Blower Policy, Policy on Related Party Transactions, Policy on Prohibition of Insider Trading, Policy on Prevention of Sexual Harassment at Workplace, policy on Corporate Social Responsibility, Nomination and Remuneration Policy such other policies and procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

### **14. DECLARATION BY INDEPENDENT DIRECTORS UNDER SUB SECTION (6) OF SECTION 149**

All the Independent Directors have given their declarations under section 149 (6) and section 149 (7) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as an Independent Director as specified in section 149 of the Companies Act, 2013 read with rules made thereunder as well as Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Independent Directors have given their declarations that they met the criteria of independence as prescribed as per above Section of the Companies Act, 2013.

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

The Independent Directors have complied with the Code applicable for Independent Directors as stipulated under schedule IV of the Companies Act, 2013.

### **15. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The details of the training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

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

At the time of appointing a new Independent Director, a formal letter of appointment is given to the Director *inter alia*; explaining the role, duties and responsibilities of the Director. The Director is also explained in detail the Compliances required from him / her under the Act, SEBI Regulations and other relevant regulations.

By way of an introduction to the Company, presentations are also made to the newly appointed Independent Director on relevant information like overview of the Company's businesses, market and business environment, growth and performance, organizational setup of the Company, governance and internal control processes.

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

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

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

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee (NRC) of the company has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

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

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



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

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

The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The Chairman of the Board had one-on-one meetings with the Independent Directors and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

The Board and the NRC reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

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.

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

## **18. CREDIT RATING**

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

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

The Board of Directors has formulated a Whistle Blower Policy/Vigil Mechanism which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013, to encourage Directors and employees to bring to the Company's attention, instances of unethical behavior, and actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation.

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

## **20. NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted a policy on Nominations & Remuneration for Directors, Key Managerial Executives, Senior Management and Other Employees, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or Senior Management Personnel of the Company, along with the criteria for determination of remuneration of Directors, KMPs, Senior Management and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of the Act and SEBI (LODR) Regulations. The Company's Remuneration Policy is available on the Company's website at [www.bglgroup.in](http://www.bglgroup.in).

Details of Remuneration paid to all the Directors during the Financial Year 2019-20 is more particularly defined in extract of Annual Report i.e. MGT-9 attached to this Report as "Annexure-A"

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

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

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

During the year, all recommendations made by the Nomination and Remuneration Committee were approved by the Board.

## **22. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY**

During the financial year 2019-20 the Company has not entered into any related party transactions which are required to be disclosed as per the provisions of Section 188 of the Companies Act, 2013 and other Related Party Transactions which were entered during the year were in Ordinary Course of the Business and on Arm's Length basis and as per AS-18 of the Companies Act, 2013, were properly noted, disclosed and annexed to the balance sheet and forming part of the financial statement of the Company. Your Directors draw attention of the members to Note 24 to the financial statement which sets out related party disclosures.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 is disclosed in Form AOC-2 in Annexure-B is annexed to this report.

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

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

#### **24. RISK MANAGEMENT COMMITTEE AND POLICY**

In terms of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company is not falling under the top five hundred listed entities based on market capitalization. Therefore, there is no requirement to constitute Risk Management Committee.

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

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

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

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

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

#### **25. 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, read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in "Annexure-C" which forms part of the Directors' Report.

#### **26. CORPORATE GOVERNANCE**

Your Company believes in adopting best practices of corporate governance. The Company has complied with the regulatory provisions for Corporate Governance as prescribed. As required by Regulation 34(3) read with Part E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed report on corporate governance is provided as "**Annexure-D**" which forms part of the Board's Report.

The Company is in compliance with the requirements and disclosures that have to be made in this regard.

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

### **❖ STATUTORY 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 (FRN: 005345N), Delhi, were appointed as Statutory Auditor of the company for a term of five consecutive years from the conclusion of the 43<sup>rd</sup> Annual General Meeting (AGM) of the Company till the conclusion of the 48<sup>th</sup> Annual general Meeting to be held in the year 2022. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

M/s Mohan L. Jain & Co., Chartered Accountants, has furnished a certificate of their eligibility and consent under Section 139 and 141 of the Act and the Companies (Audit and Auditors) Rules 2014 for their continuance as the Auditors of the Company for the FY 2020-21

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2020 is a part of the Annual Report. The said Audit Report does not contain any qualification, reservation or adverse remark except as mentioned below. During the financial year 2019-20, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

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

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

- i. Advances of Rs. 198.72 lacs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against are not considered necessary. Accordingly, we are unable to comment upon the consequential impact, if any, on the statement.
- ii. The Company is yet to receive Bank Balance Confirmation from a Bank for Rs. 52,807/- included under cash and cash equivalents as on 31st Mar 2020. Accordingly, we are unable to comment upon the consequential impact, if any, on the statement.

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

- i. In respect of auditors' observation regarding advances of Rs. 198.72 lacs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against is not considered necessary. it is submitted that company is trying to get confirmation from the customers/ external parties and expects to receive the same by the end of upcoming quarter.

- ii. In respect of auditors' observation regarding Company is yet to receive Bank Balance Confirmation from a Bank for Rs.52,807/- included under cash and cash equivalents as on 31st Mar 2020, request has been forwarded to the bank and upon the receipt of the same, will be submitted to auditor.

#### ❖ **SECRETARIAL AUDITOR**

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

In consonance with the requirements of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and rules made there under, **M/s ATCS & Associates**, Company Secretaries in Practice, Jaipur, was appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20 *vide* Board Resolution dated May 30, 2019 and further being re-appointed as the Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year 2020-21 *vide* Board Resolution dated June 30, 2020.

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

A Secretarial Audit Report issued by **M/s ATCS & Associates**, Company Secretaries in Practice, in respect of the secretarial audit of the Company for the financial year ended March 31, 2020, is given in **Annexure-E** to this Report and it carries the following qualifications:

1. The composition of Board of the Company was duly constituted at the beginning of the financial year but due to resignation of one Independent Director on 05.11.2019 and due to non-appointment of the Independent Director on the Board till date. Therefore, the composition of Board was not duly constituted from 05.11.2019 and by virtue of this, Composition of Audit Committee and Nomination and Remuneration Committee was not as per the Provisions of Companies Act, 2013 and as per the regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Company has its Website but it is not maintained as per the requirement of the Act and SEBI Guidelines.
3. The trading of the company's shares was suspended on exchange and equity shares of the company has been delisted from platform of the exchange of BSE Limited *w.e.f.* May 11, 2018 as per public notice of BSE as published in financial express newspaper dated 12.05.2018
4. As per the Sub-regulation (3) of Regulation 23 of SEBI (Delisting of Equity Shares) Regulations, 2009, the promoters of the company has to acquire the delisted equity shares from the public shareholders by paying them the value determined by the valuer within three months from the date of delisting from the recognized stock exchange, subject to their option of retaining their shares but the promoters of the company has not done the same and filed the appeal/petition against delisting of company before Securities Appellate Tribunal (SAT) on May 06, 2019.
5. The Company has filed an appeal before the Securities Appellate Tribunal ("SAT"), Mumbai, against the order dated 11th May, 2018 by which the appellant Company has been delisted under Regulation 22(2) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, for condoning the delay but an appeal for condonation of delay was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court and the matter is still pending in Supreme Court.
6. Company has not complied with the provisions of Section 185 and 186 of Companies Act, 2013 for giving loans and advances to related parties.
7. The company has not complied with following regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations:

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

**Reply by Board:**

In respect of above stated qualifications, your directors would like to clarify that trading of shares of the Company was suspended before the closure of financial year 2016-17. During the financial year 2017-18, the Company has not received any kind of correspondence from BSE Limited regarding the delisting of shares of Company. The company was delisted from the Exchange by delisting order of BSE Limited and the same was published as the public notice in Financial Express Newspaper dated 12.05.2018 by which company came to know about its delisting. The company has filed the appeal with Securities Appellate Tribunal (SAT) against the delisting order on 06.05.2019. And same was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court and the matter is still pending in Supreme Court. the company will do all the pending listing compliances, once the order is received. And in regard to independent directors appointment, the board is having communication with some professionals for filling vacancy very soon. and in regard to violation of section 185, it is hereby informed that advances are given for expenses to be made for and on behalf of group company which will be get recovered and will be made NIL and in future will take care of it and for this and other non compliance now we have started to take proper advice from professionals to take care in future so that it may not happen in future..

❖ **COST AUDITOR**

The requirement of Cost Audit in your industry has been excluded/ removed in the Companies (Cost Records and Audit) Rules, 2014, issued by the Ministry of Corporate Affairs vide its notification dated 30<sup>th</sup> June, 2014. Therefore, no appointment was made of the Cost Auditor to carry out the Cost Audit for the financial year ended March 31, 2020 and there is no requirement of maintenance of cost records as per section 148 of the Companies Act, 2013.

❖ **INTERNAL AUDITOR**

**Mr. Atul Singhal**, Accountant, Jaipur was appointed to conduct Internal Audit of the company for the financial year 2019-20 **vide** Board Resolution dated November 14, 2019 as required under Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and the reports of the Internal Auditors are reviewed by the Audit Committee from time to time. The observations and suggestions of the Internal Auditors are reviewed and necessary corrective/preventive actions are taken in consultation with the Audit Committee.

Further, being re-appointed as the Internal Auditor to conduct the Internal Audit of the Company for the financial year 2020-21 **vide** Board Resolution dated June 30, 2020.

**28. REPORTING OF FRAUD BY AUDITORS**

During the Financial year 2019-20, the Statutory Auditors has not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act,2013.

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

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

### **30. INVESTOR GRIEVANCE REDRESSAL**

The shares of the Company are held in physical and dematerialized form. Skyline Financial Services Private Limited has been appointed and it has been acting as the Registrar and Share Transfer Agent of the Company for carrying out shares transfer and other ancillary work related thereto. Skyline Financial Services Private Limited has appropriate systems to ensure that requisite service is provided to investors of the Company in accordance with the applicable corporate and securities laws and within the adopted service standards.

As per regulation 13 of Securities and Exchange Board of India (Listing Obligations & disclosure Requirements) Regulations,2015, and the number of complaints received and resolved to the satisfaction of investors during the year under review. There were no pending complaint or share transfer cases as on March 31, 2020, as per the certificate given by RTA.

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

Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon has to be submitted to the Stock Exchanges where the Company's shares are listed but currently company is not complying with listing compliance as the shares of the company is delisted from exchange and trading of its securities is not available on BSE Limited and Listing Centre of BSE Limited is also not available with the Company. The company has filed the petition with the Securities Appellate Tribunal (SAT) on dated May 05, 2019 against the order of exchange for delisting of Company's shares. The appeal was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

### **32. CODE OF CONDUCT**

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

### **33. CONFLICT OF INTERESTS**

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

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

The Company has filed an appeal before the Securities Appellate Tribunal ("SAT"), Mumbai, against the order dated 11th May, 2018 by which the appellant Company has been delisted under Regulation 22(2) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, for condoning the delay but an appeal for condonation of delay was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court and the matter is still pending in Supreme Court.

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

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

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

#### **36. INTERNAL COMPLAINT COMMITTEE (ICC) AND OTHER DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules there under, the Internal Complaint Committee of the Company has not received any complaint of Sexual Harassment during the financial year under review.

The following is a summary of Sexual Harassment complaints received and disposed off during the year 2019-20:

No. of Complaints received: NIL  
No of complaints disposed off: NIL

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



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

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

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

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

### **38. INSURANCE**

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

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

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

### **40. HUMAN RESOURCE DEVELOPMENT**

The Company has been continuously working upon the augmentation of EHS (environment health and safety) standard of the organization, we are committed and determined to provide best in industry internal infrastructure and facilities for all our employees working in harsh environment to develop the nation's infrastructure. Standardization pay range, continuous monitoring on team and individual performances, R&R for continuous motivation are some of the key efforts made by us in year 2019-20.

### **41. SECRETARIAL STANDARDS**

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

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

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2020 and the date of this report.

### **43. INSIDER TRADING CODE**

Your Company has formulated Code of Conduct for Prevention of Insider Trading in Company's Securities ("Code") in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The objective of this Code is to protect the interest of Shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by way of dealing in securities of the Company by its Designated Persons while in possession of unpublished price sensitive information in relation to Company. The code is hosted on website of the Company at [www.bglgroup.in](http://www.bglgroup.in).

