BHAGAWATI GAS LIMITED

(Formerly known as Bhagwati Gases Limited)
Registered Office: Banwas, Khetri Nagar-333504,Dist.-Jhunjhunu, Rajasthan
E Mail ID: bhagwatigases@gmail.com ; CIN: L24111RJ1974PLC

To
Mohan L Jain & Co.
Chartered Accountants
403, Prabhat Kiran,
17, Rajendra Place,
New Delhi
India

30th June 2021

For the kind attention of **Mr. Ankush Jain**

Dear Sirs,

Subject: Management representation in connection with the Statutory Audit of the financial statements for the year ended 31 March 2021

This representation letter is provided in connection with your audit of the Balance Sheet as at 31 March 2021 Statement of Profit and Loss, Statement of changes in Equity and Cash Flow Statement for the year then ended and Summary of Significant Accounting Policies and Explanatory Notes (collectively referred to as "financial statements")ofBhagawati Gas Limited(the "Company") for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in India.

In connection with your audit, we confirm that:

1. The financial statements areprepared on accrual basis andare free from material errors and omissions and present fairly the financial position, the results of its operations and cash flows of the Company, in accordance with accounting principles generally accepted in India.

2. The financial statements have been prepared on a going concern basis.

3. Significant assumptions used by us in making the accounting estimates (including those measured at fair value), are reasonable.

4. We are aware of the fact that your examination includes such tests and procedures as you considered necessary for the purpose of expressing an opinion on the financial statements. We also understand that such tests and procedures would not necessarily detect fraud, irregularities or error, should any exist. We acknowledge that, control over and responsibility of prevention and detection of fraud, irregularities and error remains with us.

5. We havedesignedand implemented internal controls 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.

6. We have evaluated the effectiveness of the design and operation of the Company's controls and are not aware of any significant deficiencies or material weaknesses.

7. The financial statements are in agreement with the books of accounts. All transactions have been recorded in the accounting records and are reflected in the financial statements.

8. The accounting policies which are material or critical in determining the financial position, results of operations for the year and cash flows are set out in the financial statements and are consistent with those adopted in the previous year.

9. We have provided you with:
   - Complete and accurate information, statutory records and documents as applicable, and other matters that are relevant to the preparation and presentation of the financial statements;
   - Complete and accurate additional information that you have requested from us; and
   - Unrestricted access to those persons within the Company from whom you determined it necessary to obtain audit evidences.

10. The result of our risk assessment process did not indicate risk of financial statements being material misstated as a result of fraud or error.

11. There is no fraud or suspected fraud that we are aware which involves:
    a. Management;
    b. Employees who have significant roles in internal control; and
    c. Others where the fraud could have a material effect on the financial statements.

12. There are no allegations of fraud or suspected fraud, affecting the Company's financial statements communicated by the employees, former employees, analysts, regulators or others.

13. There were no instances of non-compliance or suspected non-compliance with laws and regulations whose effects are required to be considered when preparing the financial statements.

14. We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware. We further confirm that such relationships and transactions have been appropriately disclosed in the financial statements in accordance with the requirements of applicable accounting standards in India.

15. No events/transactions have taken place subsequent to the date of the financial statements, which will require adjustment or disclosure in the financial statements as per applicable accounting standards in India.

16. We will inform you about all of the following:

    - facts which become known to the management after the date of the Auditor's Report but before the date the financial statements are issued; and

    - facts which become known to the management after the financial statements have been issued.

Borrowings

17. All loan covenants have been met and there is no loan/borrowing which has been called back by the lender(s) on account of any non-compliance.

18. The amount of borrowings as disclosed in the financial statements is complete and there are no other borrowings which are not disclosed to you.

Liabilities

19. We have recorded all known liabilities, including those liabilities/contingencies which are likely to result in loss and require adjustment of assets or liabilities in the financial statements.

