

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
**BENGAL GAS COMPANY LIMITED**

**Report on the Audit of the Financial Statements**

We have audited the financial statements of **BENGAL GAS COMPANY LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021 and the loss and other comprehensive Income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Company's management are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, but does not include the Financial Statements and our auditor's opinion thereon.

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



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

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

#### **Responsibility of Management for the Financial Statements**

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

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may



involve collusion, forgery, intentional omissions, misinterpretations, or the override of internal control.

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

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

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

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

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

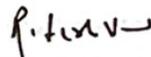


- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account ;
- d) In our opinion, the aforesaid financial statements comply with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

Dated : 27<sup>th</sup> May 2021  
Place : Kolkata



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

  
Ritesh Vimal  
Partner

[ Membership No. : 061327 ]

UDIN :

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

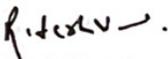


- (viii) The Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, hence the provisions of Clause 3 (viii) of the Order are not applicable to the Company.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3 (ix) of the Order are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) As per notification no. GSR 463 (E) dated 05<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and bases on our examination of the records of the Company, all transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non - cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45 – IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

Dated : 27<sup>th</sup> May 2021  
Place : Kolkata



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

  
**Ritesh Vimal**  
**Partner**

[ Membership No. : 061327 ]  
UDIN :

## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

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

#### **Management's Responsibility for Internal Financial Controls**

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

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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and prescribed under section 143 (10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



## Meaning of Internal Financial Controls Over Financial Reporting

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

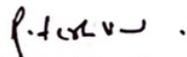
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Ritesh Vimal  
Partner  
[ Membership No. : 061327 ]  
UDIN :

Dated : 27<sup>th</sup> May 2021  
Place : Kolkata



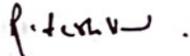
**ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

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

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



Ritesh Vimal  
Partner  
[ Membership No. : 061327 ]  
UDIN :

Dated : 27<sup>th</sup> May 2021  
Place : Kolkata



**BENGAL GAS COMPANY LIMITED**

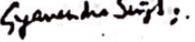
**Balance Sheet as at 31st March 2021**

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

The accompanying notes forming part of the financial statements  
This is the Balance Sheet referred to in our report of even date

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

Rhesh Vimal  
Partner  
[ Membership No. : 061327 ]  
UDIN :  
Dated : 27th May 2021  
Place: Kolkata

For and on behalf of Board  
  
 ( E S Ranganathan )  
 Chairman  
  
 (Sunrita Hazra)  
 Director  
  
 (S. Balragi) CEO  
  
 (R K Jalpurlyar) CFO  
  
 (G. Singh) CS



**BENGAL GAS COMPANY LIMITED**

**Statement of Profit and Loss for the financial year ended 31st March 2020**

Particulars	Notes	For the Year	*For the Period
		Ended 31st March 2021	Ended 31st March 2020
		Amount (Rs.)	Amount (Rs.)
<b>I Income</b>			
Revenue from Operations	16	19,440	-
Other Income	17	1,39,70,894	2,56,12,971
<b>Total income</b>		<b>1,39,90,334</b>	<b>2,56,12,971</b>
<b>II Expenses</b>			
Purchase of Stock in Trade		44,535	-
Changes in Inventories of Stock in Trade	18	(35,787)	-
Employee Benefit Expenses	19	1,93,58,336	2,23,93,507
Depreciation and Amortisation Expenses	2	15,39,179	2,17,411
Other Expenses	20	1,39,93,318	1,38,80,345
<b>Total Expenses</b>		<b>3,48,99,581</b>	<b>3,64,91,262</b>
<b>III Profit / (Loss) Before Tax</b>		<b>(2,09,09,247)</b>	<b>(1,08,78,291)</b>
<b>IV Tax Expense</b>			
Current Tax		-	-
<b>V Profit / (Loss) for the year</b>		<b>(2,09,09,247)</b>	<b>(1,08,78,291)</b>
<b>VI Other comprehensive income</b>			
<b>VII Total Comprehensive Income / (Expense) for the year</b>		<b>(2,09,09,247)</b>	<b>(1,08,78,291)</b>
<b>VIII Earnings / (Loss) per equity share (In Rupees) :</b>			
(Face value of share of Rs 10 each)			
Basic		(0.42)	(0.22)
Diluted		(0.42)	(0.22)