#### **44. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

In compliance of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, any money transferred to the Unpaid Dividend Account of a Company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 i.e. Investor Education and Protection Fund.

Further there is no unclaimed/unpaid dividend liable for transfer to the Investor Education and Protection Fund for the year under review. This Provision is not applicable to your Company.

#### **45. MEETINGS OF INDEPENDENT DIRECTORS**

Your Company conducted a separate meeting of Independent Directors on **Friday, June 01, 2019** without the presence of the Non-Independent Directors and members of Management of the Bank.

At the said meeting, the Independent Directors discussed, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board and its committees, governance, compliance and performance of Non-Independent Directors, the Board as a whole and of the Chairman. No sitting fees were paid to the Independent Directors for participating in the said meeting.

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

#### **46. COMPULSORY DELISTING OF COMPANIES**

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

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

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

order as passed by exchange on dated May 12, 2018 but an appeal for condonation of delay was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court and the matter is still pending in Supreme Court.

#### **47. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As per the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed review by the Management of the business operations of the Company is presented under separate section "Management Discussion and Analysis" which forms a part of this Annual Report. The MD&A Report captures your Company's performance, industry trends and other material changes with respect to your Company.

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

#### **48. 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, 2020.

#### **49. GENERAL DISCLOSURES**

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

1. As per rule 4(4) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
2. As per rule 8(13) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
3. There were no frauds found which have been reported to the Audit Committee / Board members as well as to the Central Government. Further, there was no fraud reported by auditors under section 143 (12) of the Companies Act, 2013.
4. As per rule 12(9) the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option.

## 50. ACKNOWLEDGEMENT

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

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

**Regd. Office:**

Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: U24111RJ1974PLC005789

**Date:** November 12, 2020

**Place:** New Delhi

Sd/-

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

**ANNEXURE-A TO BOARD'S REPORT****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN  
(As on financial year ended on 31.03.2020)**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	<b>CIN</b>	U24111RJ1974PLC005789
2.	<b>Registration Date</b>	16/11/1974
3.	<b>Name of the Company</b>	BHAGAWATI GAS LIMITED
4.	<b>Category/Sub-category of the Company</b>	Company Limited by Shares Public Non-Government Company
5.	<b>Address of the Registered office &amp; contact details</b>	Banawas, Khetrinagar, Distt.- Jhunjhunu-333504, Rajasthan Telephone: 01593-221478/80 Fax: 01593-221477 E-mail: <a href="mailto:bhagwatigases@gmail.com">bhagwatigases@gmail.com</a> Website: <a href="http://www.bglgroup.in">www.bglgroup.in</a>
6.	<b>Whether listed company</b>	Trading suspended and currently delisted from the Stock Exchange w.e.f. 12.05.2018 for which restoration application is filed with SAT on 06.05.2019 which was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court and the matter is still pending in Supreme Court.
7.	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Skyline Financial Services Private Limited, Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020 Telephone: 011-40450193-97 & 011-26812682-83 E-mail: <a href="mailto:info@skylinerta.com">info@skylinerta.com</a> Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Water treatment	36000	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

There are no holding, subsidiary or associate companies.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category- wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% 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
<b>Sub Total (A) (1)</b>		<b>42450</b>	<b>5687993</b>	<b>5730443</b>	<b>34.23</b>	<b>42450</b>	<b>5687993</b>	<b>5730443</b>	<b>34.23</b>	<b>0</b>
2.	Foreign	0	0	0	0	0	0	0	0	0
a)	NRI Individuals	0	0	0	0	0	0	0	0	0
b)	Other Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (2)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (A) (1) + (A) (2)</b>		<b>42450</b>	<b>5687993</b>	<b>5730443</b>	<b>34.23</b>	<b>42450</b>	<b>5687993</b>	<b>5730443</b>	<b>34.23</b>	<b>0</b>
B.	Public 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)	Foreign Portfolio Investors/Foreign Institutional Investors	0	0	0	0	0	0	0	0	0

h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	<b>Others (specify)</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>		<b>0</b>	<b>25200</b>	<b>25200</b>	<b>0.15</b>	<b>0</b>	<b>25200</b>	<b>25200</b>	<b>0.15</b>	<b>0</b>
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	466790	814400	1281190	7.65	403994	814400	1218394	7.28	-0.37
ii)	Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	5698858	1514775	7213633	43.09	5763304	1513275	7276579	43.46	0.37
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1977422	0	1977422	11.81	1977422	0	1977422	11.81	0
c)	Others (specify)									
	Non Resident Indians	68865	14100	82965	0.50	69015	14100	83115	0.50	0
	HUF	431406	100	431506	2.58	431206	100	431306	2.58	0
	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
	NBFC Registered With RBI	100	0	100	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>		<b>8643441</b>	<b>2343375</b>	<b>10986816</b>	<b>65.62</b>	<b>8644941</b>	<b>2341875</b>	<b>10986816</b>	<b>65.62</b>	<b>0</b>

<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>8643441</b>	<b>2368575</b>	<b>11012016</b>	<b>65.77</b>	<b>8644941</b>	<b>2367075</b>	<b>11012016</b>	<b>65.77</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
D. IEPF	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>8685891</b>	<b>8056568</b>	<b>16742459</b>	<b>100.00</b>	<b>8687391</b>	<b>8055068</b>	<b>16742459</b>	<b>100.00</b>	<b>0</b>

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

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



22	Gokula Nanda Mukherjee	500	0.00	0.00	500	0.00	0.00	0.00
23	Rampratap Sharma	10	0.00	0.00	10	0.00	0.00	0.00
24	Laxmi chand Sharma	10	0.00	0.00	10	0.00	0.00	0.00
25	Dharampal Sarowa	10	0.00	0.00	10	0.00	0.00	0.00
26	Mansacharan Chakrabarty	10	0.00	0.00	10	0.00	0.00	0.00
27	Murlidhar Gupta	10	0.00	0.00	10	0.00	0.00	0.00

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

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

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the Beginning of the year April 01, 2019		Shareholding at the end of year March 31,2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Air Liquide India Holding Pvt. Ltd.	784400	4.69	784400	4.69
2	Prem Lata Daga	265000	1.58	265000	1.58
3	Praveen Electronics Pvt Ltd	103900	0.62	103900	0.62
4	KayzadSirusEghlim	100000	0.60	100000	0.60
5	LGW Limited	91400	0.55	91400	0.55
6	Dheeraj Kumar Lohia	64944	0.39	64944	0.39
7	Veena Khemka	54000	0.32	54000	0.32
8	Rajanikant G Dafade	55400	0.33	55400	0.33
9	Mita Dipak Shah	50000	0.30	50000	0.30
10	Raj Kumar Lohia	50779	0.30	50779	0.30

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

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

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	28,00,000	0	28,00,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>28,00,000</b>	<b>0</b>	<b>0</b>
Change in Indebtedness during the financial year				
* Addition	0	0	0	0
* Reduction	0	(1,00,000)	0	(1,00,000)
Net Change	0	(1,00,000)	0	(1,00,000)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	27,00,000	0	27,00,000
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>27,00,000</b>	<b>0</b>	<b>27,00,000</b>

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

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

S. No.	Particulars of Remuneration		Rakesh S. Bhardwaj	Total Amount (Rs. in lacs)
	Designation		Managing Director	
1	<b>Gross salary</b>			
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,45,000	18,45,000
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option		NIL	NIL
3	Sweat Equity		NIL	NIL
4	Commission - as % of profit - others, specify...		NIL	NIL
5	Others, please specify		NIL	NIL
	Total (A)		18,45,000	18,45,000
	Ceiling as per the Act		Ceiling as per the Act (As per Part-II of Schedule V of the Companies Act, 2013)	

**(B) Remuneration to other directors**

S. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs./Lac)
		Mrs. Shachi Bhardwaj	Mr. Ganga Charan	
1.	<b>Independent Directors</b>			
	Fee for attending board/committee meetings	0	0	0
	Commission	0	0	0
	Others	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
2.	<b>Other Non-Executive Directors</b>			
	Fee for Attending board/committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify (Professional Fees)	6,00,000	0	6,00,000
	<b>Total (2)</b>	<b>6,00,000</b>	<b>0</b>	<b>6,00,000</b>
	<b>Total (1+2)</b>	<b>6,00,000</b>	<b>0</b>	<b>6,00,000</b>
	<b>Total Managerial Remuneration</b>	<b>6,00,000</b>	<b>0</b>	<b>6,00,000</b>
	<b>Overall Ceiling as per the Act</b>	Ceiling as per the Act (As per Part-II of Schedule V of the Companies Act, 2013)		

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

S. No.	Particulars of Remuneration	Name of KMP		Total Amount (In Rs.)
	Name	Mr. Dyuman S. Bhardwaj	Mr. Gajendra S. Shekhawat	
	Designation	CFO	CS	
1.	Gross Salary	6,00,000	3,60,000	9,60,000
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-As % of profit	-	-	-
	-others, specify	-	-	-
5.	Others, please specify (Bonus)	-	-	-
	<b>Total</b>	<b>6,00,000</b>	<b>3,60,000</b>	<b>9,60,000</b>

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

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

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

**Regd. Office:**

Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: U24111RJ1974PLC005789

**Date:** November 12, 2020

**Place:** New Delhi

Sd/-

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

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

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

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

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

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

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

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

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

**Regd. Office:**

Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: U24111RJ1974PLC005789

**Date:** November 12, 2020

**Place:** New Delhi

Sd/-

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

## ANNEXURE-C TO BOARD'S REPORT

### Information as per under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of companies (Accounts) Rules,2014 for the year ended March 31, 2020.

- 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:Notapplicable.
- C. Technology absorption, adaptation &innovation
- a) Efforts made towards technology absorption, adaptation and innovation: The Company has successfully absorbed the technology of the plants supplied by the manufacturers.
  - b) Benefits derived as a result of the above efforts: Not applicable.
  - c) Particulars relating to imported technology: Nil
- D. Foreign Exchange Earnings and Outflow

Particulars	(Amount in Rs.)	
	2019-20	2018-19
Foreign Exchange Outflow		
-Traveling Expenses (on Accrual Basis)	0	0
<b>Total</b>	0	0
Foreign Exchange Earning	0	0

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

**Regd. Office:**

Banawas, Khetri Nagar,  
Jhunjhunu, Rajasthan-333504  
CIN: U24111RJ1974PLC005789

**Date:** November 12, 2020

**Place:** New Delhi

Sd/-

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

**CORPORATE GOVERNANCE REPORT**

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

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

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

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

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

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

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

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

## CORPORATE GOVERNANCE GUIDELINES

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

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

## BOARD OF DIRECTORS

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

## SIZE AND COMPOSITION OF THE BOARD

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

As on March 31, 2020, the Company's Board comprised of Three (3) Directors which includes One Whole Time functional Director, One Non-executive Director and One Non-Executive Independent Directors. The Composition of the Board and directorships is as mentioned below:

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

## BOARD MEETINGS, ATTENDANCE AND OTHER DIRECTORSHIPS

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



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

During the financial year 2019-20 under review, **Four (4)** meetings of the Board of Directors were held on (i) May 30, 2019, (ii) August 14, 2019, (iii) November 14, 2019, and (iv) February 06, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

### ANNUAL GENERAL MEETING (AGM)

The last Annual General Meeting of the Company was held on **Monday, September 30, 2019**.

**Directors' attendance at the Board Meetings held during the FY 2019-20 and the last Annual General Meeting, number of directorships in other companies and Membership/Chairmanship in the committees of the other companies etc. are as follows:**

Sr. No	Name of the Director*	DIN	Meetings held during the tenure	Board Meetings		Attendance at Last AGM (held on September 30, 2019)	As on March 31, 2020		
				Attended	Percentage of attendance		No of other Directorships**	No. of other Committee Memberships***	
								As Chairman	As Member
1.	Mr. Rakesh Samrat Bhardwaj	00029757	4	4	100	Yes	-	-	-
2.	Mrs. Shachi Bhardwaj	07232850	4	4	100	Yes	-	-	-
3.	Mr. Kailash Chand Kedia#	01243510	2	2	100	Yes	-	-	-
4.	Mr. Ganga Charan	00387567	4	4	100	Yes	-	-	-

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

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

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

# Mr. Kailash Chand Kedia has resigned from the post of Directorship w.e.f. November 05, 2019.

### Details of Directorship in Other Listed Entities

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

## INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

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

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

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

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

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

## SHAREHOLDING OF INDEPENDENT DIRECTOR(S)

As on March 31, 2020, Any Independent Director did not hold any shares and convertible instruments of the Company.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

Further, in accordance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company also organizes Familiarization Programme for the Independent Directors to enlighten them about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

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

## KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

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

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

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

Administrative Skills that is required for success in administration, such as communicating, computing, organizing, planning, scheduling, or staffing.