20. We confirm that the Company had requested its vendors to confirm their status under Micro, Small and Medium Enterprises Development Act, 2006 and did not receive any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

Fixed assets

21. No events or changes in circumstances have occurred that indicate the carrying amounts of fixed assets may not be recoverable.

Legal matters

22. During the year, there have been no major developments in the disputed cases, other than those that were disclosed to you and the Company carries provisions/no provisiontowards such cases, wherever necessary.

Commitments

23. At the Balance Sheet date, there were no other commitments except as disclosed in the financial statements.

Loans and advances:

24. All loans and advances have a value on realization in the ordinary course of business which is at least equal to the amounts at which they are stated in the Balance Sheet.

Trade receivables

25. Trade receivables as stated in the financial statements are considered good and fully recoverable with the exception of those specifically shown as "doubtful" in the Balance Sheet.

Other current/non-current assets

26. Provision, where material, has been made for any diminution in the value of any other current/non-current asset.

General

27. No personal expenses have been debited to Statement of Profit and Loss.

28. The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.

29. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

30. We agree with the findings of specialists in evaluating the gratuity liability and have adequately considered the observations of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists. Further, we confirm that the assumptions used by the actuary are reasonable and appropriate

31. We confirm that liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. We further confirm that liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

32. We confirm that all the cheques appearing in Bank Reconciliation Statement as "issued but not cleared" had been dispatched on or before 31 March 2021.

Yours faithfully,

For and on behalf of **Bhagawati Gas Limited**

Rakesh Samrat Bhardwaj **Dyuman Samrat Bhardwaj**
Director Chief Finance Officer

Mohan L. Jain & Co.
Chartered Accountants

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 2021, 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 thesefinancial 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.

Mohan L. Jain & Co. FRN 005345N New Delhi Chartered Accountants

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E-mail : ankushjainmlj@gmail.com

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

Basis for Qualified Opinion

(i) Advances of Rs. 204.41 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 2021. 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 2021, 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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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**

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 30th June2021
UDIN: 21540194AAAABI4454

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 2021.

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.

Nature of the Statute	Nature of Dues	Amount	Period to which Amount relates	Due date	Date of Payment
Service Tax	Service Tax	1,96,853	Opening Balance, and April 2017 to June 2017	6th 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.

Mohan L. Jain & Co. CA FRN: 005345N New Delhi Chartered Accountants

(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)

Ankush Jain
Partner
Membership No: 540194
Place: New Delhi
Date: 30th June 2021
UDIN: 21540194AAAABI4454

"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, 2021 in conjunction with our audit of thefinancial 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 financialcontrols based onthe 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 accountingprinciples. 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, includingthe possibility of collusion or improper management override of controls, material misstatementsdue to error or fraud may occur and not be detected. Also, projections of any evaluation of theinternal financial controls over financial reporting to future periods are subject to the risk that theinternal financial control over financial reporting may become inadequate because of changes inconditions, 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 financialcontrols system over financial reporting and such internal financial controls over financialreporting were operating effectively as at March 31, 2021, based on theinternal control over financial reporting criteria established by the Company considering theessential 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**

Mohan L. Jain & Co. FRN 005345N New Delhi Chartered Accountants

Ankush Jain
Partner
Membership No. 540194

Place: New Delhi
Date: 30th June2021
UDIN: 21540194AAAABI4454

BHAGAWATI GAS LIMITED

(Formerly known as Bhagawati Gases Limited)

Balance sheet as at 31 March 2021

(All amount in □, unless stated otherwise)