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

The accompanying notes forming part of the financial statements

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

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

Ritesh Vimal  
Partner  
[ Membership No. : 061327 ]  
UDIN :  
Dated : 27th May 2021  
Place: Kolkata

*(Signature)*  
( E S Ranganathan )  
Chairman

For and on behalf of Board

*(Signature)*  
(Sunrita Hazra)  
Director

*(Signature)*  
(S. Balragi)  
CEO

*(Signature)*  
(R K Jalpuriyar)  
CFO

*(Signature)*  
(G. Singh)  
CS



**BENGAL GAS COMPANY LIMITED**

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

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

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

The accompanying notes forming part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

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

Ritesh Vimal  
Partner  
[ Membership No. : 061327 ]  
UDIN :  
Dated : 27th May 2021  
Place: Kolkata



*[Signature]*  
(E S Ranganathan)  
Chairman

For and on behalf of Board

*[Signature]*  
(Sunrita Hazra)  
Director

*[Signature]*  
(S. Balragi)  
CEO

*[Signature]*  
(R K Jalpurtyar)  
CFO

*[Signature]*  
(G. Singh)  
CS

**BENGAL GAS COMPANY LIMITED**

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

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

**B Other Equity**  
For the year ended 31st March 2021

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

For the period ended 31st March 2020

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

The accompanying notes forming part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date

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

*Ritesh Vimal*  
Ritesh Vimal  
Partner  
[ Membership No. : 061327 ]  
UDIN :

Dated : 27th May 2021  
Place: Kolkata



*(E S Ranganathan)*  
(E S Ranganathan)  
Chairman

*(S. Bairagi)*  
(S. Bairagi)  
CEO

For and on behalf of Board

*(Sunrita Hazra)*  
(Sunrita Hazra)  
Director

*(R K Jaipuriyar)*  
(R K Jaipuriyar)  
CFO

*(G. Singh)*  
(G. Singh)  
CS

## **BENGAL GAS COMPANY LIMITED**

### **Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March 2021**

#### **1 A. Corporate Information and Significant Accounting Policies**

##### **Corporate Information / Company Overview**

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

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

##### **Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind - AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared as a going concern on accrual basis of accounting.

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

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

##### **Operating Cycle**

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



## Accounting Policies

### 1.1 Property Plant and Equipment (PPE)

#### a) Tangible Assets

(i) Property, Plant and Equipment are stated at original cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation / amortization and cumulative impairment losses (if any). Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use. In the case of commissioned assets where final payment to the Contractors is pending, capitalization is made on provisional basis, including provisional liability pending approval of Competent Authority, subject to necessary adjustment in cost and depreciation in the year of settlement.

(ii) Stores & Spares which meet the definition of PPE (whether as component or otherwise) and satisfy the recognition criteria, are capitalized as PPE in the underlying asset. Major inspection / overhaul / repair is recognized in the carrying amount of respective assets as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

(iii) Technical know-how / license fee incurred at the time of procurement of PPE are capitalised as a part of the underlying asset.

#### b) Intangible Assets

Intangible assets like Right of Use (RoU), Software, Licenses which are expected to provide future enduring economic benefits are capitalized as Intangible Assets and are stated at their cost of acquisition less accumulated amortization and any accumulated impairment loss.

### 1.2 Capital Work In Progress

(a) The capital work in progress includes Construction Stores including Material in Transit / Equipment / Services, etc. received at site for use in the projects.

(b) All revenue expenses incurred during Construction Period, which are exclusively attributable to acquisition / construction of the asset, are capitalized at the time of commissioning of such assets.

(c) Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

(d) Development costs of products are charged to the Statement of Profit and Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalised.

### 1.3 Foreign Currency Transaction

(a) Functional Currency of the Company is Indian Rupee (INR).



(b) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the transaction date.

(c) Monetary items (such as Cash, Receivables, Loans, Payables, etc.) denominated in foreign currencies, outstanding at the year end, are translated at exchange rates (BC Selling Rate for Payables and TT Buying Rate for Receivables) prevailing at year end.

(d) Non-monetary items (such as Investments, Property plant and equipment, etc.), denominated in foreign currencies are accounted at the exchange rate prevailing on the date of transactions.

(e) Any gains or loss arising on account of exchange difference either on settlement or on translation is adjusted in the Statement of Profit & Loss.

(f) Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item arising on determination of fair value of such item, either in other comprehensive income or the Statement of Profit and Loss as the case maybe.