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

Name of Director	Area of Operation						
	Bioremediation of waste water Industry	Planning	Technical	Finance	Legal	Board service and Corporate Governance	Administrative
Mr. Rakesh Samrat Bhardwaj	✓	✓	✓	✓	✓	✓	✓
Mrs. Shachi Bhardwaj	✓	✓	✓	-	-	✓	-
Mr. Kailash Chand Kedia*	-	-	-	-	-	✓	-
Mr. Ganga Charan	-	-	-	-	-	✓	-

\* *Mr. Kailash Chand Kedia has resigned from the post of Directorship w.e.f. November 05, 2019.*

**Note:**

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

**INDEPENDENT DIRECTOR**

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

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

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

During the financial year 2019-20, Mr. Kailash Chand Kedia, has resigned from the post of

directorship as Independent Director **w.e.f. November 05, 2019** due to personal reasons.

## COMMITTEES OF THE BOARD OF DIRECTOR(S)

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them. As on March 31, 2020, the Board had the following committee;

### BOARD AND COMMITTEE COMPOSITION

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

**\*Mr. Kailash Chand Kedia has resigned from the Directorship w.e.f. November 05, 2019.**

### AUDIT COMMITTEE

During the financial year 2019-20, Mr. Kailash Chand Kedia has resigned from the post of Directorship w.e.f. November 05, 2019 and company has not appointed new Independent Director due to non-availability of suitable candidate. Therefore, the composition of Audit Committee is not in accordance with the requirements of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

As on March 31, 2020, the Audit Committee consists of Two (02) members. All the members of the committee have good financial and accounting knowledge. The committee is chaired by Mr. Ganga Charan.

During the year under review four (4) meetings of Audit Committee were held on (i) May 30, 2019, (ii) August 14, 2019, (iii) November 14, 2019, and (iv) February 06, 2020. The composition of the Audit Committee and the attendance of members at the meetings of the Audit Committee held during the financial year 2019-20 are as follows:

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

**\*Mr. Kailash Chand Kedia has resigned from the Directorship w.e.f. November 05, 2019. Therefore Mr. Ganga Charan is appointed as Chairman of the Audit Committee.**

The Audit Committee meetings were also attended by the statutory auditors, wherever necessary. The Audit Committee is responsible for overseeing the Company's financial reporting process,

reviewing the quarterly/half yearly/annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the management discussion and analysis of financial condition and result of operations and also statutory compliance issue. The committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

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

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

- a)** To comply with the requirements in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- b)** To comply with the requirements relating to Audit Committee as envisaged in Listing Regulations, as amended from time to time;
- c)** To comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

**NOMINATION AND REMUNERATION COMMITTEE**

During the financial year 2019-20, Mr. Kailash Chand Kedia has resigned from the post of Directorship w.e.f. November 05, 2019 and company has not appointed new Independent Director due to non-availability of suitable candidate. Therefore, the composition of Nomination and Remuneration Committee is not in accordance with the requirements of the Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

As on March 31, 2020, the Nomination and Remuneration Committee consists of two (02) members. The committee is chaired by Mr. Kailash Chand Kedia (Non-Executive Independent Director). The purpose of the committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with criteria approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM.

During the year, Two (2) meetings of Nomination and Remuneration Committee was held on (i) May 30, 2019, (ii) August 14, 2019, which was duly attended by all the Committee members.

The composition of the Nomination and Remuneration Committee and the attendance of the members at the meetings of the Nomination and Remuneration Committee held during the financial year 2019-20, are as follows:

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

*\*Mr. Kailash Chand Kedia has resigned from the Directorship w.e.f. November 05, 2019.*

The purpose of the committee is to oversee the Company’s nomination process for the senior

management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with the criteria approved by the Board and to recommend for approval by the Board, nominees for election at the AGM of the shareholders.

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

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

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

(a) To comply with the requirements in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time; and

(b) To comply with the requirements relating to Nomination and Remuneration Committee as envisaged in Listing Regulations, as amended from time to time;

**Performance evaluation criteria for independent directors**

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

**Remuneration to Directors in Fiscal 2019-20**

The Company pays remuneration to its Executive Director-Managing Director & Whole-time Director and others by way of Salary, perquisites and allowances. Salary is paid within the range as approved by the Shareholders and as per Companies Act, 2013. The Board approves all the revisions in salary, perquisites and allowances subject to the overall ceiling prescribed by Section 197 and 198 of the Companies Act, 2013. The Non-Executive Independent Directors have not been paid any remuneration except sitting fees during the financial year 2019-20.

**Given below are the details of remuneration paid to Directors during the financial year 2019-20: (Amount in Rs.)**

Name of Director	Salary	Sitting fees	Bonus	Stock option	Others	Total Remuneration
Executive Director(Managing Director)						
<b>Mr. Rakesh Samrat Bhardwaj</b>	18,45,000	-	-	-	-	<b>18,45,000</b>
Non-Executive Director						
<b>Mrs. Shachi Bhardwaj</b>	6,00,000	-	-	-	-	<b>6,00,000</b>
Non-Executive Independent Director						
<b>Mr. Kailash Chand Kedia</b>	-	-	-	-	-	-
<b>Mr. Ganga Charan</b>	-	-	-	-	-	-

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the financial year 2019-20, Mr. Kailash Chand Kedia has resigned from the post of Directorship w.e.f. November 05, 2019 and company has not appointed new Independent Director due to non-availability of suitable candidate. Therefore, the composition of Stakeholders' Relationship Committee is not in accordance with the requirements of the Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

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.

As on March 31, 2020, the Stakeholders' Relationship Committee consists of two (2) members out of which Mr. Ganga Charan is Non-Executive Independent Directors and Mr. Rakesh Samrat Bhardwaj is executive director. The Committee is chaired by Mr. Ganga Charan (Non-Executive Independent Director).

During the year, two (2) meetings of Stakeholders' Relationship Committee was held on (i) August 14, 2019, and (ii) February 06, 2020, 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 2019-20 are as follows:

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

\*Mr. Kailash Chand Kedia has resigned from the Directorship w.e.f. November 05, 2019.

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

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

### STATUS OF SHAREHOLDERS/INVESTORS GRIEVANCES

The Company has been attending to all investor grievances/complaints expeditiously and promptly to the satisfaction of stakeholder(s). The status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of Listing Regulations for the financial year 2019-20, is as follows:



Particulars	Number of Complaints
Pending at the beginning of the financial year	Nil
Received during the financial year	Nil
Disposed during the financial year	Nil
Remaining unresolved as on March 31, 2020	Nil

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

**Ms. Sanjana Sharma**

Company Secretary cum Compliance Officer

Bhagawati Gas Limited

S-492/A, Greater Kailash-I,

New Delhi-110048

Tel No.: 011-49120719

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

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

#### **MEETING OF INDEPENDENT DIRECTORS**

As required under the provisions of Companies Act, 2013 and Regulation 27 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of Independent Directors of the Company was held on **Friday, June 01, 2019** wherein Independent Directors reviewed the performance of Non-Independent Directors including chairman and the Board as a whole, taking into account the views of Executive Directors and Non-Executive Directors and assessed the adequacy quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

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

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

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

- a. Act objectively and constructively while exercising their duties;
- b. Exercise their responsibilities in a bona fide manner in the interest of the Company
- c. Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d. Do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e. Refrain from any action that would lead to loss of his independence;
- f. Inform the Board immediately when they lose their independence;
- g. Assist the Company in implementing the best corporate governance practices;
- h. Strive to attend all meetings of the Board of Directors and the Committees;

- i. Participate constructively and actively in the committees of the Board in which they are chairpersons or members
- j. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- k. Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

### GENERAL BODY MEETING

The last three Annual General Meetings were held as under:

Financial Year Ended	Date	Time	Venue	Special Resolution Passed
2019	September 30, 2019	11.00 A.M	Banawas, Khetrinagar, Distt.- Jhunjhunu, Rajasthan-333504	1. Re-appointment of Mr. Rakesh Samrat Bhardwaj (DIN: 00029757) as Managing Director of the Company; 2. Re-appointment of Mr. Ganga Charan as an Independent Director of the Company for Second Term; 3. Re-appointment of Mr. Kailash Chand Kedia as an Independent Director of the Company for Second Term; 4. Approval for Change of Name of Company from Bhagawati Gas Limited to Bhagawati Gases Limited.
2018	September 27, 2018	11.00 A.M	Banawas, Khetrinagar, Distt.- Jhunjhunu, Rajasthan-333504	NA
2017	September 30, 2017	11.00 A.M	Banawas, Khetrinagar, Distt.-Jhunjhunu, Rajasthan-333504	1. Grant loan(s), / give guarantee(s) or security (ies) and make investment in securities by the company in terms of section 186.

### EXTRA-ORDINARY GENERAL MEETING

Details of Extra-Ordinary General Meeting held during the Financial Year 2019-20. There was no Extra-Ordinary General Meeting held during the financial year 2019-20.

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

No special resolution was passed through postal ballot last year.

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

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

## MEANS OF COMMUNICATION/COMMUNICATION TO SHAREHOLDERS:

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

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

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

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

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

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

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, media releases (Notice of Board Meetings & extract of financial results publishing in the Financial Express), among others are also filed electronically on the Listing Centre but due to delisting and non-availability of trading platform it is not possible to communicate the same with BSE Limited through the Listing Centre. As on date no records are available on BSE website related to Bhagawati Gas Limited.

## GENERAL SHAREHOLDER(S) INFORMATION

### Annual General Meeting

<b>DATE &amp; TIME</b>	Wednesday, December 30, 2020 at 11.30 A.M.
<b>VENUE OF AGM</b>	Banawas, Khetrinagar – 333504, Distt – Jhunjhunu, Rajasthan.
<b>FINANCIAL YEAR</b>	2019-20
<b>BOOK CLOSURE</b>	Thursday, December 24, 2020 to Wednesday, December 30, 2020 <b>(both days inclusive)</b>
<b>E-VOTING DATES</b>	Sunday, December 27, 2020 (9.00A.M.) to Tuesday, December 29, 2020 (5.00 P.M.) <b>(both days inclusive)</b>

## FINANCIAL YEAR

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

## LISTING ON STOCK EXCHANGE

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

**Name:** BSE Limited (BSE)

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

**Stock Code:** 500051

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

## STOCK MARKET PRICE DATA

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

## REGISTRAR & TRANSFER AGENT (R&TA)

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

<b>NAME</b>	<b>Skyline Financial Services Private Limited</b>
<b>E- MAIL</b>	<a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a> or <a href="mailto:info@skylinerta.com">info@skylinerta.com</a>
<b>REGISTERED ADDRESS</b>	A, Okhla Industrial Area, Phase - I, New Delhi - 110 020
<b>PHONE NOS.</b>	011-26812682 or 011-40450193-97 & 011-26812682-83

## SHARE TRANSFER SYSTEM

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

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

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

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

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

## DISTRIBUTION OF SHAREHOLDING OF ORDINARY SHARES

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

Share or Debenture holding Nominal Value(Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount(Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	20279	88.58	29156720	17.41
5001 To 10,000	1273	5.56	11400460	6.81
10001 To 20,000	606	2.65	9850930	5.88
20001 To 30,000	222	0.97	5832480	3.48
30001 To 40,000	119	0.52	4317710	2.58
40001 To 50,000	119	0.52	5768590	3.45
50001 To 1,00,000	153	0.67	11730020	7.01
1,00,000 and Above	123	0.54	89367680	53.38
<b>Total</b>	<b>22894</b>	<b>100</b>	<b>167424590</b>	<b>100</b>

## SHAREHOLDING PATTERN AS ON MARCH 31, 2020

Sr. No	Category of Shareholders	Number of Shares held	Shareholding (%)
1	Promoters & promoter group	5730443	34.23
2	Mutual Funds	24400	0.15
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Government Institutions)	800	0.00
4	Foreign Portfolio Investors	-	-
5	Corporate Bodies	1218394	7.28
6	Indian Public	9685307	57.84
7	NRIs/OCBs /Foreign Nationals	83115	0.50
8	Any other	-	-
<b>TOTAL</b>		<b>16742459</b>	<b>100.00</b>

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

Bhagawati Shares were tradable in the both under Electronic Form & Physical Form before the delisting of shares of company from exchange and trading platform is also not available for trading of securities of company on exchange. We have established connectivity with the National Security

Depository Limited and Central Depository Services (India) Limited (CDSL) through M/s. Skyline Services Pvt. Ltd, Registrar and Share Transfer Agents. The ISIN allotted to our shares under the Depository system is INE099C01010.