PARTICULARS	Notes		As at 31 March 2021	As at 31 March 2020
ASSETS				
Non-current assets				
Property, plant and equipment	1		24,939,123	26,460,083
Income tax assets (net)	2		9,779,187	9,555,937
Total non-current assets			**34,718,310**	**36,016,020**
Current assets				
Financial assets				
Investments	3		128,500	99,800
Trade receivables	4		825,804	849,876
Cash and cash equivalents	5		5,995,019	11,118,696
Other bank balances	6		86,675,090	106,675,091
Loans	7		4,696,381	4,708,361
Deferred tax Asset (Net)	8		1,687,986	6,026,062
Other current assets	9		36,846,982	35,035,737
Total current assets			**136,855,763**	**164,513,623**
Total assets			**171,574,072**	**200,529,643**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10		167,424,590	167,424,590
Other equity	11		(35,406,191)	(18,935,423)
Total equity			**132,018,399**	**148,489,167**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	12	A	-	-
Provisions	12	A	5,246,703	5,637,767
Total non-current liabilities			**5,246,703**	**5,637,767**
Current liabilities				
Financial liabilities				
Borrowings	13		2,700,000	2,700,000
Other financial liabilities	14		28,007,847	38,554,355
Other current liabilities	15		2,008,205	2,128,048
Provisions	12	B	1,592,918	3,020,307
Total current liabilities			**34,308,970**	**46,402,710**
Total liabilities			171,574,072	**200,529,643**

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

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

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

Ankush Jain
Partner
Membership No.: 540194

Place: New Delhi
Date: 30th June 2021
UDIN: 21540194AAAABI4454

For and on behalf of the Board of Directors of
BHAGAWATI GAS LIMITED

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

Shachi Bhardwaj
Director
[DIN: 07232850]

Sanjana Sharma
Company Secretary

Dyuman S. Bhardwaj
Chief Financial Officer

BHAGAWATI GAS LIMITED
(Formerly known as Bhagawati Gases Limited)
Statement of profit and loss for the year ended 31 March 2021
(All amount in □, unless stated otherwise)

PARTICULARS	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	16	-	2,140,000
Other income	17	5,409,024	9,199,481
		5,409,024	**11,339,481**
Expenses			
Employee benefits expense	18	7,143,877	7,918,300
Finance costs	19	1,245,466	602,912
Depreciation and amortisation expense	1	1,520,960	1,520,960
Other expenses	20	8,689,175	11,346,583
		18,599,478	**21,388,755**
Profit before tax		**(13,190,454)**	**(10,049,274)**
Tax expense	21		
Current tax		-	-
Deferred tax		4,338,077	(151,307)
Tax on Earlier Years		-	-
Profit after tax		**(17,528,531)**	**(9,897,967)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		1,057,763	(287,299)
Total comprehensive income for the year		**(16,470,768)**	**(10,185,266)**
Earnings per equity share	22		
Basic (in Rs.)		(0.98)	(0.61)
Diluted (in Rs.)		(0.98)	(0.61)

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

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

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

Ankush Jain
Partner
Membership No.: 540194

Place: New Delhi
Date: 30th June 2021
UDIN: 21540194AAAABI4454

For and on behalf of the Board of Directors of
BHAGAWATI GAS LIMITED

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

Shachi Bhardwaj
Director
[DIN: 07232850]

Sanjana Sharma
Company Secretary

Dyuman S. Bhardwaj
Chief Financial Officer

BHAGAWATI GAS LIMITED
(Formerly known as Bhagawati Gases Limited)
Cash flow statement for the year ended 31 March 2021
(All amount in □ , unless stated otherwise)