#### 1.4 Borrowing Cost

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

#### 1.5 Inventories

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

#### 1.6 Revenue Recognition

(a) Revenue is recognized to depict the transfer of control of promised goods or services to customers upon the satisfaction of performance obligation under the contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Consideration includes contributions by customers towards assets over which Company has control.

(b) Insurance claims (if any) are accounted for on the basis of claims admitted by the insurers.

(c) Claims (including interest on delayed realization from customers) are accounted for, when there is significant certainty that the claims are realizable.

(d) Interest income and expenses are reported on an accrual basis using the effective interest method.



## 1.7 Depreciation / Amortisation

### (a) Tangible Assets

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

### (b) Intangible Assets

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

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

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

## 1.8 Employee Benefits

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

## 1.9 Impairment of Non – Financial Assets

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

## 1.10 Provision, Contingent Liabilities, Contingent Assets and Capital Commitments

(a) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities / assets are disclosed by way of notes to accounts except when there is remote possibility of settlement/realization.

(b) Estimated amount of contracts remaining to be executed on capital accounts are disclosed each case above Rs. 5 lacs.



### 1.11 Taxes on Income

(a) Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period.

(b) Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes considering the tax rate and tax laws that have been enacted or substantively enacted as on the reporting date. Deferred Tax Asset is recognized when it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

### 1.12 Cash and Cash Equivalents

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

### 1.13 Segment Reporting

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

### 1.14 Earnings Per Share

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

### 1.15 Leases

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

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

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



i) Lease liabilities

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

ii) Determination of discount rate as a lessee

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

iii) Right-of-use assets

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

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

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

b) Company as lessor (Assets given on lease)

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



receivables and finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### 1.16 Liquidated Damages / Price Reduction Schedule

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

#### 1.17 Cash Flow Statement

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

#### 1.18 Fair Value Measurement

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

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

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

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

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

#### 1.18 Financial Instruments

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

##### (a) Financial Assets

##### (i) Classification

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



(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

- Financial assets carried at amortised cost

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

- Financial assets at fair value through other comprehensive income

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

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

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

(iv) Derecognition

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

(v) Impairment of other financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss on the financial assets that are trade receivables or contract revenue receivables and all lease receivables etc.

(b) Financial Liabilities

(i) Classification

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



(ii) Initial recognition and measurement

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

(iii) Subsequent measurement

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

- Financial liabilities carried at amortised cost

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

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

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

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

(iv) Derecognition

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

(c) Offsetting of financial instruments

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



## **1 B Significant Accounting Judgements, Estimates and Assumptions**

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

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

### **1 Judgements**

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

#### **1.1 Contingencies**

Contingent liabilities and assets which may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involve the exercise of significant judgements and the use of estimates regarding the outcome of future events.

### **2. Estimates and assumptions**

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

#### **2.1 Impairment of non - financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.



## 2.2 Fair value measurement of financial instruments

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

## 2.3 Impairment of financial assets

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





BENGAL GAS COMPANY LIMITED

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

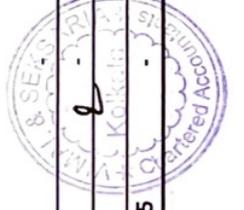
3. Capital Work In Progress

Capital Work In Progress for the financial year ended 31st March 2021

Particulars	Gross Block		Net Block as at 31st March 2021
	As at 01st April 2020	Additions during the year	
		Capitalisation during the year	Amount (Rs.)
<u>Tangible Assets</u>			
Construction of City Gas Distribution Network	11,58,45,585	18,51,26,062	25,54,30,847
Capital Stores including Material in Transit	-	19,66,63,034	19,66,63,034
	11,58,45,585	38,17,89,096	45,20,93,881
<u>Intangible Assets</u>			
	-	21,53,665	21,53,665
	-	21,53,665	21,53,665
	11,58,45,585	38,39,42,761	45,42,47,546

Capital Work In Progress for the period ended 31st March 2020

Particulars	Gross Block		Net Block as at 31st March 2020
	Opening Balance	Additions during the period	
		Capitalisation during the year	Amount (Rs.)
<u>Tangible Assets</u>			
Construction of City Gas Distribution Network	-	11,58,45,585	11,58,45,585
	-	11,58,45,585	11,58,45,585
<u>Intangible Assets</u>			
	-	-	-
	-	-	-
	-	11,58,45,585	11,58,45,585