As on March 31, 2020, 51.88% shareholding of the Company is in dematerialized form and rest of shareholding of company is in physical form and shareholding of company is not in compliance with Regulation 31(2) of the Listing Regulations.

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

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

The Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2020.

#### **PLANT LOCATION & REGISTERED OFFICE ADDRESS**

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

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

#### **CORPORATE OFFICE & ADDRESS FOR CORRESPONDENCE**

The corporate office of the company is situated at S-492/A, Greater Kailash-I, New Delhi- 110048 and following details are the contact details for any further correspondence:

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

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

**Mr. Rakesh Samrat Bhardwaj**  
Chairman & Managing Director,  
**Address:** S-492/A, Greater Kailash-I, New Delhi- 110048  
**Phone No.:** 011-49120719  
**E-mail:** [rakesh.samrat@gmail.com](mailto:rakesh.samrat@gmail.com)

#### **CREDIT RATING**

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

#### **OTHER DISCLOSURES:**

## DETAILS OF NON-COMPLIANCE

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

## WHISTLE BLOWER POLICY

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

In compliance of Section 177 of the Companies Act, 2013 and as per regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Amendment, 2018 the Company has formulated Vigil Mechanism/Whistle Blower Policy that aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Standards, Code of Conduct or policy adopted by the Company from time to time. Bhagawati is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and to full and accurate disclosures. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Any actual or potential violation of these Standards, however insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Directors, Employees in pointing out such violations of these Standards cannot be undermined.

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

During the financial year 2019-20, no person has been denied access to the Competent Authority and necessary system has been put in place, to provide protection to the complainant, wherever required.

Sd/-

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

Date: 12.11.2020

Place: New Delhi

## COMPLIANCE WITH MANDATORY REQUIREMENTS

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

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

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

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

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

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

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

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

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

Presently, The Company does not any unclaimed corporate benefits.

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

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

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

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

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

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

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

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

**(Amount in Rs.)**

<b>Type of Services</b>	<b>Fiscal 2019-20</b>	<b>Fiscal 2018-19</b>
Audit Fees	2,20,000	2,20,000

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

The Company's Policy on Prevention of Sexual Harassment at workplace is in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and



Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

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

During the Financial Year 2019-20 no complaint were received by the Company and the same were investigated in accordance with the procedures prescribed and adequate steps were taken to resolve them.

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

No. of complaints filed during the Financial Year	No. of Complaints disposed of during the Financial Year	No. of Complaints pending as on end of the Financial Year
Nil	Nil	Nil

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

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

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

The Company has complied with all mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has implemented the following non mandatory requirements:

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

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

Company has complied with the Corporate Governance Requirements specified in Regulation 17 to 27 and in accordance with Regulation 46(2) of **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**, required information has been hosted on the Company's website [www.bglgroup.in](http://www.bglgroup.in).

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

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

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

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

### **RELATED PARTY TRANSACTIONS**

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

In line with the said Policy, all the Related Party Transactions were approved by the Audit Committee and/ or by the Board of Directors, as the case may be. The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard and other applicable provisions of Companies Act, 2013. Further, a status report on Related Party transactions is put up for information of Audit Committee and Board of Directors on quarterly basis. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report. The policy has been hosted on the website of the Company at [www.bglgroup.in](http://www.bglgroup.in).

### **MD AND CFO CERTIFICATION**

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

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

Certificate from the Company's Secretarial Auditor, ATCS and Associates, confirming compliance with condition of corporate governance, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

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

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

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

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

All Board Members and Senior Management have affirmed compliance with the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company for the financial year ended March 31, 2020.

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

Date :12.11.2020  
Place: New Delhi

**DECLARATION:**

All the members of the Board and senior Management Personnel of the Company have affirmed due observation of the code of the conduct, framed pursuant to Regulation 26(3) of Listing Regulations with Stock Exchange is so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2020.

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

Sd/-  
Rakesh SamratBhardwaj  
Chairman & Managing Director  
DIN:00029757

**Date:**12.11.2020  
**Place:** New Delhi

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

In pursuance of sub clause (i) of clause 10 of part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Bhagawati Gas Limited having CIN: U24111RJ1974PLC005789, I hereby certify that:

On the basis of the written representation/declaration received from the Directors and taken on record by Board of Directors, as on March 31, 2020, none of the Directors on the board of the Company as stated below, has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/Ministry of Corporate Affairs or any statutory authority.

<b>SI. No.</b>	<b>Name of Director</b>	<b>Director Number (DIN)</b>	<b>Identification</b>
1	Mr. Rakesh Samrat Bhardwaj	00029757	
2	Mr. Ganga Charan	00387567	
3	Mrs. Shachi Bhardwaj	07232850	

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

Sd/-

CS Deepak Arora  
(Partner)

M. No. - 5104 | COP No. - 3641  
UDIN: F005104B001247114

**Date:**18.11.2020

**Place:** Jaipur

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

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

To

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

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

- a) We have reviewed financial statements and the cash flow statements for the year 2019-20:
  - (i) these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading,
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions, entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year, if any;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; and
  - (iii) Instances of fraud, whether or not significant, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Sd/-

Sd/-

**Date:** 12.11.2020  
**Place:** New Delhi

**Rakesh Samrat Bhardwaj**  
Chairman and Managing Director

**Dyuman Samrat Bhardwaj**  
Chief Financial Officer

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

## Certificate on Corporate Governance

To

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

We have examined the compliance of the conditions of Corporate Governance by Bhagawati Gas Limited ("the Company") for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

**Note:** During the last financial year 2018-19, the equity shares of company got delisted from the exchange of BSE Limited w.e.f. May 11, 2018 as per public notice of BSE as published in financial express newspaper dated 12.05.2018, for which company has filed the appeal/petition against delisting of company before Securities Appellate Tribunal (SAT) on May 06, 2019, which was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court. which is under process.

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

Sd/-

CS Deepak Arora  
(Partner)

M. No. – 5104 | COP No. – 3641  
UDIN: F005104B001247158

**Date:** 18.11.2020

**Place:** Jaipur

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

To,

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2020** according to the provisions of:

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

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

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof; and
  - (j) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit Period)**
- (vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

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

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

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

1. The composition of Board of the Company was duly constituted at the beginning of the financial year but due to resignation of one Independent Director on 05.11.2019 and due to non-appointment of the Independent Director on the Board till date. Therefore, the composition of Board was not duly constituted from 05.11.2019 and by virtue of this, Composition of Audit Committee and Nomination and Remuneration Committee was not as per the Provisions of Companies Act, 2013 and as per the regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Company has its Website but it is not maintained as per the requirement of the Act and SEBI Guidelines.
3. The trading of the company's shares was suspended on exchange and equity shares of the company has been delisted from platform of the exchange of BSE Limited w.e.f. May 11, 2018 as per public notice of BSE as published in financial express newspaper dated 12.05.2018.
4. As per the Sub-regulation(3) of Regulation 23 of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, the promoters of the company has to acquire the delisted equity shares from the public shareholders by paying them the value determined by the valuer within three months from the date of delisting from the recognized stock exchange, subject to their option of retaining their shares but the promoters of the company has not done the same and filed the appeal/petition against delisting of company before Securities Appellate Tribunal (SAT) on May 06, 2019.
5. The Company has filed an appeal before the Securities Appellate Tribunal ("SAT"), Mumbai, against the order dated 11th May, 2018 by which the appellant Company has been delisted under Regulation 22(2) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, for condoning the delay but an appeal for condonation of delay was rejected and dismissed by SAT by passing the order dated November 11, 2019. The Company has filed civil appeal against the order passed by SAT before Supreme Court and the matter is still pending in



Supreme Court.

6. Company has not complied with the provisions of Section 185 and 186 of Companies Act, 2013 for giving loans and advances to related parties.
7. The company has not complied with following regulations of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other SEBI Regulations:
  - a) As per Regulations 7(3), 13(3), 24A, 27, 29, 31, 33, 40(9), 44, 47 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, company has not complied with provisions of these regulations and the information was not submitted to Stock Exchange due to non-availability of Listing Centre of BSE Limited.
  - b) As per Regulation 31(2) hundred percent of shareholding of promoter(s) and promoter group is not in dematerialized form as required under Regulation 31 (2) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - c) As per Regulation 47, the company has not published the notice of Board Meeting dated February 06, 2020 in which company has approved the financial results of the company.
  - d) The company has not filed the Reconciliation of Share Capital in term of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 (as amended).
  - e) We have not checked the SEBI and other compliances of company on the BSE Limited platform due to delisted from the exchange and checked from the physical documents provided by the company.

#### **We further report that**

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Apart from this during the audit period, the Company has not undertaken any events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

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

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

**Date:** 11.11.2020  
**Place:** Jaipur

Sd/-  
CS Deepak Arora  
(Partner)  
M. No.:- 5104  
COP No.:- 3641  
UDIN: F005104B001208251

To,

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

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

- 1 Maintenance of Secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
- 2 We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. We have relied upon the Report of Statutory Auditors regarding compliance of Companies Act, 2013 and Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant Financial Year, which give a true and fair view of the state of the affairs of the company.
- 4 We have relied upon the Report of Statutory Auditors regarding compliance of Fiscal Laws, like the Income Tax Act, 1961 & Finance Acts, the Customs Act, 1962, the Central Excise Act, 1944 and Service Tax & Goods and Service Tax.
- 5 Where ever required, we have obtained the Management representation about the compliance of Laws, rules and regulations and happening of events etc.
- 6 The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 7 The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-  
**CS Deepak Arora**  
(Partner)  
M.No.:- 5104  
COP No.:- 3641  
UDIN: F005104B001208251

**Date:**11.11.2020

**Place:** Jaipur

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

Remuneration paid to Key Managerial Persons & Directors for the period ended 31.03.2020.

<b>Name</b>	<b>Designation</b>	<b>Salary &amp; Allowances Fund</b>	<b>Contribution To Provident</b>	<b>Other Benefits</b>	<b>Sitting Fees</b>	<b>Total</b>
Mr. Rakesh S Bhardwaj	Chairman & Managing Director	18,45,000	0	0	0	18,45,000
Mrs. Shachi Bhardwaj	Director	6,00,000	0	0	0	6,00,000
Mr. Dyuman Samrat Bhardwaj	Chief Financial Officer	6,00,000	0	0	0	6,00,000
Mr. Ganga Charan	Non-Executive Independent Director	0	0	0	0	0
Gajendra Singh Shekhawat	Company Secretary	3,60,000	0	0	0	3,60,000
<b>Total</b>		<b>34,05,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34,05,000</b>

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

Sd/-

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

**Date:**12.11.2020

**Place:** New Delhi

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

The Management of the Company is pleased to present its report on the Industry Scenario including on the Company's performance during the financial year 2019-20.

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

The COVID-19 pandemic has spread with astonishing speed to every part of the world and infected millions. The health and human toll is already large and continues to grow, with hundreds of thousands of deaths and many more suffering from diminished prospects and disrupted livelihoods. The pandemic represents the largest economic shock the world economy has witnessed in decades, causing a collapse in global activity. Various mitigation measures—such as lockdowns, closure of schools and non-essential business, and travel restrictions—have been imposed by most countries to limit the spread of COVID-19 and ease the strain on health care systems. The pandemic and associated mitigation measures have sharply curbed consumption and investment, as well as restricted labor supply and production. The cross-border spillovers have disrupted financial and commodity markets, global trade, supply chains, travel, and tourism.

Financial markets have been extremely volatile, reflecting exceptionally high uncertainty and the worsening outlook. Flight to safety led to a sharp tightening of global and EMDE financial conditions. Equity markets around the world plunged, spreads on riskier categories of debt widened considerably, and EMDEs experienced large capital outflows in much of March and April that bottomed out only recently. Commodity prices have declined sharply as a result of falling global demand, with oil particularly affected.