PARTICULARS	*Amount in Rs.* For the year ended 31 March 2021	*Amount in Rs.* For the year ended 31 March 2020
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	(13,190,454)	(10,049,274)
Adjustments for:		
Depreciation of property, plant and equipments	1,520,960	1,520,960
Interest income on bank deposits and financial assets measured at amortised cost	(5,380,324)	(8,394,896)
Excess provision for expenses written back	1,057,763	(135,992)
Net (gain)/loss arising on financial instruments at FVTPL	(28,700)	44,700
Finance costs	1,245,466	602,912
Bad debts written off	444,581	-
Operating profit before working capital changes	**(14,330,708)**	**(16,411,590)**
Movement in working capital		
Other current financial assets	-	-
(Increase)/decrease Other current assets	(1,811,245)	(13,143,636)
(Increase)/decrease in current assets	4,338,076	(151,307)
Trade receivables	(420,510)	(214,288)
Other non-current assets	(223,250)	(824,092)
Other current financial and non-financial liabilities	(12,093,740)	9,395,700
Other non-current liabilities	(391,064)	16,273
Trade payables	-	(800,000)
Cash flow from operations	**(24,932,441)**	**(22,132,940)**
Income tax paid/Deferred Tax (net of refunds)	(4,338,076)	-
Net cash flow from operating activities (A)	**(29,270,516)**	**(22,132,940)**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Current and non-current loans	11,980	1,128,700
Interest received	5,380,324	8,394,896
Proceeds from sale/disposal of property, plant and equipment	-	-
Net cash used in investing activities (B)	**5,392,304**	**9,523,596**
C CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	-
(Repayment)/proceeds from short-term borrowings (net)	-	(100,000)
Finance cost paid	(1,245,466)	(602,912)
Net cash used in financing activities (C)	**(1,245,466)**	**(702,912)**
Increase/(decrease) in cash and cash equivalents (A+B+C)	(25,123,679)	(13,312,256)
Cash and cash equivalents at the beginning of the year	117,793,787	131,106,043
Cash and cash equivalents at the end of the year (refer note 6)	**92,670,108**	**117,793,787**
Reconciliation of cash and cash equivalents as per cash flow statement		
Cash in hand	1,790,747	5,006,509
Balances with banks		
In current accounts	404,272	1,844,601
Cheques in hand	3,800,000	4,267,586
Bank deposits with original maturity	86,675,090	106,675,090
	92,670,109	**117,793,787**

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

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

Ankush Jain
Partner
Membership No.: 540194

Place: New Delhi
Date: 30th June 2021
UDIN: 21540194AAAABI4454

For and on behalf of the Board of Directors of
BHAGAWATI GAS LIMITED

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

Shachi Bhardwaj
Director
[DIN: 07232850]

Sanjana Sharma
Company Secretary

Dyuman S. Bhardwaj
Chief Financial Officer

BHAGAWATI GAS LIMITED

(Formerly known as Bhagawati Gases Limited)

Standalone statement of changes in equity for the year ended 31 March 2021

(All amount in ₹, unless stated otherwise)

A. Equity Share Capital

Amount in Rs.

Balance at the begining of 1st April, 2019	Changes in equity share capital during the year 2019-20	Balance as at 31st March, 2020	Balance at the begining of 1st April, 2020	Changes in equity share capital during the year 2020-21	Balance as at 31st March, 2021
167,424,590	-	167,424,590	167,424,590	-	167,424,590

B. Other Equity

Particulars	Reserves and Surplus			Remeasurements of the defined benefit plans	Total
	Securities Premium Account	General Reserve	Retained Earnings		
As on 31st March 2020					
Balance at the beginning of 1st April 2019	**66,700,165**	**12,511,248**	**-98,146,836**	-	**-18,935,423**
Total Comprehensive Income for the year	-	-			-
Balance at the end of 31st March 2019	**66,700,165**	**12,511,248**	**-98,146,836**	-	**-18,935,423**
As on 31st March 2021					
Balance at the beginning of the reporting period	**66,700,165**	**12,511,248**	**-114,617,604**	-	**-35,406,191**
Total Comprehensive Income for the year	-	-		1,057,763	1,057,763
Balance at the end of the reporting period	**66,700,165**	**12,511,248**	**-114,617,604**	**1,057,763**	**-34,348,428**

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

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

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

Ankush Jain
Partner
Membership No.: 540194

Place: New Delhi
Date: 30th June 2021
UDIN: 21540194AAAABI4454

For and on behalf of the Board of Directors of
BHAGAWATI GAS LIMITED

Rakesh S. Bhardwaj
Chairman and Managing Director
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Sanjana Sharma
Company Secretary

Dyuman S. Bhardwaj
Chief Financial Officer

BHAGAWATI GAS LIMITED

(Formerly known as Bhagawati Gases Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31March 2021

(All amount in □, unless stated otherwise)

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 polices 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

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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

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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.