**BENGAL GAS COMPANY LIMITED**

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

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



**BENGAL GAS COMPANY LIMITED**

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

Particulars	As at 31st March 2021 Amount (Rs.)	As at 31st March 2020 Amount (Rs.)
<b>8 Bank Balance other than Cash and Cash Equivalents</b>		
Fixed Deposits with original maturity more than three months but less than twelve months [ Includes Fixed Deposits of Rs.13,49,51,000 (Previous Year : Rs.13,10,00,000 Under Bank Lien against Bank Guarantee )	23,74,57,970	23,19,97,689
	<b>23,74,57,970</b>	<b>23,19,97,689</b>
<b>9 Loans and Other Receivables (Unsecured, Considered Good)</b>		
Security Deposits	19,42,110	-
	<b>19,42,110</b>	<b>-</b>
<b>10 Other Current Financial Assets</b>		
Interest Accrued but not due	4,16,955	29,15,821
	<b>4,16,955</b>	<b>29,15,821</b>
<b>11 Other Current Assets (Unsecured, Considered Good)</b>		
Advance for Capital Assets	9,56,58,520	-
Other Avances	1,13,640	50,000
Pre - Paid Expenses	11,42,769	19,92,281
	<b>9,69,14,929</b>	<b>20,42,281</b>



**BENGAL GAS COMPANY LIMITED**

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

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

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

Equity Shares	As at 31st March 2021		As at 31st March 2020	
	Numbers	Amount	Numbers	Amount
At beginning of the year	5,00,00,000	50,00,00,000	-	-
Equity Shares Issued during the period	-	-	5,00,00,000	50,00,00,000
Outstanding at the end of the period	<u>5,00,00,000</u>	<u>50,00,00,000</u>	<u>5,00,00,000</u>	<u>50,00,00,000</u>

**(b) Terms and rights attached to the equity shares**

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

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

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



**BENGAL GAS COMPANY LIMITED**

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

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



**Bengal Gas Company Limited**

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

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

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



**Bengal Gas Company Limited**

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

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

**20.1 Payment to Auditors**

Statutory Audit Fees (Including GST)	1,38,800	1,18,000
Out of Pocket Expenses (including GST)	59,000	50,000
	<u>1,97,800</u>	<u>1,68,000</u>

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



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

22. Contingent Liabilities and Commitments :

(a) Contingent Liabilities :-

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

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

(b) Capital Commitment :-

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

23. Related Party Disclosures :

(a) List of Related Parties :

(i) Key Management Personnel

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



(ii) Companies

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

(b) Transaction with Related Parties :

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

(c) Terms and Conditions of transactions with related parties

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

24. Earnings Per Share :

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



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

25. Financial instruments – Fair values and risk management

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

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

(i) As at 31<sup>st</sup> March 2021

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



(ii) As at 31<sup>st</sup> March 2020

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

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

(b) Financial risk management

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

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

**Risk management framework**

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



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

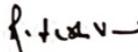
Particulars	As at 31 <sup>st</sup> March 2021 Amount (Rs.)	As at 31 <sup>st</sup> March 2020 Amount (Rs.)
Pre - Operative Expenses	2,90,29,483	3,19,73,782
Employee Cost	9,03,22,364	4,93,13,623
Vehicle Hire Charges	56,71,477	16,65,628
Travelling Expenses	22,94,651	24,11,076
Office Rent	1,55,16,932	72,35,760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

27. The company has considered the possible effects that may result from the COVID – 19 impact on the carrying amount of property, plant and equipment, receivables, Stock in Trade and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company, as at the date of approval of these financial statements has used internal and external source of information and concluded that no adjustments are required to the financial results. The company will continue to monitor the developing scenario for any material changes.

28. Previous Years figures have been re grouped or re arranged wherever necessary. The company was incorporated on 04<sup>th</sup> January 2019 hence the financial statements of the previous period are from date of incorporation i.e. 04<sup>th</sup> January 2019 to 31st March 2020.

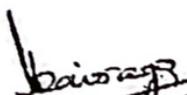
For and on behalf of the Board

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

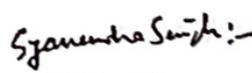
  
Ritesh Vimal  
Partner  
[ Membership No. : 061327 ]  
UDIN :

  
(E S Ranganathan)  
Chairman

  
(Sunrita Hazra)  
Director

  
(S. Balragi)  
CEO

  
(R.K. Jalpuriyar)  
CFO

  
(G. Singh)  
CS

Dated : 27<sup>th</sup> May 2021  
Place : Kolkata