Many countries have provided large-scale macroeconomic support to alleviate the economic blow, which has contributed to a recent stabilization in financial markets. Central banks in advanced economies have cut policy rates and taken other far-reaching steps to provide liquidity and to maintain investor confidence. In many EMDEs, central banks have also eased monetary policy. The fiscal policy support that has been announced already far exceeds that enacted during the 2008-09 global financial crisis.

In all, the pandemic is expected to plunge a majority of countries into recession this year, with per capita output contracting in the largest fraction of countries since 1870. Advanced economies are projected to shrink by 7 percent in 2020, as widespread social-distancing measures, a sharp tightening of financial conditions, and a collapse in external demand depress activity. Assuming that the outbreak remains under control and activity recovers later this year, China is projected to slow to 1 percent in 2020—by far the lowest growth it has registered in more than four decades.

**Indian Economy**

India was expected to grow at 7.5% as per Indian Ratings and Research (Ind-Ra), for 2019-20, as government and private consumption remained robust. According to the advance estimates of Gross Domestic Product released by the Central Statistics Office (CSO), the economy was estimated to grow at 7.2% in the 2019-20, up from 6.7% in the previous year.

Even after an optimistic forecast during the start of the year, during Q1FY20 growth slowed down to 5.2% as compared to 5.8% in the previous quarter. For the first time in seven years, India's GDP grew below 6% year over year. Over the course of the remainder year, Indian GDP continued to decelerate to 4.4% and 4.2% in Q2 and Q3 of 2019-20, respectively. Private consumption, private investment and exports had slowed down significantly. Consumption, which was the biggest contributor to growth, fell the largest. This coupled with several core industries like auto, real estate and manufacturing contributed to subdued growth. The macroeconomic environment continued to remain unsettled and financial markets experienced considerable flux as the year progressed.

This was further followed by the COVID-19 pandemic. The world changed dramatically in Q4FY20 as the pandemic inflicted high and rising human costs worldwide. An unparalleled global recession is foreseen caused by the outbreak of the COVID-19 and resultant lockdowns. Since lockdown in India came into effect from the last week of March'20 and continued until second week of June, the impact of lockdown is expected to be more visible in Q1FY21. Indian economic growth deceleration was already underway which can be clearly seen in Q4 GDP growth rate of 3.1%. Private investment number fell sharply to 3% in 2019-20 vs 9% in 2018-19, which indicates that Indian Economy was already in a vulnerable position before COVID-19 hit India. Overall growth for 2019-20 slumped to 4.2%, lowest since FY09 when GDP was 3.09%, compared to 6.1% in 2018-19, as per the Central Statistics Office (CSO).

### **THREATS, RISKS AND CONCERNS**

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

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

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

### **OUTLOOK**

According to a World Bank Report, the COVID-19 pandemic has, with alarming speed, delivered a global economic shock of enormous magnitude, leading to steep recessions in many countries. The baseline forecast envisions a 5.2% contraction in global GDP in 2020, the deepest global recession in eight decades, despite unprecedented policy support. The global recession is expected to be deep as the pandemic has lasted longer than expected, and brought with it impending financial stress as liquidity and cash flows are getting constrained across the economy.

Another World Bank Report also states that, India is likely to record its worst growth performance in 2020-21, since the 1991 liberalisation, as the COVID-19 outbreak has severely disrupted the economy. It has magnified the pre-existing risk to India's economic outlook. World Bank expects India's GDP to contract to 3.2% in 2020-21. Several experts and economists have a negative outlook, which reflects deeper stress level in the economy and the financial system which could lead to deterioration of fiscal conditions.

However, at the same time the COVID-19 pandemic has also forced organisations and individuals to embrace new practices such as social distancing and remote working. The new 'work from home' model is expected to continue, and gain scale even post COVID-19. It could remain a potential delivery model across the services sector.

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

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

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

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

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

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

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

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

#### **FINANCIAL AND OPERATIONAL PERFORMANCE**

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

#### **KEY FINANCIAL RATIOS**

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

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

<b>Particulars</b>	<b>FY 2019-20</b>	<b>FY 2018-19</b>
Debtor Turnover Ratio	2.88%	Not applicable
Inventory Turnover Ratio	Not applicable to the Company	
Interest Coverage Ratio	-1567.00%	-1049.00%
Current Ratio	3.54%	4.15%
Debt Equity Ratio	0.35%	0.02%

Operating Profit Margin	Not applicable to the Company
Net Profit Margin	Not applicable to the Company

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

## **HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Human resource management practices and processes play an active role at the company. The HR function is responsible for institutionalising the values amongst the employees through robust foundation architecture, organisational effectiveness and strong winning culture. We nurture our employees for the long run through a structured role architecture and job responsibilities. Our workforce planning and segmentation further help our employees evolve in their career progressions. This leads to high performance culture and brings in a sense of maturity to handle larger responsibilities and further accelerate into leadership roles.

The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents and is reviewed on an ongoing basis. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve customer satisfaction. As on March 31, 2020, the Company's total Manpower stood 16 employees.

## **INTERNAL CONTROLS**

The Company's internal control systems adequately includes set of rules, policies and procedures that drive business, increase efficiency and strengthen adherence to policies. These controls and systems are designed keeping the nature of our business, its size and complexity in mind. Our statutory and internal auditors review our business and procedures on a periodical basis to avoid errors and a systematic flow of our business activities. All the significant observations, if any, are duly acted upon promptly. Reports of the same are thoroughly reviewed by the Audit Committee at their meeting.

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.

## **CAUTIONARY STATEMENT**

This document contains statements about expected future events, financial and operating results of Bhagawati Gas Limited, which are forward looking. By their nature, forward looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of Bhagawati Gas Limited's Annual Report 2019-20.

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

Sd/-

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

**Date:** 12.11.2020

**Place:** New Delhi



## **INDEPENDENT AUDITOR'S 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 comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on 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 thereunder.

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

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

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

## **Basis for Qualified Opinion**

- (i) Advances of Rs. 198.72 lacs are considered doubtful for recovery. The management is hopeful of recovering the amount in due course of time and therefore provisions there against are not considered necessary. Accordingly, we are unable to comment upon the consequential impact, if any, on the statement.
- (ii) The Company is yet to receive Bank Balance Confirmation from a Bank for Rs. 52,807/- included under cash and cash equivalents as on 31st Mar 2020. Accordingly, we are unable to comment upon the consequential impact, if any, on the statement.

## **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 the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The financial statements dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Company as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company did not have any pending litigations on its financial position.

- ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-

**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date: 30th June2020  
UDIN: 20540194AAAAAE9843

## **Annexure to the Independent Auditor's Report**

### **To the Members of Bhagawati Gas Limited**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020.

On the basis of such checks as we considered appropriate and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

**(i) Fixed assets:**

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

**(ii) Inventories:**

- (a) The Company does not have any inventory at any time during the year. Accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

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

According to the information and explanation given to us, the Company has not granted any loan to a body corporate covered by Section 2(76) of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company.

**(iv) Loans and investments:**

- (a) 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.

**(v) Acceptance of Deposits:**

- (a) In our opinion and according to the information and explanation given to us, the Company has not received any public deposits during the year.

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

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

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

- (a) According to the records of the company and information and explanations given to us, except for the table as mentioned below, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues wherever applicable to it with the appropriate authorities.

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

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

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

- (a) In our opinion and according to the information and explanations given to us, the Company has no dues to financial institutions, government and debenture holders.

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

- (a) In our opinion and according to the information and explanations given to us, no money were raised by way of debt instruments and the term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company

**(x)** Fraud reporting:

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

**(xi)** Managerial remuneration:

- (a) According to the information and explanation given to us, managerial remuneration complied with the minimum remuneration allowable as per provisions of Section 197 read with the Schedule V of the Act.

**(xii)** Nidhi Company:

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

**(xiii)** Related party transactions:

- (a) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance 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.

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

- (a) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable.

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

- (a) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

**(xvi)** The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

**For Mohan L Jain & Co.**

Chartered Accountants

(Firm Registration No: 005345N)

Sd/-

**Ankush Jain**

Partner

Membership No: 540194

Place: New Delhi

Date: 30th June 2020

UDIN: 20540194AAAAAE9843

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

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

We have audited the internal financial controls over financial reporting of Bhagawati Gas Limited ("the Company") as of March 31, 2020 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 our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and the Guidance Note issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-  
**Ankush Jain**  
Partner  
Membership No. 540194

Place: New Delhi  
Date: 30th June2020  
UDIN: 20540194AAAAAE9843



**BHAGAWATI GAS LIMITED**

Standalone Balance Sheet as at March 31, 2020

(Amount in Rs.)

	Notes	As at 31 March, 2020	As at 31 March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	26,460,083	27,981,043
Income tax assets (net)	2	9,555,937	8,731,845
<b>Total non-current assets</b>		<b>36,016,020</b>	<b>36,712,888</b>
<b>Current assets</b>			
Financial assets			
Investments	3	99,800	144,500
Trade receivables	4	849,876	635,588
Cash and cash equivalents	5	11,118,696	44,430,953
Other bank balances	6	106,675,090	86,675,090
Loans	7	4,708,361	5,837,061
Deferred tax Asset (Net)	8	6,026,062	5,874,755
Other current assets	9	35,035,737	21,892,101
<b>Total current assets</b>		<b>164,513,623</b>	<b>165,490,048</b>
<b>Total assets</b>		<b>200,529,643</b>	<b>202,202,936</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	167,424,590	167,424,590
Other equity	11	(18,935,423)	(8,750,158)
<b>Total equity</b>		<b>148,489,167</b>	<b>158,674,432</b>
<b>Liabilities</b>			
Non-current liabilities			
Provisions	12A	5,637,767	5,621,494
<b>Total non-current liabilities</b>		<b>5,637,767</b>	<b>5,621,494</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	2,700,000	2,800,000
Trade payables	14	-	800,000
Other financial liabilities	15	38,774,355	29,987,531
Other current liabilities	16	1,908,048	2,274,724
Provisions	12B	3,020,307	2,044,755
<b>Total current liabilities</b>		<b>46,402,710</b>	<b>37,907,010</b>
<b>Total liabilities</b>		<b>200,529,643</b>	<b>202,202,936</b>
The accompanying notes are integral part of the standalone financial statements.			
This is the standalone balance sheet referred to in our report of even date.			
<b>For Mohan L Jain &amp; Co.</b> Chartered Accountants Firm registration no.: 005345N		<b>For and on behalf of the Board of Directors</b>	
Sd/- <b>Ankush Jain</b> Partner Membership No.: 540194	Sd/- <b>Rakesh S. Bhardwaj</b> Chairman and Managing Director [DIN:00029757]	Sd/- <b>Shachi Bhardwaj</b> Director [DIN:07232850]	
Place: New Delhi Date: 30th June, 2020	Sd/- <b>Gajendra S. Shekhawat</b> Company Secretary	Sd/- <b>Dyuman S. Bhardwaj</b> Chief Financial Officer	

**BHAGAWATI GAS LIMITED**

Standalone statement of profit and loss for the year ended 31 March, 2020

**(Amount in Rs.)**

	NOTE	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Income</b>			
Revenue from operations	17	2,140,000	-
Other income	18	9,199,481	33,737,487
		<b>11,339,481</b>	<b>33,737,487</b>
<b>Expenses</b>			
Employee benefits expense	19	7,918,300	6,169,045
Finance costs	20	602,912	1,273,036
Depreciation and amortisation expense	1	1,520,960	1,746,951
Other expenses	21	11,346,583	39,170,095
		<b>21,388,755</b>	<b>48,359,127</b>
<b>Profit before tax</b>		<b>(10,049,274)</b>	<b>(14,621,640)</b>
Tax expense	22		
Current tax		-	-
Deferred tax		(151,307)	(12,812,493)
Tax on Earlier Years		-	-
<b>Profit after tax</b>		<b>(9,897,967)</b>	<b>(1,809,147)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		(287,299)	(1,267,432)
<b>Total comprehensive income for the year</b>		<b>(10,185,266)</b>	<b>(3,076,579)</b>
<b>Earnings per equity share</b>	23		
Basic (in Rs.)		(0.61)	(0.18)
Diluted (in Rs.)		(0.61)	(0.18)