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- **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 include 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;

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- 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.

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C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

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.

Mohan L. Jain & Co. FRN : 005345N New Delhi Chartered Accountants

BHAGAWATI GAS LIMITED

(Formerly known as Bhagawati Gases Limited)

Notes to the financial statements for the year ended 31 March 2021

(All amount in □, unless stated otherwise)

Note 1

Property, plant and equipment

Amount in Rs.

PARTICULARS	Gross Block				Depreciation				Net Block	
	As at 31 March, 2020	Additions/ Adjustment	Deductions/ Adjustments	As at 31 March, 2021	Upto 31 March, 2020	For Current period	Deductions/ Adjustments	As at 31 March, 2021	As at 31 March, 2021	As at 31 March, 2020
Freehold Land	6,675,340	-	-	6,675,340	-	-	-	-	6,675,340	6,675,340
Building	53,287,099	-	-	53,287,099	34,588,344	1,487,827		36,076,171	17,210,928	18,698,755
Lease Hold Improvement	7,141,212	-	-	7,141,212	6,055,224	33,133	-	6,088,357	1,052,855	1,085,988
Plant & Machinery	464,876	-	-	464,876	464,876	-	-	-	-	-
Truck & Tankers	-	-	-	-	-		-	-	-	-
Furniture & Fixture	-	-	-	-	-		-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-
Total	**67,568,527**	**-**	**-**	**67,568,527**	**41,108,444**	**1,520,960**	**-**	**42,164,528**	**24,939,123**	**26,460,083**

Mohan L. Jain & Co. * Chartered Accountants * FRN : 005345N New Delhi

BHAGAWATI GAS LIMITED
(Formerly known as Bhagawati Gases Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amount in □, unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Note 2		
Income tax assets (net)		
Advance tax (net of provision)	5,590,918	5,367,668
MAT credit entitlement	4,087,933	4,087,933
Fringe benefit tax	100,336	100,336
	9,779,187	**9,555,937**
Note 3		
Investments		
In equity shares - quoted		
Bhagawati Oxygen Limited	128,500	99,800
[10,000 equity shares (previous year 10,000 equity shares) of Rs 10 each]		
	128;500	**99,800**
Note 3.1		
Category wise current investments		
Financial assets measured at fair value through profit & loss (FVTPL)	128,500	99,800
Note 4		
Trade receivables		
(Unsecured, considered good, unless otherwise stated)		
Considered good	825,804	849,876
	825,804	**849,876**
Note 5		
Cash and cash equivalents		
Cash in hand	1,790,747	5,006,509
Balances with banks		
In current accounts	404,272	1,844,601
Cheques in hand	3,800,000	4,267,586
	5,995,019	**11,118,696**
Note 6		
Other bank balances		
Bank deposits with maturity of more than three months and upto twelve months	86,675,090	106,675,090
	86,675,090	**106,675,090**
Note 7		
Loans - current		
(Unsecured, considered good)		
Loan*	4,629,000	4,296,000
Security deposits	67,381	412,361
	4,696,381	**4,708,361**

*Loan is outstanding since 1994. Principal component is INR 30 lakhs.

Note 8		
Deferred tax assets (net)		
Deferred tax assets (net)	1,687,986	6,026,062
	1,687,986	**6,026,062**
Note 9		
Other current assets		
Advance to material/service providers	20,404,031	19,872,045
Advace to employees	7,737,413	5,677,802
Advance for property*	7,890,351	7,890,351
Balances with government authorities	470,904	358,527
Others	344,284	1,237,012
	36,846,982	**35,035,737**

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

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BHAGAWATI GAS LIMITED

(Formerly known as Bhagawati Gases Limited)

Notes to the financial statements for the year ended 31 March 2021

(All amount in ₹, unless stated otherwise)

Note 10 Equity share capital	As at 31 March 2021		As at 31 March 2020	
i Authorised	**Number**	**Amount (in Rs.)**	**Number**	**Amount (in Rs.)**
Equity Shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
		250,000,000		**250,000,000**
ii Issued, subscribed and paid up				
Equity Shares of Rs. 10 each	16,742,459	167,424,590	16,742,459	167,424,590
		167,424,590		**167,424,590**
iii Reconciliation of number of equity shares outstanding at the beginning and at the end of the year				
Equity shares				
Balance at the beginning of the year	16,742,459	167,424,590	16,742,459	167,424,590
Add: Call money received	-	-	-	-
Balance at the end of the year	**16,742,459**	**167,424,590**	**16,742,459**	**167,424,590**

iv Details of shareholders holding more than 5% of equity share capital

Name of the equity shareholder	Number	%	Number	%
Rakesh Samrat Bhardwaj	2,347,610	14.02%	2,347,610	14.02%
Shachi Bhardwaj	977,600	5.84%	977,600	5.84%
Bhagwati Steel Private Limited	1,040,600	6.22%	1,040,600	6.22%

	As at 31 March 2021	As at 31 March 2020
Note 11		
Other equity		
Securities premium account	66,700,165	66,700,165
General reserve	12,511,248	12,511,248
Retained earnings	(114,617,604)	(98,146,836)
Total	**(35,406,191)**	**(18,935,423)**
Note 12		
A Provisions - non-current		
Provision for employee benefits:		
Gratuity	2,349,505	2,279,054
Compensated absences	2,897,198	3,358,713
	5,246,703	**5,637,767**
B Provisions - current		
Provision for employee benefits:		
Gratuity	1,349,464	2,763,029
Compensated absences	243,454	257,278
	1,592,918	**3,020,307**
Note 13		
A Borrowings - non-current		
Borrowings - current		
Unsecured loans		
Loan from others*	2,700,000	2,700,000
	2,700,000	**2,700,000**

*Loan is outstanding since 1994.

Note 14		
Other financial liabilities - current		
Other payables*	26,675,671	27,149,120
Payable to related parties^^	868,086	894,299
Security deposit received	464,090	464,090
Bank Overdraft	-	10,046,846
	28,007,847	**38,554,355**

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

^^Payable to related parties

Bhagwati Steel Private Limited	868,086	894,299
Note 15		
Other current liabilities		
Audit Fees Payable	220,000	220,000
Payable to statutory authorities	226,728	218,853
Employee payables	1,561,477	1,689,195
	2,008,205	**2,128,048**

BHAGAWATI GAS LIMITED
(Formerly known as Bhagawati Gases Limited)
Notes to the financial statements for the year ended 31 March 2021
(All amount in ₹, unless stated otherwise)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 16		
Revenue from operations		
Water Treatment income	-	2,140,000
	-	**2,140,000**
Note 17		
Other income		
Interest income on bank deposits	5,019,109	8,027,413
Other interest income	361,215	367,483
Net gain FVTPL	28,700	-
Bad debt write back	-	804,585
	5,409,024	**9,199,481**
Note 18		
Employee benefits expense		
Salaries and wages	5,367,721	5,891,639
Other employee benefits	53,060	849,437
Staff welfare expenses	1,723,096	1,177,224
	7,143,877	**7,918,300**
Note 19		
Finance costs		
Interest on Over Draft	592,637	189,976
Interest others	652,830	412,936
	1,245,466	**602,912**
Note 20		
Other expenses		
Travelling and conveyance	1,318,789	1,659,243
Electricity charges	474,955	399,869
Balances/Bad debts written off	444,581	-
Auditor's remuneration	220,000	220,000
Security expenses	635,986	650,191
Legal and professional	738,917	1,014,388
Communication expenses	100,289	152,072
Repairs and maintenance	1,147,175	639,780
Insurance	39,744	26,697
Net Loss FVTPL	-	44,700
Rates and taxes	90,419	319,720
Marketing and business promotions	788,214	1,410,026
Donations	142,131	520,182
Miscellaneous expenses	1,309,335	1,641,106
Office and administrative expenses	546,904	1,118,163
Printing and stationery	79,418	471,954
Vehicle running and maintenance	612,318	728,492
Water Treatment expenses	-	330,000
	8,689,175	**11,346,583**