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

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

<b>For Mohan L Jain &amp; Co.</b> Chartered Accountants Firm registration no.: 005345N	<b>For and on behalf of the Board of Directors</b>	
Sd/- <b>Ankush Jain</b> Partner Membership No.: 540194	Sd/- <b>Rakesh S. Bhardwaj</b> Chairman and Managing Director [DIN:00029757]	Sd/- <b>Shachi Bhardwaj</b> Director [DIN:07232850]
Place: New Delhi Date: 30th June, 2020	Sd/- <b>Gajendra S. Shekhawat</b> Company Secretary	Sd/- <b>Dyuman S. Bhardwaj</b> Chief Financial Officer

**BHAGAWATI GAS LIMITED**

Standalone cash flow statement for the year ended 31 March, 2020

**(Amount in Rs.)**

<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
Profit before tax	(10,049,274)	(14,621,640)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipments	1,520,960	1,746,951
Loss on sale of property, plant and equipments (net)	-	17,715,742
Interest income on bank deposits and financial assets measured at amortized cost	(8,394,896)	(1,721,757)
Excess provision for expenses written back	(135,992)	-
Net (gain)/loss arising on financial instruments at FVTPL	44,700	165,500
Finance costs	602,912	1,273,036
Bad debts written off	-	11,934,800
<b>Operating profit before working capital changes</b>	<b>(16,411,590)</b>	<b>16,492,632</b>
<b>Movement in working capital</b>		
Other current financial assets	-	81,909,910
Other current assets	(13,143,636)	1,231,889
Increase/(decrease) in current assets	(151,307)	(5,874,755)
Trade receivables	(214,288)	5,7095,645
Other non-current assets	(8,24,092)	(96,278)
Other current financial and non-financial liabilities	9,395,700	(28,794,585)
Other non-current liabilities	16,273	3,156,228
Trade payables	(800,000)	(544,456)
<b>Cash flow from operations</b>	<b>(22,132,941)</b>	<b>124,576,230</b>
Income tax paid (net of refunds)	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(22,132,941)</b>	<b>124,576,230</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Current and non-current loans	1,128,700	8,252,255
Interest received	8,394,896	1,721,757
Proceeds from sale/disposal of property, plant and equipment	-	1,711,760
<b>Net cash used in investing activities (B)</b>	<b>9,523,596</b>	<b>11,685,772</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	-	(3,067,681)
(Repayment)/proceeds from short-term borrowings (net)	(100,000)	(1,800,000)
Finance cost paid	(602,912)	(1,273,036)
<b>Net cash used in financing activities (C)</b>	<b>(702,912)</b>	<b>(6,140,717)</b>
Increase/(decrease) in cash and cash equivalents (A+B+C)	(13,312,257)	130,121,285
Cash and cash equivalents at the beginning of the year	131,106,043	984,757
<b>Cash and cash equivalents at the end of the year (refer note 6)</b>	<b>117,793,786</b>	<b>131,106,043</b>
<b>Reconciliation of cash and cash equivalents as per</b>		

<b>cash flow statement</b>		
Cash in hand	5,006,509	765,500
Balances with banks		
In current accounts	1,844,601	43,365,453
Cheques in hand	4,267,586	300,000
Bank deposits with original maturity	106,675,090	86,675,090
	<b>117,793,786</b>	<b>131,106,042</b>
The accompanying notes are integral part of the standalone financial statements.		
This is the standalone cash flow statement referred to in our report of even date.		
<b>For Mohan L Jain &amp; Co.</b> Chartered Accountants Firm registration no.: 005345N	<b>For and on behalf of the Board of Directors</b>	
Sd/-  <b>Ankush Jain</b> Partner Membership No.: 540194	Sd/-  <b>Rakesh S. Bhardwaj</b> Chairman and Managing Director [DIN:00029757]	Sd/-  <b>Shachi Bhardwaj</b> Director [DIN:07232850]
Place: New Delhi Date: 30th June, 2020	Sd/-  <b>Gajendra S. Shekhawat</b> Company Secretary	Sd/-  <b>Dyuman S. Bhardwaj</b> Chief Financial Officer

**BHAGAWATI GAS LIMITED**

Standalone statement of changes in equity for the year ended 31 March, 2020

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

<b>Balance at the beginning of 1st April, 2018</b>	<b>Changes in equity share capital during the year 2018-19</b>	<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>Balance at the beginning of 1st April, 2019</b>	<b>Changes in equity share capital during the year 2019-20</b>	<b>Balance as at 31<sup>st</sup> March, 2020</b>
167,424,590	-	167,424,590	167,424,590	-	167,424,590

**B. Other Equity**

<b>Particulars</b>	<b>Reserves and Surplus</b>			<b>Remeasurements of the defined Benefit plans</b>	<b>Total</b>
	<b>Securities Premium Account</b>	<b>General Reserve</b>	<b>Retained Earnings</b>		
<b>As on 31st March, 2019</b>					
<b>Balance at the beginning of 1st April 2018</b>	<b>66,700,165</b>	<b>12,511,248</b>	<b>(85,133,205)</b>	210,706	<b>(5,711,086)</b>
Total Comprehensive Income for the year	-	-	(1,809,147)	(1,267,432)	(3,076,579)
<b>Balance at the end of 31st March 2019</b>	<b>66,700,165</b>	<b>12,511,248</b>	<b>(869,044,845)</b>	<b>(1,056,726)</b>	<b>(8,750,158)</b>
<b>As on 31st March, 2020</b>					
<b>Balance at the beginning of the reporting period</b>	<b>66,700,165</b>	<b>12,511,248</b>	<b>(869,044,845)</b>	<b>(1,056,726)</b>	<b>(8,750,158)</b>
Total Comprehensive Income for the year	-	-	(9,897,967)	(287,299)	(101,85,266)
<b>Balance at the end of reporting period</b>	<b>66,700,165</b>	<b>12,511,248</b>	<b>(96,802,812)</b>	<b>(1,344,025)</b>	<b>(18,935,424)</b>

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

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

<b>For Mohan L Jain &amp; Co.</b> Chartered Accountants Firm registration no.: 005345N	<b>For and on behalf of the Board of Directors</b>	
Sd/- <b>Ankush Jain</b> Partner Membership No.: 540194	Sd/- <b>Rakesh S. Bhardwaj</b> Chairman and Managing Director [DIN:00029757]	Sd/- <b>Shachi Bhardwaj</b> Director [DIN:07232850]
Place: New Delhi Date: 30th June, 2020	Sd/- <b>Gajendra S. Shekhawat</b> Company Secretary	Sd/- <b>Dyuman S. Bhardwaj</b> Chief Financial Officer

## **NOTES TO THE FINANCIAL STATEMENTS**

### **A. CORPORATE INFORMATION**

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

### **B. Accounting Policies**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises



purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

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

Subsequent measurement (amortisation)

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

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

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

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

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

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

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

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

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

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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

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

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

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

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

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

##### **Post-Employment Benefits**

###### **Defined Contribution Plans**

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

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

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

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

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

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

#### **(j) Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

- **Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**(k) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

**(l) Foreign currencies**

Company's financial statements are presented in INR, which is also its functional currency.

**Transactions and balances**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss except to the extent that exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings are capitalized as cost of assets under construction. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2016 which are related to the acquisition or construction of fixed assets are adjusted in the carrying cost of such assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the

gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **(m) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if following condition are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- it can be reliably measured and it is reasonable to expect ultimate collection

#### **(n) Interest income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **(o) Financial Instruments**

##### **Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting

##### ***II Subsequent measurement***

##### **Non Derivative Financial Instruments**

##### **(i) Financial assets carried at amortised cost (AC):**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **(ii) Financial assets at fair value through other comprehensive income (FVTOCI):**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

## **(iii) Financial assets at fair value through profit or loss (FVTPL):**

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

Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

## **Equity instruments**

All equity investments in scope of Ind-AS 109 are measured at fair value either as at FVTOCI or FVTPL. The company makes such election on instrument-by-instrument basis.

For equity instruments measured as at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## **Impairment of financial assets**

The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables
- d) Trade receivables or any contractual right to receive cash or another financial asset
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet

date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **III. De-recognition of financial instruments**

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **IV. Fair value of financial instruments**

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value and such value may vary from actual realization on future date.

## **C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

- **Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.
- **Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- **Recoverability of advances/receivables** – At each balance sheet date, based on discussions with the respective counter-parties and internal assessment of their credit worthiness, the management assesses the recoverability of outstanding receivables and advances. Such assessment requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.
- **Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- **Fair value measurements** - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**BHAGAWATI GAS LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2020.

**Note 1**

Property, plant and equipment

**(Amount in Rs.)**

PARTICULARS	Gross Block				Depreciation			Net Block		
	As at 31 March, 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March, 2020	Upto 31 March, 2019	For Current period	Deductions/ Adjustments	As at 31 March, 2020	As at 31 March, 2020	As at 31 March, 2019
Freehold Land	6,675,340	-	-	6,675,340	-	-	-	-	6,675,340	66,75,340
Building	53,287,099	-	-	53,287,099	33,100,517	1,487,827	-	34,588,344	18,698,755	20,186,582
Lease Hold Improvement	7,141,212	-	-	7,141,212	6,022,091	33,133	-	6,055,224	1,085,988	1,119,121
Plant & Machinery	464,876	-	-	464,876	464,876	-	-	-	-	-
Truck & Tankers	-	-	-	-	-	-	-	-	-	-
Furniture & Fixture	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>67,568,527</b>	<b>-</b>	<b>-</b>	<b>67,568,527</b>	<b>39,587,484</b>	<b>1,520,960</b>	<b>-</b>	<b>40,643,568</b>	<b>26,460,083</b>	<b>27,981,043</b>

## BHAGAWATI GAS LIMITED

Notes to the standalone financial statements for the year ended 31 March 2020.

(Amount in Rs.)

Note 2	As at 31 March, 2020	As at 31 March, 2019
<b>Income tax assets (net)</b>		
Advance tax (net of provision)	5,367,668	4,543,576
MAT credit entitlement	4,087,933	4,087,933
Fringe benefit tax	100,336	100,336
	<b>9,555,937</b>	<b>8,731,845</b>

(Amount in Rs.)

Note 3	As at 31 March, 2020	As at 31 March, 2019
<b>A. Investments In equity shares - quoted</b>		
Bhagawati Oxygen Limited [10,000 equity shares (31 March 2018: 10,000 equity shares) of Rs 10 each]	99,800	144,500
	<b>99,800</b>	<b>144,500</b>

(Amount in Rs.)

Note 3.1	As at 31 March, 2020	As at 31 March, 2019
<b>Category wise current investments</b>		
Financial assets measured at fair value through profit & loss (FVTPL)	99,800	144,500
	<b>99,800</b>	<b>144,500</b>

(Amount in Rs.)

Note 4	As at 31 March, 2020	As at 31 March, 2019
<b>Trade receivables (Unsecured considered good, unless otherwise stated)</b>		
Considered good	849,876	635,588
Considered doubtful	-	-
	<b>849,876</b>	<b>635,588</b>

(Amount in Rs.)

Note 5	As at 31 March, 2020	As at 31 March, 2019
<b>Cash and cash equivalents</b>		
Cash in hand	5,006,509	765,500
Balances with banks	-	-
In current accounts	1,844,601	43,365,453
Cheques in hand	4,267,586	300,000
	<b>11,118,696</b>	<b>44,430,953</b>

(Amount in Rs.)

Note 6	As at 31 March, 2020	As at 31 March, 2019
<b>Other bank balances</b>		
Bank deposits with maturity of more than three	106,675,090	86,675,090



months and upto twelve months		
	<b>106,675,090</b>	<b>5,837,061</b>

(Amount in Rs.)

Note 7	As at 31 March, 2020	As at 31 March, 2019
<b>Loans - current (Unsecured, considered good)</b>		
Loan*	4,296,000	3,972,000
Loan to related party (Refer Note 21)	-	1,860,861
Security deposits	412,361	4,200
	<b>4,708,361</b>	<b>5,837,061</b>

\*Loan is outstanding since 1994. Principal component is INR 30 lakhs and interest component is INR 12.96 lakhs.

(Amount in Rs.)