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	For the year ended 31 March 2021	For the year ended 31 March 2020
Note 21		
Tax Expenses		
Current tax	-	-
Deferred tax credit	(4,338,077)	(151,307)
Income tax expense recognised in the statement of profit and loss	**(4,338,077)**	**(151,307)**

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit Before Tax	(13,190,454)	(10,049,274)
Applicable Tax Rate	26.00%	26.00%
Computed Tax Expense	-	-
Current Tax Provisions (A)	-	-
Incremental defered tax liablity/(asset) on account of financial asset and others	4,338,077	(151,307)
Defered Tax Provisions (B)	**4,338,077**	**(151,307)**
Tax on earlier years (C)	-	-
Tax expenses recognised in statement of profit and loss (A+B+C)	**4,338,077**	**(151,307)**

Note 22
Earnings per share (EPS)
Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders. Basic earnings per share is 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.

	As at 31 March 2021	As at 31 March 2020
Profit attributable to equity shareholders	(16,470,768)	(10,185,266)
Profit attributable to equity shareholders adjusted for the effect of dilution	(16,470,768)	(10,185,266)
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	16,742,458	16,742,458
Earnings per equity share		
Basic	(0.98)	(0.61)
Diluted	(0.98)	(0.61)

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Note 23
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
Lavino Portfolios Private Limited
Bhagwati Steel Private Limited
Bhagawati International Limited

ii) Key management personnel (KMP)

Rakesh Samrat Bhardwaj	Director
Ganga Charan	Director
Shachi Bhardwaj	Director
Mr. Dyuman Samrat Bhardwaj	Chief Financial Officer
Sanjana Sharma	Company Secretary
Gajendra Singh	Company Secretary

(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	
1	**Salaries**				
	Rakesh Samrat Bhardwaj	31-Mar-21	-	1,860,000	1,860,000
		31-Mar-20	-	1,845,000	1,845,000
	Shachi Bhardwaj	31-Mar-21	-	600,000	600,000
		31-Mar-20	-	600,000	600,000
	Dyuman Samrat Bhardwaj	31-Mar-21	-	600,000	600,000
		31-Mar-20	-	600,000	600,000
	Sanjana Sharma	31-Mar-21	-	130,000	130,000
		31-Mar-20	-	-	-
	Gajendra Singh	31-Mar-21	-	230,000	230,000
		31-Mar-20	-	360,000	360,000
2	**Expenses paid on behalf of company**				
	Rakesh Samrat Bhardwaj	31-Mar-21	-	880,130	880,130
		31-Mar-20	-	-	-
	Bhagawati International Limited	31-Mar-21	15,200	-	15,200
		31-Mar-20	-	-	-
	Bhagawati Steel Pvt. Ltd.	31-Mar-21	26,213	-	26,213
		31-Mar-20	19,843	-	19,843
	Dyuman Samrat Bhardwaj	31-Mar-21	-	959,699	959,699
		31-Mar-20	-	-	-
	Shachi Bhardwaj	31-Mar-21	-	201,000	201,000
		31-Mar-20	-	-	-
	Lavino Portfolios Private Limited	31-Mar-21	1,100	-	1,100
		31-Mar-20	-	-	-
3	**Advance Given**				
	Bhagawati International Limited	31-Mar-21	50,000	-	50,000
		31-Mar-20	-	-	-
4	**Amount Repaid**				
	Dyuman Samrat Bhardwaj	31-Mar-21	-	959,699	959,699
		31-Mar-20	-	-	-
	Rakesh Samrat Bhardwaj	31-Mar-21	-	880,130	880,130
		31-Mar-20	-	-	-
	Bhagawati International Limited	31-Mar-20	65,200	-	65,200
		31-Mar-20	-	-	-
	Shachi Bhardwaj	31-Mar-21	-	201,000	201,000
		31-Mar-20	-	-	-
	Lavino Portfolios Private Limited	31-Mar-21	1,100	-	1,100
		31-Mar-20	-	-	-