Note 8	As at 31 March, 2020	As at 31 March, 2019		
<b>Deferred tax assets (net)</b>				
Deferred tax assets (net)	6,026,062	5,874,755		
	<b>6,026,062</b>	<b>5,874,755</b>		
	<b>As at 31st March, 2019 (a)</b>	<b>Recognised in statement of profit and loss (b)</b>	<b>Recognised in other comprehensive income (c)</b>	<b>As at 31st March, 2020 (a+b+c)</b>
<b>Deferred tax assets/(liabilities) in relation to:</b>				
Employee benefits	2,070,362	203,855	74,698	2,348,915
Provision for doubtful debt	556,947	5,407	-	562,354
Provision for dimulution in Investments	167,375	1,625	-	1,69,000
Depreciation	3,080,071	(134,277)	-	2,945,794
	<b>5,874,755</b>	<b>76,610</b>	<b>74,698</b>	<b>6,026,062</b>

(Amount in Rs.)

Note 9	As at 31 March, 2020	As at 31 March, 2019
<b>Other current assets</b>		
Advance to Material/service providers	19,872,045	11,427,741
Advance to Employees	5,677,802	1,070,650
Advance for Property*	7,890,351	7,074,206
Advance to Related Parties	-	904,540
Balances with Government Authorities	358,527	450,985
Others	1,237,012	963,979
	<b>35,035,737</b>	<b>21,892,101</b>

\*Advance for property contains the advance amount of INR 70,00,000/- to one party outstanding since 1995.

(Amount in Rs.)

<b>Note 10</b>	<b>As at 31 March, 2020</b>		<b>As at 31 March, 2019</b>	
<b>Equity share capital</b>				
<b>i. Authorised</b>	<b>Number</b>	<b>Amount (in Rs.)</b>	<b>Number</b>	<b>Amount (in Rs.)</b>
Equity Shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
		<b>250,000,000</b>		<b>250,000,000</b>
<b>ii. Issued, subscribed and paid up</b>	16,742,459	167,424,590	16,742,459	167,424,590
Equity Shares of Rs. 10 each		<b>167,424,590</b>		<b>167,424,590</b>
<b>iii. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year Equity shares</b>				
Balance at the beginning of the year	16,742,459	167,424,590	16,742,459	167,424,590
Add: Call money received	-	-	-	-
<b>Balance at the end of the year</b>	<b>16,742,459</b>	<b>167,424,590</b>	<b>16,742,459</b>	<b>167,424,590</b>
<b>iv. Details of shareholders holding more than 5% of equity share capital</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
<b>Name of the equity shareholder</b>				
Rakesh Samrat Bhardwaj	23,47,610	14.02%	23,47,610	14.02%
Shachi Bhardwaj	9,77,600	5.84%	9,77,600	5.84%
Bhagawati Steels Private Limited	10,40,600	6.22%	10,40,600	6.22%

(Amount in Rs.)

<b>Note 11</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>Other equity</b>		
<b>Particulars</b>		
Securities Premium Account	66,700,165	66,700,165
General Reserve	12,511,248	12,511,248
Retained Earnings	(98,146,836)	(87,961,571)
<b>Total</b>	<b>(18,935,423)</b>	<b>(8,750,158)</b>

(Amount in Rs.)

<b>Note12</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>A. Provisions - non-current</b>		
Provision for employee benefits:		
Gratuity	2,279,054	2,493,826
Compensated absences	3,358,713	3,127,668
	<b>5,637,767</b>	<b>5,621,494</b>
<b>B. Provisions - current</b>		
Provision for employee benefits:		
Gratuity	2,763,029	1,852,897
Compensated absences	257,278	191,858
	<b>3,020,307</b>	<b>2,044,755</b>

(Amount in Rs.)

Note 13	As at 31 March, 2020	As at 31 March, 2019
<b>Borrowings - current</b>		
<b>Unsecured loans</b>		
Loan from others*	2,700,000	2,800,000
	<b>2,700,000</b>	<b>2,800,000</b>

\*Loan is outstanding since 1994.

(Amount in Rs.)

Note 14	As at 31 March, 2020	As at 31 March, 2019
<b>Trade payables - current</b>		
Due to micro and small enterprises*	-	-
Payable to related parties	-	-
Due to others	-	800,000
	-	<b>800,000</b>

\*Based on the information available with the Company, none of its vendors are registered under the Micro, Small and Medium Enterprises Act, 2006. Accordingly, no separate disclosure has been made under the Micro, Small and Medium Enterprises Act, 2006.

(Amount in Rs.)

Note 15	As at 31 March, 2020	As at 31 March, 2019
<b>Other financial liabilities - current</b>		
Other payables*	27,369,120	28,609,299
Payable to related parties^^	894,299	914,142
Security deposit received	464,090	464,090
Bank Overdraft	10,046,846	-
	<b>38,774,355</b>	<b>29,987,531</b>

\*Other payables contains amount of INR 235.23 lakhs, which is disputed against supply of plant and machinery since 1994.

^^Payable to related parties-

**Bhagawati Steel Private Limited**

894,299

914,142

(Amount in Rs.)

Note 16	As at 31 March, 2020	As at 31 March, 2019
<b>Other current liabilities</b>		
Payable to statutory authorities	218,853	324,298
Employee payables	1,689,195	1,950,426
	<b>1,908,048</b>	<b>2,274,724</b>

(Amount in Rs.)

Note 17	As at 31 March, 2020	As at 31 March, 2019
<b>Revenue from operations</b>		
Water Treatment income	2,140,000	-
	<b>2,140,000</b>	-

(Amount in Rs.)

Note 18	As at 31 March, 2020	As at 31 March, 2019
<b>Other income</b>		
Interest income on bank deposits	8,027,413	1,721,757
Other interest income	367,483	32,015,730

Bad debt write back	804,585	-
	<b>9,199,481</b>	<b>33,737,487</b>

(Amount in Rs.)

<b>Note 19</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>Employee benefits expense</b>		
Salaries and wages	5,891,639	3,597,476
Other employee benefits	849,437	2,455,421
Staff welfare expenses	1,177,224	116,148
	<b>7,918,300</b>	<b>6,169,045</b>

(Amount in Rs.)

<b>Note 20</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>Finance costs</b>		
Interest on term loans	189,976	445,431
Interest others	412,936	827,605
	<b>602,912</b>	<b>1,273,036</b>

(Amount in Rs.)

<b>Note 21</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>Other expenses</b>		
Travelling and conveyance	1,659,243	1,686,650
Electricity charges	399,869	214,862
Balances/Bad debts written off	-	11,934,800
Auditor's remuneration	220,000	220,000
Security expenses	650,191	976,829
Legal and professional	1,014,388	1,509,200
Communication expenses	152,072	108,153
Repairs and maintenance	639,780	719,504
Insurance	26,697	3,437
Loss on sale of property, plant and equipment (net)	-	17,715,742
Net Loss FVTPL	44,700	165,500
Rates and taxes	319,720	1,257,817
Marketing and business promotions	1,410,026	25,384
Donations	520,182	409,500
Miscellaneous expenses	1,641,106	1,705,698
Office and administrative expenses	1,118,163	229,450
Printing and stationery	471,954	62,413
Vehicle running and maintenance	728,492	225,156
Water Treatment expenses	330,000	-
	<b>11,346,583</b>	<b>39,170,095</b>

(Amount in Rs.)

<b>Note 22</b>	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
<b>Tax Expenses</b>		
Current tax	-	-
Deferred tax credit	(151,307)	(12,812,493)
Income tax expense recognised in the statement of profit and loss	<b>(151,307)</b>	<b>(12,812,493)</b>

<b>*The income tax expenses for the year can be reconciled to the accounting profit as follows:</b>		
Profit Before Tax	(10,049,274)	(14,621,640)
Applicable Tax Rate	26.00%	25.75%
Computed Tax Expense	-	-
<b>Current Tax Provisions (A)</b>	-	-
Incremental deferred tax liability/(asset) on account of financial asset and others	(151,307)	(12,812,493)
<b>Deferred Tax Provisions (B)</b>	<b>(151,307)</b>	<b>(12,812,493)</b>
<b>Tax on earlier years (C)</b>	-	-
<b>Tax expenses recognized in statement of profit and loss (A+B+C)</b>	<b>(151,307)</b>	<b>(12,812,493)</b>

**Note 23**  
**Earnings per share (EPS)**

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders. Basic earnings per share are computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

(Amount in Rs.)

	<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
Profit attributable to equity shareholders	(10,185,266)	(3,076,579)
Profit attributable to equity shareholders adjusted for the effect of dilution	<b>(10,185,266)</b>	<b>(3,076,579)</b>
Weighted average number of equity shares for basic EPS*	16,742,459	16,742,459
Weighted average number of equity shares adjusted for the effect of dilution	16,742,459	16,742,459
<b>Earnings per equity share</b>		
Basic	(0.61)	(0.18)
Diluted	(0.61)	(0.18)

**Note 24**

**Related party transactions**

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the transactions and year-end balances with them as identified and certified by the management are given below:

**i) Entities under common control**

Bhagawati International Limited  
Lavino Portfolios Private Limited  
Bhagwati Steel Private Limited

**ii) Key management personnel (KMP)**

Rakesh Samrat Bhardwaj                      Director  
Ganga Charan                                      Director  
Shachi Bhardwaj                                  Director

**iii) Relatives of KMP**

Name of Relatives	Relationship with KMP
Mr. Dyuman Samrat Bhardwaj (Chief Financial Officer)	Son of Mr. Rakesh S. Bhardwaj and Mrs. Shachi Bhardwaj

**(a) Transactions with related parties carried out in the ordinary course of business:**

(Amount in Rs.)

S No.	Particulars	Year	Related parties		Total
			Entities under common control	Key management personnel and their relatives	
<b>1</b>	<b>Salaries</b>				
	Rakesh Samrat Bhardwaj	31-Mar-20	-	1,845,000	1,845,000
		31-Mar-19	-	900,000	900,000
	Shachi Bhardwaj	31-Mar-20	-	600,000	600,000
		31-Mar-19	-	200,000	200,000
	Dyuman Samrat Bhardwaj	31-Mar-20	-	600,000	600,000
		31-Mar-19	-	400,000	400,000
<b>2</b>	<b>Expenses paid on behalf of</b>				
	Rakesh Samrat Bhardwaj	31-Mar-20	-	-	-
		31-Mar-19	-	913,005	913,005
	Bhagawati International Limited	31-Mar-20	286,725.00	-	286,725
		31-Mar-19	-	-	-
	Bhagawati Steel Pvt. Ltd.	31-Mar-20	19,843	-	19,843
		31-Mar-19	-	-	-
<b>3</b>	<b>Amount Repaid</b>				
	Dyuman Samrat Bhardwaj	31-Mar-20	-	-	-
		31-Mar-19	-	8,95,000	8,95,000
	Bhagawati International Limited	31-Mar-20	3,647,586	-	3,647,586
		31-Mar-19	-	-	-
	Lavino Portfolios Private Limited	31-Mar-20	9,540	-	9,540
		31-Mar-19	-	-	-
<b>4</b>	<b>Advance Given</b>				
	Bhagawati International Limited	31-Mar-20	1,500,000	-	1,500,000
		31-Mar-19	-	-	-

**(b) Closing balance with related parties in the ordinary course of business:**

(Amount in Rs.)

S No.	Particulars	Year	Related parties		Total
			Entities under common control	Key management personnel and their relatives	
<b>1</b>	<b>Loan to related party</b>				
	Bhagawati International Limited	31-Mar-20	-	-	-
		31-Mar-19	1,860,861	-	1,860,861
<b>2</b>	<b>Advance to related parties</b>				
	Lavino Portfolios Private Limited	31-Mar-20	-	-	-
		31-Mar-19	9,540	-	9,540
	Dyuman Samrat Bhardwaj	31-Mar-20	-	-	-
		31-Mar-19	-	895,000	895,000

3	<b>Other financial liabilities - current</b>				
	Bhagawati Steel Private Limited	31-Mar-20	894,299	-	894,299
		31-Mar-19	914,142	-	914,142

## Note 25

### Capital management

The Company's objectives when managing capital are to:

- To ensure Company's ability to continue as a going concern, and
- To maintain optimum capital structure and to reduce cost of capital

Management assesses the capital requirements in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally imposed capital requirements. The Company has complied with debt covenants as per the terms of the borrowing facility arrangements. The Company manages its capital requirements by overseeing the gearing ratio:

Particulars	As at 31 March 2020	As at 31 March, 2019
Total borrowings	2,700,000	2,800,000
Total equity	148,489,167	158,674,432
Net debt to equity ratio	2%	2%

## Note 26

Contingent liabilities and commitments:

Particulars	As at 31 March 2020	As at 31 March, 2019
Counter Guarantee given to bankers for guarantees issued by the banker (Net of margins) (Refer note 24)	86,675,090	86,675,090

## Note 27

### Defined benefit plans:

The Company provides gratuity (which is unfunded) as employee benefit schemes to its employees. The following table sets out the status of the defined benefit scheme and the amount recognized in the financial statements.

#### i) Reconciliation of opening and closing balances of Defined Benefit Obligation:

(Amount in Rs.)

Particulars	Gratuity	
	Year ended 31.03.2020	Year ended 31.03.2019
Defined Benefit obligation at beginning of the year	4,346,723	3,124,361
Current Service Cost	215,068	170,005
Interest Cost	325,570	225,579
Actuarial (gain)/ loss	287,299	1,267,432
Benefits paid	(440,654)	(440,654)
Defined Benefit obligation at year end	4,734,006	4,346,723

#### ii) Expenses recognized during the year:

(Amount in Rs.)

Particulars	Gratuity	
	Year ended 31.03.2020	Year ended 31.03.2019
<b>In Income Statement</b>		
Current Service Cost	215,068	170,005
Interest Cost	325,570	225,579
<b>Net Cost</b>	<b>540,638</b>	<b>395,584</b>
<b>In Other Comprehensive Income</b>		
Actuarial (gain)/loss on defined benefit obligation	287,299	1,267,432
<b>Net (Income) /Expense recognized in OCI</b>	<b>287,299</b>	<b>1,267,432</b>

**iii) Actuarial assumptions:**

(Amount in Rs.)

Particulars	Gratuity	
	Year ended 31.03.2020	Year ended 31.03.2019
Mortality Table (IALM)	2006-08	2006-08
Discount rate (per annum)	7.49	7.49
Expected rate of return on plan assets (per annum)	-	-
Rate of escalation in salary (per annum)	5.50	5.50

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**iv) Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in Rs.)

Particulars	Gratuity	
	As at 31st March	
	2020	2019
<b>a) Impact of the change in discount rate</b>		
Present value of obligation at the end of the period	4,346,723	4,346,723
i) Impact due to increase of 0.5%	(41,562)	(41,562)
ii) Impact due to decrease of 0.5%	42,892	42,892
<b>b) Impact of the change in salary increase</b>		
Present value of obligation at the end of the period	4,734,006	4,346,723
i) Impact due to increase of 0.5%	43,503	43,503
ii) Impact due to decrease of 0.5%	(42,530)	(42,530)

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

**a) Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**b) Interest risk**



A decrease in the bond interest rate will increase the plan liability.

**c) Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and other their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**d) Salary risk**

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Note 28**

The company is now engaged in work related to cleaning of water bodies, hence segment reporting is not applicable.

**Note 29**

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slow down of economic activity. The company is evaluated impact of this pandemic on its business operations and based on this review and current indicators of future economic conditions, there is no significant impact on its financial results.

**Note 30**

Previous year figures have been regrouped, wherever considered necessary.

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

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

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

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

Sd/-

Sd/-

Sd/-

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

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

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

Sd/-

Sd/-

Place: New Delhi  
Date: 30th June, 2020

**Gajendra S. Shekhawat**  
Company Secretary

**Dyuman S. Bhardwaj**  
Chief Financial Officer

## BHAGAWATI GAS LIMITED

(CIN: U24111RJ1974PLC005789)

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

**E-mail:** [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com) **Tel No.:** +91-11 49120719 **Website:** [www.bglgroup.in](http://www.bglgroup.in)

### FORM NO. MGT – 12 (BALLOT/POLLING FORM)

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

Sr. No.	Particulars	Details
1.	Name of the First Named Shareholder <b>(In block letters)</b>	
2.	Name of the Joint holder (s), if any	
3.	Postal address	
4.	No. of Shares	
5.	Registered Folio No. / *DP ID and Client ID No. (*Applicable to investors holding shares in dematerialized form)	
6.	Class of Shares	

I/We hereby exercise my/our vote in respect of Ordinary/ Special Resolution/s enumerated below, by recording my/our assent or dissent to the below mentioned resolutions by placing a tick (✓) in the following manner:

Item No.	Resolutions	No. of shares held by me/ours	I/we assent to the resolution	I/we dissent from the resolution
<b>ORDINARY BUSINESS</b>				
1.	To receive, consider, and adopt Financial Statements for the year ended March 31, 2020 and the Auditors and Directors reports thereon.			
2.	To re-appoint Mrs. Shachi Bhardwaj (DIN-07232850), who retires by rotation and being eligible offers herself for re-appointment.			

-----  
(Signature of the shareholder)

Place:

Date:

## BHAGAWATI GAS LIMITED

(CIN: U24111RJ1974PLC005789)

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

E-mail: [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com) Tel No.: +91-11 49120719 Website: [www.bglgroup.in](http://www.bglgroup.in)

### ATTENDANCE SLIP FOR THE 46<sup>th</sup> ANNUAL GENERAL MEETING

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

46<sup>th</sup> ANNUAL GENERAL MEETING TO BE HELD ON **WEDNESDAY, DECEMBER 30, 2020** AT 11:30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT BANAWAS, KHETRI NAGAR, JHUNJHUNU, RAJASTHAN-333504.

Name & Address of the attending Member(s)	
Joint Holder 1	
Joint Holder 2	
*Folio No.	
DP ID No.	
Client ID No.	
No. of Shares held	
NAME OF PROXY (IN BLOCK LETTERS) to be filled in, if the proxy attends instead of the member	

I/We, hereby record my/our presence at the 46<sup>th</sup> Annual General Meeting of the company held on **WEDNESDAY, DECEMBER 30, 2020 AT 11:30 A.M.** at the registered office of the Company situated at Banawas, Khetri Nagar, Jhunjhunu, Rajasthan-333504.

*\*Applicable in case of shares held in Physical form.*

-----  
Member's/Proxy's Name in Block Letters

-----  
Signature of Shareholder/Proxy

#### Notes:

1. Please complete the Client ID & DP ID/Registered Folio and name, sign this Attendance slip and handover at the entrance of the meeting hall.
2. Electronic copy of the Annual Report for FY 2019-20 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 2019-20 and the Notice of the Annual general Meeting (AGM) along with Attendance Slip and proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

#### E-Voting particulars

EVEN (E-Voting Event Number)	USER ID	Password/PIN
201203012		

**Note:** Please read the instructions provided in Notice of the 46th Annual General Meeting. The e-voting period starts from 09:00 a.m. on **Sunday, December 27, 2020** and ends at 05:00 p.m. on **Tuesday, December 29, 2020**. The voting module shall be disabled by CDSL for voting thereafter.

## BHAGAWATI GAS LIMITED

(CIN: U24111RJ1974PLC005789)

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

**E-mail:** [bhagwatigases@gmail.com](mailto:bhagwatigases@gmail.com) **Tel No.:** +91-11 49120719 **Website:** [www.bqlgroup.in](http://www.bqlgroup.in)

### PROXY FORM (FORM NO. MGT-11)

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

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

I/We being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1.	Name of the Member(s):		
	Address:		Signature:
	E-mail Id:		
or failing him/her			
2.	Name of the Member(s):		
	Address:		Signature:
	E-mail Id:		
or failing him/her			
3.	Name of the Member(s):		
	Address:		Signature:
	E-mail Id:		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46<sup>th</sup> Annual General Meeting of the Company, to be held on **Wednesday, December 30, 2020** at 11.30 A.M. at registered office of the company situated at Banawas, Khetri nagar-333504, Jhunjhunu, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution	Vote		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	To receive, consider, and adopt Financial Statements for the year ended March 31, 2020 and the Auditors and Directors reports thereon.			
2.	To re-appoint Mrs. Shachi Bhardwaj (DIN-07232850), who retires by rotation and being eligible offers herself for re-appointment.			

Signed this on .....day, ....., 2020

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

Affix Revenue Stamp of Rs. 1
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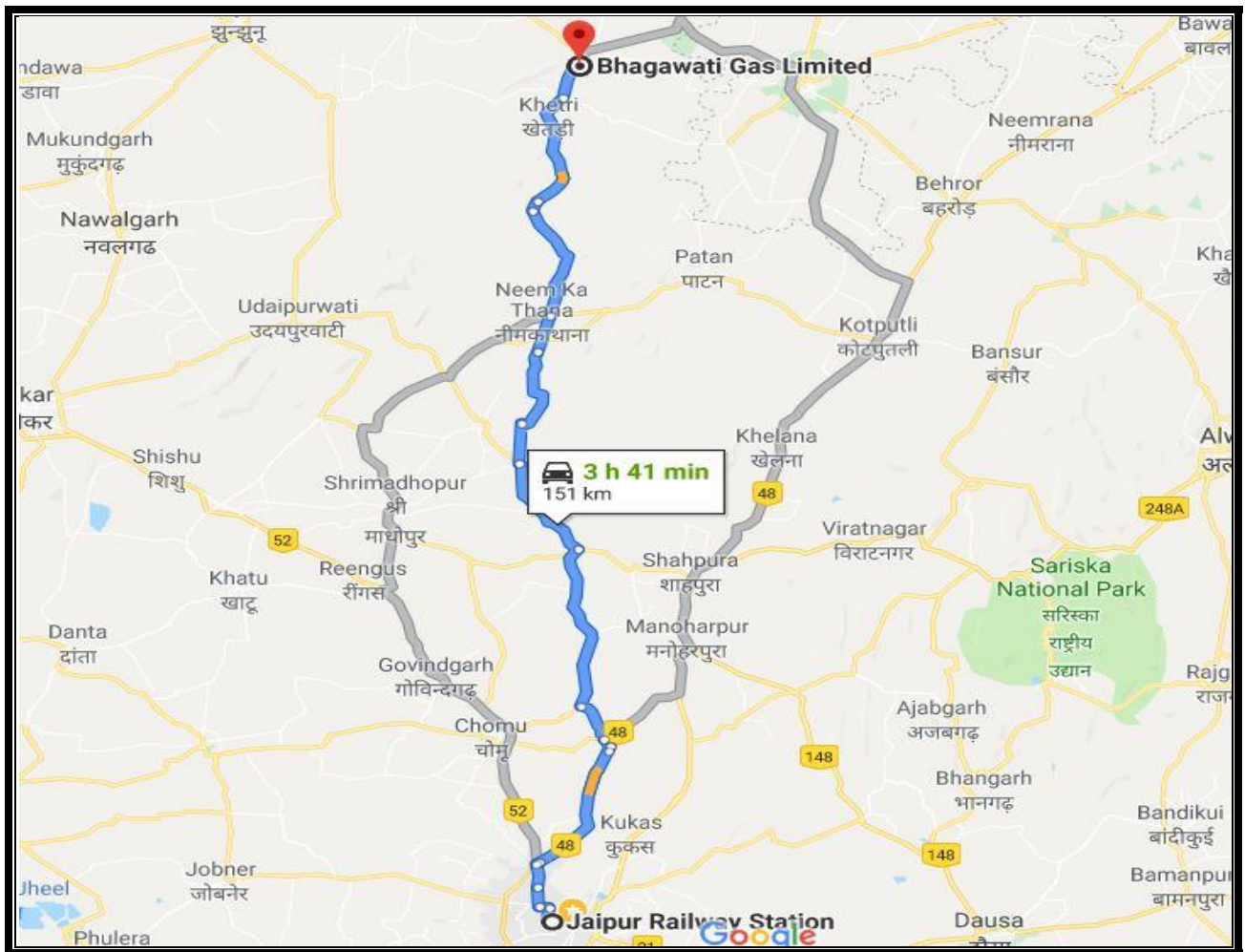
**Notes:**

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company not less than **48** hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

^ This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

## ROUTE MAP:

Route Map to the AGM Venue: Bhagawati Gas Limited, Banawas, Khetri nagar-333504, Jhunjhunu, Rajasthan, India.





If undelivered, please return to  
**BHAGAWATI GAS LIMITED**  
**Corp. Off.:** S-492/A, Greater Kailash-I,  
New Delhi-110048  
**Ph. No. -** +91-11-4912 0719