(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	
1	**Other financial liabilities - current**				
	Bhagwati Steel Private Limited	31-Mar-21	868,086	-	868,086
		31-Mar-20	894,299	-	894,299

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Note 24

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:

Amount in Rs.

Particulars	As at 31 March 2021	As at 31 March 2020
Total borrowings	2,700,000	2,700,000
Total equity	132,018,399	148,489,167
Net debt to equity ratio	2.05%	1.82%

Note 25

Contingent liabilities and commitments:

Amount in Rs.

Particulars	As at 31 March 2021	As at 31 March 2020
Counter Guarantee given to bankers for gaurantees issued by the banker (Net of margins)	86,675,090	86,675,090

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Note 26
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 recoginised in the financial statements.

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

Amount in Rs.

Particulars	Gratuity	
	Year ended 31.03.2021	Year ended 31.03.2020
Defined Benefit obligation at beginning of the year	5,042,083	4,346,723
Current Service Cost	160,296	215,068
Interest Cost	341,853	325,570
Actuarial (gain)/ loss	(1,057,763)	287,299
Benefits paid	(787,500)	(132,577)
Defined Benefit obligation at year end	3,698,969	5,042,083

ii) Expenses recognised during the year:

Amount in Rs.

Particulars	Gratuity	
	Year ended 31.03.2021	Year ended 31.03.2020
In Income Statement		
Current Service Cost	160,296	215,068
Interest Cost	341,853	325,570
Net Cost	**502,149**	**540,638**
In Other Comprehensive Income		
Actuarial (gain)/loss on defined benefit obligation	-1,057,763	287,299
Net (Income) /Expense recognized in OCI	**-1,057,763**	**287,299**

iii) Actuarial assumptions:

Amount in Rs.

Particulars	Gratuity	
	Year ended 31.03.2021	Year ended 31.03.2020
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 Acturial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on resonably possible changes of the assumptions occuring at end of the reporting period , while holding all other assumptions constant. The result of Sesitivity analysis is given below:

Amount in Rs.

Particulars	Gratuity	
	As at 31st March	
	2021	2020
a) Impact of the change in discount rate		
Present value of obligation at the end of the period	3,698,969	5,042,083
i) Impact due to increase of 0.5%	(23,237)	(41,562)
ii) Impact due to decrease of 0.5%	24,643	42,892
b) Impact of the change in salary increase		
Present value of obligation at the end of the period	3,698,969	5,042,083
i) Impact due to increase of 0.5%	24,679	43,503
ii) Impact due to decrease of 0.5%	(23,485)	(42,530)

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

a) Investment risk
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by refrence 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 refrence 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 27
The company is now engaged in work related to cleaning of water bodies, hence segment reporting is not applicable.

Note 28
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 29
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

Ankush Jain
Partner
Membership No.: 540194

Place: New Delhi
Date: 30th June 2021
UDIN: 21540194AAAABI4454

For and on behalf of the Board of Directors of
BHAGAWATI GAS LIMITED

Rakesh S. Bhardwaj	**Shachi Bhardwaj**
Chairman and Managing Director	**Director**
[DIN:00029757]	[DIN: 07232850]
Sanjana Sharma	**Dyuman S. Bhardwaj**
Company Secretary	**Chief Financial Officer**